

# PLATINUM | ADVISORS

Meeting of November 15, 2024

TO: Chris Snyder, Chair, Governmental Affairs and Public Information Committee  
Gerald D. Cochran, 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**

**Sign/Veto:** The Governor completed actions on all the measures sent to his desk the day before the September 30<sup>th</sup> deadline. This year the legislature sent a record number of bills to the Governor, with 1,206 bills approved this year alone. Of these bills the Governor vetoed 189, or 16%, which is consistent with prior veto rates.

**Fiscal Outlook:** The Department of Finances monthly revenue bulletins continue to illustrate a stable fiscal outlook. The month of August receipts were \$710 million, or 5.5 percent, above the Budget Act forecast for August. In September, General Fund cash receipts were \$2.4 billion, or 16 percent, above the Budget Act forecast. This overage was driven by quarterly personal income tax and corporation tax payments which were \$1.8 billion and \$557 million higher, respectively.

For the fiscal year to date, General Fund cash receipts are \$7.3 billion above projections, but this includes an accounting correction of \$3.2 billion for cash collected during the 2023-24 fiscal year, but attributed to the current fiscal year. These higher revenue numbers contributed to the Governor's confidence when he announced expanding California Film & Television Tax Credit Program from \$330 million to \$750 million annually.

The next big step on the state's fiscal outlook is the release of the LAO's budget update and outlook that will be released sometime in November.

**Seismic Funding:** Working closely with the District, we were finally able to secure \$149 million in state funding to complete the seismic retrofitting of the Bridge. While we have been working to identify and secure funds for several years, the award of \$400 million in federal funds increased the pressure (on us and the state) to secure additional state funds. This success follows countless meetings with the Governor's staff, legislative leadership, CalSTA and Caltrans, and would not have been possible without the tireless efforts of the General Manager and members of the District's Board of Directors.

Earlier this year the Governor's office, with the support of Senate President Pro Tempore Mike McGuire, led the effort to dedicate state funds that enabled the state and the District to enter a full funding agreement with the Federal Highways Administration. The state's contribution includes \$100 million State Highway Operation and Protection Program (SHOPP) funds that will be allocated over 2 years, and \$49 million in additional local Highway Bridge Program funds that

will be allocated over 5 years. From the state's perspective they also count an existing commitment of \$51 million in local Highway Bridge Program funds, for a total state commitment of \$200 million.

The \$149 million in new state funds falls short of the District's goal of \$250 million. However, given the large state budget deficit, this was a significant achievement. We want to recognize that this agreement requires the District to commit an additional \$100 million in toll revenues and this will have an impact on the District's budget for transit operations and other obligations. However, Platinum Advisors remains committed to identifying and securing additional funds as this critical project moves forward.

**CAPTI:** CalSTA opened the public comment period on the proposed revisions to the Climate Action Plan for Transportation Infrastructure (CAPTI). Comments can be submitted from November 1<sup>st</sup> to December 13<sup>th</sup> by emailing [CAPTI@calsta.ca.gov](mailto:CAPTI@calsta.ca.gov). The revised plan will be finalized in early 2025, and will reflect the first update to CAPTI since it was adopted in July 2021.

While the update is still subject to public comment, among the proposed amendments to CAPTI include the following:

- Commits Caltrans to the development and release of the Statewide Express Mobility Plan, in consultation with the Roadway Pricing Working Group and the Equity Advisory Committee. The Plan will outline the role of roadway pricing and include a clear roadmap for expanding facilities-based pricing mechanisms.
- If funding is secured Caltrans will develop a prioritization methodology for climate adaptation projects currently identified in Caltrans District plans. If Caltrans is successful in receiving funds, Caltrans will work with regional partners and stakeholders to develop the methodology. Caltrans will also continue its work to meet its climate change adaptation performance objectives to be identified in the upcoming 2024-2028 update to the Caltrans Strategic Management Plan. These objectives include decreasing closures on the State Highway System associated with climate impacts.
- Commits CalSTA and GO-Biz to establish a Central Delivery Team to support zero-emission freight infrastructure planning and implementation, including carrying out the actions identified in the CTC's Clean Freight Corridor Efficiency Assessment.
- Create a statewide VMT mitigation bank or exchange program. This new action commits the Governor's Office of Land Use and Climate Innovation (LCI) to explore creating a statewide exchange or bank and to create guidance and technical assistance that will support local and regional agencies in creating mitigation exchanges and banks at a regional or local level.

