



February 13, 2026

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

The Honorable Robert Rivas, Speaker
 California State Assembly
 1021 O Street, Ste. 8330
 Sacramento, CA 95814

The Honorable Monique Limón, President pro Tempore
 California State Senate
 1021 O Street, Ste 8518
 Sacramento, CA 95814

Re: Governor’s Fiscal Year 2026-2027 Proposed Budget - Bay Area Transit Loan

Dear Governor Newsom, Pro Tem Limón, and Speaker Rivas,

The undersigned organizations write to extend our gratitude for agreeing to advance a \$590 million loan to MTC in order to avoid imminent transit service cuts on BART, Muni, Caltrain, and AC Transit. As the state navigates another challenging budget, this middle-ground approach balances the state’s fiscal outlook with the critical importance of the Bay Area’s robust public transit network. We respectfully encourage the Legislature and Administration to adopt this early budget action item with urgency.

The Bay Area is the largest established market for transit in California. Throughout the 2010s, ridership grew in the Bay Area even when it was declining elsewhere in the state. The region’s largest operators found success at the farebox and funded a significant share of their operations and maintenance expenses from fares. This business model worked exceedingly well until the COVID-19 pandemic profoundly reshaped the geography of work, a lasting change that has hit dense downtowns and rail systems especially hard. Not only have people been making fewer transit trips, transit agencies have also experienced high rates of inflation and declines across nearly all sources of transit funding. Consequently, rail- and commute- oriented transit systems that were highly fare dependent are now facing severe recurring budget shortfalls.

For several years, state and federal relief funds propped up budgets and prevented severe service cuts. Transit agencies stretched relief funds by redoubling efforts to grow ridership, maximize revenues, and reduce costs. However, those relief funds are now nearly depleted. Without a new infusion of funding, BART, Muni, Caltrain, and AC Transit will have no choice but to make catastrophic service cuts that would paralyze our roads, increase the cost of living, deny mobility to people with the fewest choices, undermine the region's economy, and lead to worsening air quality.

A coalition of labor unions, business groups, transit advocates, housing advocates, and environmental groups are working to qualify and place a tax measure before voters in November 2026, in accordance with SB 63 (Wiener, Arreguin). If successful, the measure would raise approximately \$980 million-\$1 billion annually to sustain these four transit services and fund local transit-supportive priorities. However, some agencies are expecting to hit their "fiscal cliff" before November 2026, necessitating service cuts before going to the ballot. If this happens, it would set ridership recovery back, negatively impact farebox revenues, and significantly diminish the chances of passing the ballot measure and achieving financial sustainability.

Thank you for advancing a \$590 million one-time loan to the Bay Area's four largest operators, which provides the Bay Area with the support and flexibility to avoid catastrophic near-term service cuts. This loan is a critical step towards long-term financial sustainability.

Sincerely,

Laura Tolkoff
Transportation Policy Director
SPUR

Eli Lipmen
Director
Move LA/Move California

Emily Loper
Senior Vice President of Public Policy
Bay Area Council

Rev. Sophia DeWitt
Chief Program Officer
East Bay Housing Organizations(EBHO)

Al Austin II
Political and Legislative Director
AFSCME Council 57

Adina Levin
Executive Director
Seamless Bay Area

Rosanne Foust
President & CEO
San Mateo County Economic Development Association (SAMCEDA)

Zach Goldman
Political & Legislative Director
SEIU 1021

Rachel Clyde
Senior Community Organizer
San Francisco Bicycle Coalition

Zack Deutsch-Gross
Executive Director
Transform

Carter Lavin
Co-Founder
Transbay Coalition

Robin Pam
San Francisco Director
Streets For All

Maco Stewart
Vice President of Political Engagement
Westside Family Democratic Club

Jordan Grimes
Legislative Director
Greenbelt Alliance

John Minot-Schwartz
Co-Executive
East Bay for Everyone

Rodney Fong
President & CEO
San Francisco Chamber of Commerce

Corey Smith
Executive Director
Housing Action Coalition

Amy Thomson
Policy Director
Silicon Valley Bicycle Coalition

Chris Finn
President/Business Agent
ATU Local 1555

Sal Cruz
President
AFSCME Local 3993

Jodie Medeiros
Executive Director
Walk San Francisco

Mark Orcutt
President & CEO
East Bay Leadership Council

cc: The Honorable Eloise Gomez Reyes, Chair, Senate Budget Subcommittee No. 2
The Honorable Laura Richardson, Chair, Senate Budget Subcommittee No. 5
The Honorable Steve Bennett, Chair, Assembly Budget Subcommittee No. 4
Joe Stephanshaw, Director, Department of Finance
Toks Omishakin, Secretary, California State Transportation Agency
Dina El-Tawansy, Director, California Department of Transportation