STAFF REPORT

TO: External Affairs Committee
AC Transit Board of Directors

FROM: Kathleen Kelly, Interim General Manager

SUBJECT: Monthly Legislative Report

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider recommending receipt of the Monthly Legislative Report.

EXECUTIVE SUMMARY:

The short-term extension of MAP-21, a highway and transit spending authorization, will sunset at the end of the month. On July 23, 2015, the Senate began consideration of a six-year authorization of the highway bill known as the “DRIVE Act” (Developing a Reliable and Innovative Vision for the Economy Act; S.1647). They will work through the weekend with the hope of approving a bill to send to the House of Representatives before they adjourn for the summer recess on July 31, 2015. Earlier this month, the House approved a short-term extension of MAP-21 (H.R. 3038) until December 18, 2015.

Last month, Governor Brown announced that he intends to call two special sessions – the first to stabilize the Medi-Cal system and the second on road and highway funding.

BUDGETARY/FISCAL IMPACT:
There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Federal Legislation Update

The short-term extension of MAP-21, a highway and transit spending authorization, will sunset at the end of the month. On July 23, 2015, the Senate began consideration of a six-year authorization of the highway bill known as the “DRIVE Act” (Developing a Reliable and Innovative Vision for the Economy Act; S.1647). They will work through the weekend with the hope of approving a bill to send to the House of Representatives before they adjourn for the summer recess on July 31, 2015. Earlier this month, the House approved a short-term extension of MAP-21 (H.R. 3038) until December 18, 2015.

Among several provisions, the “DRIVE Act” will restore more than $387 million to the Bus and Bus Facilities Program to bring the total program level back up to $815 million by Fiscal Year 2021. This increase includes the reinstatement of a bus discretionary program totaling $190
million per year to address the capital investment needs of transit systems across the country. Ultimately, the bill will increase the overall authorization for public transportation programs from $10.862 billion in Fiscal Year 2015 to $11.797 billion and reach $13.26 billion in Fiscal Year 2021.

On June 25, the Senate Committee on Appropriations approved a Fiscal Year 2016 appropriations bill for the Departments of Transportation and Housing and Urban Development. Several amendments were offered to increase spending on the Transportation Investment Generating Economic Recovery Discretionary (TIGER) grant program and New Starts, but none were adopted. The bill includes $17.78 billion in discretionary appropriations for the Department of Transportation, $17 million below the last year level and $3.9 billion below the President’s request. The House of Representatives already approved a version of the bill (H.R. 2577) earlier this year.

**State Legislation Update**

Last month, Governor Brown announced that he intends to call two special sessions – the first to stabilize the Medi-Cal system and the second on road and highway funding. The Governor’s proclamation will propose that the Legislature enact permanent and sustainable funding to maintain and repair the state’s transportation and critical infrastructure, improve the state’s key trade corridors, and complement local infrastructure efforts. The official proclamation should be offered shortly, and the Legislature will need to organize committees and set the timing for the Special Session.

There are no staff recommendations at this time.

**ADVANTAGES/DISADVANTAGES:**

This report is provided to inform the Board of monthly legislative activities and to seek its approval to support or oppose legislation affecting AC Transit. This provides clear direction to legislators and other bodies of AC Transit’s positions.

**ALTERNATIVES ANALYSIS:**

This report provides an update of monthly legislative activities. AC Transit could opt to defer from legislative positions and operate without making its positions known, leaving the District vulnerable to unfavorable legislation.

**PRIOR RELEVANT BOARD ACTIONS/POLICIES:**

Staff Report 15-165: 2015 Federal and State Legislative Advocacy Programs

**ATTACHMENTS:**

1. Federal Legislative Report from Van Scyoc Associates
2. State Legislative Report from Platinum Advisors
3. State Legislative Bill Matrix
4. FY 2015 Federal Advocacy Program
5. FY 2015 State Advocacy Program

Executive Staff Approval: Aida R. Asuncion, Interim Chief Planning, Construction and
Engineering Officer
Reviewed by: Beverly Greene, Director of Legislative Affairs & Community Relations
Prepared by: Estee Sepulveda, External Affairs Representative
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Transportation Update
July 6, 2015

Steven O. Palmer, Vice President
Dan Neumann, Director
David Haines, Manager

This Week

Congress returns to legislative session this week for four weeks prior to the August recess.

