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2010 STATE LEGISLATIVE PROGRAM

The California Transit Association's 2010 State Legislative Program is an integral part of making our vision a reality, and is part and parcel of our mission to further the interests of public transportation as defined in our *Strategic Plan*.

Vision Statement

This statement contains our long-range vision for the transit industry and portrays the desired future the Association seeks to achieve. Our Association's vision is to have:

“Fully funded, efficient, and effective public transit systems operating in a balanced transportation network.”

Mission Statement

To attain that vision we carry out our mission to:

“Support the needs of California's public transit systems through advocacy and education.”

Advocacy

The goal of the advocacy effort contained in our *Strategic Plan* is to:

“Influence decision makers to enact policies and supply funds supporting and advancing public transit.”

The objectives of our advocacy effort are aimed at:

- Ensuring that existing transit funds are protected.
- Securing new funds for transit.
- Pursuing laws and regulations that support transit and defeating those that impede transit's ability to meet the public's mobility needs.

OBJECTIVE 1. Existing Transit Funds are Protected

A. Protect existing State transit funds, including TDA, PTA, TCRP, Propositions 1B and 1C, and Proposition 42 funds, from being eliminated, terminated, shifted or otherwise used for non-transit purposes, without specific repayment terms, and, restore or obtain repayment of all previous loans or shifts of transit funds, plus interest.

The Association will continue to take all actions necessary and appropriate in support of the Association's lawsuit to reclaim \$1.259 billion in 2007-08 and ongoing diversions from the Public Transportation Account (PTA). The Association will advocate for full transit funding in the 2009-10 State Budget, and restoration of previously shifted funds. The Association will explore all necessary and appropriate mechanisms and avenues for further protecting existing transit funds, such as "spillover" revenue, through the initiative process, including a constitutional amendment. The Association will partner with local government, the environmental community, and other interested transportation groups, among others, and form coalitions advocating for protection of transit funding.

B. Rationalize State programming of transit capital funds.

Recent amendments to the law governing transit capital project funding emphasize a formula-driven approach, and move away from the State programming and funding of transit capital projects in the State Transportation Improvement Program (STIP). Specifically, SB 717 (Perata) [Chapter 733, Statutes of 2007], provides transit operators with more predictable, flexible funding to address capital or operations needs, by shifting the contribution of Proposition 42's sales tax on gasoline dollars to the PTA from a formula weighted "50% State Transit Assistance (STA) Program and 50% State and regional programming (including through the STIP)" to a formula weighted "75% STA Program and 25% State and regional programming." As a result, approximately an additional \$71 million will flow directly to transit operators annually through the STA Program.

However, these same funds will now *not* be available annually to the California Transportation Commission (CTC) and regions for support of programming decisions in the STIP and ITIP processes. The Association will therefore continue to engage various stakeholders, including the CTC, Department of Finance, Department of Transportation, the Legislature, regional agencies, and others, in an ongoing effort to protect transit funding to the maximum extent possible and to revise the laws and regulations governing State and regional programming as necessary, to ensure the efficient and effective planning, programming and expenditure of scarce transit capital funds. In this effort we will consider alternative methods of funding transit capital projects to help ensure a more efficient flow of revenue to operators, including to intercity and commuter rail agencies which currently receive PTA funding subject to State and regional programming.

C. Support reform of State budget process to balance revenues and expenditures.

The Association calls on the governor and the legislature to enact substantive, long-term and systemic reforms in the way we craft annual state spending plans, and to end the recent practice of shifting funds from some programs to others to fill persistent General Fund deficits.

D. Oppose imposition of unfunded costs on transit providers through implementation of greenhouse gas emissions reduction laws and regulations.

The Association opposes the imposition of unfunded mandates on transit, and supports enactment of the proposed cap-and-trade program, and/or other market-based programs, to limit emissions, and urges the Air Resources Board to dedicate an appropriate level of revenue from such programs to strategies that enhance public transit.

