



CALIFORNIA ASSOCIATION FOR
COORDINATED TRANSPORTATION

California Transit
Association



Transit Talks: State Funding for Public Transit: An Update on the Budget Act of 2023-24

June 12, 2023

Welcome & Overview

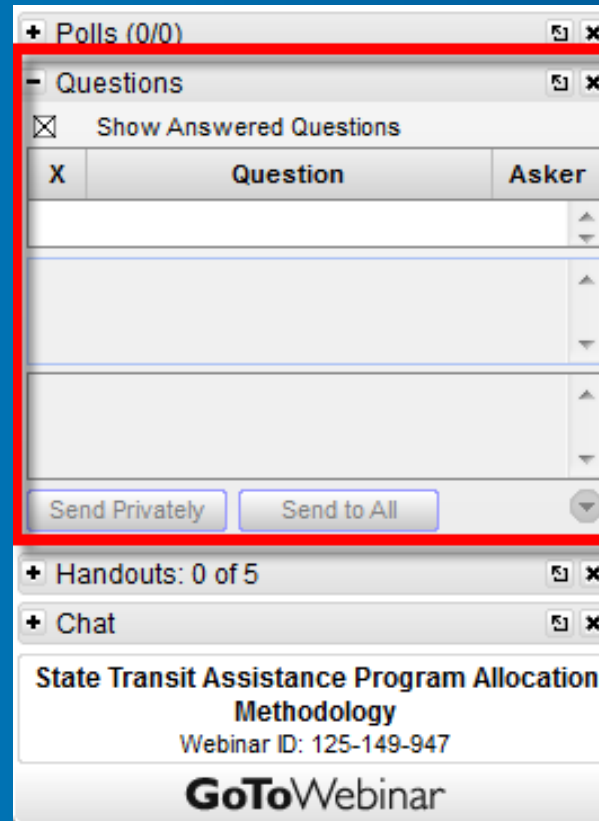
Michael Pimentel
Executive Director
California Transit Association

Jacklyn Cuddy
Executive Director
California Association for
Coordinated Transportation



How to Ask Questions

- Submit your questions anytime during the program using the **Questions** module in your webinar control panel at the right of your screen.



Program

- ~~1. Welcome & Overview~~
2. Update on Budget Act of 2023-24
3. Q&A
4. Wrap-up & Adjourn



Speakers

Michael Pimentel, Executive Director
California Transit Association

Alchemy Graham, Legislative & Regulatory Advocate
California Transit Association

Steve Wallauch, Legislative Advocate
Platinum Advisors *(for California Association for Coordinated Transportation)*



Budget Act of 2023-24 Signed Into Law!

