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March 21, 2020

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: Need for Emergency Relief Funding to California's Public Transit Agencies**

Governor Newsom, President Pro Tem Atkins and Speaker Rendon:

On behalf of the member agencies in the California Transit Association and all who still need public transportation right now, I respectfully **urge you to provide at least \$1 billion in emergency state funding to California's transit agencies**, to offset an actual and anticipated four to six months of direct costs and revenue losses associated with the COVID-19 pandemic. This level of support, which we urge you to begin providing through SB 89 (Budget and Fiscal Review) [Chapter 2, Statutes of 2020], as well as in a supplemental budget appropriation, is essential to preventing immediate and severe disruptions to transit service that would limit mobility for the most economically distressed Californians and further undermine our economy.

Additional state support beyond this will be necessary over the mid- to long-term to help transit agencies regain their footing once the pandemic subsides and more riders return.

California's public transit agencies face an existential crisis. For the past two weeks, we have watched as transit ridership has plummeted – for the obvious and needed reasons related to preserving the public's health, stopping the further spread of the virus, and adherence to the Governor's and various local orders. The fare revenue losses and the escalating costs of our industry's front-line efforts to protect the public's health now threaten the fiscal solvency and operational capacity of transit agencies statewide. Unfortunately, we know the worst is yet to come. Already, and in the days and weeks ahead, Californians' response to the various "stay at home" orders, which we again acknowledge as appropriate and needed during this public health crisis, will result in fewer daily boardings, further skepticism about the safety of public transit for even essential trips, and millions of dollars in weekly lost fare revenue.

As an association representing public officials, we know that – in the absence of immediate action by the state government and in the face of continued inaction by the federal government – these trends will require transit to cease to function as it has historically. In fact, as we write this letter, transit agencies across the state are suspending or dramatically curtailing much of their service, they are deferring payments to contractors, and/or furloughing employees; and if emergency funding is not forthcoming, several agencies will begin to shut down service entirely.

Alarming, such contingency actions are imminent at our state's largest agencies, which rely most heavily on farebox revenue to support their operating budget. Shutdown of these systems will further slow economic activity in our largest urban centers, and, strand essential workers who must still use transit to get to their jobs. **The \$1 billion initial investment we urge you to provide to transit agencies today is necessary to stave off the most severe actions on the horizon.**

Given the Legislature's current recess and the urgency of our request, we urge Governor Newsom to provide a portion of this funding immediately through appropriation from SB 89. We believe such action is appropriate since the Department of Homeland Security's CISA guidance recognizes transit workers as essential to maintain the continuity of operations of a critical infrastructure sector, and, public transit provides a critical mobility option to health care workers, members of law enforcement, first responders and other safety personnel who are vital to our state's COVID-19 response.

Upon the Legislature's return, we urge Pro Tem Atkins and Speaker Rendon to provide an immediate supplemental budget appropriation to California's transit agencies that addresses the balance of our \$1 billion request and that ensures they can operate for *at least* the next six months.

Over the mid- to long-term, we will need to engage with you and your offices more fully about the future of transit in California. We are clear-eyed that, as we possibly enter recessionary times, the funding needs of California's transit agencies are likely to grow as ridership continues to decline and as vital funding sources, like local-option sales taxes and the Transportation Development Act's county-level Local Transportation Funds, are undercut by the expected drop in consumer spending. Additionally, regardless of the duration of the crisis, transit agencies will face challenges with rehiring and retraining employees and recapturing lost transit riders. As such, **the state must begin to prepare to provide additional supplemental funding in future months, likely on the same order as the short-term emergency funding, to address these long-term needs.**

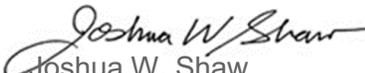
We very much appreciate the communication Governor Newsom recently transmitted to congressional leaders requesting aide for transit agencies, and we urge you all to continue noting public transportation's need as you work with your national partners.

We will continue to communicate with you and your staff to highlight *in detail* the impacts of the pandemic on California's transit agencies and our citizens who most need vital public transit service right now. Please know that emergency funding for public transportation – delivered as early in this crisis as possible – is critically important as we work to maintain essential lifeline services in our communities.

If you have any questions about this request, please contact me at 916-893-9299.

Thank you for your consideration.

Sincerely,

  
Joshua W. Shaw  
Executive Director

cc: The Honorable Jim Beall, Chair, Senate Transportation Committee  
The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee  
The Honorable Jim Frazier, Chair, Assembly Transportation Committee  
The Honorable Phil Ting, Chair, Assembly Budget Committee  
David Kim, Secretary, California State Transportation Agency, State of California  
Members, Executive Committee, California Transit Association