OBJECTIVE 2: New Transit Funds are Secured

A. Ensure continued equitable allocation of Proposition 1B PTMISEA funds.

A program was put into place in 2007 through SB 88 (Committee on Budget and Fiscal Review) [Chapter 181, Statutes of 2007] for allocating the first \$600 million of Proposition 1B funds appropriated from the Public Transit Modernization, Improvement, Service Enhancement Account (PTMISEA). In 2008, the Legislature allocated \$350 million in AB 268 (Committee on Budget) [Chapter 756, Statutes of 2008], using the same factors established in SB 88. The Association supports application of SB 88's principles, policies and structure to all future appropriations of PTMISEA funds, which includes maintaining the determination of all operators' and regions' shares of PTMISEA based on the average of the State Transit Assistance (STA) Program allocations from the 2004-05, 2005-06, and 2006-07 years for the remainder of the available funding left in the program, as well as providing a mechanism to advance funding to eligible recipients. The Association sponsored a bill, AB 1072 (Eng), [Chapter 271, Statutes of 2010], to lock in the formula for all future PTMISEA appropriations. This proposal also authorizes an expenditure program mechanism, whereby agencies would be required, in the first year, to submit an expenditure plan for their share of the remaining funds available, in order to support advocacy for sufficient annual appropriations from the PTMISEA. Based on that data, we will then continue to support the necessary annual appropriations from the PTMISEA, including through the 2010-11 budget process. The Association will also coordinate with the Department of Transportation, Department of Finance, and the Pooled Money Investment Board, if necessary; to ensure that annual allocations are being made.

B. Maximizing Proposition 1B Bond proceeds

The Association will also support legislation to exempt expenditures of PTMISEA and Transit System Safety, Security, Disaster Response Account (TSSSDRA) funds from the state sales tax, to enhance the effectiveness of these investments.

C. Ensure continued equitable allocation of Proposition 1B TSSSDRA funds.

A program was put into place in 2007 through SB 88 (Committee on Budget and Fiscal Review) [Chapter 181, Statutes of 2007] to direct the Governor's Office of Homeland Security (OHS) and the Office of Emergency Services (OES) with developing guidelines for allocating the full \$1 billion to be appropriated from Proposition 1B's Transit System Safety, Security, Disaster Response Account (TSSSDRA). The Association will monitor this process and ensure all members informed of the annual grant process and time line. The Association will also determine if any program or policy revisions become necessary, and advocate for enactment of such a consensus proposal should such needed changes become obvious. We will continue to support significant annual appropriations from the TSSSDRA, including through the 2010-11 budget process.

D. Ensure continued equitable allocation of Proposition 1C TOD funds.

The Association will determine if any program or policy revisions become necessary for the distribution of the Transit Oriented Development (TOD) Housing Program funds made available through Proposition 1C. The Association will attempt to develop and advocate for enactment of such a consensus proposal should such needed changes become obvious. We will continue to support significant annual appropriations from the TOD Housing Program fund, including through the 2010-11 budget process.

E. Support efforts to remedy the *Guardino* decision.

Whether or not new revenues are provided at the State level, the Association will partner with others to build a coalition and support legislation to remedy the impact of the decision in the *Santa Clara County Local Transportation Authority vs. Guardino* case. Such legislation would reduce the currently-required two-thirds supra-majority vote and make it easier to enact new or continue existing local county sales taxes for transportation purposes.

F. Support enactment of new funding resources to combat greenhouse gas emissions

The Association will urge the Air Resources Board, and other entities implementing the State's greenhouse gas emissions laws and regulations, to advocate for stabilization of current transit funding sources, and advocate that any new laws or regulations implementing the State's goals in these policy areas calling for enhanced public transportation service must include appropriate stable and long-term funding sources adequate to support the required transit service. We specifically support enactment of the proposed cap-and-trade program, and/or other market-based programs, to limit emissions, and urge the Air Resources Board to dedicate an appropriate level of revenue from such programs to strategies that enhance public transit.

G. Seek the reallocation of property tax revenue generated by transit-oriented development to fund transit operations.

The Association will support legislation to secure transit operations funding through reallocating property tax revenue generated by transit-oriented developments. This funding will ensure that dramatic shifts in regional land use and transportation planning policies are reinforced by transit systems that are robust enough to support the impact of the state's greenhouse gas emissions reduction strategies.

H. Authorize an increase in Transportation Development Act Funding

The Association will sponsor legislation which authorizes the legislature to impose an additional one-quarter of one percent increase statewide for purposes of dedicating resources, as defined, pursuant to the Transportation Development Act. This will double the amount of TDA funding currently provided to local transportation.

I. Authorize the use of Mello-Roos for transit.

The Association will support efforts that attempt to allow Mello-Roos Community Facilities Districts to finance public transit facilities and public transit services, including, but not limited to, operational expenses and maintenance of public transit equipment.