Transit Funding

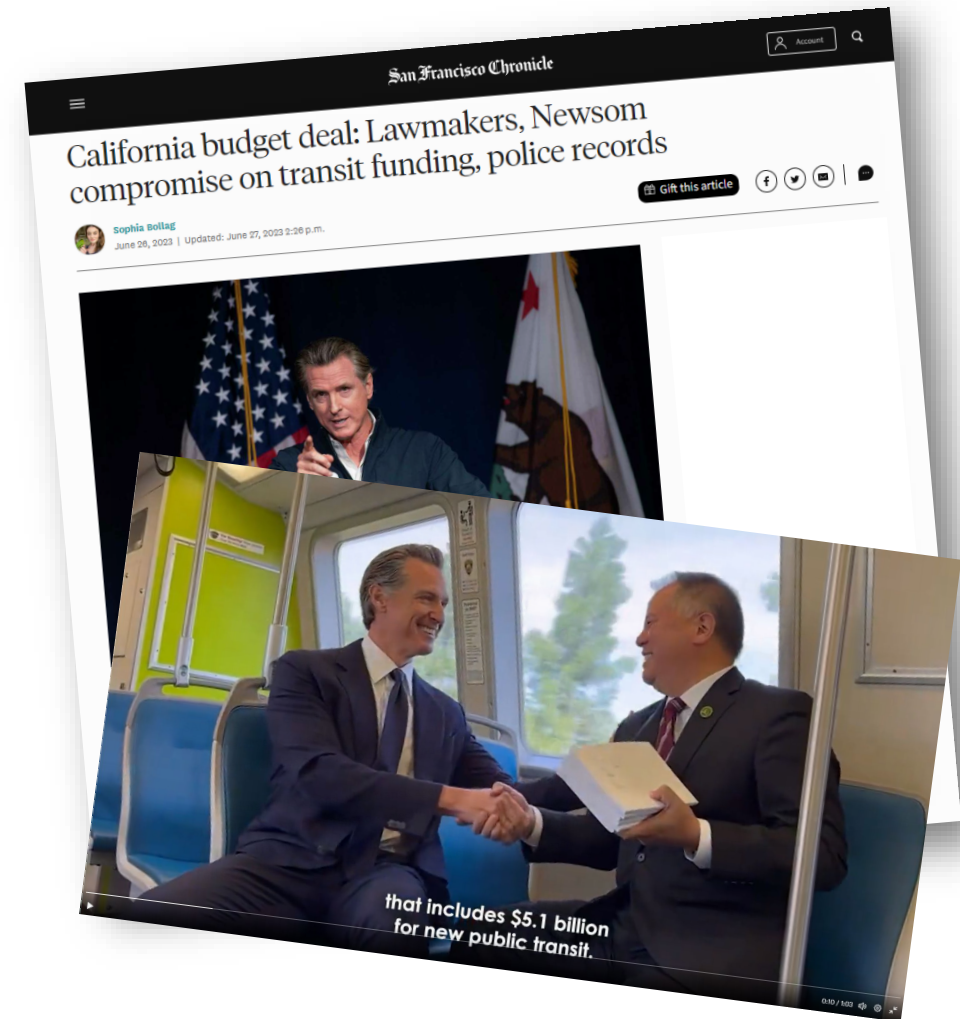
- AB 101 (Ting), the “Interim Budget”
- AB 102 (Committee on Budget), the “Budget Bill Jr.”

Statutory Relief / Accountability Req.

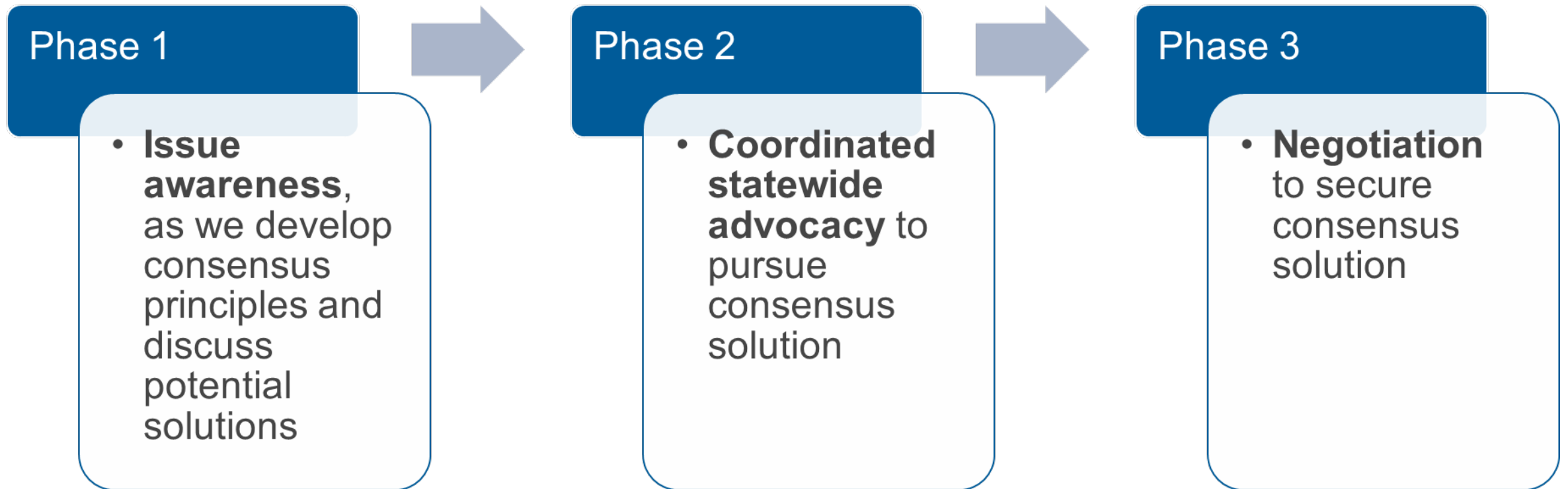
- SB 125 (Committee on Budget and Fiscal Review), the transportation trailer bill