Senate

Hearing: Transportation Technology. On Tuesday, July 7, the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security of the Senate Committee on Commerce, Science, and Transportation will hold a hearing to discuss innovative technologies that improve the safety and efficiency of the nation's transportation system. Witnesses will include representatives of Volvo, Amazon, BNSF Railway, and the Port of Long Beach. More information can be found here.

Last Week

The House and Senate were both in recess last week for the July 4th holiday.

Executive Branch

Final Rule: Waters of the United States. On July 2, the Environmental Protection Agency and Army Corps of Engineers published the final "Waters of the United States" rule in the Federal Register. The final rule, which broadens the federal government's jurisdiction over local bodies of water, has been strongly opposed by industry groups. The rule will go into effect 60 days after its publication.

Government Accountability Office

Report: DOT's TRANServe Debit Card Program. On June 29, the Government Accountability Office issued a report on the TRANServe debit card program, through which DOT administers transit benefits to public and private sector employees. The report examined steps DOT has taken to ensure that TRANServe debit cards are not used to make purchases unrelated to transit. The report did not make any recommendations.

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July 10, 2015

TO:    Director Chris Peeples, President, and
       Members of the Board
       Kathleen Kelly, Interim General Manager
       Beverly Greene, Director of Legislative Affairs & Community Relations

FR:    Steve Wallauch
       Platinum Advisors

RE:    BUDGET UPDATE

July 17th marks not only the start of Summer Recess, but it is also the deadline for policy
committees. The next week will be a jumble of simultaneous hearings as committees rush to
meet the deadline. It will then be somewhat silent for the next month. It won’t be completely
boring with ongoing negotiations on transportation and healthcare funding, and negotiations
on appropriating the remaining cap & trade funding, to keep abreast of.

Transportation Special Session: The proclamation calling for a special session on
transportation infrastructure focuses solely infrastructure maintenance needs of state highways
and local streets and roads, as well as trade corridor improvements. A handful of bills have
been introduced in both houses, which includes the reintroduction of measures that failed in
the regular session and a few spot bills that will likely be vehicles for any agreement. While
there were initial rumors of moving an agreement to the Governor before the start of summer
recess, that appears unlikely. Attached is a chart outlining all of the transportation special
session bills introduced so far.

Currently none of the special session bills, nor the outlines provided by the caucuses, addresses
the funding needs of transit. CTA has called on its members to push legislators to include
transit funding. The proposals under discussion include the unlikely, such as increasing the
sales tax in diesel fuel in order to pump up STA revenues, to the possible such as increasing the
amount of cap & trade revenue dedicated to transit operations and transit capital. While it has
been difficult to overcome the focus on street and highway maintenance, negotiation continue
to try and craft a plan that addresses the needs of all modes of transportation.

Kick-Off Hearing: On July 2, the Senate’s special session committee on transportation, called
the Senate Committee on Transportation & Infrastructure Development, held its initial hearing
on addressing the state’s transportation funding needs. The Assembly’s special session
committee held a similar hearing on July 5th. Nothing earthshattering was revealed about how to address the dire future of maintaining the state’s transportation infrastructure.

The Senate Committee heard panel presentations on identifying state and local needs, and a discussion of funding options. CalSTA Secretary Brian Kelly initiated to decision followed by presentations from CSAC, and the League of Cities, as well as comments from the LAO and the chairman of the Road Usage Charge Technical Advisors Committee, Jim Madaffer. The same bad news was repeated in the Assembly the following Monday.

**All In:** Senate and Assembly Democrats have a proposal, and the Senate Republicans have unveiled a proposal. Now the Assembly Republican Caucus unveiled its own transportation funding proposal. The one common denominator in these proposals is halting the use of weight fees to pay for transportation bond debt. Other than that the Republicans propose no new fees or tax increases, and the Democrats backfill any loss to the general fund. The only proposal that is in print is the Senate Democrats plan as contained in SB 16 and SBX 1. Furthermore, the only plan that outlines how the funds would be allocated is also limited to SB 16 and SBX 1. Below is a chart comparing the various proposals as they have been described in press releases, and in one case actual legislation.

