



December 21, 2022

The Honorable Gavin Newsom
Governor
State of California
State Capitol, Suite 1173
Sacramento, CA 95814

The Honorable Toni Atkins
President Pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker
California State Assembly
State Capitol, Room 209
Sacramento, CA 95814

Re: California Transit Association's Fiscal Year 2023-24 Budget Priorities

Dear Governor Newsom, President pro Tem Atkins, and Speaker Rendon:

On behalf of the 85 transit and rail agency members of the California Transit Association, I want to inform you of our Association's budget priorities for the Fiscal Year (FY) 2023-24 State Budget. While we understand the state is in a precarious fiscal situation, we believe there exists ample opportunity to work with you on moving our agenda forward to ensure that public transit agencies can continue to bring riders back to our systems & enhance mobility options, grow & maintain our services, further the state's environmental objectives, and support good paying jobs.

Appropriate Committed Transit Funding

First, thank you for providing an unprecedented level of General Fund investment in public transportation infrastructure in the FY 2021-22 and 2022-23 budgets, as well as for the commitment to continued investments in our systems. Importantly, the FY 2022-23 budget identifies an additional \$4 billion for public transportation infrastructure in FY 2023-24 and FY 2024-25. Despite the potential for the state to face a worsened fiscal position, we believe it is critical that this funding be appropriated in the coming fiscal years. This investment is critical to completing transit capital projects statewide, leveraging additional federal funds, and potentially helping to address other Association priorities. **We wholeheartedly support the inclusion of the identified \$2 billion in the FY 2023-24 budget and look forward to working with your offices on the distribution of these funds once appropriated.**

Support Transit Operations Funding

As you know, transit and rail agencies across California have significantly benefited from the emergency funding bills passed by the United States Congress and the statutory relief passed by the State Legislature in 2020 and 2021. While this emergency funding and statutory relief, has allowed California transit and rail agencies to continue to deliver vital service, including to those vulnerable communities and essential workers that have historically comprised the core of our ridership, it was authorized with the assumption that our pandemic-related ridership challenges would be short-lived. While ridership has started to rebound, some transit agencies are still facing ridership levels (and farebox revenues) well-below pre-pandemic levels driven by several factors, including continued remote-work flexibility and rider concerns over their health & safety. Agencies also face increased operating costs stemming from increased inflation and supply-chain issues, as well as increased costs for vehicles, locomotives, and vessels to bring zero-emission technology online. As such, without additional support from the state, some of California's largest and most vital transit systems may soon be tasked with cutting services or increasing fares. **We are requesting the Administration and the Legislature work with the Association to address operating funding challenges, while exploring ways to improve operations and bring riders back to California's transit systems. Additionally, we are requesting that the Administration and the Legislature extend the statutory relief provided to California's transit agencies through Fiscal Year 2024-25.**

Provide Access to Homelessness Resources

As transit agencies work to bring back riders, our Association continues to hear concerns about the growing homelessness problem on our systems and the threat to public safety that comes with it. Individuals experiencing homelessness frequently shelter in stations and on trains & buses. A recent study released by the [University of California](#) found that approximately 85 percent of transit agencies described homelessness as a challenge and nearly 50 percent of transit agencies described an increase in individuals experiencing homelessness on their systems due to the pandemic. Possibly related to this increase, transit agencies have seen a growing number of crimes committed against passengers & operators and growing concerns from riders that they no longer feel safe on transit systems. In recent budgets, the Administration and Legislature have dedicated significant funding supporting programs for individuals experiencing homelessness and mental health issues. However, transit agencies have unfortunately been precluded from directly applying for and receiving these funds and have instead had to rely on coordination with local agency partners, which has proven challenging, especially for regional transit systems serving multiple jurisdictions. **As such, we believe that transit agencies should be eligible for, or provided with, a dedicated source of funding for addressing homelessness and that the state provide guidance to current funding recipients to require better coordination with transit agencies to create more meaningful and successful partnerships.**

Sustain Investments in Zero-Emission Transit Fleets

Finally, the Association and our members continue to transition the state's transit fleet to zero-emission and greatly appreciate the continued investments in buses, rail, and ferries for these purposes. We strongly supported the multi-year state investment in zero-emission fleets and the infrastructure necessary to support the deployment of these new technologies included in

the FY 2022-23 budget. These investments help facilitate early compliance with ARB's innovative clean transit (bus) regulation, commercial harbor craft (ferry) regulation, and pending zero-emission locomotive (rail) regulation; expand access to zero-emission mobility broadly; drive purchase orders at California-based manufacturers, and better position California transit agencies to be competitive for federal funding.

We request that the FY 2023-24 budget continue to invest in these technologies and continue to dedicate funds solely for the benefit of California's public transportation systems.

Thank you for considering our budget priorities and we look forward to meeting with your offices soon to discuss the above in more detail as we work collaboratively to find solutions to the issues our public transportation agencies are facing. If you have any questions about our budget priorities, please contact me at michael@caltransit.org or 916-446-4656 x1034.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Pimentel", with a stylized, cursive script.

Michael Pimentel
Executive Director

cc: The Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
Mr. Toks Omishakin, Secretary, California State Transportation Agency
Members, Executive Committee, California Transit Association
Members, State Legislative Committee, California Transit Association