Infrastructure Streamlining

- SB 146 (Gonzalez) on NEPA authority
- SB 149 (Caballero) on judicial streamlining



Budget Advocacy



Budget Advocacy in Practice

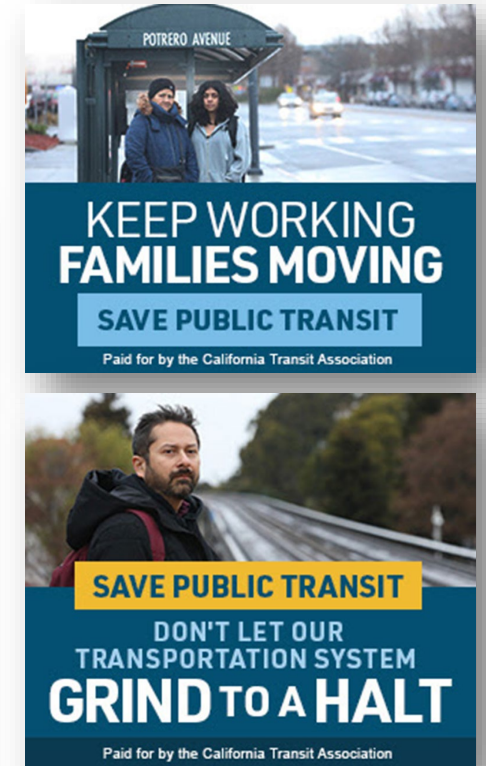
Engagement with Key Committees



Engagement with Press



Digital Advocacy



Budget Advocacy in Practice

Thought Leadership, Recommendations



Connecting us.

April 25, 2023

The Honorable Gavin Newsom
Governor, State of California

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

The Honorable Anthony Rendón
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

RE: California Transit Association's Funding Request and Policy Recommendations to Address Near-Term Operating Deficits

Dear Governor Newsom, Pro Tempore Atkins, Speaker Rendón, Senator Skinner, and Assemblymember Ting:

On behalf of the California Transit Association, I write to you to today to share our state funding request and policy recommendations to address the near-term operating deficits faced by

California Transit Association - Budget Request (By Funding Category, Source) Summary Sheet

