



April 17, 2025

To: Legislative and Communications Committee
From: Darrell E. Johnson, Chief Executive Officer
Subject: State Transit Transformation Task Force Update

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Overview

A summary is provided of the State's Transit Transformation Task Force's recent work and policy recommendations being discussed on the future of transit. These recommendations address key issues such as transit service improvements, funding, fare coordination, workforce development, and infrastructure investments. The State Transit Transformation Task Force will submit a final report to the Legislature by October 31, 2025.

Recommendation

Receive and file as an information item.

Discussion

The Legislature passed SB 125 (Chapter 54, Statutes of 2023) as part of the fiscal year 2023-24 state budget, in tandem with a multi-year funding commitment of \$5.1 billion statewide for transit purposes, to help resolve fiscal challenges some transit agencies were facing, and capital funding needs. This included \$4 billion through the Transit and Intercity Rail Program on a population-based formula to regional transportation planning agencies (RTPA) to support transit operations and capital improvements, and \$1.1 billion for the Zero-Emission Transit Capital Program, to be allocated to RTPAs to fund zero-emission transit equipment and operations. Over a five-year period (FY 23-24 to FY 27-28), the SB 125 Transit Program will provide \$380.916 million to the Orange County Transportation Authority (OCTA). On August 12, 2024, the OCTA Board of Directors approved the SB 125 Transit Program funds for high-priority transit projects aimed at stabilizing rail and bus operations, constructing critical rail infrastructure, and deploying ZEB and clean energy throughout Orange County.

In tandem with the significant transit funding committed through the state budget, SB 125 required the California State Transportation Agency (CalSTA) to establish a Transit Transformation Task Force (Task Force) to develop policy recommendations aimed at specific policy areas including growing transit ridership, improving the transit experience, and addressing long-term operational needs. The legislation required CalSTA to include certain representatives on the Task Force, including transit operators representing both small and large operators in urban and rural jurisdictions, the California Department of Transportation, local governments, metropolitan planning organizations, regional transportation planning organizations, transportation advocacy organizations with expertise in public transit, labor organizations, academic institutions, the Senate Committee on Transportation, and the Assembly Committee on Transportation.

On December 8, 2023, CalSTA announced the 25-member Task Force, which includes representatives from the California Transit Association (CTA), Southern California Association of Governments, the Los Angeles County Metropolitan Transportation Authority, MoveLA, and more. While OCTA was not selected as a formal member of the Task Force, it was invited to participate in the Technical Working Group to help inform discussions at the Task Force.

The Task Force has taken key steps toward advancing the requirements of SB 125. Since the Task Force was first formed, they have held a total of nine meetings in different areas of the State, with each meeting focusing on a policy area or areas required by SB 125. More recently, the Task Force has begun to refine and discuss several policy recommendations, including streamlined permitting for transit projects, increased funding flexibility, and enhanced state support for local planning and engineering for eventual inclusion in a final report to the Legislature. The Task Force has also developed recommendations on existing regulatory and statutory requirements including implementation of the California Air Resources Board's Innovative Clean Transit regulation and is beginning to look at potential Transportation Development Act (TDA) reform efforts, including recommendations to overhaul the use of farebox recovery as a requirement to obtain funding. The policy recommendations that have received some consensus by the Task Force are detailed in Attachment A.

OCTA, through its participation in the CTA, is working collaboratively with other transit agencies to help shape the Task Force's recommendations. As the process moves forward, OCTA and CTA will have the opportunity to review and provide feedback on the draft report before the recommendations are finalized, ensuring that the perspectives of transit operators, both large and mid-sized, are reflected in the final product.

CalSTA, in consultation with the Task Force, is required to prepare and submit a report of findings and policy recommendations based on their efforts to the appropriate policy and fiscal committees of the Legislature on or before October 31, 2025. The Task Force currently has at least two additional meetings

scheduled this year, where it is expected that conversations will continue about TDA reform and future funding for transit. Staff will provide additional updates as the final report nears completion. It is expected that after it is published, the Legislature will be using the recommendations to inform legislation next year.

Summary

An overview is provided of work conducted by the State Transit Transformation Task Force thus far to inform recommendations on the future of transit.

Attachment

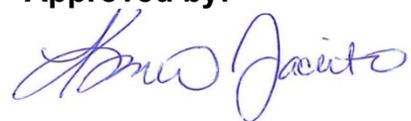
- A. State Transit Transformation Task Force Recommendations

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