



June 5, 2026

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

The Honorable Monique Limón
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

Re: Urgent Call to Protect Statewide Transit Funding

Dear Governor Newsom, Pro Tempore Limón, and Speaker Rivas

We, the undersigned members of the California Legislature, write to urgently request that public transit funding be fully protected in the state budget. Specifically, we write to express our strong concerns that the California Air Resources Board's (CARB) proposed amendments to the Cap-and-Invest program will fully defund the \$400 million annual Greenhouse Gas Reduction Fund (GGRF) portion of the Transit and Intercity Rail Capital Program (TIRCP) and the \$200 million annual Low Carbon Transit Operations Program (LCTOP) through 2030.

Additionally, we are concerned that – once again after agreeing to a \$5.1 billion state investment approved for public transit in the Budget Act of 2023, the May Revision does not appropriate the final \$690 million of installments of this critical investment. We call on you to:

- **Preserve the \$400 million in annual TIRCP and \$200 million in annual LCTOP funding included in the reauthorized cap-and-invest expenditure plan, which CARB's proposed cap-and-invest amendments would fully defund through 2030 (total \$600 million annually through 2030)**
- **Appropriate the \$230 million in committed Zero-Emission Transit Capital Program funds in fiscal year 2026-27, and recommit to appropriate the remaining \$460 million in ZETCP funding in FY 2027-28 (total \$690 million)**

TIRCP and LCTOP

In 2025, the Legislature approved, and Governor signed, AB 1207 (Irwin) and SB 840 (Limón), which together, extended the Cap-and-Trade program through 2045; renamed it the Cap-and-Invest program; and re-established the Cap-and-Invest Expenditure Plan, maintaining continuous appropriations for TIRCP and LCTOP. A one-time appropriation of \$125 million in GGRF revenues for transit passes is also included.

As we engaged in last year's Cap-and-Trade discussions, we emphasized the importance of funding certainty to TIRCP and LCTOP. As we supported these bills, we expressed concerns about the final agreement's placement of these programs in Tier 3 of the new GGRF Expenditure Plan as the placement creates unnecessary uncertainty. Under the new plan, Tier 3 programs receive funding only after all Tier 1 and Tier 2 programs' funding commitments are met. When GGRF revenues fall short due to a weak auction market, Tier 3 programs are subject to proportional funding reductions. We flagged then that, in a weak market, the TIRCP and LCTOP could receive far less than the \$400 million and \$200 million we committed to the programs. CARB's proposed cap-and-invest program amendments would reduce GGRF by so much that all Tier 3 programs – including TIRCP and LCTOP – would be fully defunded through 2030.

This is an unacceptable outcome that will raise costs for Californians. TIRCP and LCTOP are designed to expand access to affordable public transit while reducing greenhouse gas emissions. We cannot allow Californians – already burdened by high gas prices – to lose out on expanded public transit outcomes. TIRCP is also the only dedicated funding source for public transit capital expansion in the state. Effectively eliminating this funding would renege on the state's commitment to support public transit.

We urge you to protect all projected TIRCP and LCTOP appropriations through 2030 through this state budget – including identifying a solution to retain the \$400 and \$200 million annual TIRCP and LCTOP appropriations, respectively.

The Senate's recently released budget plan assumes the full protection of TIRCP, LCTOP, and SB 125 funding – as agreed-upon by the Governor and Legislature in 2025-2026 – which aligns with the requests in this letter.

SB 125 Funding

In 2023, the Legislature approved, and Governor signed, AB 102 (Ting) and SB 125 (Skinner), which together created a \$5.1 billion multi-year transit funding package. This package – commonly referred to as the “SB 125 program” – redirected existing transit capital funds and added new General Fund dollars to the new formula-based TIRCP and the ZETCP. The goal of this funding package was to sustain and expand essential transit service, following the pandemic, while advancing major transit and rail projects to meet the state's long-term environmental goals. Its size and multi-year design reflected the state's intent to give transit agencies stable funding to recover ridership, allow supply chains to stabilize, and give regions time to plan and secure long-term funding solutions.

Access to this funding includes various accountability provisions, including the requirement to present a detailed allocation plan that must be approved by the California State Transportation Agency (CalSTA). Among other things, these allocation plans were required to address how funding received through this package and available through other regional/local resources would be used to address expected operational shortfalls, mitigate service cuts and fare increases, avoid layoffs, grow ridership, and improve the cleanliness and safety of their systems. To help demonstrate their commitment to secure long-term funding solutions, regional entities and transit agencies in the San Francisco Bay Area, Central Coast, and San Diego, have prepared to pursue self-help measures. In return, our regional entities and transit agencies asked only that the state follow through on its commitment to provide the planned appropriations to the SB 125 program through Budget Acts, beginning in 2023.

To date \$4.41 billion of the \$5.1 billion funding package has been appropriated through the Budget Acts of 2023, 2024, and 2025. The remaining \$690 million in ZETCP funds is scheduled for appropriation in the Budget Acts of 2026 and 2027. However, the January Budget and May Revision omits the planned \$230 million appropriations for Fiscal Year 2026-27 and does not acknowledge the planned \$460 million appropriation for Fiscal Year 2027-28.

We recognize the state's ongoing fiscal challenges, but SB 125 appropriations have been essential to maintaining transit service and supporting ridership recovery. Future funding remains critical to the industry's continued stabilization and long-term funding efforts. Failing to provide the remaining SB 125 – ZETCP funds would lead to service cuts and layoffs, jeopardize fragile ridership gains and federal funding for capital projects, and undermine regional efforts to advance sustainable, long-term funding solutions.

Again, we urge the Budget Act of 2026 to appropriate the planned \$230 million in GGRF for the formula-based ZETCP in FY 2026-27 and reaffirm the state's commitment to appropriate \$460 million in GGRF to the program in FY 2027-28.

Thank you for your consideration of this urgent request.



Jesse Arreguin
Senator, 7th District



Scott Wiener
Senator, 11th District



Mark González
Assemblymember, 54th District



Buffy Wicks
Assemblymember, 14th District



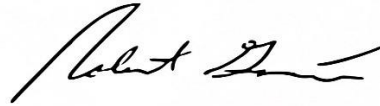
Bob Archuleta
Senator, 30th District



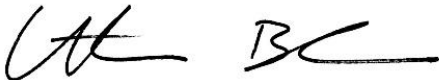
Josh Lowenthal
Assemblymember, 69th District



José Luis Solache, Jr.
Assemblymember, 62nd District



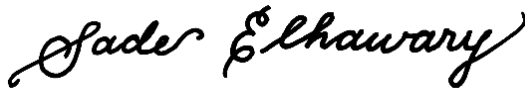
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Senator, 38th District



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Senator, 5th District



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Assemblymember, 57th District



Blanca Pacheco
Assemblymember,



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Assemblymember, 25th District



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Senator, 28th District



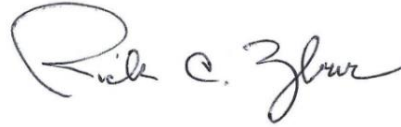
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Assemblymember, 44th District



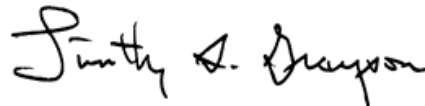
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