| | Annual Funding Opportunity | 5-Year Funding Opportunity | 5-Year Funding Request (FY 2023-24 - FY 2027-28) | Notes |
|--|----------------------------|----------------------------|--|---|
| New Ops Funding - New Allocations | | | | |
| Indirection - Sales Tax on Diesel Fuel | \$284,000,000 | \$1,349,000,000 | \$1,349,000,000 | Funding in FY 2023-24 available for partial year only. |
| Indirection - Cap and Trade Unallocated | \$600,000,000 | \$4,000,000,000 | \$1,500,000,000 | |
| Subtotal | \$1,084,000,000 | \$5,349,000,000 | \$3,849,000,000 | |
| New Ops Funding - Reappropriation of Existing Transit Capital Funding | | | | |
| Indirection - TIRCP (FY Only) | \$200,000,000 | \$1,000,000,000 | \$1,000,000,000 | Funding for FY 2023-24 - FY 2025-26 encumbered in existing multi-year grant awards. |
| Indirection - TIRCP (SSGF Only) | \$400,000,000 | \$2,000,000,000 | \$1,000,000,000 | Funding for FY 2023-24 - FY 2025-26 encumbered in existing multi-year grant awards. |
| Subtotal | \$600,000,000 | \$3,000,000,000 | \$2,000,000,000 | |
| Flexibility in Existing Transit Capital Funding | | | | |
| Flexibility - TIRCP (SSGF Only) | \$2,000,000,000 | \$4,000,000,000 | \$1,000,000,000 | Funding only available in FY 2023-24 - FY 2024-25. Assumes 25% of \$2 billion annual funding. |
| Subtotal | \$2,000,000,000 | \$4,000,000,000 | \$1,000,000,000 | |
| NETAL | | | | |
| Operational Changes to Existing Transit Operations Funding | | | | |
| Flexibility - C-STOP | \$200,000,000 | \$1,000,000,000 | \$1,000,000,000 | Allow LTPD an existing operations funding program, to be used to maintain service. |
| Flexibility - STA-SSGR | \$125,000,000 | \$225,000,000 | \$125,000,000 | Extend current flexibility to use STA-SSGR to maintain service. |
| Total | \$3,209,000,000 | \$12,325,000,000 | \$5,874,000,000 | |

1415 L Street, Suite 1000, Sacramento, CA 95814 T: (916) 448-4318 F: (916) 448-4318 caltransit.org



May 25, 2023

The Honorable Toni Atkins
Senate President Pro Tempore
California State Senate

The Honorable Nancy Skinner, Chair
Senate Committee on Budget &
Fiscal Review

The Honorable Anthony Rendón
Assembly Speaker
California State Assembly

The Honorable Phil Ting, Chair
Assembly Committee on Budget

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

Dear President Pro Tempore Atkins, Speaker Rendón, Chair Skinner, and Chair Ting:

On behalf of the California Association for Coordinated Transportation (CALACT), I am writing to express our appreciation for the transit relief actions taken to date and extend CALACT's support for the California Transit Association's proposal seeking multi-year fiscal relief that is needed to sustain public transit service.

CALACT is a statewide nonprofit association with over 330 member agencies that represents the interests of small, rural, and specialized transportation providers since 1984. Our membership is comprised of individuals and agencies from diverse facets of transportation, including operators of small and large systems, planning and government agencies, social service agencies, suppliers, and consultants. Reliable transit service is necessary to achieve the state's climate goals and provide equitable mobility options for residents of all income levels.

First, CALACT would like to express its appreciation and support for the actions taken to date by the Senate and Assembly regarding transit relief. CALACT supports the decision to maintain the funding commitment for the Transit and Intercity Rail Program (TIRCP) and is eager to participate in shaping how the proposed flexibility can benefit large and small operators. The action to extend the exemption for the Transit Development Act and State Transit Assistance (STA) funds is also critical to the financial stability of all operators, and especially to small transit operators. Extending the flexibility on the use of the State of Good Repair and Low Carbon Transit Operations Program funds are additional measures that will provide operators the financial tools they need during these unprecedented and uncertain times.

While these changes are greatly appreciated and needed, CALACT encourages you to continue to explore avenues to increase transit operating funds over the near term. The California Transit Association proposal outlines a package that would provide \$5.1 billion in funding



Connecting us.

May 18, 2023

The Honorable Gavin Newsom,
Governor, State of California

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

The Honorable Anthony Rendón
Speaker of the Assembly
California State Assembly

RE: California Transit

Dear Governor Newsom
Assemblymember Ting

On behalf of the California Transit Association, I write to you to today to share our state funding request and policy recommendations to address the near-term operating deficits faced by

The transmittal of our p staff on our industry's o sessions, and one-on-o request that we provide operations funding is or accountability and refor transit agencies' standi Senate Budget Subcom May 10.

Our proposed framew placed on transit agenc following additional req

1415 L Street, Suite 1000, Sacra



Connecting us.

