



The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: REQUEST TO IMMEDIATELY LIFT TEMPORARY SPENDING FREEZE ON PUBLIC TRANSIT FUNDING

Dear Governor Newsom:

On behalf of the undersigned organization, we respectfully request that the Administration **immediately lift the current spending freeze on the funding appropriated for California's transit agencies as part of the Fiscal Year (FY) 2023-24 Budget Act, which had been scheduled to be released on April 30th. We further request that your Administration lift the spending freeze on TIRCP Cycle 6 grants, approved under the FY 2021-22 Budget Act and awarded in early 2023.**

Our organizations advocated for months in 2023 – alongside transit agencies, regional entities, labor organizations, and others – in support of these vital programs. As a result, the Legislature approved, and you signed into law AB 102 (Ting), which appropriated \$2 billion to the Transit and Intercity Rail Capital Program (TIRCP) and \$410 million to the Zero Emission Transit Capital Program (ZETCP) as part of a multi-year \$5.1 billion transit funding package. This bill and the accompanying appropriation of these funds under SB 125 (Skinner) created flexibility for transit agencies to address operational shortfalls threatening transit service, transformative capital projects, and federal funding from the Infrastructure Investment and Jobs Act. It also held MPOs, RTPAs, and transit agencies accountable for achieving fiscal stability and furthering the state's goals for public transit.

This is why we, collectively, express deep concern over the Administration's decision to freeze critical funding for public transportation operations, maintenance, and capital projects. While we are not oblivious to the fiscal challenges that our State faces, cutting this essential public transit funding is not the way to address these concerns. Putting transit in peril will create a disastrous "death spiral" that will further imperil the State's budget as workers are left stranded by their transit systems and unable to get to work, school, appointments, and more.

In addition, this decision will set back California's efforts to achieve its ambitious climate goals. **As you stated when signing SB 125 last year, you reiterated that it is part of your vision to create a culture of "yes" in California, helping to deliver "transportation projects we need to deliver on our world-leading climate action."**¹ Driving in California produces more planet-heating gasses in our state than every power plant and the entire building sector combined. Unless we reduce car usage by 25% by 2030, we will not meet the carbon reduction targets set by the State, even if we achieve vehicle electrification goals.

Please continue supporting a culture of "yes" by lifting the spending freeze within 60 days. TIRCP grants fund transformative capital projects and leverage billions of dollars in one-time federal investment. We have already received reports

¹<https://www.gov.ca.gov/2023/07/10/governor-newsom-signs-infrastructure-budget-legislation-to-build-more-faster/>

from our transit agency partners that if TIRCP funding is not issued within the 60 days promised, these cuts would jeopardize Full Funding Grant Agreements with the Federal government, potentially leaving billions of dollars on the table at a critical moment when the next administration in Washington, D.C. could be actively hostile toward our state's interests.

In addition, public transportation agencies have already expressed concern over how transit agencies will meet these unplanned operating deficits, leading to extreme service cuts, including cessation of weekend service, station closures, fare increases, fewer trips, and discontinued lines. To meet the state's carbon neutrality goals by 2045, significantly more people will need to choose transit instead of driving. To encourage this shift, the California Air Resources Board has urged the state to support efforts to double local transit coverage and service frequencies by 2030, a goal that would be increasingly out of reach if this funding is not restored in a timely fashion.

The freezing of funding also threatens the important work being conducted by the SB 125 Transit Transformation Task Force (Task Force), charged with developing legislative, budgetary, and operational recommendations for improving the travel experience for our riders, increasing transit ridership, and compelling better performance from our transit systems.

The decision to freeze transportation funding appropriated for California's transit agencies as part of the Fiscal Year (FY) 2023-24 Budget Act creates a break in the proverbial railroad tracks that could derail transit's recovery and make it difficult for transit agencies to move towards fiscal sustainability.

We respectfully request that you lift the spending freeze in 60 days or less.

Sincerely,

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Move California

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