Friday, March 10, 2023

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

Re: Request to Protect Public Transit in FY 2023-24 State Budget

Dear Chair Bennett,

In advance of your upcoming budget hearings this month, we are writing to share our concerns about the funding shortfalls facing transit operators across the state due primarily to the ridership declines caused by the COVID 19 Pandemic. We ask that your committees hear this issue to provide a forum for exploring solutions since it is not addressed in the Governor’s proposed FY 2023-24 State Budget, which instead proposes $2 billion in cuts to public transit capital funding that the Legislature approved just last 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. Transit operating shortfalls reflect the lingering impact of the COVID-19 pandemic, which has devastated transit agency budgets as a result of
diminished fare revenue from lower ridership as well as higher costs arising from inflation. 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 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 62 percent of its 2019 levels and Bay Area ridership is around 53 percent,
ridership is steadily growing. In December 2022, statewide ridership was up 9 percent compared
to a year before and in the Bay Area up by 23 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. 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.

**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. We are
working in coordination with partners statewide, including the California Transit Association, to
refine our assessment of the funding need and put forward a specific budget request later this
month. 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 we look
forward to working with you to ensure that public transit both survives and thrives in California.
Sincerely,

Andrew B. Fremier
Executive Director, MTC

Robert Powers
General Manager, BART

Jeff Tumlin
Director of Transportation, San Francisco Municipal Transportation Agency

Mike Hursh
General Manager, AC Transit

Carolyn Gonot
General Manager/CEO, Santa Clara Valley Transportation Authority

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

Michelle Bouchard
Executive Director, Caltrain

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

Steve Adams
Transit Manager, Union City Transit

Bryan Albee
Transit Systems Manager, Sonoma County 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, City/County Association of Governments of San Mateo County

Bill Churchill
General Manager, County Connection

Eddy Cumin
General Manager, Sonoma-Marin Area Rail Transit

Zack Deutsch-Gross
Policy Director, Transform

Ian Griffiths
Policy Director, Seamless Bay Area

Tim Haile
Executive Director, CCTA

Jared Hall
Transit Manager, Petaluma Transit

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

Johannes J. Hoevertsz
Director, Sonoma County Department of Public Infrastructure

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

Seamus Murphy
Executive Director, Water Emergency Transportation Authority / SF Bay Ferry
Sofia Rafikova  
Policy Advocate,  
California Coalition for Clean Air

Anne Richman  
Executive Director,  
Transportation Authority of Marin

John Ristow  
San José Department of Transportation

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/Regional Climate Protection 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

Zak Accuardi  
Transportation Advocate,  
Natural Resources Defense Council

Emily Abraham  
Director of Legislative and Community Affairs,  
San Francisco Chamber of Commerce

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

Eli Akira Kaufman  
BikeLA

Stephen Baiter  
Executive Director,  
East Bay Economic Development Alliance

Shiloh Ballard  
Executive Director,  
Silicon Valley Bike Coalition
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steve Birdlebough</td>
<td>Chair, Sonoma County Transportation and Land Use Coalition</td>
</tr>
<tr>
<td>Eugene Bradley</td>
<td>Founder, Silicon Valley Transit Users</td>
</tr>
<tr>
<td>Adam Buchbinder</td>
<td>Policy Lead, Silicon Valley Democratic Socialists of America (SV DSA)</td>
</tr>
<tr>
<td>Patrick Chaffey</td>
<td>Chair Housing Working Group, Silicon Valley Democratic Socialists of America (SV DSA)</td>
</tr>
<tr>
<td>Rita Clement</td>
<td>Transportation Co-Leader, San Diego 350</td>
</tr>
<tr>
<td>Ellie Cohen</td>
<td>CEO, The Climate Center</td>
</tr>
<tr>
<td>Corinna Contreras</td>
<td>Policy Advocate, Climate Action Campaign</td>
</tr>
<tr>
<td>Janet Cox</td>
<td>CEO, Climate Action California</td>
</tr>
<tr>
<td>Zack Defazio Farrell</td>
<td>RideSD</td>
</tr>
<tr>
<td>David Diaz, MPH</td>
<td>Executive Director, Active San Gabriel Valley</td>
</tr>
<tr>
<td>Christine Fitzgerald</td>
<td>Community Advocate, Silicon Valley Independent Living Center</td>
</tr>
<tr>
<td>Alexa Forrester</td>
<td>Co-Lead, Bikeable Santa Rosa</td>
</tr>
<tr>
<td>Rosanne Foust</td>
<td>President and CEO, San Mateo County Economic Development Association (SAMCEDA)</td>
</tr>
<tr>
<td>Glen Garfunkel</td>
<td>Co-chair, Climate Reality Project, Silicon Valley</td>
</tr>
<tr>
<td>Solange Gould</td>
<td>Co-Director, Human Impact Partners</td>
</tr>
<tr>
<td>Vinita Goyal</td>
<td>Executive Director, San Francisco Transit Riders</td>
</tr>
<tr>
<td>Sara Greenwald</td>
<td>Transportation Committee Member, 350 Bay Area Transportation Committee</td>
</tr>
<tr>
<td>Chris Guenther</td>
<td>Co-Lead, Bikeable Santa Rosa</td>
</tr>
<tr>
<td>Josh Hawn</td>
<td>President, Common Ground California</td>
</tr>
<tr>
<td>Brandi Howard</td>
<td>President &amp; CEO, East Bay Community Foundation</td>
</tr>
<tr>
<td>Michelle Hudson</td>
<td>Co-Leader, San Mateo Climate Action Team</td>
</tr>
<tr>
<td>Rafael Jaime</td>
<td>President, UAW Local 2865</td>
</tr>
<tr>
<td>Lavie Kakol</td>
<td>Democratic Socialists of America, San Francisco</td>
</tr>
<tr>
<td>Tarrell Kullaway</td>
<td>Executive Director, Marin County Bicycle Coalition</td>
</tr>
</tbody>
</table>
Chair Durazo and Chair Bennett  
Page 8 of 9

