



May 17, 2022

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

The Honorable Anthony Rendon  
Assembly Speaker  
California State Assembly

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

The Honorable Phil Ting  
Chair, Assembly Committee on Budget

Dear President Pro Tem Atkins, Speaker Rendon, Chair Skinner and Chair Ting,

The undersigned agencies are writing to share our appreciation and support for the transportation component of the Senate’s Budget Plan, which significantly expands on the Governor’s updated \$5.4 billion one-time General Fund investment in transportation to provide **\$20 billion** over four years, including \$11.8 billion in public transit infrastructure, \$2.9 billion for active transportation and climate resilience, \$2 billion for grade separation projects, \$2.1 billion for freight and workforce investments, and \$1.25 billion for congestion mitigation and bridge repair and replacement. As you continue your negotiations over the next four weeks, we respectfully request that you **prioritize public transit funding in FY 2022-23** and front load as much of this funding as possible, given the urgency facing priority projects with federal matching fund commitments at risk as well as the near-term funding opportunities presented by the numerous transit discretionary grant programs in the new federal Bipartisan Infrastructure Law (BIL).

We are heartened that the Senate has recognized the enormity of the funding need when it comes to creating a more sustainable and equitable transportation future in California. The new Federal Bipartisan Infrastructure Law (BIL) makes this a prime opportunity to augment our state’s investment in transportation as such funding can be further leveraged by new federal funds. This funding will also help create good paying jobs and enhance our sustainability, while also alleviating pressure under the State Appropriations Limit.

Transportation agencies have identified funding gaps in the tens of billions of dollars for public transit projects ranging from those already under construction to critical projects in the early project development phase. Additionally, transit agencies face significant fiscal challenges with their operating budgets that will need to be addressed within the next several years. The budget surplus presents an historic opportunity to accelerate the next generation of transit expansion, active transportation, grade separation, and roadway mobility improvements, as well as build the next shelf of multi-modal State Transportation Improvement Program (STIP) projects. Specifically, near-term transit capital project needs have been identified in the tens of billions of dollars as follows:

- Southern California - \$10 billion
- San Francisco Bay Area – \$10 billion
- Inland Empire - \$2.5 billion
- Sacramento Area - \$5 billion
- San Diego - \$6.5 billion

These needs far outweigh available local, regional or federal funds and would greatly benefit from the robust investment proposed in the Senate Budget Plan. With regard to how the proposed transit funds

should be distributed, we recommend building on the existing Transit and Intercity Rail Capital Program (TIRCP) and we support incorporating a formula into the distribution in future years to help provide regions with greater certainty and ensure geographic equity.

**First priority should be given to getting** transit capital projects with federal funds at stake across the finish line. Specifically, we recommend:

- *Projects that have previously received TIRCP funds and have a funding agreement with the Federal Transit Administration for Capital Investment Grants (including from the Expedited Project Delivery Pilot Program) would be eligible. Funds for these projects would need to flow quickly to meet federal timelines.*

**To address other critical transit capital priorities, funds should also be available for a general** TIRCP augmentation that provides greater flexibility on eligibility than traditional TIRCP and that provides a predictable and equitable geographic distribution, while allowing the state to select the most competitive projects within each region.

- *Based on the proposal in the Senate Budget Plan to split funds between Southern California and the rest of the state, we recommend remaining funds be distributed by CalSTA in a manner that guarantees each region their proportionate share of funds according to the State Transit Assistance formula, which reflects a combination of each region's share of population and transit ridership.*
- *This supplemental TIRCP appropriation must be paired with trailer bill language providing greater flexibility to ensure top local/regional priorities and needs that don't typically score well (e.g., transit facilities, infrastructure, and station modernization) would be eligible.*
- *How projects are prioritized within this tier is subject to further consideration to ensure an equitable and effective use of funds.*

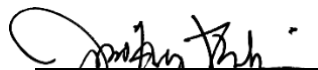
### **Build a New Shelf of Projects So Communities Across California Are Ready to Compete**

In addition, to help local and regional agencies build the next shelf of transportation improvements important to their communities and compete for the new funding opportunities provided by the BIL, we recommend a \$100 million one-time supplemental appropriation to counties statewide through the Planning, Programming and Monitoring (PPM) funds administered by the California Transportation Commission through the State Transportation Improvement Program (STIP). This infusion of funds will help queue up a new pipeline of projects to take advantage of the infusion of new federal transportation funding as well as future SB 1 funding cycles. STIP PPM funds were first authorized with the enactment of AB 2538 (Wolk) in 2006 but since that time, significant additional planning, project development and monitoring is required to build the next shelf of projects that will support California's climate, equity and safety goals.

In closing, we respectfully urge you to use this historic opportunity of a \$49 billion General Fund surplus to make investments in transportation that will accelerate a more sustainable, equitable and effective transportation system while helping to fund hundreds of thousands of good-paying jobs.



Therese W. McMillan  
Executive Director, MTC



Jeff Tumlin  
Director of Transportation, San Francisco  
Municipal Transportation Agency



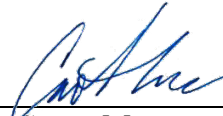
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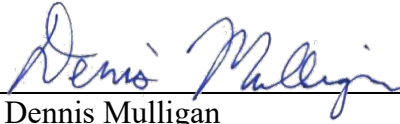
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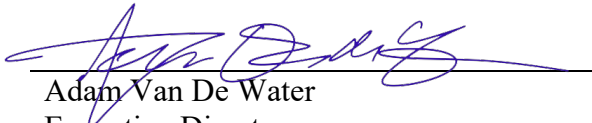
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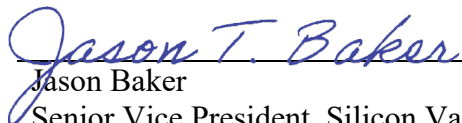
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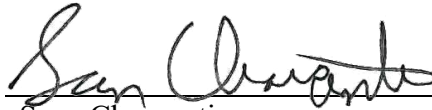
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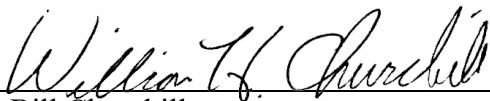
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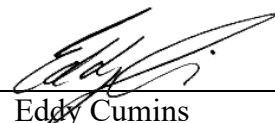
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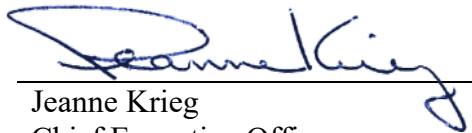
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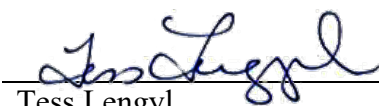
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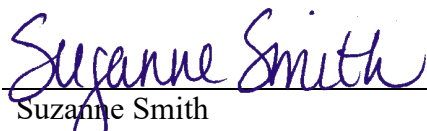
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Transportation Authority

cc: Bay Area Legislative Delegation  
The Honorable Richard Bloom, Chair, Assembly Budget Subcommittee #3  
The Honorable María Elena Durazo, Chair, Senate Budget Subcommittee #5  
Mr. Toks Omishakin, Acting Secretary, California State Transportation Agency  
Ms. Ronda Paschal, Deputy Legislative Secretary, Office of Governor Newsom