California Transit Association

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2027 STATE LEGISLATIVE PROGRAM

The California Transit Association's 2027 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.*

2027 STATE LEGISLATIVE PROGRAM – SUMMARY OF ACTION ITEMS

The following summarizes the highest priority policy goals the California Transit Association will pursue in 2027, including sponsored legislation we will seek.

- **Transit Funding:** Protect existing transit capital and operations funding and continue to pursue, in coordination with the Transit Funding Task Force additional dedicated funding for transit and rail agencies. Focused efforts will include securing the remaining SB 125 Zero-Emission Transit Capital Program (ZETCP) funding, pursuing changes to the Greenhouse Gas Reduction Fund (GGRF) expenditure plan to both increase funding and create funding certainty for its Tier 3 programs, seeking potential new revenue sources, and securing funding for the Clean Truck and Bus Voucher Incentive Project (HVIP).

- **Zero-Emission Transit:** Continue to monitor implementation of various rules and regulations, including the Innovative Clean Transit regulation, the Commercial Harbor Craft 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 by pursuing dedicated funding for zero-emission transit vehicle deployment and supportive infrastructure and technical support. In coordination with the Fleet Maintenance and Zero-Emission Transition Committee, pursue amendments to the ICT regulation.

- **Zero-Emission Bus Tax Exemption:** Pursue re-establishment of this partial sales and use tax exemption for zero-emission buses, which expired on December 31, 2025.

- **Sick Leave Law:** Pursue changes to SB 616 (Chapter 309, Statutes of 2023) to reduce excessive absenteeism.

- **Driver Testing:** Work to improve driver testing, certification, and licensing timeframes.

2027 STATE LEGISLATIVE PROGRAM – ALL ACTION ITEMS

The following summarizes all policy goals the California Transit Association will actively pursue in 2027, 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 2027.

RESPONSIBILITY: Protect existing transit operations and capital funds.

A. Protect existing State funds for transit from being eliminated, terminated, shifted or otherwise used for non-transit purposes.

The Association will advocate for the maintenance of existing transit funding sources committed to transit capital and operations included in the FY 2023-24 through FY 2027-28 State Budgets. 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, 2025, and 2026 previously committed SB 125 funding were at risk of being cut and minimal new transit funding was available because of the state's budget deficits. Anticipating this will again be the case, 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.

B. Preserve and grow dedicated Cap-and-Invest revenues for public transit.

In 2026, the California Air Resources Board (CARB) promulgated new regulations to the Cap-and-Invest program, which has the effect of significantly lowering the revenue that flows to the Greenhouse Gas Reduction Fund (GGRF). As such, funding for the GGRF's Tier 3 programs, including the Transit Intercity Rail and Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP), are severely affected. The Association will work to create more certainty for transit appropriations, including by exploring possible reprioritization of the GGRF expenditure plan.

C. Support efforts to implement the Infrastructure Investment and Jobs Act in California and, if necessary, work with our federal partners to secure 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 permanent state funding to address transit and rail agencies' operating needs.

Under guidance of the Transit Funding Task Force, the Association will seek additional short-term operations funding, where feasible, and mechanisms for additional permanent, long-term operations and capital funding streams.

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 local 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 relief 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, reforms to the Surplus Lands Act, permit streamlining, and the inclusion of transit-oriented development projects in new housing programs.

D. 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.

E. Monitor and support efforts to increase dedicated funding for ADA complementary paratransit via the Access for All Program.

In 2018, the Governor signed SB 1376, (Hill, Chapter 701, Statutes of 2018) to require the California Public Utilities Commission (CPUC) to assess a fee on Transportation Network Company (TNC) rides to fund accessible transportation services for persons with disabilities. SB 1376 was principally pursued by disability rights groups and was supported by the Association. The CPUC subsequently created the Access for All Program in 2019 in Rulemaking 19-02-012 to improve accessible on-demand transportation. This is a competitive grant program funded by a $0.10 per-trip assessment on TNCs.

Should the CPUC move to increase this assessment under its own authority, or if a stakeholder organization pursues an increase, the Association will monitor and seek to inform the effort, with the goal of securing additional funding for accessible trips.

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 which does not create new unfunded mandates on transit agencies.

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

The Association will continue to support legislation enhancing penalties for individuals committing crimes that harm transit employees and passengers and providing transit agencies with additional tools to prohibit violent passengers from entering transit facilities.

B. Identify and pursue legislative and regulatory strategies to address the impacts of the Innovative Clean Transit regulation, Commercial Harbor Craft 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 Fleet Maintenance and Zero-Emission Transition Committee 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 seeking, in coordination with the Fleet Maintenance and Zero-Emission Transition Committee, amendments to the ICT regulation.