<table>
<thead>
<tr>
<th></th>
<th>Assembly Democrats</th>
<th>Assembly Republicans</th>
<th>Senate Democrats (SB 16/SBX 1)</th>
<th>Senate Republicans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Truck Weight Fees</strong></td>
<td>Returns weight fees that are being diverted to the general fund to pay for bond debt to the SHA. ($1 billion)</td>
<td>Returns weight fees that are being diverted to the general fund to pay for bond debt to the SHA. ($1 billion)</td>
<td>Phases in over five years the return of weight fees to the SHA. ($1 billion)</td>
<td>Returns weight fees that are being diverted to the general fund to pay for bond debt to the SHA. ($1 billion)</td>
</tr>
<tr>
<td><strong>Loan Repayment</strong></td>
<td>Provide $200 million per year to repay over $900 million in loans made to the general fund from various transportation accounts. However, this number does not include recent budget action to include in the Wall of Debt repayment of pre-Prop 42 loans, which adds another $879 million in outstanding debt.</td>
<td>No proposal included.</td>
<td>Repay all outstanding loans with equal payments over three years.</td>
<td>Use Prop 2 Rainey Funds to repay, over time, all post and pre-Prop 42 loans ($1.8 billion) and repay weight fee revenue diverted to the general fund that was used for purposes other than debt payments ($1.3 billion)</td>
</tr>
<tr>
<td><strong>Excise Tax</strong></td>
<td>No proposal</td>
<td>No Proposal</td>
<td>10 cent increase on</td>
<td>No Proposal</td>
</tr>
<tr>
<td>Vehicle License Fee</td>
<td>Cap &amp; Trade Fee</td>
<td>General Fund revenue</td>
<td>No Proposal</td>
<td>Proposal increases the Constitution to guarantee all VLF</td>
</tr>
<tr>
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<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Registration fee, ($1.8 billion annually)</td>
<td>No Proposal</td>
<td>$35 per vehicle and a $100 fee on alternative fueled vehicles</td>
<td>12 cent increase on gasoline, and a 12 cent increase on diesel fuel.</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>No Proposal</td>
<td>$1 billion of the annual cap &amp; trade auction revenue to road &amp; transportation</td>
<td>No Proposal</td>
<td>Divert 40% of cap &amp; trade auction revenue to road maintenance projects. ($1+ billion annually)</td>
</tr>
<tr>
<td>Fees fee</td>
<td>No Proposal</td>
<td>Increase the VLF by 0.7% each year for 5 years to bring the VLF up to 1% by July 1, 2019.</td>
<td>No Proposal</td>
<td>Dedicate $1.9 billion annually in cap &amp; trade auction revenue to road maintenance.</td>
</tr>
<tr>
<td>$100</td>
<td>No Proposal</td>
<td>Increase in registration fee</td>
<td>No Proposal</td>
<td>Dedicate $200 million per year of state infrastructure funds to transportation.</td>
</tr>
<tr>
<td>$50 annually</td>
<td>No Proposal</td>
<td>Use the increase in the vehicle license fee revenue to backfill the general fund revenue loss for the use of the weight fee fund revenue.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Proposal</td>
<td>No Proposal</td>
<td>Use $1 billion of the annual cap &amp; trade auction revenue to road &amp; transportation</td>
<td>No Proposal</td>
<td>Proposed to amend the Constitution to guarantee all VLF to backfill the general fund revenue loss for the use of the weight fee fund revenue.</td>
</tr>
<tr>
<td>No Proposal</td>
<td>No Proposal</td>
<td>No Proposal</td>
<td>No Proposal</td>
<td>No Proposal</td>
</tr>
<tr>
<td>Other Proposals</td>
<td>None</td>
<td>Implement the LAO's findings that 3,500 positions within Caltrans could be eliminated. ($500 million annually)</td>
<td>None</td>
<td>None</td>
</tr>
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<td>----------------</td>
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<td>-------------------------------------------------------------------------------------------------</td>
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<tr>
<td>Proposals LAO's findings that 3,500 positions within Caltrans could be eliminated. ($500 million annually)</td>
<td></td>
<td>Eliminate all vacant position within state government and direct 25% of the saving to transportation. ($685 million annually)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunset Date</td>
<td>Sunset at some point – most likely in 5 years.</td>
<td>Not Specified</td>
<td>Current bill sunsets in 5 years unless reauthorized</td>
<td>Not Specified</td>
</tr>
<tr>
<td>Total Added Revenue</td>
<td>$3 billion</td>
<td>$4.385 billion</td>
<td>$3.46 billion</td>
<td>$5.3 billion</td>
</tr>
</tbody>
</table>
### July 10, 2015
### Transportation Special Session Legislation