Gary Latshaw  
Co-chair, Silicon Valley Chapter of the Climate Reality Project

Gary Latshaw  
Co-chair, Silicon Valley Chapter of the Climate Reality Project

Adina Levin  
Executive Director, Friends of Caltrain

Adina Levin  
Executive Director, Friends of Caltrain

Bryn Lindblad  
Deputy Director, Climate Resolve

Bryn Lindblad  
Deputy Director, Climate Resolve

Liza Lutzker  
Coordinating Committee Member, Walk Bike Berkeley

Liza Lutzker  
Coordinating Committee Member, Walk Bike Berkeley

Kevin Ma  
UUCPA Green Sanctuary Committee

Kevin Ma  
UUCPA Green Sanctuary Committee

Richard Marcantonio  
Managing Attorney, Public Advocates

Richard Marcantonio  
Managing Attorney, Public Advocates

Jerry Maldonado  
Vice President of Programs, PolicyLink

Jerry Maldonado  
Vice President of Programs, PolicyLink

Emma Martin  
Community Engagement Program Manager, Center for Independent Living

Emma Martin  
Community Engagement Program Manager, Center for Independent Living

Ashley McClure, MD  
Climate Health Now

Amanda Millstein, MD  
Climate Health Now

Amanda Millstein, MD  
Climate Health Now

Cynthia Murray  
CEO & President, North Bay Leadership Council

Cynthia Murray  
CEO & President, North Bay Leadership Council

Debbie Mytels  
Chair, Peninsula Interfaith Climate Action (PICA)

Debbie Mytels  
Chair, Peninsula Interfaith Climate Action (PICA)

Alicia Nichols Gonzalez  
Organizing Manager, California, Mothers Out Front CA

Nassim Nouri  
Coordinating Committee Member, Green Party of Santa Clara County

Nassim Nouri  
Coordinating Committee Member, Green Party of Santa Clara County

Zayda Ortiz  
Center for Independent Living Berkeley (CIL)

Zayda Ortiz  
Center for Independent Living Berkeley (CIL)

Jesse O'Sullivan  
Policy Counsel, Circulate SD

Jesse O'Sullivan  
Policy Counsel, Circulate SD

Kristina Pappas  
President, SF League of Conservation Voters

Maia Piccagli  
Mothers Out Front SF

Maia Piccagli  
Mothers Out Front SF

Amee Raval  
Policy and Research Director, Asian Pacific Environmental Network

Leah Redwood  
Extinction Rebellion San Francisco Bay Area

Leah Redwood  
Extinction Rebellion San Francisco Bay Area

Tiffany Rodriguez  
TDM Manager, San Jose State University, Associated Students

Carol Rothman  
Member Coordinating Committee, 1000 Grandmothers for Future Generations

Carol Rothman  
Member Coordinating Committee, 1000 Grandmothers for Future Generations

Jared Sanchez  
Senior Policy Advocate, CalBike

David Sorrell  
Northern California Chapter of the Association for Commuter Transportation

David Sorrell  
Northern California Chapter of the Association for Commuter Transportation

Arnold Sowell, Jr.  
Executive Director, NextGen California

Brian Stewart  
Founder, Electrify Now

Brian Stewart  
Founder, Electrify Now
Annie Stuart
Steering Committee Member,
350 Petaluma

Jean Tepperman
Sunflower Alliance

Igor Tregub
Alameda County Democratic Party

Marc Vukcevich
Co-Director of State Policy,
Streets For All

Cheryl Weiden
Steering Committee Member
350 Silicon Valley

Lauren Weston
Executive Director, Acterra

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

Chris Wright
Senior Vice President, Advance SF

Ellen Wu
Executive Director, Urban Habitat

Sonoma County Climate Activist Network
(SoCoCAN!)

cc: The Honorable Gavin Newsom, Governor
The Honorable Toni Atkins, Senate President Pro Tempore
The Honorable Anthony Rendon, Assembly Speaker
The Honorable Nancy Skinner, Senate Budget & Fiscal Review Committee Chair
The Honorable Phil Ting, Assembly Budget & Fiscal Review Chair
The Honorable Maria Elena Durazo, Chair, Senate Budget Subcommittee No. 5
The Honorable Lena Gonzalez, Senate Transportation Committee Chair
The Honorable Laura Friedman, Assembly Transportation Committee Chair
The Honorable Toks Omishakin, Secretary, California State Transportation Agency
Members, Senate Budget Subcommittee No. 5
Members, Assembly Budget Subcommittee No. 3