

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: January 20, 2023


FROM: General Manager

SUBJECT: Addressing the Transit Operating Shortfall – Fiscal Action Plan, Advocacy Strategy and Timeline

With growth of remote work, public transit faces new challenges, and agencies like BART need a new financial business model in order to continue to serve the traveling public. At the January 26, 2023 BART Board meeting, staff will present a roadmap to address the transit operating shortfall, which will include a proposed advocacy strategy and timeline for discussion.

In addition to the staff presentation, four advocacy letters requesting state and federal transit operating assistance are attached.

If you have any questions, please contact Val Menotti, Chief Planning and Development Officer, at (510) 287-4794.

DocuSigned by:

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Robert M. Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff



January 18, 2023

The Honorable Toni G. Atkins
Senate President Pro Tempore
California State Senate

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate

The Honorable Phil Y. Ting
Chair, Assembly Budget Committee
California State Assembly

Honorable María Elena Durazo
Chair, Budget Subcommittee No. 5
California State Senate

Honorable Steve Bennett
Chair, Budget Subcommittee No. 3
California State Assembly

Dear Pro Tempore Atkins, Speaker Rendon, Senator Skinner, Assemblymember Ting, Senator Durazo, and Assemblymember Bennett,

We write to express concern about the major proposed funding reductions for public transportation in the Governor's recently released FY 2023-24 budget proposal. We also write to formalize our call for the state to provide sorely needed transit operations funding as part of next fiscal year's budget. California's transit agencies are facing major funding shortfalls - in some cases, as early as this coming year - that would seriously impact the ability of these systems to maintain service for Californians, including our most vulnerable residents who are transit-reliant. **The state budget must provide sorely needed transit operations funding to help agencies avoid these shortfalls as federal emergency funding ends and as agencies' fare revenue recovers.**

Transit agencies across California are at risk of drastic service cuts due to large near-term operating budget shortfalls. For some agencies, these budget shortfalls pose an existential threat to their long-term viability. These budget shortfalls are driven by three main factors:

1. Ridership trends throughout the state have not recovered to pre-pandemic levels due in part to changed commute patterns and the increased prevalence of remote work. While ridership continues to rebound, that rebound has been slow.
2. Operating and capital costs are rising due to inflation.
3. Federal emergency relief funds – provided during the pandemic to sustain transit agencies – are set to run out — for some in the coming fiscal year.

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In the absence of new state funding to address these budget shortfalls, many agencies may soon be forced to implement major service cuts. If transit service becomes less frequent, and thus less attractive to riders, these potential cuts would result in further ridership and revenue losses, which would necessitate still more service cuts. Additionally, some agencies may need to increase fares or slow down much needed capital projects.

In the Bay Area, operators – particularly those with historically high farebox recovery (i.e. revenue collected from fares relative to operating expenses) – face significant annual budget shortfalls. Agencies such as the San Francisco Bay Area Rapid Transit District (BART) could be forced to cut multiple lines of service as early as 2025, and would still be faced with budget shortfalls perpetuated by declining ridership as service declines.

In addition, some Southern California transit agencies have relied on high farebox recovery ratios to operate and are now facing significant budget shortfalls. Due to changing travel patterns caused by the pandemic, for example, Metrolink's farebox recovery ratio declined significantly from 40 percent pre-pandemic to less than 12 percent today. Passenger rail operators will require additional revenues to overcome this gap as commuter ridership recovery is slower than expected for rail operators throughout the state.

Transit agencies statewide are affected by the ridership downturn resulting from the pandemic, the effects of inflation on operating and capital costs, and the depletion of federal emergency relief funding. One example is the Los Angeles County Metropolitan Transportation Authority - currently, the agency has recovered about 70 percent of pre-pandemic ridership, but still faces a major structural fiscal threat.

Failing to provide public transit agencies with operating funding, as they continue to recover and stabilize operations from pandemic ridership declines, is not an option. The service cuts that would result would lead to fewer mobility options for Californians, increased driving, congestion, and greenhouse gas emissions, undermining our shared equity, access, mobility, and climate goals. Near-term operations funding from the state will help provide agencies with time to identify long-term, sustainable funding and operational models that will improve transit service and protect against future service declines.

