California Transit Association

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May 11, 2021

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 Supplemental 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 write to you today to communicate our supplemental priorities for the FY 2021-22 budget. With the state's projected $75 billion surplus and the relief funding provided to California by the federal government through the *American Rescue Plan*, we see a unique and unprecedented opportunity to reinvent public transportation in ways that further the state's ambitious environmental objectives, create good paying jobs in California-based manufacturing and trades, enhance mobility options and that uplift our riders and our communities.

As an industry, we understand that today's abundance draws from the resilience and hard work of Californians across the state. We also acknowledge that the pandemic has adversely impacted California's most vulnerable communities disproportionately. As such, the Association is pursuing the following supplemental budget priorities, because they will deliver targeted benefits to these same communities, helping to ensure that California's recovery is a shared recovery. **These supplemental budget priorities complement the request for continued statutory relief for transit agencies we submitted to the Administration and Legislature earlier this year as well as the transportation trailer bill proposed by the Administration as part of the January budget.**

We look forward to engaging with you in the coming weeks to make progress on the following priorities:

Zero-Emission Buses and Infrastructure: Throughout the budget process, the Association and our members have vocally supported the Administration's proposed investment of $1.5 billion in zero-emission vehicles and infrastructure. As we have advocated for the proposal, we have encouraged the Administration and the Legislature to create a funding set-aside that benefits transit agencies, specifically. The Administration's proposal, if enacted, would advance a variety of state objectives, including implementation of the California Air Resources Board's Innovative Clean Transit regulation. The regulation – the first of its kind in the nation – endeavors to transition all transit buses in California to zero-emission technologies by 2040.

Given the state's improved financial outlook, we strongly encourage the Administration and the Legislature to augment the Administration's January proposal with additional state funding dedicated to rapidly accelerating the deployment of zero-emission buses and the buildout of charging/refueling infrastructure by transit agencies. This higher level of investment would help facilitate early compliance with ARB's ICT regulation, expand access to zero-emission mobility broadly, drive purchase orders at California-based bus manufacturers, and better position California transit agencies to be competitive for the federal incentives expected to be brought online by the Biden-Harris Administration's American Jobs Plan.

What's more, increased investment in zero-emission buses will deliver long-term environmental and equity benefits, given the useful life of transit buses (approximately 14 years) and the demographics of transit bus ridership.

Zero-Emission Rail and Infrastructure: Rail agencies across California have established ambitious goals for reducing the environmental and health impacts of diesel train operations. Unfortunately, absent new investment by the state and/or federal government, sustained progress toward these goals will prove challenging. Just as California is driving the national market for zero-emission buses and zero-emission heavy-duty technologies, it holds the potential to catalyze demand for zero-emission rail technologies, which could lead to market transformation nationwide and prove the viability of these technologies for the freight sectors. We, therefore, strongly encourage the Administration and Legislature to provide new funding to support the transition to zero-emission rail technologies and infrastructure by California rail agencies.

Back to Transit Strategies: Despite an improving economy and an increasing number of residents becoming fully vaccinated, transit agencies throughout California expect to face significant ridership challenges in the immediate aftermath of the pandemic. Transit agencies and their regional partners are currently exploring a variety of strategies to win riders back and to ultimately deliver service that better meets the needs of their communities.

We encourage the Administration and Legislature to support such efforts by providing new funding for targeted purposes, including but not limited to: implementation of short-term fare free/reduced fare transit pilot programs, which can alleviate the transportation cost burden for low-income Californians and drive transit ridership in the near-term, while demonstrating more equitable fare structures for the long-term; implementation of projects to improve the customer experience such as deployment of real-time transit arrival and departure information for mobile apps and physical signage, enhanced mapping and wayfinding; comprehensive operational analyses, which can help expand transit access and efficiency and deliver lasting ridership benefits; and community engagement efforts, which can provide community members and organizations with enhanced opportunities to shape the capital investment and service decisions made by transit agencies.

Homelessness: While homelessness is visible to most Californians on city streets, it has become increasingly prevalent in our transit systems, where individuals experiencing homelessness frequently shelter in stations and on trains and buses. In fact, a study released by the University of California – Institute of Transportation Studies, on Homelessness in Transit Environments in December 2020 found that approximately 85% of transit agencies surveyed described homelessness as a challenge and nearly 50 percent of transit agencies surveyed described an increase in individuals experiencing homelessness on their systems due to the pandemic. This challenge is most acute in public spaces, including stops, stations and on platforms.

While the Administration and Legislature have dedicated millions of dollars to establish and support a variety of programs to support individuals experiencing homelessness, transit agencies have unfortunately been precluded from applying for such grants. Without direct access to state funding, transit agencies have had to rely on coordination with their city and county partners, which has proven to be challenging, especially for regional transit systems serving multiple jurisdictions.

As the Legislature and Administration continue budget discussions of the state's role and ongoing response to homelessness, we urge you to develop programs and policies that recognize transit's critical role in reaching unhoused individuals and connecting them to supportive services as well as the impacts that homelessness has on our systems. We believe that transit agencies must be eligible for state funding in addition to any new dedicated sources of funding for addressing homelessness. We also request that the state provide guidance to current funding recipients to require coordination with their transit agencies to create more meaningful and successful partnerships.

If you have any questions about the supplemental budget priorities expressed in this letter, or the statutory relief measures we continue to pursue, please contact me at michael@caltransit.org or 916-446-4656 x1034.

Thank you for considering our budget priorities.

Sincerely,

Michael Pimentel
Executive Director

cc: The Honorable Lena Gonzalez, Chair, Senate Transportation Committee
The Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee
The Honorable Maria Elena Durazo, Chair, Senate Budget Subcommittee No. 5
The Honorable Laura Friedman, Chair, Assembly Transportation Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
The Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
David Kim, Secretary, California State Transportation Agency
Members, Executive Committee, California Transit Association
Members, State Legislative Committee, California Transit Association
Members, COVID-19 Transit Crisis Relief Task Force, California Transit Association