**Transit Exemption:** The California Air Resources Board (CARB) is developing several “targeted” changes to the Advanced Clean Fleet Rule (ACF). The ACF Rule requires public and private fleets to transition to zero emission technologies. While the rule already includes language exempting transit operators that are subject to the Innovative Clean Transit Ruel until 2030, CARB staff is proposing to revise the existing exemption language. CARB is expected to adopt the revisions at a meeting early next year.

CARB staff is seeking comments from transit operators on the proposed changes that are intended to clarify the application of the exemption. Under the current rule, the transit exemption is stated as follows:

*“Transit agencies subject to the Innovative Clean Transit regulations commencing with title 13, CCR, section 2023 are not subject to any section of this article until January 1, 2030.”*

In amending the rule, CARB is proposing to amend the exemption language as follows:

*“Any vehicle that meets the criteria specified in section 2013(t)(1) or (2) below that are owned by transit agencies subject to the Innovative Clean Transit regulations commencing with title 13, CCR, section 2023 is not subject to any section of this article until January 1, 2030:*

- 1. Vehicles that directly support and maintain transit service operations a majority of the time; or*
- 2. Vehicles that provide transit passenger transportation services a majority of the time.”*

Given the District’s use of a wide range of vehicles, the District should closely examine this change. If the District has any questions, comments, or concerns about this proposed amendment, please let us know, and we can schedule a meeting with CARB staff to discuss.

### LEGISLATION

	Subject	Status	Position
<p><b><u>AB 817</u></b>  <b><u>(Pacheco D)</u></b>                      Open meetings:                      teleconferencing:                      subsidiary body.</p>	<p>AB 817 would authorize a “subsidiary body” to remotely hold a public meeting if specified conditions are met.</p> <p>AB 817 failed passage in the Senate Local Government Committee because the author would not accept all the amendments proposed by the Committee.</p> <p>The Committee proposed several amendments to narrow the application of the bill to specific types of advisory bodies, which the author accepted. However, there were two amendments the author would not accept. This resulted in the chair voting “no” causing</p>	<p>Senate Local Government</p> <p>Dead</p>	<p>Watch</p>

	<b>Subject</b>	<b>Status</b>	<b>Position</b>
	<p>the rest of the committee to hold off, or vote no. The two changes that are holding up this bill include the following:</p> <ul style="list-style-type: none"> <li>• The provisions of the bill would not apply to advisory bodies where the members are compensated.</li> <li>• Require a quorum to be present at a single public location; however, members of the body that have “specific needs” may count toward the quorum even if they participate remotely.</li> </ul>		
<p><b><u>AB 1837</u></b>  <b>(Papan D)</b>                      San Francisco Bay area: public transit: Regional Network Management Council.</p>	<p>This bill would codify the existing Regional Network Manager Council that consists of specified Bay Area transit general managers. The bill would require MTC to create a council consisting of 11 representatives that would consist of the general managers from the large operators plus 4 additional general managers selected by specified general managers.</p> <p>The purpose of this council is to provide guidance on regional transit policies.</p>	<p>Senate Transportation</p> <p>Dead</p>	<p>Watch</p>
<p><b><u>AB 1904</u></b>  <b>(Ward D)</b>                      Transit buses: yield right-of-way sign.</p>	<p>Existing law allows Santa Clara VTA and Santa Cruz Metropolitan Transit District to equip buses with a “yield right-of-way” sign to inform motorists when the bus re-entering a traffic lane.</p> <p>AB 1904 would expand this authorization to allow any transit operators to equip its bus with yield right-of-way signs. Under AB 1904 these signs could be an illuminated sign or a static decal.</p>	<p>Signed Into Law Chapter #555, Statutes of 2024</p>	<p>Watch</p>
<p><b><u>AB 2061</u></b>  <b>(Wilson D)</b>                      Sales and Use Tax: exemptions:</p>	<p>Starting on January 1, 2025 and ending January 1, 2030, AB 2061 would exempt the purchase of a "zero-emission public transportation ferry" by any public agency that provides transit</p>	<p>Vetoed</p>	<p>Co-sponsor</p>

