



## BOARD OF DIRECTORS

Steve Jones  
Chairman

Andrew Do  
Vice Chairman

Lisa A. Bartlett  
Director

Doug Chaffee  
Director

Laurie Davies  
Director

Barbara Delgleize  
Director

Michael Hennessey  
Director

Gene Hernandez  
Director

Joseph Muller  
Director

Mark A. Murphy  
Director

Richard Murphy  
Director

Miguel Pulido  
Director

Tim Shaw  
Director

Harry S. Sidhu  
Director

Michelle Steel  
Director

Donald P. Wagner  
Director

Gregory T. Winterbottom  
Director

Ryan Chamberlain  
Ex-Officio Member

## CHIEF EXECUTIVE OFFICE

Darrell E. Johnson  
Chief Executive Officer

June 5, 2020

The Honorable Harley Rouda  
United States House of Representatives  
2300 Rayburn House Office Building  
Washington, D.C. 20515

**RE: Support for Transportation Funding in Future Stimulus Legislation**

Dear Representative Rouda:

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, I write to thank you for taking action to pass economic relief legislation in response to the novel coronavirus (COVID-19) pandemic. As you continue your work on future proposals, we respectfully request that you consider providing additional transportation funding via existing formula programs to provide much-needed funding certainty during these difficult times.

OCTA is grateful for the \$25 billion in transit formula funding provided by the Coronavirus Aid, Relief and Economic Security Act (CARES) Act. This funding has been critical to OCTA's effort to facilitate a comprehensive COVID-19 response. This funding will be used not only to help provide continued transit operations for essential workers and services, but also to implement precautionary measures including social distancing, enhanced safety and cleaning protocols, and the installation of hand sanitizer stations on its fleet of more than 500 buses.

While the CARES Act funding has been incredibly helpful, OCTA continues to face tremendous fiscal uncertainty given the historic declines in sales and gas tax revenues that fund federal, state, and local transportation programs. OCTA is primarily funded by local sales tax revenues, including Orange County's half-cent sales tax dedicated to transportation projects known as Measure M2. OCTA estimates that Measures M2 revenues may decline by as much as \$4.7 billion over the life of the measure, which runs through 2041. Similarly, state sales tax revenues, which traditionally fund about half of OCTA's transit operations, are expected to decrease by approximately 27 percent this fiscal year. As such, OCTA writes in support of efforts to provide supplemental transit and highway funding, such as that provided via existing formula programs in the House-passed Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act.

The Honorable Harley Rouda

June 5, 2020

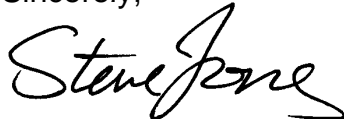
Page 2

The HEROES Act would provide \$15.75 billion in transit formula funding in addition to the CARES Act transit funding. Even after utilizing the CARES Act funding, OCTA expects to face an estimated \$115 million annual structural deficit on its transit operations in light of the considerable revenue decreases discussed above. As such, funding provided by any supplemental stimulus bill will be critical to sustaining transit services moving forward. Therefore, OCTA strongly supports the decision in the HEROES Act to provide an additional \$11.75 billion in funding through established formula programs, which gives local agencies like OCTA funding certainty in responding to emergencies like the COVID-19 pandemic.

In addition to the additional transit funding, OCTA supports the \$15 billion in supplemental highway funding provided by the HEROES Act. The highway formula funding is intended to be used for projects eligible for the Surface Transportation Block Grant Program, one of the most flexible federal transportation funding sources, as well as for administrative and operating expenses. The HEROES Act also contains language requiring that the highway funding be distributed in a manner that is consistent with the most recent appropriations bill which gives states, and in turn local agencies, more certainty on the distribution of funding. OCTA supports the approach taken in the HEROES Act and encourages Congress to continue to appropriate emergency funding to existing funding formula distributions.

OCTA respectfully asks that future legislation provide transportation funding via existing formulas to ensure the certainty and flexibility necessary to facilitate the most effective COVID-19 response. Thank you for your consideration, and please do not hesitate to contact Kristin Jacinto, Manager of State and Federal Relations, at [kjacinto@octa.net](mailto:kjacinto@octa.net) or 714-560-5754, to discuss this matter further.

Sincerely,



Steve Jones  
Chairman

c: Darrell E. Johnson, Chief Executive Officer, OCTA  
Potomac Partners, LLC

SJ:djs