



2023 LEGISLATIVE SUMMARY



December 18, 2023

To: Members, California Transit Association
Fm: Michael Pimentel, Executive Director
Matt Robinson, Legislative Advocate
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RE: 2023 YEAR-END LEGISLATIVE SUMMARY

In 2023, the California Transit Association, with guidance from our Executive Committee, State Legislative Committee, and Transit Operator/Rider Safety Subcommittee continued to direct the Association's advocacy efforts toward addressing the fiscal challenges of our member agencies, while providing ongoing policy support to our member agencies to increase ridership, improve service, and retain workers.

In particular, the Association aggressively pursued and secured significant financial relief for transit operations and engaged on several legislative measures that our member agencies supported or opposed. This year, the State of California was hit with a projected \$30 billion deficit. When Governor Newsom released his proposed Fiscal Year (FY) 2023-24 budget in January, transit agencies were faced with a proposed \$2 billion reduction in previously approved funding for the Transit and Intercity Rail Capital Program (TIRCP) and no new proposed investments for transit operations.

In response to the Governor's proposal, the Association spearheaded a months-long advocacy campaign, with support from our member agencies, allies, and legislative champions to amplify the critical need to reject the proposed cuts to the TIRCP and to secure new funding to address operations funding shortfalls. Due to our leadership in budget and transportation committee hearings, our direct lobbying of legislators and their staff, a sustained digital advocacy campaign, and negotiations with the Governor's Administration and legislative leadership, the Association was able to celebrate a major win in the FY 2023-24 budget – maintenance of the \$4 billion in General Funds for the TIRCP previously agreed to in the FY 2022-23 budget and an additional \$1.1 billion in funding allocated for the newly created Zero-Emission Transit Capital Program (ZETCP). With this key investment of \$5.1 billion over four years, agencies can now direct the funds they receive towards operations or capital needs as necessary.

Among the legislative measures that the Association supported is the Association-co-sponsored bill, AB 617 (Newman), which was signed into law by Governor Newsom. Due to this legislation, effective January 1, 2024, transit agencies will be authorized to utilize progressive design-build procurement methods to develop transit infrastructure projects more quickly. This will be especially useful as

agencies statewide continue to transition to zero-emission fleets and require ample charging infrastructure to support rapidly expanding zero-emission fleets. The Association was also instrumental in advocating for improvements to the Surplus Lands Act to the benefit of transit agencies, working with a subset of the Association's State Legislative Committee on SB 747 (Caballero) and AB 480 (Ting). Transit agencies – thanks to the Association's efforts and the enactment of these bills – are now able to move forward with commercial developments on their property if certain conditions are met.

The Association also successfully lobbied against several bills that posed challenges to transit agencies across California, and worked closely with stakeholders to negotiate favorable provisions. AB 96 (Kalra, Chapter 419, Statutes of 2023), which was signed into law by Governor Newsom this year, was a re-introduction of AB 2441 (Kalra, 2022), which was opposed by the Association and ultimately vetoed by Governor Newsom last year. AB 96 requires public transit agencies to provide notice at least 10 months prior to project planning or deployment of new autonomous transit vehicle technologies, products, or services. While previously in opposition to this measure, as it would have challenging requirements for transit agencies prior to the deployment of autonomous vehicles and technology, the Association engaged in months of negotiation with stakeholders, and secured provisions that were agreeable to our member agencies, removing our opposition.

As we round out the calendar year 2023 and prepare to head into 2024, the Association remains engaged in state and federal discussions to direct more funding to public transit agencies. The Association will advocate for longer term funding solutions and legislative measures that improve transit service and our agencies fiscal footing, protect transit workers, support the transition to zero-emission technologies, maintain and boost ridership levels, and improve the public transit experience overall. Further, we will continue to make clear the need for funding at or above Infrastructure Investment and Jobs Act (IIJA)-authorized levels as well as parity in the disbursement of said resources.

Our 2023 Legislative Summary reviews the significant transit-related legislation the Association tracked and/or lobbied during the first half of the 2023-24 Legislative Session. Our 2023 Legislative Summary is organized as follows:

- **Key Legislation by Issue Area** – Identifies the most significant transit-related legislation considered by the Association's State Legislative Committee during the first half of the 2023-24 Legislative Session, whether enacted or not, organized by issue area. Included within this section are brief summaries of the Association's co-sponsored legislation as well.
- **Transportation Funding Highlights** – Details the latest funding projection from the Department of Finance.

A matrix of all other bills we tracked in 2023 can be found on our website [here](#).

Please contact Legislative & Regulatory Advocate Alchemy Graham or Executive Director Michael Pimentel at (916) 446-4656 if you have any questions regarding any portion of this Legislative Summary.

