

PLATINUM | ADVISORS

Meeting of October 28, 2022

TO: Gerald Cochran, Chair, Governmental Affairs and Public Information Committee
Michael Theriault, President, Board of Directors
Denis J. Mulligan, General Manager

FR: Platinum Advisors, LLC

RE: **STATE UPDATE FROM THE DISTRICT'S LEGISLATIVE ADVOCATES, PLATINUM ADVISORS, LLC**

Until December: The legislature has now adjourned and will not reconvene until December for an organizational session to prepare for the 2023-24 session. All focus is now on the November elections where over 30 new members will be elected, and the Women's Caucus could grow from the current 39 members to 45.

December may be a little busier than normal. With gas prices in California remaining much higher than the national average, Governor Newsom announced that he will call a special session to address fuel prices and impose an excess profits tax on oil companies. This special session is expected to begin in December. This action was spurred by a Consumer Watchdog report that found western fuel producers generated per gallon profits ranging from 79 cent to \$1 during the second quarter of this year.

In addition, Governor Newsom completed his actions on all bills sent his office late in the afternoon on September 30th. The legislature sent over 1,100 bills to his office. The Governor signed 997 measure and vetoed 169, for a veto rate of 14.5%, which is in the average veto rate range.

Seismic Funding: Over the past year we have worked closely with the District to explore funding sources to complete the final phase of the Bridge Seismic Retrofit project. With the historic budget surplus, we worked with the District to secure the support of our legislative delegation to request funding in the budget for this project. While a tall ask, the entire delegation agreed to sign a letter requesting \$300 million in surplus revenue for the Phase 3B project. This effort was scuttled after leadership held tight to their rules that there will be no "earmarks" for transportation projects. The Senate budget proposal tried to include a programmatic pot of funds for bridge retrofit projects, but the entire transportation package was scaled back, and the retrofit funding was dropped.

However, opportunities remain. The District's advocacy efforts have caught the support and attention of Assemblyman Phil Ting and the Governor's office. With their support we continue to work on the possibility of using federal funds dedicated to the Local Bridge Program. The Local Bridge Program is a suitable funding source that could allocate funds over time, but current rules adopted last year severely limit the amount of funding the District could receive. With the assistance of the Governor's office and Assemblyman Ting we are hopeful a funding agreement can be reached.

Fiscal Outlook: There have been numerous press reports on the Governor's veto messages that have relied on a souring a fiscal outlook to justify a veto. The Governor is taking a cautious approach and the numbers, so far, this fiscal year, back him up. While unemployment remains low in California, inflation remains high.

Since passage of the budget in June, total revenues received by the state are \$4.2 billion below projections. While this shortfall can be easily covered by reserves, it is still too early to know if this trend will continue to grow. The Legislative Analyst's Office is expected to release its midyear assessment in November, which will provide a clearer budget outlook prior to the release of the Governor's spending plan in January. As you know, California relies heavily on income tax, in particular capital gains taxes from the wealthy, so if the stock market falls, so does California's revenue.

TIRCP Cycle 6: CalSTA has released the draft [guidelines](#) for the next Transit and Intercity Rail Capital Program (TIRCP) Cycle 6. Workshops have been scheduled for November 3rd for large applicants and November 4th for small applicants. The deadline to submit comments on the draft guidelines is November 7th. Project applications for Cycle 6 are currently due February 10th, and the award announcement is expected in April.

Cycle 6 will be a significant investment in transportation and transit projects. Over \$3.63 billion will be available for TIRCP projects, and an additional \$350 million is dedicated to High Priority Grade Crossing Improvement and Separation projects. State budget guidance specifies that \$1.83 billion is dedicated to TIRCP projects in Southern California (Ventura, Los Angeles, Orange, San Bernardino, Riverside, San Diego, and Imperial counties) and \$1.5 billion for projects in the rest of the state. Both the funding pots require at least \$900 million be used for existing TIRCP projects that can demonstrate a need for additional funding in order to leverage additional federal funds.

CAPTI Progress Report: Last week CalSTA released its first progress [report](#) on implementing the Climate Action Plan for Transportation Infrastructure (CAPTI). The Assembly Committee on Transportation is expected to hold an informational hearing on this report, a date for the hearing has not been set yet.

According to the report the state has completed or made substantial progress on 88% of the 34 action items identified in CAPTI. Among the successes highlighted in the report include: the addition of 9 new multi-modal projects to the Interregional Transportation Improvement Program, the addition of pro-housing principles added to the guidelines for TIRCP and other programs, and changes to the TIRCP Cycle 5 guidelines that direct funds toward zero emission transit projects.

Legislation: Below is a matrix of bills of interest to the District that we actively monitored this year.