Proposed Accountability and Reform Framework for Newly Appropriated Transit Operations Funding

Front-End Accountability Requirement (Before Receiving Funding)


- A. Governing board of eligible agency passes board resolution at a public meeting that:
 1. Identifies and demonstrates the agency's estimated operations funding need through FY 2027-28 by year to:
 - i. Mitigate service cuts and/or layoffs; and/or
 - ii. Implement service and/or fare changes and/or ridership retention and recovery strategies.
 2. Identifies relevant service and/or fare changes as well as broader ridership retention and recovery and/or operating deficit reduction strategies implemented by the agency on or after March 1, 2020 in response to changing ridership or travel patterns;
 3. Authorizes the agency to pursue relief funding; and,
 4. Identifies broad strategies and tactics for how the agency will apply relief funding to address its operating deficit and/or advance ridership recovery in year 1.

Back-End Accountability, Reform, and Report Requirements (After Receiving Funding)

- A. A recipient agency shall submit to the state a transit recovery plan (TRP) within 18 months that identifies relevant service and/or fare changes and specific strategies it will implement to help enhance its ridership and address its operating deficit over a specified period.
 1. A transit recovery plan shall be informed by a data-driven analysis conducted or commissioned by the agency or the applicable regional transportation planning agency on or after March 1, 2020 that may include, but is not limited to:
 - i. A comprehensive operational analysis; strategic plan; service growth development plan; comprehensive service planning study; market opportunity analysis; or short-range transit plan or other local, regional, state, or federal planning document that identifies service adjustments to improve transit operations and align service with demand;
 - ii. A ridership/customer experience survey; or
 - iii. A fare study.

Budget Advocacy in Practice

Coalition Efforts



STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0115

California Legislature

Congress of the United States
Washington, DC 20515
June 2, 2023

The Honorable Gavin Newsom
Governor of the State of California

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

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

Dear Governor Newsom, Pro Tempore Atkins, and Speaker Rendon,

Strong, stable, and sustainable transit networks are critical for California. Robust public transit supports access to affordable housing, promotes social justice. All these are at risk if we do not take timely action to provide near-term public transit funding.

Transit systems have been hit hard by inflation and pandemic-related revenue losses. Over \$11 billion in support to California transit agencies has been exhausted. Without direct state aid to ensure that transit agency operations remain viable, we are deeply concerned that California transit networks will be unable to benefit from these historic investments.

Major transit infrastructure projects throughout the state are gearing up to leverage major, once-in-a-generation federal funds made possible by the landmark Bipartisan Infrastructure Law. Many of us advocated for these funds and worked diligently to ensure they would fund projects that benefit Californians. Without direct state aid to ensure that transit agency operations remain viable, we are deeply concerned that California transit networks will be unable to benefit from these historic investments.

Operational funding needs should not come at the expense of planned capital spending, or undermine past budget commitments. Near-term operations funding and flexibility 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.

Thank you for your attention to this crucial and time-sensitive matter.

Sincerely,

Transportation Fiscal Chief

60+ orgs.

20 MOCs

35 legislators



Details of Budget Act of 2023-24

AB 102 (Committee on Budget), the “Budget Bill Jr.”

- Restores **\$2B** for Transit and Intercity Rail Capital Program (toward \$4 billion commitment)
 - Maintains population-based distribution (PUC 99313)
 - Includes 100% flexibility for transit operations
- Provides **\$1.1B** over four years for Zero-Emission Transit Capital Program
 - Population- and revenue-based distribution (PUC 99313 + 99314)
 - Includes 100% flexibility for transit operations

Details of Budget Act of 2023-24: Zero-Emission Transit Capital Program

- \$910M – Allocated from the Greenhouse Gas Reduction Fund
 - FY 2023-24: \$220 million
 - FY 2024-25: \$230 million
 - FY 2025-26: \$230 million
 - FY 2026-27: \$230 million
- \$190M – Allocated from the Public Transportation Account
 - FY 2023-24: \$190 million