	<b>Subject</b>	<b>Status</b>	<b>Position</b>
zero-emission public transportation ferries.	<p>services to the public and that is subject to the California Air Resources Board's (CARB's) regulation on the airborne toxic control measure for commercial harbor craft (CHC).</p> <p>The Governor vetoed AB 2061 due to the cost impacts. In his vetoed letter, Governor Newsom stated, <i>“This bill, while laudable, should be considered in the context of the annual budget process given the general fund implications of a tax exemption.”</i></p>		
<p><b><u>AB 2302</u></b>  <b>(Addis D)</b>                      Open meetings:                      local agencies:                      teleconferences.</p>	<p>AB 2302 clarifies the number of meetings that a member of a legislative body may attend remotely pursuant to the Ralph M. Brown Act’s teleconferencing requirements, as modified by AB 2449.</p> <p>AB 2302 would adjust the number of times a member can use teleconference based on the following restrictions:</p> <ul style="list-style-type: none"> <li>• Two meetings per year, if the legislative body regularly meets once per month or less.</li> <li>• Five meetings per year, if the legislative body regularly meets twice per month.</li> <li>• Seven meetings per year, if the legislative body regularly meets three or more times per month.</li> </ul>	Signed Into Law Chapter 389, Statutes of 2024	Watch
<p><b><u>AB 2561</u></b>  <b>(McKinnor D)</b>                      Local public employees:                      vacant positions.</p>	<p>As approved by the Senate Appropriations Committee, AB 2561 was significantly amended.</p> <p>AB 2561 would require the following:</p> <ul style="list-style-type: none"> <li>• Prior to adopting a budget, a public agency is required to present the status of vacancies and recruitment and retention efforts during a public hearing before its governing board at least once per fiscal year.</li> </ul>	Signed Into Law Chapter 409, Statutes of 2024	Watch

	<b>Subject</b>	<b>Status</b>	<b>Position</b>
	<ul style="list-style-type: none"> <li>Allows a bargaining unit to make a presentation on vacancies at the same hearing.</li> <li>If the vacancy rate of a single bargaining unit exceeds 20% then the public agency’s presentation to the governing board shall include specified information, such as the number and duration of the vacancies.</li> </ul> <p>While numerous local governments remain opposed to AB 2561, the amendments do scale back the requirements that were previously in the bill.</p>		
<b>AB 2645</b> <b>(Lackey R)</b> Electronic toll collection systems: information sharing: law enforcement.	AB 2645 authorizes a transportation agency that employs an electronic toll collection system to provide the date, time, and location of a vehicle license plate read captured by the system to a peace officer in response to a special alert, such as an Amber, Ebony, or Feather alert.	Signed Into Law Chapter #730, Statutes of 2024	Watch
<b>AB 2669</b> <b>(Ting D)</b> Toll bridges: tolls.	AB 2669 would prohibit a toll from being charged for passage of a pedestrian, a bicycle, or a personal micromobility device on any bridge in the Golden Gate Bridge, Highway, and Transportation District (GGBHTD), any state-owned bridge, and any bridge that private entities have entered into a franchise agreement with the state, unless the bridge was under construction on or after January 1, 2025, and the tolls are used to fund the cost of constructing the bridge.	Signed Into Law Chapter #731, Statutes of 2024	Watch
<b>SB 960</b> <b>(Wiener D)</b> Transportation: planning: transit priority projects: multimodal.	SB 960 would place in statute the requirement for Caltrans to include “complete street” improvements to all transportation projects.  The bill was amended on July 3 <sup>rd</sup> to reflect suggested changes by Caltrans.	Signed Into Law Chapter 630, Statutes of 2024	Support

	Subject	Status	Position
	<p>While the amendments provide some flexibility to Caltrans, the overall intent of the bill remains in place. Caltrans suggesting amendments bodes well for SB 960 being signed into law.</p> <p>This bill also requires inclusion of bicycle, pedestrian, and transit priority facilities in the Transportation Asset Management Plan, the State Highway System Management Plan, and the plain language performance report of the State Highway Operation and Protection Program (SHOPP). This bill requires any project in the SHOPP to include bicycle, pedestrian, and transit priority projects unless a specified exception applies.</p>		
<p><b><u>SB 1031</u></b>  <b>(Wiener D)</b>                      San Francisco Bay area: local revenue measure: transportation improvements.</p>	<p>Given growing debate over the content of the bill, Senators Wiener and Wahab decided to shelve the bill for this year in order to provide more time to develop a consensus measure that will be introduced next session.</p> <p>The language in SB 1031 is extensive. The bill contains 2 proposals. The first directs CalSTA to study the consolidation of all Bay Area transit operators, and then develop a plan for consolidation.</p> <p>The second area provides MTC with the authority to seek a regional funding measure for transit operations and capital programs. The regional measure also includes provisions that consolidated funding and policy authority over transit operations with MTC.</p>	<p>Assembly Desk</p> <p>Dead</p>	<p>Watch</p>