Further, the Governor's proposed \$2 billion reduction in previously committed funding to the Transit and Intercity Rail Capital Program (TIRCP) in the coming fiscal years will seriously hamper the potential for these funds to help meet the aforementioned challenges and stymie the state's ability to unlock historic sums of federal capital funding right when we need to be investing in improving our transit systems to incentivize ridership.

Moreover, reduced state assistance for transit capital projects, including projects already in progress, will stress transit agency budgets and further hamper their ability to sustain operations. While a trigger to restore the funding is proposed in the event of an improving fiscal outlook in January 2024, the reduction itself and uncertainty about the economic outlook harm agencies' ability to identify a committed funding source to get matching federal dollars. Frankly, we consider the full \$4 billion investment in transit as an integral part of the 2022 agreement that provided the remaining funding for the high-speed rail project, as well as much needed funding to the Active Transportation Program and Climate Adaptation Program.

Pro Tempore Atkins, Speaker Rendon, Senator Skinner, Assemblymember Ting, Senator Durazo, and Assemblymember Bennett

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We understand the state is projecting a budget shortfall and that difficult choices must be made. However, allowing the state's transit systems to unravel would have long-term, possibly irreversible, devastating impacts on California's transportation system and climate goals. Transit is an essential service for millions of Californians as they go about their daily lives - whether going to work, school, home, doctor's appointments, grocery shopping, or any other number of trips. As we noted earlier, transit is also an essential tool in meeting California's ambitious climate goals and avoiding increased traffic congestion by reducing vehicle miles traveled per capita.

Given the pressing and potentially disastrous consequences that could result from a failure for the state to help transit agencies bridge the gaps in funding needs until a long-term revenue source is identified, we reiterate the need for the budget to address operating funding challenges while exploring ways to improve operations and bring riders back to California's transit systems. The state's budget should also honor and restore previously committed TIRCP funds for transit projects to help avoid additionally stressing transit agency budgets. Additionally, the budget should extend statutory relief provided to California's transit agencies through Fiscal Year 2024-25.

Thank you for considering our perspective on this critical issue.

Sincerely,



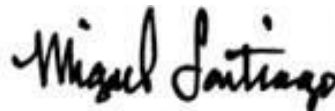
Scott Wiener
Senator, 11th District



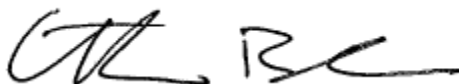
Wendy Carrillo
Assemblymember, 52nd District




Ben Allen
Senator, 24th District



Miguel Santiago
Assemblymember, 54th District



Catherine Blakespear
Senator, 38th District



Mia Bonta
Assemblymember, 18th District

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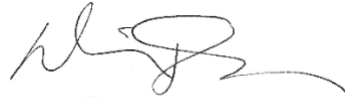
Henry Stern
Senator, 27th District



Matt Haney
Assemblymember, 17th District



Bill Dodd
Senator, 3rd District



Diane Papan
Assemblymember, 21st District



Dave Cortese
Senator, 15th District



Damon Connolly
Assemblymember, 12th District



Marc Berman
Assemblymember, 23rd District



January 18, 2023

The Honorable Nancy Skinner
Chair, Senate Budget and Fiscal Review Committee
California State Senate

The Honorable Phil Ting
Chair, Assembly Committee on Budget
California State Assembly

Dear Chair Skinner & Chair Ting,

As you begin budget negotiations this year, the undersigned organizations request your support to help the state’s public transit systems avoid looming cuts to critical transit service that millions of Californians rely upon and that is foundational to our state’s climate strategy. These potential cuts reflect the lingering impact of the COVID-19 pandemic, which has devastated transit operating budgets as a result of diminished ridership as well as higher costs arising from inflation. While the Governor’s proposed budget for FY 2023-24 does not specifically address this need and in fact proposes \$2 billion in reductions to public transit capital that the Legislature approved last year, we look forward to engaging with your budget subcommittees to ensure that this year’s final budget bill provides additional transit operating assistance to sustain critical transit service riders depend upon and fund proven strategies to attract new riders and help lessen financial challenges in the future.