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 because of the regulation.

C. Re-establish State Tax Exemption for Zero-Emission Bus purchases.

In 2019, the State enacted a partial sales and use tax exemption for zero-emission buses to help transit agencies meet the requirements of the Innovative Clean Transit regulation. That tax exemption expired on December 31, 2025.

The Association will explore avenues to re-establish this tax exemption, either through further legislation or the state budget process.

D. Pursue changes to SB 616 (Chapter 309, Statutes of 2023) to address excessive use of sick leave.

In 2023, the Legislature passed SB 616 (Lena Gonzalez) to change the sick leave law in California's Labor Code. Among the changes to the law was an extension of anti-retaliation provisions to employees covered by collective bargaining agreements. These anti-retaliation provisions prohibit an employer from punishing an employee for using accrued sick days.

As many transit agencies have generous sick leave policies established through collective bargaining, this change in state law has resulted in adverse effects on operations due to employees using pre-SB 616 leave balances in excess of the five-day accumulation requirement under SB 616 without concern for disciplinary action.

Association staff will continue conversations with relevant labor union representatives to explain the challenge facing transit agencies and explore opportunities to address them.

E. Monitor legislation impacting the statutory CEQA exemptions for public transit & active transportation 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. The Association will continue to collaborate with stakeholders and legislative leaders to advocate for inclusion of transit projects within statutory CEQA exemptions, where applicable.

F. 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.

G. 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 (DMV), 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. The Association will also continue to engage the DMV as it implements new federal regulatory requirements for the issuance of commercial drivers' licenses.

H. 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.

I. 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.

J. Monitor implementation of the Administration's Transit Executive Order.

In 2026, Governor Newsom signed Executive Order N-7-26, to direct Caltrans to take steps to accelerate project delivery and improve access to funding. Specifically, the order requires Caltrans to identify transit priority projects, develop a real-time dashboard of available funding opportunities, offer technical assistance related to the implementation of Bus Rapid Transit projects, and more.

The Association will monitor the implementation of the Executive Order and support agencies in engaging with Caltrans on further developments.

K. Engage with Caltrans on Transit Stop Registry.

In 2026, the Legislature passed and the Governor signed AB 1599 (Ahrens), which directs Caltrans to create a registry of all transit stops in the state and further obligates transit operators to ensure their transit stops are reflected accurately in the registry. The bill requires that Caltrans develop the registry by June 1, 2027, with input from transit operators.

The Association will work with its members and engage Caltrans to ensure that transit agency opinions are heard and reflected in the final development of the registry so as to limit the financial and human resources impacts on transit operators, to the further extent possible.

L. Monitor and, if practical, support efforts to pursue tort reform relief for public agencies.

Liability costs for California's public agencies have soared in the last half-decade. To address this sharp uptick, a coalition of organizations – including several public agency associations – have begun to advocate for tort reform. The Association will monitor these efforts, and should they begin to move forward, discuss with the State Legislative Committee the appropriate tactics for supporting them, with the goal of securing a

recommendation to the Executive Committee.

M. Continue to engage the California Public Utilities Commission to establish transit agencies as essential use customers during rotating blackouts.

In 2023, the Association co-sponsored legislation to establish transit agencies as essential use customers during electricity blackouts. That legislation died in the Assembly Appropriations Committee. Since then, the Association has engaged the California Public Utilities Commission (CPUC) in an effort to secure this change administratively.

The Association will continue these efforts, including by encouraging transit agencies to directly contact their local investor owned utility (IOU) to pursue this change. Should the respective IOUs refuse or communicate that they are unable to include transit agencies in their essential use customer lists due to previous CPUC rulemakings, the Association will discuss with the State Legislative Committee the potential for the Association to petition the CPUC to alter their current priority system and essential use categories, with the goal of securing a recommendation to the Executive Committee. The recommendation shall address whether the Association should petition the CPUC and identify the resources necessary to move the effort forward.

RESPONSIBILITY: Ensure support for transit funding and policies at the State Capitol.

A. Work to educate state elected officials on benefits of public transit.

It is vital to the Association's short- and long-term advocacy priorities that we identify transit-supporting elected officials and cultivate a strong bench of transit champions at key posts in the Legislature. Through the Association's annual work program and with support of the Association's budget, the Association staff will work with the Executive Committee and State Legislative Committee to implement a defined education and outreach program that connects legislators with their local transit agencies so they may better understand projects and services in their districts and the benefits of those projects to community members. This effort will also cultivate support among elected officials for transit-supportive policies and funding initiatives that align with Association priorities.