Bills	Subject	Status
<p><u>AB 455</u> (Wicks D) Bay Bridge Fast Forward Program.</p>	<p>AB 455 requires Caltrans, no later than July 1, 2024, in consultation with MTC, BATA, relevant transit operators, and relevant local transportation agencies, to establish speed and reliability performance targets for buses traveling through the Bay Bridge corridor.</p> <p>The bill also requires Caltrans to establish an online reporting process to publicly share bus speed and reliability performance results, and to submit a report to the Legislature that identifies a strategy for achieving the bus speed and reliability performance targets in the Bay Bridge corridor.</p>	<p>DEAD</p>
<p><u>AB 984</u> (Wilson D) Vehicle identification and registration: alternative devices.</p>	<p>This bill requires the DMV to establish a program authorizing an entity to issue devices as alternatives to conventional license plates, stickers, tabs, and registration cards that meet specified criteria; and would establish requirements for piloting and adopting new alternative devices.</p>	<p>Signed Into Law, Chapter 746, Statutes of 2022</p>
<p><u>AB 1919</u> (Holden D) Transportation: free student transit passes.</p>	<p>As amended, AB 1919 creates a five-year Youth Transit Pass Pilot Program to provide grants to transit agencies to create or expand free fare transit programs for college and K-12 students.</p> <p>The Governor stated in his veto message, <i>“(AB 1919) costs will likely exceed \$115 million annually. With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing.”</i></p> <p>Contingent upon funds being appropriated the bill would allow transit operators to apply to Caltrans for funds to create or expand existing free fare programs. The funds would be awarded based on the operator’s proportional share fare box revenues based on the 2018-19 fiscal year. The bill also stipulates that an educational institution may not participate if the receipt of the funds would invalidate an existing free fare funding program.</p>	<p>VETOED</p>

<p><u>AB 1944</u> (Lee D) Local government: open and public meetings.</p>	<p>AB 1944 remained in the Senate Committee on Governance & Finance and did not move forward this year. The Committee had concerns about the significant flexibility granted the members of local legislative bodies to participate remotely.</p> <p><i>The Governor has signed into law AB 2449 (Rubio). While similar to AB 1944, this bill would allow for remote participation if at least a majority of the governing board participate at a single location. The bill also places restrictions on the reasons to participate remotely.</i></p> <p>AB 1944 would allow members of legislative body to continue to participate in a Brown Act meeting remotely, and if from a non-public location the member is not required to disclose the address. In addition, AB 1944 requires the governing body if it chooses to allow for remote participation of its members, to also provide video streaming and offer public comment via video or phone.</p>	<p>DEAD</p>
<p><u>AB 1975</u> (Nazarian D) Transportation: bus shelter and street furniture siting: Road Maintenance and Rehabilitation Program: Local Streets and Roads Program.</p>	<p>AB 1975 originally required local governments to approve a request to install a bus shelter, bench, or other “street furniture” by ministerial action.</p> <p>Unfortunately, the bill has been significantly amended. As amended, AB 1975 would require cities and counties to submit an annual report to the legislature that identifies the number of bus shelters within the city or county.</p>	<p>DEAD</p>
<p><u>AB 2237</u> (Friedman D) Transportation planning: regional transportation improvement plan: sustainable communities strategies: climate goals</p>	<p>Assemblywoman Friedman will likely hold an informational hearing on this measure and AB 2438, which was vetoed. The release of the CAPTI Implementation Progress Report sometime this month will likely influence the direction Assemblywoman Friedman will take on reintroducing these measures.</p> <p>This bill would require regional transportation planning agencies (RTPA) to include in its regional transportation improvement program projects to be funded in whole or in part that are consistent with its most recently prepared sustainable communities strategy and the</p>	<p>DEAD</p>

	state’s climate goals. The bill would also require projects funded with local transportation sales tax funds to also be included in SCS.	
<u>AB 2441</u> (Kalra D) Public employment: local public transit agencies: new technologies.	<p>AB 2441 requires a public transit employer to notify labor representatives of its intention to begin, or substantive progress toward initiating the use of autonomous vehicles.</p> <p>In his veto message, Governor Newsom stated, <i>“I am supportive of ensuring workers affected by new technology are consulted and have input upon decisions that will impact their job. However, I am returning this bill without my signature because it contains some ambiguous terms that may lead to more adjudications than intended, and I believe more work is needed to clearly define the scope and application of the bill.”</i></p> <p>The bill also requires that following a written request by the exclusive employee representative, the public transit employer must commence collective bargaining in which both parties must bargain over the development and implementation of the use of autonomous vehicles.</p>	VETOED
<u>AB 2449</u> (Rubio, Blanca D) Open meetings: local agencies: teleconferences.	<p>AB 2449 would authorize the use of teleconferencing without noticing and making available to the public teleconferencing locations if a quorum of the members of the legislative body participates in person from a singular location that is noticed and open to the public and require the legislative body to offer public comment via video or phone.</p> <p>The provisions made in AB 2449 would sunset on January 1, 2028.</p>	Signed Into Law Chapter 285, Statutes of 2022
<u>AB 2594</u> (Ting D) Vehicle registration and toll charges.	<p>AB 2594 makes numerous changes to the administration of bridge and road tolls. The District worked closely with Assemblyman Ting on the development of this bill. In general, this bill codifies many toll collection practices already employed by the District.</p>	Signed Into Law Chapter 969, Statutes of 2022
<u>AB 2622</u> (Mullin D) Sales and use taxes:	<p>AB 2622 would extend the exemption from the state portion of the sales tax the purchase zero emission transit vehicles. This bill is sponsored by the California Transit Association and would extend the sunset date on</p>	Signed Into Law Chapter 353, Statutes of 2022

exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.	the sales tax exemption from January 1, 2024, to January 1, 2026.	
<u>AB 2949</u> (Lee D) Vehicles: toll exemptions.	AB 2949 exempts vehicles registered to veterans displaying specialized license plates from paying tolls or related fines.	Signed Into Law Chapter 871, Statutes of 2022
<u>SB 917</u> (Becker D) Seamless Transit Transformation Act.	SB 917 directs MTC to work with transit operators to develop the Connected Network Plan, adopt an integrated transit fare structure, develop a comprehensive regional transit wayfinding system, and establish an open-source real-time transit information system. SB 917 was held on the Assembly Appropriations Suspense File. No reason was given. However, several amendments were still being negotiated, and the bill would create cost pressures, so it is not surprising that the bill was held. Amendments did address some concerns expressed by Bay Area operators with respect to the time deadlines, concerns regarding the integrated fare plan requirements, and establishing the Regional Transit Coordinating Council.	DEAD
<u>SB 922</u> (Wiener D) California Environmental Quality Act: exemptions: transportation- related projects.	SB 922 expands the application of the California Environmental Quality Act (CEQA) exemptions for various transportation-related projects and sunsets those exemptions on January 1, 2030. Specifically, the bill makes the following changes: <ul style="list-style-type: none"> • Exempts from CEQA, until January 1, 2030, active transportation plans and pedestrian plans, if the lead agency holds noticed public hearings • For the SB 288 projects, this bill extends the January 1, 2023, sunset until 2030, but these 	Signed Into Law Chapter 987, Statutes of 2022

	<p>projects shall not add infrastructure or striping that increases automobile capacity.</p> <ul style="list-style-type: none"> Expands the type of transit prioritization projects. 	
<p><u>SB 942</u> (Newman D) Low Carbon Transit Operations Program: free or reduced fare transit program.</p>	<p>SB 946 would allow transit agencies who use Low Carbon Transit Operations Program (LCTOP) moneys to fund free or reduced fare transit programs to continue using those moneys for ongoing operating costs.</p> <p>As amended in the Assembly Transportation Committee, operators would be required to submit the initial allocation request and then annually provide for the next three years documentation that the program is meeting the GHG reduction requirements.</p>	<p>Signed Into Law Chapter 988, Statutes of 2022</p>
<p><u>SB 1100</u> (Cortese D) Open meetings: orderly conduct.</p>	<p>SB 1100 would authorize the removal of an individual from a public meeting who is “willfully interrupting” the meeting after a warning and a request to stop their behavior. “Willfully interrupting” is defined as intentionally engaging in behavior during a meeting of a legislative body that substantially impairs or renders infeasible the orderly conduct of the meeting in accordance with law.</p>	<p>Signed Into Law Chapter #171, Statutes of 2022</p>
<p><u>SB 1121</u> (Gonzalez D) State and local transportation system: needs assessment.</p>	<p>SB 1121 would require the California Transportation Commission (CTC) in cooperation with Caltrans and CalSTA to biennially develop a needs assessment of the cost to operate, maintain, and provide for the future growth and resiliency of the state and local transportation system.</p> <p>The bill defines “state and local transportation system” to include public transit systems, including operations, as well as bicycle and pedestrian facilities. The CTC would also be required to consult with transit operators, transportation planning agencies, and local governments in developing the assessment.</p>	<p>Signed Into Law Chapter 508, Statutes of 2022</p>
<p><u>SB 1161</u> (Min D) Transit districts: street harassment initiatives.</p>	<p>The Assembly Appropriations Committee significantly back scaled SB 1161. As amended the bill requires the Mineta Transportation Institute (MTI) to develop and make available on its internet website a survey for the purpose of promoting consistency in the collection of survey data by transit agencies to inform efforts to improve the safety of riders and reduce street harassment on public transit.</p>	<p>Signed Into Law Chapter 318, Statutes of 2022</p>