Summary of 2023 Sponsored and High-Priority Legislation By Issue Area

BROWN ACT

AB 557 (Hart) Open Meetings. – SUPPORT

This bill extends certain teleconferencing provisions indefinitely, which are currently in place only during a declared state of emergency through January 1, 2024. More specifically, this bill provides an indefinite extension to allow local agencies to use teleconferencing without posting agendas at all teleconferencing locations, making public teleconferencing locations, and requiring the convening legislative body to have at least a quorum of its members to participate from locations within the boundaries of the local agency's jurisdiction if specified findings have been made by the legislative body.

Status: Signed by Governor Newsom on October 9 [Chapter 534, Statutes of 2023].

AB 817 (Pacheco) Open Meetings. – SUPPORT

This bill would provide a narrow exemption under the Brown Act for non-decision-making legislative bodies to participate in meetings via teleconferencing outside of a declared state of emergency without posting the physical location of members or requiring a quorum to be present at a meeting location.

Status: This is a 2-year bill.

AB 1379 (Papan) Open Meetings. – SUPPORT

This bill would provide a broad interpretation of the Brown Act for all legislative bodies to participate in meetings via teleconferencing outside of a declared state of emergency without posting the physical location of members or requiring a quorum to be present at a meeting location, but would require a local agency to have a physical meeting location open to the public and follow certain notification procedures and meeting procedures.

Status: This is a 2-year bill.

HOMELESSNESS

AB 1377 (Friedman) Homeless Housing, Assistance, and Prevention Program (HHAP). – SUPPORT

This bill requires an applicant for HHAP to report on the steps taken to improve housing and homelessness resources for people experiencing homelessness on and around transit properties.

Status: Signed by Governor Newsom on October 10 [Chapter 728, Statutes of 2023].

INFRASTRUCTURE

SB 410 (Becker) Powering Up Californians Act. – SUPPORT

This bill requires the California Public Utilities Commission (CPUC) to establish, by September 30, 2024, reasonable average and maximum target energization time periods to facilitate connecting new customers and upgrading the service of existing customers to the electrical grid.

Status: Signed by Governor Newsom on October 7 [Chapter 394, Statutes of 2023].

SB 617 (Newman) Progressive Design-Build. – CO-SPONSOR

This bill authorizes a regional transportation agency to use progressive design-build procurement to design and construct projects on or adjacent to the state highway system. The Association co-sponsored this bill with the Self-Help Counties Coalition.

Design-build is one of several alternative procurement methods to the traditional design-bid-build approach. Design-build is the most used alternative for the delivery of public works projects and combines both phases – design and construction – into a single comprehensive contract. The public agency still retains overall control of the project scope. However, rather than preparing a detailed set of design plans and specifications to give to the contractor, the public agency only completes enough of the design to communicate its intent for the project through a detailed scope of work. The contractor takes the preliminary engineering and design done by the public agency to finalize the design ultimately used to construct the project. The design-build contractor bids for the entire cost of the project. Any liability and risk associated with delivering the project within contract terms falls on the contractor.

SB 617 provides transit agencies with an additional, more flexible option for the delivery of capital projects to transportation agencies that could prove to help better contain costs and schedule. This new contracting option would streamline project development, as design-build occurs in one phase while progressive design-build occurs in two phases and allows agencies to improve project delivery timelines and reduce capital costs through the flexibility of the second phase.

Status: Signed by Governor Newsom on October 4 [Chapter 310, Statutes of 2023].

AB 400 (Rubio) Design-Build Projects. – SUPPORT

This bill extends the sunset date from January 1, 2025 to January 1, 2031 allowing local agencies to use the design-build contracting method.

Status: Signed by Governor Newsom on September 22 [Chapter 201, Statutes of 2023].

AB 463 (Hart) Electricity Prioritization. – CO-SPONSOR

This bill would have provided transit agencies with priority access to electricity when facing grid disruptions caused by natural or man-made disasters, rolling blackouts, utility company “Public Safety Power Shutoffs” (PSPS), and increasing demand on California’s electrical grid. The Association co-sponsored this bill with the Alameda-Contra Costa Transit District.

Policies mandating the adoption of ZEVs in both the public and private sector will greatly increase the number of electricity-reliant vehicles operating in California. This sharp increase in ZEVs places increased demand for electricity on a grid that already struggles to reliably meet current needs. This condition is worsened by regular heat waves that result in “flex alerts” and rolling blackouts, and further exacerbated by a greater number of compulsory PSPS events related to California’s constant wildfire threat.