<table>
<thead>
<tr>
<th>Bills</th>
<th>Subject</th>
<th>Status</th>
<th>Client - Position</th>
</tr>
</thead>
</table>
| ABX1 1       | ABX 1 is the reintroduction of AB 227, which was held in the Assembly Budget Committee due to the impact the bill would have on the general fund. ABX 1 includes the following provisions:  

  - Halt the use of truck weight fees for debt service payments,  
  - Require all loans made to the general fund from transportation accounts to be repaid by December 31, 2018,  
  - Halt the diversion of “Non-Article 19” funds to transportation debt service,  
  - Specify that all swap excise tax revenue would be allocated 44% to the STIP, 12% to the SHOPP, and 44% to cities and counties for local streets and roads.  

While ABX 1 halts the transfer of weight fees to the general fund, it does not provided a backfill to the general fund. | ASSEMBLY PRINT |                  |
| ABX1 2       | ABX 2 is the reintroduction of AB 1265, which was held on the Assembly Appropriations Committee’s Suspense File. This bill would repeal the sunset date on the CTC’s authority to approve public-private partnership projects.  

Current law authorizes a regional transportation agency to seek approval from the CTC to enter into public-private partnership to build toll facilities. ABX 2 would repeal the existing January 1, 2017 sunset date | ASSEMBLY PRINT |                  |
<table>
<thead>
<tr>
<th>Bill</th>
<th>Description</th>
<th>Author</th>
<th>Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABX 3</td>
<td>ABX 3 is a spot bill that contains legislative intent language to enact a permanent and sustainable source of funding to repair state and local roadways.</td>
<td>Frazier (D)</td>
<td>ASSEMBLY PRINT</td>
</tr>
<tr>
<td>ABX 4</td>
<td>ABX 4 is another spot bill that includes intent language to enact sustainable funding sources to improve the state’s key trade corridors and support local efforts to repair and improve local transportation infrastructure.</td>
<td>Frazier (D)</td>
<td>ASSEMBLY PRINT</td>
</tr>
<tr>
<td>SBX 1</td>
<td>SBX 1 is reintroduction of SB 16, which remains on the Senate Floor. Like SB 16, SBX 1 is the Senate Democrat’s transportation funding proposal that would generate up to $3.6 billion annually over the next 5 years. The funds would primarily be used to fund state highway and local and street and road maintenance needs. This funding plan would remain in place through the 2019-2020 fiscal year, unless it is extended by the Legislature. New revenues would be generated by increasing the excise tax on gasoline (10 cents) and diesel fuel (12 cents), a .35% increase in the Vehicles License Fee would be phased in, vehicle registration fees would increase by $35 and by $100 for alternatively fueled vehicles. In addition, SB 16 would phase out the use of truck weight fees for bond debt service, thus returning these funds to transportation uses. SB 16 would dedicate 5% of the funds toward an incentive program to encourage new local transportation sales tax programs – counties with an existing sales tax program are not eligible for these funds. The remaining funds are split between Caltrans maintenance projects and local street and road projects.</td>
<td>Beall (D)</td>
<td>SENATE T. &amp; I.D.</td>
</tr>
<tr>
<td>SBX 2</td>
<td>SBX 2 is part of the Senate Republican</td>
<td></td>
<td>SENATE T. &amp; I.D.</td>
</tr>
</tbody>
</table>
| **SBX1 3** (Vidak R) | SBX 3 would halt the use of existing bonds for construction of the high speed rail system, and redirect the use of unsold bonds to state and local transportation projects. The bill would make the following changes:

- Use any outstanding bond proceeds to pay off the debt of those bonds.

- Use any unissued bonds for transportation projects whereby 50% is appropriated Caltrans for highway maintenance and new construction, and 50% to a new program in Caltrans to fund the repair and new construction of local streets and roads. | **SENATE T. & I.D.** |
| **SBX1 4** (Beall D) | SBX 4 is spot bill that includes legislative intent language to establish a permanent and sustainable funding source to maintain and repair state highways, local roads, bridges and other critical infrastructure. SBX 4 has procedurally been moved to the Third Reading File without being heard in a policy committee. | **SENATE THIRD READING** |
| **SBX1 5** (Beall D) | SBX 5 is a spot bill with legislative intent language to establish a sustainable funding source to improve the state key trade corridors and support efforts by local governments to repair and improve local | **SENATE THIRD READING** |
transportation infrastructure.