Details of Budget Act of 2023-24 *(Cont.)*

SB 125 (Committee on Budget and Fiscal Review), the Transportation Trailer Bill

- Establishes new accountability and reporting requirements for accessing AB 102 funding *irrespective of use*
- Extends statutory relief measures through FY 2025-26
- Creates Transit Transformation Task Force

Details of Budget Act of 2023-24: Accountability Requirements

To receive an allocation of FY 2023-24 funding (required by SB 102):

- Requires that a **RTPA submit, and CalSTA approve** by September 30, 2023, **a regional short-term financial plan** for immediate service retention that is consistent with guidelines developed and adopted by CalSTA.
 - **NOTE:** Provides an exemption to the requirements above, if a RTPA declares that it does not have an operational need between the 2023–24 and 2026–27 fiscal years, inclusive, for any of its transit operators and will not use the funding it receives from SB 102 and AB 102 for operations for any of its transit operators.

Deadline for
adoption of
September 30,
2023

Details of Budget Act of 2023-24: Accountability Requirements *(Cont.)*

To receive an allocation of FY 2023-24 funding (requirement 2 of 2):

- Requires that a **RTPA compile and submit** by December 31, 2023, **regionally representative transit operator data** to CalSTA.
 - Existing fleet and asset management plans by transit operator;
 - Revenue collection methods and annual costs involved in collecting revenue;
 - A statement of existing service plan and planned service changes;
 - Expenditures on security and safety measures;
 - Opportunities for service restructuring, eliminating service redundancies, and improving coordination amongst transit operators; and
 - Schedule data in General Transit Feed Specification (GTFS) format to enable full visibility of service and service changes where feasible.

Details of Budget Act of 2023-24: Accountability Requirements *(Cont.)*

To receive an allocation of FY 2024-25 funding:

- Requires that a **RTPA submit** by December 31, **2025 an updated regional short-term financial plan and regionally representative transit operator data** to CalSTA.
 - **NOTE:** The requirement to submit a regional short-term financial plan to receive FY 2024–25 applies to all RTPA regardless of whether they were exempt from the FY 2023-24 requirement.