Public transportation plays an important role in disaster response and recovery, and without access to electricity to power fleets, it cannot fulfill its important emergency support functions. During an emergency, transit agencies may be called upon to:

- Transport emergency resources, including emergency workers and supplies, into the affected the area where they are needed;
- Move people who are injured or in danger out of the affected area, including patients from a damaged hospital or students away from schools;
- Provide emergency transportation for people with special needs; and,
- Support emergency evacuations, including for hazardous materials incident.

Priority access would allow transit agencies to continue to charge/refuel their electricity and hydrogen-powered fleets so they can continue to deliver everyday service while fulfilling important emergency support functions.

Status: Died in the Assembly Appropriations Committee.

LABOR

SB 799 (Portantino) Unemployment Insurance. – WATCH

This bill would have authorized employees who remain on strike for more than two weeks to collect unemployment insurance benefits.

Status: Vetoed by Governor Newsom on September 30.

A veto letter can be found [here](#).

AB 96 (Kalra) Autonomous Transit Vehicle Technology. – NEUTRAL

This bill requires public transit employers to provide notice to the appropriate authority, at least 10 months of project planning or deployment, if they intend to arrange new autonomous transit vehicle technologies that introduce new products, services, or types of operation, or they eliminate jobs or job functions.

Status: Signed by Governor Newsom on October 7 [Chapter 419, Statutes of 2023].

AB 316 (Aguar-Curry) Vehicles: Autonomous Vehicles. – WATCH

This bill would have prohibited the operation of an autonomous vehicle with a gross vehicle weight of 10,001 pounds or more on public roads for testing purposes, transporting goods, or transporting passengers without a human safety operator physically present in the autonomous vehicle at the time of operation and to provide deactivation and collision reports to the Department of Motor Vehicles.

Status: Vetoed by Governor Newsom on September 22.

A veto letter can be found [here](#).

AB 1484 (Zbur) Temporary Public Employees. – OPPOSE

This bill requires that temporary employees of a public employer be automatically included in the same bargaining unit as the permanent employees, upon the request of the recognized employee organization.

Status: Signed by Governor Newsom on October 10 [Chapter 691, Statutes of 2023].

LOCAL GOVERNMENT

ACA 1 (Aguilar-Curry) Local Government Financing. – SUPPORT

This bill would lower the voter threshold from 2/3 to 55 percent for the imposition, extension or increase of a special tax or general obligation bond to fund affordable housing and infrastructure projects, including public transit infrastructure.

Status: This measure did not require action by Governor Newsom and will appear on the November 2024 ballot.

MEDI-CAL

AB 719 (Boerner) Medi-Cal Benefits. – CO-SPONSOR

This bill would have required Medi-Cal Managed Care Plans (MCP) to reimburse public transit operators for nonmedical transportation (NMT) and nonemergency medical transportation (NEMT) services. The Association co-sponsored this bill with the San Diego Metropolitan Transit System.

Before the enactment of AB 2394 (Garcia) [Chapter 615, Statutes of 2016], Medi-Cal directly reimbursed, either fully or partially, transportation providers for nonmedical transportation for individuals that were covered by Medi-Cal, given that they were utilizing the transportation to gain access to services that were also covered by Medi-Cal. However, since the Legislature passed AB 2394 in 2016, public transportation providers now risk not being reimbursed for transportation costs. This bill has allowed transportation reimbursement to be included in a customer's capitated health care coverage, and invoices for reimbursement are now sent to the customer's MCP instead of public transportation providers. The MCPs are then tasked with reimbursing the public transportation providers if – but typically, only if – the Medi-Cal customer requests the transportation from their MCP in advance. If the customer does not notify their MCP and submit a request, then public transportation providers are responsible for acquiring reimbursement from the MCP on their own.

Under current law, MCPs can receive state and/or federal funds to offer Medi-Cal related transportation services, but they are not required to reimburse public transportation providers. As a result, MCPs are placed under little to no pressure at all to partner with public transportation providers because they can instead capture the transportation reimbursement funds.

Status: Vetoed by Governor Newsom on October 7.
A veto letter can be found [here](#).

PUBLIC SAFETY

SB 434 (Min) Street Harassment Survey. – SUPPORT

This bill requires the top 10 transit agencies in California (by ridership) to survey their riders on their experience with street harassment on and around the agencies' transit service. This bill would require Caltrans to enter into funding agreements with each impacted agency to fund the survey.

Status: Signed by Governor Newsom on October 7 [Chapter 396, Statutes of 2023].

AB 819 (Bryan) Fare Evasion. – WATCH

This bill would have reduced existing penalties from a misdemeanor and fine to only a maximum \$400 fine for fare evasion and unauthorized use of discount tickets.