A Strong Public Transit System is Vital to Creating an Equitable, Economically Vibrant and Climate Friendly Future

Based on 2021 U.S. Census data, almost 60 percent of California residents who commute via public transit have a household income below \$35,000. Over half a million California households own no vehicle and count on public transit for their daily needs, including access to K-12 education and college. Public transit is an economic lifeline for these residents, especially seniors and persons with disabilities. Yet residents of all income levels also depend on transit to access their jobs and maintaining the viability of the transit systems is essential for the future of the state’s economy and quality of life. Public transit also supports good-paying jobs, employing over 31,000 California workers statewide in FY 2021.

When it comes to climate change, California prides itself on being a global leader. The state has taken a two-pronged strategy to reduce transportation-related emissions – the largest of any

Chair Skinner and Chair Ting

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sector – by decarbonizing the vehicle fleet, while also encouraging less driving through a combination of investments in transit and other modes plus a suite of policies to encourage more infill, transit-oriented development. Policies aimed at reducing vehicle miles traveled (VMT) depend on a reliable and convenient public transit system; they have little chance of success if transit agencies across the state have to make severe cuts to service.

Today, about 65 million trips/month are taken on transit in California, reducing VMT by hundreds of millions each year. To meet the state's carbon neutrality goals by 2045, however, significantly more people will need to choose transit instead of driving. To encourage this shift, California Air Resources Board has urged the state to support efforts to *double local transit coverage and service frequencies* by 2030, recognizing that both vehicle decarbonization *and* less driving are needed to achieve our state's bold greenhouse reduction targets. However, without a multi-year commitment of state funds to help sustain transit and put it on a path to attracting millions of new riders, the state's climate strategy is in serious jeopardy.

Bay Area Operators Face Significant Looming Budget Shortfalls

We are at an unprecedented moment, with the survival of transit as we know it at risk. The rise of remote work, growing costs due to inflation, and apprehension to ride transit due to health concerns has led to a growing fiscal cliff on the horizon. Additionally, the transit sector is severely understaffed (with some agencies reporting as high as 30 percent of jobs unfilled for some positions), limiting service agencies can put on the street and placing upward pressure on salaries and benefits as agencies work to retain and attract workers.

Based on current ridership, service levels, and cost trends, Bay Area operators forecast annual budget shortfalls in the tens of millions of dollars in FY 2023-24, growing to hundreds of millions of dollars beginning in FY 2024-25 and thereafter. Funding gaps of this magnitude cannot be addressed through fare increases or service cuts; doing so would lead to service of such poor quality that it would erode transit's climate benefits and cut off even basic access to critical destinations for those who rely on it most. For instance, to achieve budgetary savings in the range of 20-40 percent, the Bay Area Rapid Transit District (BART) would need to cut service by 65-85 percent, eliminating access to jobs, schools, grocery stores, and other essential services for many current riders. This, in turn, would further reduce passengers, leading to further cuts. We cannot let this doomsday scenario happen.

Fortunately, in the medium and long term, there is reason for optimism. While statewide ridership is around 60 percent of its 2019 levels and Bay Area ridership around 53 percent, ridership is steadily growing. In October 2022, statewide ridership was up 14 percent compared to a year before and in the Bay Area up by 34 percent. Bay Area transit operators are working more closely than ever, together with the Metropolitan Transportation Commission (MTC), to create a better, more seamless transit experience across the region. Plans are beginning for a future regional transportation measure to follow the regional housing measure planned for 2024. A unified mapping and wayfinding system is being designed to make transit easier to navigate. The first all-agency transit pass using the Clipper® card is being piloted at key colleges and affordable housing sites. Operators across the state are likewise deploying technology to shift to mobile fare payment and updating their routes and frequencies to better serve existing riders while also attracting more of them.

