SAN FRANCISCO CHAMBER OF COMMERCE





May 4, 2025

Re: Critical Funding for California's Local Transit Agencies

The Honorable Mike McGuire President pro Tem 1021 O Street, Ste 8518 Sacramento, CA 95814

The Honorable Scott Wiener Senate Budget Committee, Chair 1021 O Street, Suite 8630 Sacramento, CA 95814

The Honorable Roger Niello Senate Budget Committee, Vice Chair 10210 O Street, Suite 8630 Sacramento, CA 95814 The Honorable Robert Rivas Speaker, California State Assembly 1021 O Street, Ste 8330 Sacramento, CA 95814

The Honorable Jesse Gabriel Assembly Budget Committee, Chair 1021 O Street, Suite 8230 Sacramento, CA 95814

The Honorable Heath Flora Assembly Budget Committee Vice Chair 10210 O Street, Suite 8230 Sacramento, CA 95814

Dear Pro Tem McGuire, Speaker Rivas, Budget Chairs and Vice Chairs:

As leaders in the Bay Area business community, we know that a strong economy depends on a reliable and efficient public transit system. At least half of all transit trips in the Bay Area are work commutes, making transit essential to our economy. Despite the prevalence of remote work, hundreds of thousands of employees still rely on BART, Muni, Caltrain, and other systems to get to work every day. Without new funding urgently, they will be forced to make drastic service cuts. If operators cut service, it will severely compromise the ability of our workforce to reach job centers—impacting business operations, productivity, and long-term growth. That's why we are united in advocating for urgent state budget support to help close the operating shortfalls and prevent a deeper fiscal crisis for our transit systems.

We respectfully request your support for an additional \$2 billion in flexible funding over two years for public transit beginning in FY 2025-2026 to bridge the operating gap while our region works towards a sustainable solution. At the same time, our organizations remain committed to promoting governance and operational reforms that ensure public transit dollars are spent efficiently and effectively. Long-term sustainability must include a serious look at cost controls, customer service, regional

coordination, and service optimization—but those reforms cannot take root if the system is destabilized by near-term disinvestment.

Without additional state funding, transit agencies will be forced to make deep cuts that ripple far beyond lost service. These cuts would not only disrupt commutes, potentially adding hours of traffic congestion per driver per week - but would also result in significant losses in sales tax revenue, reduced business activity, and long-term declines in commercial and residential property values. This would negatively impact California's financial health, as the Bay Area contributes one-third of the state's GDP.

Reliable public transit is a critical part of the Bay Area's economic infrastructure. Employers across the region depend on it to bring workers to job centers, sustain downtowns, and support industries ranging from tech to healthcare to hospitality. Furthermore, this transit service is a critical lifeline for tourism, with the Bay Area set to take the global stage with the Super Bowl and World Cup in 2026. Without additional state funding, local agency cuts will undermine job access, slow economic activity, and weaken our recovery.

We urge you to act swiftly to keep our transit systems running over the next two years while we work towards a future regional measure that will provide a sustainable solution going forward. We must ensure that our public transit systems remain a foundation of economic strength for the Bay Area and California as a whole.

Sincerely,

Bay Area Council

Jim Wunderman President & CEO

SPUR

David Friedman Interim CEO

Golden State Warriors

Brandon Schneider President & COO

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Senator Laura Richardson, Chair, Senate Budget Subcommittee 5
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