SBX 5 has also been moved to the Senate Third Reading File without a policy committee hearing.
July 9, 2015

Table 1 Board Action Positions

<table>
<thead>
<tr>
<th>Bills</th>
<th>Subject</th>
<th>Status</th>
<th>Client - Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 464</strong></td>
<td>Existing law caps the cumulative total amount of locally imposed sales taxes at 2%. However, many counties, including Alameda, are currently at that limit. AB 464 would amend existing to adjust the cap up to 3%.</td>
<td>SENATE FLOOR</td>
<td>SUPPORT</td>
</tr>
<tr>
<td><strong>(Mullin D)</strong></td>
<td></td>
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<tr>
<td><strong>Transactions and use taxes:</strong> maximum combined rate</td>
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<tr>
<td><strong>AB 516</strong></td>
<td>AB 516 would require the Department of Motor Vehicles to develop a temporary license plate system to enable vehicle dealers to install a temporary license plate on all new vehicle sales, or the sale of vehicles that currently do not have a license plate. The purpose of the bill is to help the public and law enforcement to identify a vehicle used in a hit and run or other crime, as well as reduces the ability to evade toll payments.</td>
<td>SENATE APPR</td>
<td>SUPPORT</td>
</tr>
<tr>
<td><strong>(Mullin D)</strong></td>
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<tr>
<td><strong>Vehicles:</strong> temporary license plates</td>
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<tr>
<td><strong>AB 857</strong></td>
<td>Last year the legislature passed and the Governor signed SB 1204, which placed in statute the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program. This program essentially codifies CARB’s existing programs aimed at funding projects that lead to the commercialization of zero emission trucks and buses. SB 1204 also directs until January 1, 2018, 20% of the funds annually to truck projects. AB 857 would increase the amount of funds dedicated to truck projects. From January 2018 to January 2023, AB 857 would require CARB to direct at least 50% or $100 million, whichever is greater, of cap &amp;trade revenue dedicated to this program toward zero and near-zero heavy-duty truck projects and low emission natural gas trucks.</td>
<td>SENATE E Q</td>
<td>Oppose</td>
</tr>
<tr>
<td><strong>(Perea D)</strong></td>
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<tr>
<td><strong>California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.</strong></td>
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</tbody>
</table>
AB 857 would significantly increase the truck set-aside, which would limit CARB’s ability to fund zero emission bus projects.

<table>
<thead>
<tr>
<th>AB 1008</th>
<th>AB 1008 would amend existing law to add hydrogen sold for the purpose of being used as a vehicle fuel will not be regulated as a public utility. Existing law currently exempts the sale of natural gas and electricity sold to power vehicles as a regulated as a public utility. AB 1008 would create parity in how hydrogen is regulated when used as a transportation fuel.</th>
<th>Governor’s Desk</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 1250</strong>&lt;br&gt;(Quirk D)&lt;br&gt;Public utilities: sale of hydrogen to public as a motor vehicle fuel.</td>
<td>AB 1250 is sponsored by the CTA. The bill was recently amended to include a potential solution to the bus axle weight issue. In general, the amendments would phase in an unladen axle weight of 22,000 pounds for transit vehicles. While city and county associations are still reviewing this proposal, AB 1250 makes the following changes.</td>
<td>SENATE T &amp; H</td>
<td>SUPPORT</td>
</tr>
<tr>
<td><strong>•</strong> Continue the exemption for all buses procured through a solicitation issued before January 1, 2016.</td>
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<tr>
<td><strong>•</strong> Vehicle procurements issued between January 1, 2016 and December 31, 2017 must have an unladen axle weight not to exceed 25,000 pounds.</td>
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<td><strong>•</strong> Vehicle procurements issued between January 1, 2018 and December 31, 2019 must have an unladen axle weight not to exceed 24,000 pounds.</td>
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<tr>
<td><strong>•</strong> Vehicle procurements issued between January 1, 2020 and December 31, 2021 must have an unladen axle weight not to exceed 23,000 pounds.</td>
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<tr>
<td><strong>•</strong> Vehicle procurements issued on or after January 1, 2022, shall not exceed an unladen axle weight of 22,000 pounds.</td>
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</tbody>
</table>
- Provisions were also added that allows a vehicle with a maximum weight that exceeds the weight limit of a bridge to operate on that bridge if a permit is obtained from the entity that owns the bridge.