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Honor Transit Commitments from FY 2022-23 Budget

Under your leadership, California has made historic investments in our transit capital infrastructure, supporting critical rail and bus expansion and the zero-emission transit transition. The historic transit investment made in last year’s Transportation Package includes \$4 billion over the next two years for further transit and intercity rail capital investments, yet Governor Newsom proposes to cut this in half, reducing the amount to \$1 billion next year and \$500 million for the following two years. Doing so would put at risk the funding plans for high priority projects in the Bay Area, several of which are already under construction or poised to receive billions of dollars in highly competitive federal funds.

Request: Provide New Multi-Year Funding for Transit Operating Assistance

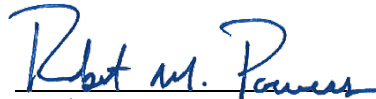
To address the operating challenges, we are seeking a new multi-year operations funding commitment on a limited term basis to assist California’s transit systems as they recover from the pandemic and develop long-term funding plans, as necessary. The funding picture for each transit system is unique and there is no one-size-fits-all path to financial sustainability. While some agencies need assistance to stave off service cuts next year, other agencies face deficits in the hundreds of millions of dollars starting in FY 2024-25 or FY 2025-26. Others may not face near-term service cuts but have priorities that, *if funded*, could attract significantly more riders (advancing the state’s climate goals) and help avoid budgetary challenges down the road. This month, we are working in coordination with partners statewide, including the California Transit Association, to refine our assessment of the funding need and aim to follow up with a more detailed proposal in February. In addition, we are seeking an extension of the statutory relief previously provided to transit agencies through FY 2024-25.

Californians demand meaningful action on climate change and want their state representatives to ensure transit is not just a viable option, but an attractive one to get to work, school, health care, shopping, dining, entertainment and more. We know that you share these goals and look forward to working with you to ensure that public transit both survives and thrives in California. Please contact Rebecca Long, MTC Director of Legislation and Public Affairs, at rlong@bayareametro.gov or 510-504-7914 with any questions.

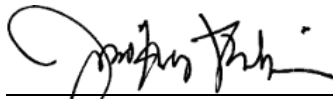
Sincerely,



Therese W. McMillan
Executive Director, MTC



Robert Powers
General Manager, BART



Jeff Tumlin
Director of Transportation, San Francisco
Municipal Transportation Agency

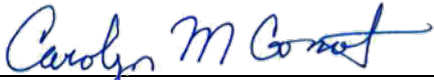


Mike Hursh
General Manager, AC Transit


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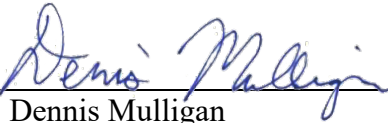
Carolyn Gonot
General Manager, Santa Clara VTA



April Chan
General Manager/CEO/Executive Director,
SamTrans/San Mateo County Transportation
Authority



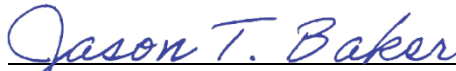
Michelle Bouchard
Acting Executive Director, Caltrain



Dennis Mulligan
General Manager, Golden Gate Bridge,
Highway and Transportation District



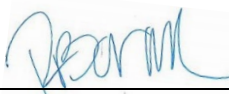
Steve Adams
Transit Manager, Union City Transit



Jason Baker
Senior Vice President,
Silicon Valley Leadership Group



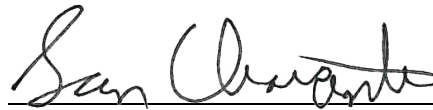
Daniel Barad
Associate Director, Sierra Club




Rashidi Barnes
Chief Executive Officer, Tri Delta Transit




Tilly Chang
Executive Director, San Francisco County
Transportation Authority



Sean Charpentier
Executive Director, San Mateo County
C/CAG



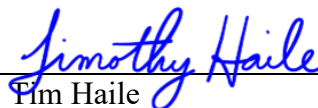
Bill Churchill
General Manager, County Connection



Eddy Cumins
General Manager, SMART



Zack Deutsch-Gross
Policy Director, Transform



Tim Haile
Executive Director, CCTA



Jared Hall
Transit Manager, Petaluma Transit



Daryl Halls
Executive Director, Solano Transportation
Authority (Solano Express)

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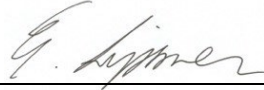
Caro Jauregui
Co-Executive Director, Cal Walks