OBJECTIVE 3: Laws and Regulations That Support Transit are Enacted and Those That Impede Transit's Ability to Meet the Public's Mobility Needs are Defeated

A. Enact STA eligibility criteria/farebox recovery ratio formula improvements.

Some transit operators experience trouble meeting the conditions established under Public Utilities Code section 99314.6 for using STA Program funds for operations purposes. Consequently, failure to meet those conditions requires an operator to use STA funds for capital purposes only. Similarly, some operators struggle to meet farebox requirements in obtaining or qualifying for TDA funds. The Association has defined possible solutions to the problems, including: more realistically indexing the current cost ceilings to the Consumer Price Index; establishing a "progressive compliance" approach to suit each operator individually; and / or expanding the list of reasonable cost exemptions. Various members proposed last year that the Association sponsor legislation to make these changes to the current process. Since the Legislature has asked that an independent study be conducted, the Association will work with other interested members to identify other study methods or wait until resources are made available to pursue an independent study. We will also continue to work with the Department of Transportation to obtain resources for an independent study.

B. Ensure changes to regional planning and land use law advantage transit but are realistic.

SB 375 (Steinberg) [Chapter 728, Statutes of 2008] makes numerous changes to the law governing regional transportation and land use planning, with the overall goal of reducing greenhouse gas emissions attributable to the transportation sector in California. Key provisions require the 17 metropolitan planning organizations statewide to factor in greenhouse gas emissions and regional housing needs assessments through what is referred to as the sustainable growth scenario, when constructing their regional transportation plans. The bill does not, however, provide any funding mechanism to promote transit services or projects, nor does it include environmental streamlining for all such projects. The Association will oppose the imposition of unfunded costs on public transportation providers in the implementation of this and other greenhouse gas emission reduction laws and regulations. The Association will work to create new funding and opportunities for public transportation to be included in land use decisions. In pursuing its goals for clean air, global warming, greenhouse gas emissions reduction, and a stronger connection between transportation & land-use planning, the Association acknowledges the State will pursue many strategies with regard to the Transportation Sector, such as cleaning the vehicle fleet and lowering the carbon content of fuel; these strategies must also include enactment of laws and regulations acknowledging the vital role enhanced public transportation service can and should play in meeting these goals, including through mode shifting from auto trips and reduction of vehicle miles traveled.

C. Support efforts to remedy the *Bonanno* decision.

The California Supreme Court upheld a lower court decision which ruled that a transit agency is liable for injuries sustained by a pedestrian trying to reach a bus stop. The plaintiff argued that the agency's citing of the bus stop was hazardous, and directly contributed to her injuries. This ruling greatly and substantially expands the liability exposure of transit agencies, as nearly any bus stop could be argued to be in a hazardous location. The Association will support efforts to overturn that decision.

D. Exempt small operators from administrative burden.

The Association will consider and support exemptions for small operators from financially burdensome new legal or regulatory requirements, or to minimize their impact on small operators.

E. Protect integrity of collective bargaining agreements.

The Association will support efforts to preserve the local collective bargaining process, where it is in place for our member organizations, and will oppose efforts through statute or regulations to mandate benefits or other specific working conditions that should more appropriately be addressed through collectively bargained agreements.

F. Provide incentives to encourage the use of transit.

The Association will support efforts to create more incentives for the use of transit, whether on the employee or employer side.

G. Obtain certified hybrid bus engine technology.

The Association will continue its efforts to take all regulatory and legislative steps necessary to obtain certification of additional hybrid bus engine platforms to meet the diverse needs of California's transit operators.

H. Pursue flexibility on bus lengths

The Association will support efforts to allow buses in excess of 40 feet in length to utilize state routes designated by Caltrans as access routes. Some members have purchased buses that utilize alternative fuels, such as compressed natural gas, which exceed the current 40 foot bus length allowance in order to comply with zero-emission bus regulations that have been adopted by the California Air Resources Board.

I. Exempt transit operators from utility user tax (UUT) on electricity

The Association will support legislation that allows for a state exemption from a local utility user tax (UUT) on electricity used to power buses. In the 2007-08 Session, the Association supported AB 2009 (Hernandez), Chapter 221, Statutes of 2008, which exempts public transit operators from any UUT imposed by any local agency for the consumption of natural gas for transportation purposes, provided that the natural gas is dispensed by a gas compressor that is separately metered, and is dedicated to serve the local agency or public transit operator. Several transit operators are purchasing electric buses which may be subject to paying a UUT.

J. Project procurement

The Association will support legislation that would allow a transportation entity to use the Construction Manager – General Contractor (CMGC) method of procurement for highway, bridge, tunnel, or public transit projects. This method would allow a transportation entity to advantage of the contractor’s experience and expertise in developing the most cost efficient final design elements.