Details of Budget Act of 2023-24: Accountability Requirements *(Cont.)*

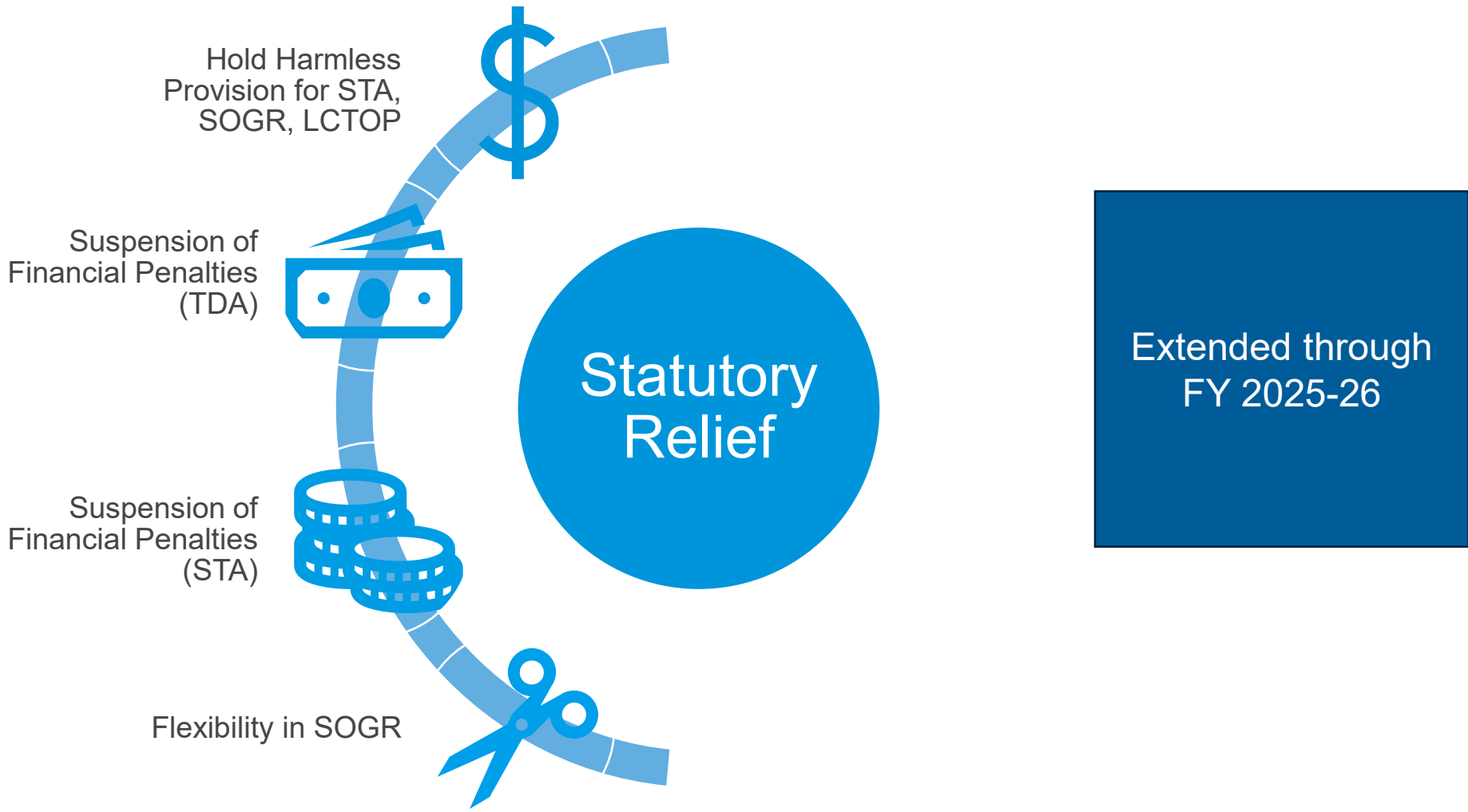
To receive continued access to TIRCP funding in FY 2026-27 and beyond:

- Requires that a **RTPA submit**, *and CalSTA approve*, **a long-term financial plan** that addresses the approach to sustain its transit operations absent additional discretionary or nonformula state funding.

Details of Budget Act of 2023-24: Accountability Requirements *(Cont.)*

- Requires that, as a condition of receiving the funding in AB 102, a **RTPA post on its internet website a summary of monthly ridership data, consistent with the data submitted to the National Transit Database, from all its transit operators** during the period of time for which it receives those moneys.
- Requires a **RTPA that received Zero-Emission Transit Capital Program to submit a report to CalSTA on the use of those funds** during the previous fiscal year. The report shall include:
 - How much funding was used for operating costs.
 - The number, type, date, and location of zero-emission buses, trains, or other vehicles purchased.
 - The number, type, data, and location of electric charging stations or hydrogen fueling stations installed.
 - The nameplate capacity of installed equipment in kilowatts for electric charging stations and kilograms per day for hydrogen fueling stations.
 - The total costs and the source of funding for vehicles and equipment purchased using these funds.

Details of Budget Act of 2023-24: Statutory Relief



Details of Budget Act of 2023-24: Transit Transformation Task Force

- Requires CalSTA, on or before January 1, 2024, to establish and convene the Transit Transformation Task Force
 - Task Force would include representatives from transit operators, Caltrans, local governments, MPOs/RTPAs, transportation advocacy organizations, labor organizations, academic institutions and Legislature
- Requires Task Force to develop recommendations to grow transit ridership and improve the transit experience for all users
- Requires CalSTA, in consultation, with the Task Force to prepare and submit a report of findings and policy recommendations to the Legislature on or before October 31, 2025
 - Includes focus on Transportation Development Act Reform

Details of Budget Act of 2023-24: Infrastructure Streamlining

CEQA Administrative Records (SB 149)

- Allows a public agency to prepare the record notwithstanding the petitioner's election to prepare it.
- Explains that the term “internal agency communications” does not include internal electronic communications, including emails, that were not presented to the final decision-making body, and which are rarely important to the outcome of a CEQA case.