The content of this bill is still subject to negotiations with local governments, so additional amendments are likely.

<table>
<thead>
<tr>
<th>ACA 4 (Frazier D)</th>
<th>ACA 4 would amend the Constitution to lower approval threshold to impose a special sales tax that provides funding for local transportation project to 55%. Local transportation projects are defined to include the funding needs for local streets and roads, state highways and freeways, and public transit systems. ACA 4 does not lower the voter threshold for parcel taxes.</th>
<th>ASSEMBLY REV &amp; TAX SUPPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB 9 (Beall D)</td>
<td>Recent amendments remove provision in SB 9 that split the funds in the Transit Capital &amp; Intercity Rail Program between projects with a cost in excess of $100 million and projects with a cost less than $100 million. As currently drafted SB 9 makes the following beneficial changes to the Transit Capital &amp; Intercity Rail Program:</td>
<td>ASSEMBLY NAT RES. SUPPORT</td>
</tr>
<tr>
<td></td>
<td>• Requires CalSTA to consider the extent to which a project reduces GHG emissions in selecting projects for funding.</td>
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<td></td>
<td>• Clarifies eligible applicants include bus, rail, and ferry operators.</td>
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<td></td>
<td>• Requires CalSTA, by July 1, 2016, to develop a five-year estimate of revenues of the program in annual increments and adopt an initial program of projects for those five years.</td>
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<tr>
<td></td>
<td>• Authorizes CalSTA to enter into and execute a multiyear funding agreement with an eligible applicant for a multiyear project.</td>
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<tr>
<td></td>
<td>• Authorizes a lead applicant agency to apply to CTC for a letter of no prejudice in order to allow the lead applicant to expend their own funds for the project and be eligible for future reimbursement.</td>
<td></td>
</tr>
<tr>
<td>Bill</td>
<td>Description</td>
<td>Sponsor</td>
</tr>
<tr>
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</tr>
<tr>
<td>SB 391</td>
<td>Would enhance the penalties for assault or battery of a transit employee. Specifically SB 391 adds transit employee to the list of individuals, such as police officers, firefighters and medical personnel. The fines for assault or battery of a transit employee would increase to a fine not exceeding $2,000 or up to 1 year in jail, or both.</td>
<td>Senator Huff</td>
</tr>
<tr>
<td>SB 413</td>
<td>Sponsored by the California Transit Association. This bill would add two more activities to the list of activities punishable by a fine or administrative penalty when on a transit vehicle or facility. SB 413 would make failure to comply with a warning related to loud or unreasonable noise subject to a penalty. The bill also removes the exemption of juveniles from the administrative penalties process. The bill was amended to replace the failure to yield a seat reserved for an elderly or disabled person with language that would authorize an operator to adopt an ordinance to enforce failure to yield a seat as an infraction.</td>
<td>Assembly Member Wieckowski</td>
</tr>
<tr>
<td>SB 508</td>
<td>Sponsored by CTA. This bill makes several changes to the fare box recovery ratio calculation and eligibility criteria for STA funds. However, the bill was recently amended to delete the ability to exempt health and pension costs. SB 508 makes the following changes: - Deletes the fare box recovery requirement that agencies maintain the ratio they achieved in 1978-79. - Excludes the principal and interest payments on capital projects funded with certificates of participation. - Excludes from the operating cost definition the cost of fuel, alternative fuel, power, insurance premiums, settlement payments, and state and federal mandates. - Clarifies that local funds used to meet the farebox ratio includes any nonstate or nonfederal grants. - Replaces the “pass / fail” nature of the</td>
<td>Assembly Member Beall</td>
</tr>
</tbody>
</table>
STA qualifying criteria, with a sliding scale. SB 508 also clarifies that a portion of local transportation funds can be used educational programs promoting bicycling and pedestrian safety.

