



August 30, 2022

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

RE: SB 942 (Newman) Signature Request

Dear Governor Newsom:

On behalf of the City of Santa Rosa, I write to you to respectfully request that you **SIGN** SB 942 (Newman). This bill has been introduced to address the reality that, despite the popularity of the fare free or reduced fare programs among public transit riders, they are challenging for transit agencies to implement and sustain because of the high costs associated with them. This bill would help address this barrier by allowing transit agencies to access and utilize funds generated from the Low-Carbon Transit Operations Program (LCTOP) to support fare free or reduced fare programs on an ongoing basis.

In July 2021 the City of Santa Rosa initiated a fare-free pilot program for TK-12th grade youth on its municipal transit system, Santa Rosa CityBus, as part of its pandemic recovery strategy. In the past year the program has vastly exceeded ridership projections and participants report both an improvement in their school attendance and reduction in family vehicle trips since the program's inception. Identifying a long-term funding source will be a key factor in determining whether the City can make this program permanent, and whether the City is able to pursue other promising free and reduced fare programs.

Under current law, funds collected by the California Air Resources Board (CARB) from the sale of cap-and-trade auction allowances are placed in the Greenhouse Gas Reduction Fund (GGRF) for the Legislature to appropriate as necessary to qualifying programs. LCTOP is a program that receives five percent of cap-and-trade auction proceeds annually. This program aids transit agencies in providing clean, reliable fleets that effectively reduce greenhouse gas emissions. The authorized uses of LCTOP funds include transit fare subsidy programs. However, these funds are generally difficult for long-term or ongoing use for the same project, as transit agencies are required under current law to demonstrate that each year's expenditures reduce greenhouse gas emissions over the baseline in the fiscal year directly prior. Because of this

Office of the Mayor
City of Santa Rosa
100 Santa Rosa Avenue, Room 10
Santa Rosa, CA 95404



limitation, transit agencies are prohibited from using LCTOP funds to subsidize, among other operational expenses, fare free or reduced fare programs on an ongoing basis.

This bill would partially address the costs associated with running fare free or reduced fare programs by creating new flexibility in LCTOP that would allow transit agencies to implement these programs with clear and long-term funding support. As we have seen in Santa Rosa these programs can make a tremendous difference in ridership numbers as communities and transit agencies work to recover and ultimately exceed pre-pandemic transit ridership levels.

For these reasons, we respectfully request your signature on SB 942. Thank you for your consideration and if you have any questions, please contact our legislative advocate, Sharon Gonsalves, with the Renne Public Policy Group, at (916) 974-9270.

Sincerely,

A handwritten signature in black ink that reads "Chris Rogers". The signature is written in a cursive style with a long, sweeping underline.

Chris Rogers
Mayor

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