Beth Kranda
Executive Director, Solano County Transit



Tess Lengyel
Executive Director, Alameda County
Transportation Commission



Eli Lipman
Executive Director, Move LA



Carolina Martinez
Climate Justice Director,
Environmental Health Coalition



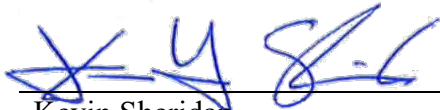
Kate Miller
Executive Director,
Napa Valley Transportation Authority



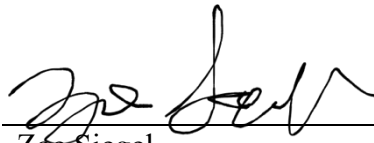
Sofia Rafikova
Policy Advocate,
California Coalition for Clean Air



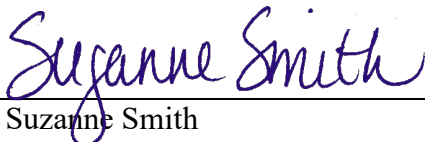
Anne Richman
Executive Director,
Transportation Authority of Marin



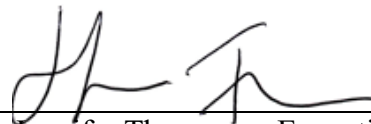
Kevin Sheridan
Executive Director, Tri-Valley – San
Joaquin Valley Regional Rail Authority



Zoe Siegel
Director of Climate Resilience,
Greenbelt Alliance



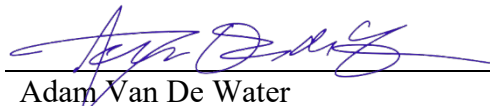
Suzanne Smith
Executive Director, Sonoma County
Transportation Authority



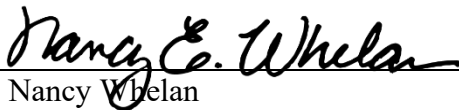
Jennifer Thompson, Executive Director
Sustainable Silicon Valley



Rob Thompson
General Manager,
Western Contra Costa Transit Authority



Adam Van De Water
Executive Director,
Transbay Joint Powers Authority



Nancy Whelan
General Manager, Marin Transit



Jim Wunderman
President & CEO, Bay Area Council

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Zak Accuardi
Transportation Advocate, NRDC

Arturo E. Aguilar
Chairman, California Conference Board
Amalgamated Transit Union

Shiloh Ballard
Executive Director,
Silicon Valley Bike Coalition

Eugene Bradley
Founder, Silicon Valley Transit Users

Rita Clement
Transportation Co-Leader,
San Diego 350

David Diaz
Executive Director,
Active San Gabriel Valley

Christine Fitzgerald
Community Advocate, Silicon Valley
Independent Living Center

Sara Greenwald
Transportation Committee Member,
350 Bay Area Transportation Committee

Ian Griffiths
Co-director, Seamless Bay Area

Josh Hawn
President, Common Ground California

Lavie Kakol
Democratic Socialists of America,
San Francisco

Adina Levin
Executive Director, Friends of Caltrain

Bryn Lindblad
Deputy Director, Climate Resolve

Jerry Maldonado
Vice President of Programs, PolicyLink

Richard Marcantonio
Managing Attorney, Public Advocates

Emma Martin
Community Engagement Program Manager,
Center for Independent Living

Kristina Pappas
President, SF League of Conservation
Voters

Jesse O'Sullivan
Policy Counsel, Circulate SD

Jared Sanchez
Senior Policy Advocate, CalBike

Arnold Sowell, Jr.
Executive Director, NextGen California

Laura Tolkoff
Transportation Policy Director, SPUR

Cheryl Weiden
Steering Committee Member
350 Silicon Valley

Sam Wilkins
California State Conference Chairperson
Transport Workers Union of America,
AFL-CIO