Table 2: Board Watch Positions

<table>
<thead>
<tr>
<th>Bills</th>
<th>Subject</th>
<th>Status</th>
<th>Client - Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 61</strong>&lt;br&gt;(Allen, Travis R)&lt;br&gt;Shuttle services: loading and unloading of passengers.</td>
<td>AB 61 would allow a local government to permit private shuttle bus services to use public transit stops if an agreement is reached between the public transit operator and the private shuttle operator. Assemblyman Allen introduced this bill in response to demonstrations in San Francisco over the Google Buses, and other tech-buses; however, it is unclear if legislation is actually needed. Although the contents of AB 61 do not appear onerous or complicated, we recommend a wait and see approach, unless conditions in the East Bay dictate otherwise.</td>
<td>ASSEMBLY TRANS. Two-Year Bill</td>
<td>Watch</td>
</tr>
<tr>
<td><strong>AB 1287</strong>&lt;br&gt;(Chiu D)&lt;br&gt;Vehicles: parking violations: cameras</td>
<td>AB 1287 deletes the sunset date on special provisions that allow the City &amp; County of San Francisco to install forward facing video cameras on buses that are used to issue tickets for vehicles parked in bus only lanes.</td>
<td>SENATE DESK</td>
<td>WATCH</td>
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<tr>
<td><strong>SB 16</strong>&lt;br&gt;(Beall D)&lt;br&gt;Transportation funding.</td>
<td>SB 16 is the Senate’s proposed transportation funding proposal, which would generate up to $3.6 billion annually over the next 5 years. The funds would primarily be used to fund state highway and local and street and road maintenance needs. This funding plan would remain in place through the 2019-2020 fiscal year, unless it is extended by the Legislature. New revenues would be generated by increasing the excise tax on gasoline (10 cents) and diesel fuel (12 cents), a .35% increase in the Vehicles License Fee would be phased in, vehicle registration fees would increase by $35 and by $100 for alternatively fueled vehicles. In addition, SB 16 would phase out the use of truck weight fees for bond debt service, thus returning these funds to transportation uses.</td>
<td>SENATE FLOOR</td>
<td>WATCH</td>
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SB 16 would dedicate 5% of the funds toward an incentive program to encourage new local transportation sales tax programs—counties with an existing sales tax program are eligible for these funds. The remaining funds are split between Caltrans maintenance projects and local street and road projects.

**SB 254**

(Allen D)

State highways: relinquishment.

SB 254 was amended to include the legislature’s proposal to streamline the relinquishment process.

Existing law requires legislative approval to relinquish any state highway segment to local control. SB 254 would streamline this process by authorizing the California Transportation Commission to relinquish portions of the state highway system to a county or city without legislative action.

Specifically, SB 254 would allow the CTC to relinquish any portion of the state highway once Caltrans has entered into an agreement with the recipient of the highway segment and has placed the highway in a “state of good repair.”

**SB 497**

(Vidak R)

Pupil transportation: data.

SB 497 would require the State Department of Education to collect the data below from each school district, charter school, county office of education, and regional occupation center that provides pupil transportation. This information would then be posted on the Department’s website along with the statewide average cost per mile and cost per pupil.

- Revenue received for transportation purposes,
- Number of buses,
- Ridership of all pupils,
- Ridership of pupils with an individualized education plan,
- Ridership of pupils eligible for free or reduced price meals,
- Number of miles driven,
- Approved costs,
- Cost per mile and cost per pupil
Funding

- FY 2014 Grant Opportunities- Secure federal funds for key capital projects and support funding for 2015 Project Priorities for:
  - East Bay BRT Improvements within the Small Starts Program and other programs
  - AC Transit's Intelligent Transportation and Communication System upgrades
  - Bus lifting equipment program
  - Rehabilitation of aging facilities
  - Zero Emission Bus Programs

- Advocate for supplemental funding through the Federal Transit Administration to offset rising operating costs without jeopardizing total funding available for capital projects.

- Support funding for the Transbay Terminal.

- Support/seek additional funding for lifeline services including, but not limited to services for access to work, school or medical facilities.

- Support efforts to rescind the planned across-the-board cuts to all federal programs, called "Sequestration," as enacted under the Budget Control Act of 2011.

Transportation Authorization Principles

- Support efforts to increase the gas tax or to increase other revenues to replenish and sustain long-term growth of the Highway Trust Fund/Mass Transit Account.

- Support transportation authorization reform that emphasizes greater funding levels to urban mass transit systems, and oppose efforts to reduce spending on transit formula programs.

