



**February 19, 2026**

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

### **Overview**

The State Transit Transformation Task Force has submitted their final report to the Legislature. The December 2, 2025, report includes recommendations that address key issues such as transit service improvements, funding, fare coordination, workforce development, and infrastructure investments. A summary of the report is included herein.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

On April 17, 2025, OCTA staff presented an update to the Legislative and Communications Committee on the State Transit Transformation Task Force (Task Force) established under SB 125 (Chapter 54, Statutes of 2023), including policy recommendations and potential implications for OCTA. Since that update, the Task Force has completed its work and submitted its final report (Report) to the Legislature on December 2, 2025.

The Legislature enacted SB 125 as part of the fiscal year (FY) 2023-24 State Budget, providing a multi-year \$5.1 billion statewide investment to support transit operations and capital improvements. This funding includes \$4 billion allocated through the Transit and Intercity Rail Capital Program on a population-based formula to regional transportation planning agencies, and \$1.1 billion through the Zero-Emission Transit Capital Program to support zero-emission transit vehicles and infrastructure. Assuming the Legislature appropriates the planned funding levels, over a five-year period (FY 2023-24 to FY 2027-28), the SB 125 Transit Program will allocate \$380.9 million to OCTA to support high-priority bus and rail operations, critical rail infrastructure, and zero-emission bus deployment.

In tandem with the funding provided through SB 125, the legislation directed the California State Transportation Agency (CalSTA) to establish a Task Force to develop policy recommendations aimed at increasing transit ridership, improving the transit experience, and addressing long-term operational sustainability. The statute required representation from a cross-section of stakeholders, including transit operators from urban and rural regions, Caltrans, local governments, metropolitan and regional transportation planning agencies, labor organizations, advocacy groups, academic institutions, and legislative transportation committees.

CalSTA announced the 25-member Task Force on December 8, 2023. While OCTA was not appointed as a formal Task Force member, OCTA staff participated through the Technical Working Group to provide technical input and ensure regional transit perspectives were reflected in the Task Force's deliberations. The Task Force convened 13 times throughout 2024 and 2025 and has fulfilled the policy objectives outlined in SB 125. These discussions focused on several themes, such as improving transit speed and reliability, enhancing safety, cleanliness, and rider experience, building and retaining the transit workforce, aligning land-use and transit investments, managing the transition to zero-emission buses, reducing administrative burden and modernizing oversight, and transit funding and fiscal sustainability. The Report reflects the Task Force's deliberations across these key policy themes and provides the analytical foundation for the Report's guiding principles and recommendations.

The Report presents a comprehensive assessment of California's public transit system and advances a broad set of guiding principles, strategies, and recommendations intended to improve service quality, operational sustainability, and long-term system performance. While the Report outlines policy directions across multiple topic areas, it is intentionally framed as a starting point for future legislative and budget discussions rather than a prescriptive implementation plan. Please see Attachment A for a summary of the recommendations included in the Report.

Following the release of the Report, the California Transit Association (CTA) submitted a formal response letter to the Chairs of the Senate and Assembly Transportation and Budget Committees. The CTA letter is included in Attachment B. OCTA helped inform the development of the letter and participated in CTA's internal working group that met to discuss the Task Force's recommendations in greater detail. In the letter, CTA acknowledges that the Task Force's background analysis and problem statement are comprehensive and consistent with SB 125's requirements, particularly in identifying the fiscal, operational, and regulatory challenges facing California transit agencies. However, CTA raised concerns that the recommendations themselves fall short of providing the Legislature with a clear roadmap for action, particularly on the most critical and complex issues facing transit agencies statewide. A central

theme of the CTA letter is the absence of identified sustainable funding sources to support the Task Force's recommendations. While the Report acknowledges the near-term fiscal crisis facing several transit agencies and outlines potential funding concepts, CTA notes that the Report does not include a need-based funding assessment or clearly identify how much new funding is required, over what timeframe, or from which sources. CTA emphasizes that reprogramming existing funds, value capture strategies, and operational efficiencies, while potentially helpful in some scenarios, are unlikely to close the structural funding gap without new, ongoing state transit funding.

CTA also highlights significant concerns related to the Innovative Clean Transit (ICT) regulation, noting that the Report appropriately documents the operational and financial strain associated with transitioning to zero-emission fleets, but does not resolve the fundamental mismatch between mandated timelines, available funding and technology readiness. CTA cautions that, in a constrained fiscal environment, compliance with ICT requirements has already forced agencies to divert limited resources away from operations, potentially exacerbating service reductions and financial instability.

With respect to Transportation Development Act reform, CTA acknowledges that the Report clearly identifies the shortcomings of existing farebox recovery and efficiency metrics and supports replacing them with alternative performance measures. However, CTA argues that the recommendations stop short of specifying what those new metrics should be or how they should be implemented, instead deferring key decisions to future working groups. CTA emphasizes that meaningful Transportation Development Act (TDA) reform prepared with new funding is essential to stabilizing transit operations and aligning state policy with post-pandemic travel patterns, state policy goals, and service outcomes.

Overall, CTA concludes that while the Task Force process successfully elevated critical issues facing transit agencies, the Report leaves substantial policy and funding questions unresolved. It is expected that legislative proposals may result from recommendations included in the Report, some of which may offer more specificity to the challenges the Report outlines. OCTA staff will continue to work with CTA and partner transit agencies to inform resulting legislation and funding conversations, including potential reforms to TDA, regulations impacting transit and funding initiatives.

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**Summary**

An update is provided on the State Transit Transformation Task Force's final report and its recommendations on the future of transit.

**Attachments**

- A. SB 125 (Chapter 54, Statutes of 2023) Transit Transformation Task Force – Final Report Summary
- B. Letter from Michael Pimentel, Executive Director, California Transit Association, to the Honorable Dave Cortese, Chair, Senate Transportation Committee, The Honorable Scott Wiener, Chair, Senate Budget & Fiscal Review Committee, The Honorable Lori Wilson, Chair, Assembly Transportation Committee, and the Honorable Jesse Gabriel, Chair, Assembly Budget Committee, dated November 3, 2025, re: California State Transportation Agency's Transit Transformation Task Force Report

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