Status: Vetoed by Governor Newsom on October 9.
A veto letter can be found [here](#).

SURPLUS LANDS ACT

SB 747 (Caballero) / AB 480 (Ting) Surplus Land. – SUPPORT

This bill amends the Surplus Lands Act (SLA) to address many of the concerns and comments raised by the California Transit Association, including amending the SLA to permit more economic development on transit properties and define disposal to include leases.

Status: Signed by Governor Newsom on October 11 [Chapter 786/788, Statutes of 2023].

2023 Transportation Funding Highlights

In June and July, Governor Newsom signed the FY 2023-24 Budget Act, which contains significant investments in public transit thanks in large part to the work of our member agencies and the Association's Transit Operations Funding Subcommittee. The Budget Act, as contained in [AB 102 \(Ting\)](#), allocates a total of about **\$5.1 billion** in General Funds and Greenhouse Gas Reduction Funds for the following investments in public transit:

- **\$4 billion** (AB 102) for FYs 2023-24 and 2024-25 with flexibility for agencies to use for transit capital projects or operational needs, and to be administered through the Transit and Intercity Rail Capital Program on a population-based formula.
- **\$1.1 billion** (AB 102) for FYs 2023-24, 2024-25, 2025-26, and 2026-27 with flexibility for agencies to use for zero-emission vehicles and refueling infrastructure or operational needs through the Zero-Emission Transit Capital Program (ZETCP), administered through population- and revenue-based formulas. This amount is broken down as follows:
 - **\$331 million** allocated from the Greenhouse Gas Reduction Fund.
 - **\$280 million** allocated from the Public Transportation Account.
 - **\$200 million** allocated from the General Fund.
 - **\$300 million** proposed for investment in future years.

Following passage of the 2023 Budget Act, Governor Newsom passed a series of budget trailer bills which, among other things, establishes accountability and reform requirements for regions and their transit agencies to adhere to in order to access the funding identified in the Budget Act, as detailed further in the transportation trailer bill [SB 125 \(Committee on Budget and Fiscal Review\)](#). Additionally, SB 125 establishes the ZETCP, extends the statutory relief measures secured by the Association in recent years, and creates a new state-level Transit Transformation Task Force at the California State Transportation Agency (CalSTA). As a result of the passage of SB 125, Association staff has met regularly with the Transit Operations Funding Subcommittee to curate and distribute the Association's responses to several iterations of CalSTA's guidelines as a means of further improving clarity with the implementation of the aforementioned funds.

For a snapshot of the anticipated revenues from the state's continuously appropriated core transit funding programs, please see the table for a snapshot of FY 2022-23 and FY 2023-24:

REVENUE ESTIMATES FOR FY 2022-23 & 2023-24 (COMPARED TO 2022 MR)				
FUNDING SOURCE	FY 2022-23 (2022 MR)	FY 2022-23 (CY J10)	FY 2023-24 (2022 MR)	FY 2023-24 (BY J10)
STA				
Base Rate (2.375%)	\$306,021	\$333,353	\$268,387	\$299,948
Incremental Rate (1.75%)	\$217,589	\$235,174	\$189,859	\$210,560
SB 1 Rate (3.5%)	\$435,179	\$470,348	\$379,719	\$421,120
STA SOGR (30% of TIF)	\$119,225	\$120,613	\$122,802	\$125,619
<i>Subtotal</i>	<i>\$1,078,014</i>	<i>\$1,159,488</i>	<i>\$960,768</i>	<i>\$1,057,247</i>
Intercity & Commuter Rail				
Base Rate (2.375%)*	\$306,021	\$333,353	\$268,387	\$299,948
SB 1 Rate (0.5%)	\$62,168	\$67,193	\$54,246	\$60,160
<i>Subtotal</i>	<i>\$368,189</i>	<i>\$400,546</i>	<i>\$322,633</i>	<i>\$360,108</i>
TIRCP				
Cap & Trade (10% of GGRF)**	\$193,000	\$259,000	\$193,000	\$210,000
SB 1 (70% of TIF)	\$278,193	\$281,431	\$286,539	\$293,111
<i>Subtotal</i>	<i>\$471,193</i>	<i>\$540,431</i>	<i>\$479,539</i>	<i>\$503,111</i>
LCTOP				
Cap & Trade (5% of GGRF)	\$195,899	\$130,000	\$195,899	\$105,000
LTF				
Local Sales and Use Tax (.25%)	\$2,404,015	\$2,010,539	\$2,404,015	\$2,097,525
TOTAL	\$4,517,309	\$4,241,003	\$4,362,853	\$4,122,991

*Funds used for additional Caltrans purposes

**Amounts reflect anticipated auction revenues for each FY