- Support FTA and Congressional efforts to make State of Good Repair for transit bus systems a strategic priority.

- Support broad funding eligibility for BRT projects in federal transit programs, including New Starts and Small Starts programs,
• Seek revisions to the Metropolitan Planning Organization (MPO) grandfather clause that supports the direct representation of transit properties on local transportation policy boards.
• Support legislation through MAP-21 for safety requirements based on agency size

Other Advocacy

• Advocate for transit-supportive legislation that mitigates global warming and/or calls for environmental stewardship and related funding.
• Support funding and coordination between Health and Human Service (HHS) agencies and other transportation agencies to provide services to HHS clients.
• Support modal parity in the commute tax benefits.
• Support legislation that relieves the fiscal burden of mandatory regulations.
• Support legislation that encourages Single Payer health insurance.
• Advocate for American with Disabilities Act improvements
Funding

- Support efforts to implement the Moving Ahead for Progress in the 21st Century Act (MAP-21) and future transportation authorizations that at least maintains funding level for mass transit projects and programs for bus operators in the Bay Area.

- Support the development and implementation of an expenditure plan for AB 32 cap and trade revenue that provides an equitable investment in mass transit capital improvements, operations, and infill/transit oriented development.

- Pursue and support funding for Zero Emission Bus Programs

- Support efforts that create new sources of operating funds with equitable distribution to reflect urban transit needs.

- Support efforts to sustain existing transit revenues.

- Support efforts that would exempt public transit providers from state sales tax.

- Support efforts to provide funding for lifeline services including, but not limited to, services for access to work, school or medical facilities.

- Support local ability to increase fees and gas taxes to be used for local mass transit purposes.

- Support legislation and programs that would provide funding to offset the costs of global warming initiatives, clean air and clean fuels and implementation of AC Transit's Climate Action Plan.

- Support congestion pricing strategies and legislation that provide an equitable multi-modal distribution of generated revenues.

- Support legislative or administrative action to remove State barriers so that Medicaid transportation funds can be used for public transit services, including ADA paratransit services.

- Support funding and coordination between Health and Human Service (HHS) agencies and other transportation agencies to provide services to HHS clients.
• Support legislation and programs that would provide funding for employee benefits programs.

• Support funding initiatives that relieve the fiscal burden of mandatory regulations.

**Equipment and Operations**

• Support legislation or administrative action that would direct Caltrans to establish and maintain HOV lanes on state highway routes and to improve existing HOV lane management to maximize throughput.

• Support incentives to provide bus contra flow lanes on the San Francisco-Oakland Bay Bridge to/from the Transbay Terminal.

• Support legislation to exempt public transit vehicles from state and local truck route ordinances.

• Support legislation or administrative action that would direct Caltrans to permit permanent use of freeway shoulders by public transit buses.

**Transit Incentives**

• Support legislation to provide incentives for employees and employers to use public transportation to commute to work, including tax credits for purchasing transit passes.

• Support Clean Air Initiatives that encourage increased public transit use.

• Support incentives that would give auto insurance credits to heavy transit users.

• Support legislation to provide incentives for local governments and developers to incorporate transit passes into the cost of housing.

**Environment and Transit Supportive Land Use**

• Support efforts that provide a new form of tax increment financing that promotes economic investment through transit oriented development, and requires the approval of all affected taxing entities.

• Advocate for transit-supportive legislation that addresses climate change, healthy communities and environments.
• Foster transit supportive land use initiatives that require coordination with transit providers in the initial stages of local planning or project development that impacts transit, including density level decisions or transit oriented developments (TODs); and advocate for the required use of:
  o Transit streets agreements, and
  o Complete streets plans in which local transportation plans anticipate use of all modes.

• Support legislation that requires reporting of Vehicle Miles Traveled (VMT) annually through DMV renewal.

**Policy Interests**

• Support simple majority vote for local transportation ballot tax initiatives.

• Support legislation to allow District to ban persons for specified offenses from entering district property.

• Seek revisions to the Metropolitan Planning Organization (MPO) grandfather clause that supports direct representation of transit properties on local transportation policy boards.

• Support legislation for STA formula reform that includes federal operating funding as eligible revenue.

• Support efforts that maintain existing Workers' Compensation regulation.

• Consider efforts to reform tort general damages