CEQA Judicial Streamlining (SB 149)

- Sets expedited judicial review procedures for water, clean transportation, clean energy, and CHIPs projects under CEQA; sets 270-day cap

Details of Budget Act of 2023-24: Infrastructure Streamlining

NEPA Assignments for State/Local Projects (SB 146)

- Preserves the State's federal authority and clarifies applicability to local, rail, public transportation, and multimodal projects.

Next Steps

Transit Funding

- Monitor implementation of AB 102 funding, distribution to agencies
- Continue to support self-help measures
- Identify opportunities to secure additional near-term state transit funding
- Participate in CTC's SB 1121 Transportation Needs Assessment
- Participate in CalSTA's Transit Transformation Task Force to inform recommendations on long-term state transit funding recommendations

Next Steps

Accountability Requirements

- Continue to document concerns on requirements from member agencies
- Use concerns to inform engagement in guideline development process and parallel pursuit of statutory clean-up
 - Exact tactics to be determined by response, any resistance we receive

California Transit
Association

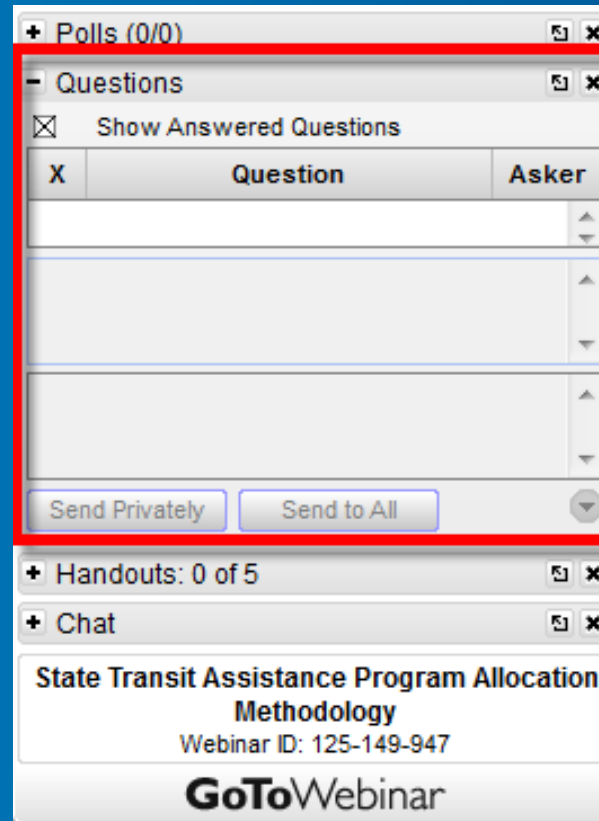


Q&A

Jacklyn Cuddy
Executive Director
California Association for
Coordinated Transportation

How to Ask Questions

- Submit your questions anytime during the program using the **Questions** module in your webinar control panel at the right of your screen.



The screenshot displays the GoToWebinar control panel interface. The 'Questions' module is highlighted with a red border. It includes a 'Show Answered Questions' checkbox, a table with columns for 'X', 'Question', and 'Asker', and two buttons: 'Send Privately' and 'Send to All'. Below the Questions module, there are sections for 'Handouts: 0 of 5', 'Chat', and the webinar title 'State Transit Assistance Program Allocation Methodology' with the ID '125-149-947'. The GoToWebinar logo is at the bottom.

| X | Question | Asker |
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| | | |



California Transit
Association



Adjourn

Michael Pimentel
Executive Director
California Transit Association

Jacklyn Cuddy
Executive Director
California Association for
Coordinated Transportation



CALIFORNIA ASSOCIATION FOR
COORDINATED TRANSPORTATION

California Transit
Association



Transit Talks: State Funding for Public Transit: An Update on the Budget Act of 2023-24

June 12, 2023