

April 1, 2025

Chair Darnell Grisby and Commissioners
California Transportation Commission (CTC)
1120 N Street MS-52
Sacramento CA 95814

Transmitted via email Planning@catc.ca.gov

Re: SB 1121 State and Local Transportation System Needs Assessment Comment Draft

Dear Chair Grisby and CTC Commissioners,

We appreciate the opportunity to comment on the State and Local Transportation System Needs Assessment required by SB 1121. The report covers two areas: a needs assessment for multimodal transportation in California and a discussion of how to address the decreasing gas tax revenue due to electrification and fuel efficiency. However, there is a big disconnect between these two sections, and we are concerned that the discussion of needs fails to prioritize any of the needs identified in state or regional plans based on their alignment with statewide goals. The discussion of decreasing revenue fails to address how revenue should be raised or reprioritized to address the needs of transit, active transportation, climate resilience and electrification. The report focuses on policy recommendations for replacing the gas tax, primarily used for the state highway system and local streets and roads, which will only address one portion of the gap between needs and revenues.

The discussion of needs in chapter 2 identifies a set of undefined “first principles” to be used for assessing needs, but does not actually assess or prioritize the needs at all based on their consistency with the first principles or with statewide goals. We do not believe that every state, regional, or local need identified will support our goals, or that the state will ever be able to raise the level of revenue to fund every need, so a clear evaluation and prioritization of needs should be included in the final needs assessment to make it more useful to policymakers. Since the first principles appear only in a figure and are not defined in the report, we recommend using the principles from the Climate Action Plan for Transportation Infrastructure (CAPTI) to evaluate and prioritize identified needs.

The largest bucket of funding needs identified in the report is for transit and rail with \$321.1 billion needed for transit and commuter rail and \$30 billion for state rail. These numbers reflect what is in existing planning documents, not the *higher* level of transit service that is required to meet our climate goals. For example, the California Transportation Plan 2050 assumes that a doubling of local transit capacity and service frequency, in addition to free fares, is required *in addition to* the transit investments identified in regional transportation plans (RTPs) to meet our

climate goals.¹ The SB 1121 Final Needs Assessment should be projecting the level of need for investment to reach our state goals and not simply rolling up regional plan investment levels into a statewide total.

The level of need identified for complete street and active transportation investment (\$34.1B) is difficult to evaluate because it is not clearly broken down by how much investment is needed on the state system as compared to the local system. The Caltrans District Active Transportation Plans are mentioned in the narrative but the level of need identified in those plans is not cited in the needs assessment, nor is the level of bike and pedestrian investment broken out from the supplementary state highway asset needs cited in Table 11. We request that the final needs assessment include a more clear accounting of bike and pedestrian needs identified for the state highway system as compared to the local system.

We agree that future needs assessments should include a thorough evaluation of needs for tribal transportation, accessible transportation, and climate resiliency and strongly support the recommendation to the legislature to identify additional funding for these areas of need.

With regard to the assessment of revenue and funding shortfalls, we are concerned that the report is only focused on policy recommendations to raise revenue for roads and highways. Under California Constitutional provisions, revenues from taxes imposed by the state on motor vehicle fuels for use in motor vehicles can be used for the capital and maintenance of exclusive public mass transit guideways, but not for transit operating costs, nor for the capital needs of bus systems.² We are requesting a breakdown of the transit need assessment based on eligibility for state funding sources so we can more clearly understand what portion of the transit and rail need can be met by fuel taxes.

The report doesn't provide a significant level of detail to understand how the reductions in revenue due to EVs and fuel efficiency, or any of the scenarios for solutions to the funding shortfall, will impact revenue available for different uses. One source of transit funding is the State Transit Assistance (STA) from state sales tax on diesel fuel. The losses in gas and diesel taxes should be disaggregated to show the impact to funding programs utilized for different purposes, and the funding solution scenarios should describe how revenue from both gasoline and diesel taxes could be replaced. Furthermore, the policy recommendations should include scenarios to address the funding shortfall across all categories of identified needs and not only focus on replacement of fuel taxes. The report should clearly articulate whether the recommendations for a phased implementation or full implementation of a sustainable funding mechanism for the state gas tax are also being recommended for the sales tax on diesel that funds STA.

The report mentions SB 125 and the Transit Transformation Task Force. This Task Force (of which some of us are members) also has not received any analysis that details projected revenue reductions in STA or a breakdown of the transit funding needs by eligibility for funding

¹ [California Transportation Plan 2050](#)

² <https://www.cdtfa.ca.gov/lawguides/vol3/mvftl/mvftl-provisions.html>

programs. This information is critical to develop policy recommendations to address transit funding needs.

By failing to discuss in detail needs and revenue solutions for transit and active transportation, the report is not meeting the requirement to “provide recommendations for addressing any projected shortfall between revenues and needs over the 10-year assessment period.” The report identifies the largest need is for transit and rail and then provides no recommendations or details on how to address it.

We request the following information be included in the final report in May 2025:

1. Breakdown of the transit need assessment based on eligibility for state funding sources
2. Breakdown of bike and pedestrian needs identified on the state highway system as well as on the local system
3. Use of CAPTI to evaluate and prioritize identified needs
4. Disaggregation of the projected losses from the gas tax and the diesel tax
5. Scenarios to address the funding shortfall across all categories of identified needs

We appreciate the opportunity to provide feedback on the SB 1121 Needs Assessment report, and look forward to working with CTC to strengthen the recommendations to truly address the funding needs for all aspects of the multimodal transportation system in the final report.

Sincerely,

Jonathan Matz, Safe Routes Partnership

Laurel Paget-Seekins, Public Advocates

Marc Vukceovich, Streets For All

Adina Levin, Seamless Bay Area

Carter Rubin, NRDC

Jeanie Ward-Waller, ClimatePlan

Zack Deutsch-Gross, Transform

Matthew, Baker, Planning and Conservation League

Sofia Rafikova, Coalition for Clean Air

Yesenia Perez, The Greenlining Institute

Nick Ratto, 350 Bay Area Action

Kevin Shin, California Walks

Cc:

CalSTA Secretary Toks Omishakin

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