Ellen Wu
Executive Director, Urban Habitat

Chair Skinner and Chair Ting

1/18/2023

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cc: Bay Area Legislative Delegation
The Honorable Toni Atkins, Senate President Pro Tempore
The Honorable Anthony Rendon, Assembly Speaker
The Honorable Lena Gonzalez, Senate Transportation Committee Chair
The Honorable Laura Friedman, Assembly Transportation Committee Chair
The Honorable Taks Omishakin, Secretary, California State Transportation Agency



November 30, 2022

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Secretary Buttigieg:

Thank you for your steadfast support throughout the COVID-19 pandemic. As a result of the successive rounds of unprecedented emergency relief and the tireless efforts of Federal Transit Administration leadership and staff, our agencies were able to keep essential workers connected to their jobs, transit dependent families connected to their communities, and over 100,000 transit workers employed through the most acute phases of the pandemic. While ridership on all our systems has risen, the impacts of the pandemic are lingering and transit agencies large and small are facing a variety of revenue challenges and many are facing a “fiscal cliff,” in some cases within the next two years. For this reason, we urge inclusion of a transit recovery assistance program in the President's fiscal year (FY) 2024 budget.

Safe, reliable, and frequent transit service is essential to harnessing the full economic power of America’s most productive urban areas. Thriving transit networks are also fundamental to achieving our shared equity and climate goals. We are making strides in attracting riders back to transit and adapting to serve riders’ needs in a post-COVID future. But the prospect of revenue deficits in the coming years may force our agencies to make drastic service cuts and lay off tens of thousands of workers. To avoid these draconian measures, we are discussing new revenue streams with our state and local leaders, and it has become clear that a strong State-Federal partnership is necessary.

Given the scale of the projected financial challenge and the vital role we play in equity, sustainability, and creating economic opportunity, we request the U.S. Department of Transportation’s FY 2024 budget include a transit recovery assistance program that would serve as a federal safety net to sustain transit systems across the country. Our agencies agree that transit recovery assistance program funding must be distributed based on demonstrated need and with the expectation that funds be matched with commensurate new state or local revenues and would be above and beyond existing federal funding levels for capital investment authorized by the Bipartisan Infrastructure Law.

We understand the enormity of this ask and recognize the importance of a demonstrated commitment that we and our state and local leaders are doing our part to seek solutions to this crisis. We are confident that strong partnership at all levels of government will ensure that we are funded at a level necessary to keep our communities moving.

U.S. Department of Transportation Secretary Buttigieg

November 30, 2022

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We look forward to working with you on this critical issue.

Sincerely,

Collie Greenwood
General Manager/CEO
Metropolitan Atlanta Rapid Transit Authority
(MARTA)
Atlanta, GA

Janno Lieber
Chair & CEO
NYS Metropolitan Transportation Authority
(MTA)
New York, NY

Holly Arnold
Administrator
Maryland Department of Transportation
Maryland Transit Administration
Baltimore, MD

Robert M. Powers
General Manager
San Francisco Bay Area Rapid Transit District
(BART)
Oakland, CA

Dorval R. Carter, Jr.
President
Chicago Transit Authority (CTA)
Chicago, IL

Leslie S. Richards
General Manager and CEO
Southeastern Pennsylvania Transportation
Authority (SEPTA)
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Leanne Redden
Executive Director
Regional Transportation Authority of Northeastern
Illinois (RTA)
Chicago, IL

Brad Miller
CEO
Pinellas Suncoast Transit Authority (PSTA)
St. Petersburg, FL

Melinda J. Metzger
Executive Director
Pace Suburban Bus
Chicago, IL

Michelle Bouchard
Executive Director
Caltrain
San Carlos, CA

James Derwinski
CEO/Executive Director
Metra
Chicago, IL

Jeffrey Tumlin
Director of Transportation
San Francisco Municipal Transportation Agency
(SFMTA)
San Francisco, CA

India L. Birdsong Terry
General Manager and CEO
Greater Cleveland Regional Transit Authority
Cleveland, Ohio

Randy Clarke
General Manager/CEO
Washington Metropolitan Area Transit Authority
(WMATA)
Washington, DC

Debra A. Johnson
CEO and General Manager
Regional Transportation District (RTD)
Denver, CO



Connecting us.

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,



Michael Pimentel
Executive Director

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