2023 STATE LEGISLATIVE PROGRAM

The California Transit Association’s 2023 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 state and federal decision makers to enact policies and funding solutions supporting, expanding, developing 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 supporting transit and defeating those impeding transit’s ability to meet the public’s mobility needs.
- Using public and private partnerships to successfully influence favorable policy outcomes.
- Enhancing public awareness of transit and its daily positive impact on the lives of all Californians.
2023 STATE LEGISLATIVE PROGRAM –
SUMMARY OF ACTION ITEMS

The following summarizes the highest priority policy goals the California Transit Association will pursue in 2023, including sponsored legislation we will seek.

- **Operations Funding and Rebuilding Ridership:** Pursue dedicated, formulaic funding for transit and rail agency operations and return riders to public transportation systems.

- **Transportation Development Act (TDA) Reform:** Work with transit agencies, regional partners, Caltrans, legislative committee staff, and other stakeholders to continue to review existing metrics for the qualification and distribution of TDA revenues, with the possibility for legislation in 2024 to reform TDA law more holistically beyond the statutory relief secured for transit agencies in 2020 and 2021. As a stop gap measure, pursue extensions to existing statutory relief through Fiscal Year 2024-2025.

- **Zero-Emission Transit:** Monitor implementation of the Innovative Clean Transit regulation, the Commercial Harbor Craft regulation, and proposed In-Use Locomotive regulation, and work with the Association’s State Legislative Committee and ZEV Task Force to identify and pursue strategies to reduce the costs associated with deploying ZEVs, including pursuing dedicated funding for zero-emission transit vehicle deployment, including a funding set-aside and HVIP and TIRCP guideline changes benefitting only transit agencies.

- **Prioritizing Electricity for Transit Agencies:** Pursue legislation ensuring electricity is made available for transit agencies during times of stress on California’s electricity grid.

- **Surplus Lands Act:** Pursue amendments to the Surplus Lands Act to address implementation challenges faced by transit and transportation agencies.

- **Nonmedical Transportation Reimbursements:** Pursue legislation establishing mandatory reimbursements to transit agencies for Medi-Cal eligible trips.

- **Protecting Transit Workers:** Develop a working group to determine best methods for maximizing safety for workers and passengers on transit services.

- **Homelessness:** Work to secure funding for transit systems to help combat homelessness.

- **Cap & Trade Funding:** Pursue additional dedicated funding from the Greenhouse Gas Reduction Fund (GGRF).

- **Driver Testing:** Work to improve driver testing, certification, and licensing timeframes.
2023 STATE LEGISLATIVE PROGRAM –
ALL ACTION ITEMS

The following summarizes all policy goals the California Transit Association will actively pursue in 2023, whether through sponsoring legislation or in supporting the work of other groups. These are a mix of our existing goals and new items added for 2023.

OBJECTIVE 1: Existing transit funds are protected.

A. The Association will continue the work of the Transportation Development Act Reform Task Force, in response to a legislative request to review and suggest potential reforms to the Transportation Development Act (TDA).

In 2018 the Association received a letter jointly authored by Senate Transportation Committee Chair Jim Beall (D-San Jose) and Assembly Transportation Committee Chair Jim Frazier (D-Antioch), requesting the Association to “spearhead a Transportation Development Act Policy Task Force to fully examine performance measures for our state’s public transportation system and produce a legislative recommendation for any reforms or changes to the current programs.”

In response, the Association convened a multi-agency Task Force in early 2019, which began reviewing existing statutes, agency procedures, and metrics used for determining compliance with and fund allocation under TDA law. The Task Force developed a draft proposal and previewed that with Association membership in early 2020. However, the health pandemic temporarily put the effort on hold and the Association focused on scoping and securing short-term and long-term statutory relief measures related to TDA and State Transit Assistance revenue-based distributions for transit agencies. These statutory relief measures largely built on the work Task Force’s efforts.

As we enter 2023, the Association after receiving feedback from the Transportation Committees, will revisit the larger reform effort to determine if there are more holistic reforms to TDA law we must pursue. While those steps are taken, the Association will pursue a short-term extension to the existing statutory relief through Fiscal Year 2024-2025.

B. Protect existing State transit funds, including the General Fund moneys appropriated in the Fiscal Year 2022-23 Budget Act, SB 1 (Beall and Frazier) [Chapter 5, Statues of 2017] funding, TDA, PTA, and Cap & Trade revenues for transit, 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.

The Association will advocate for the maintenance of existing transit funding sources in the FY 2023-24 State Budget, as well as working to secure the additional TIRCP funding identified in SB 198 (Committee on Budget and Fiscal Review) [Chapter 71, Statutes of 2022]. The Association will partner with local government, the environmental community, and other interested transportation stakeholders, among others, and form coalitions advocating for protection of transit funding. This includes supporting efforts to protect SB 1 funding and opposing any effort(s) to repeal, divert, or place conditions on SB 1 funding. The Association will also closely monitor the implementation of the various SB 1 programs impacting transit and seek legislative fixes should any issues arise.

C. Preserve the relative share of Cap & Trade revenues for public transit established in 2014 legislation and explore flexibility regarding the use of existing Cap & Trade revenues.

The Association will work to protect the existing long-term Cap & Trade revenue allocated to transit in SB 862 (Committee on Budget and Fiscal Review) [Chapter 36, Statutes of 2014] through the Low-Carbon Transit Operations Program (5 percent) and the Transit and Intercity Rail Capital Program (10 percent) and support continued appropriations of Cap & Trade funds to the Low Carbon Transportation program to
be used for transit. Should changes be made to the overall expenditure plan for continuously appropriated Cap & Trade revenues, the Association will work to ensure an equal, if not greater amount of revenue is dedicated to transit.

D. Continue discussions with the Administration and California State Transportation Agency on implementation of the Governor’s executive orders to address climate change through transportation investments.

Executive Order N-19-19 directs the California State Transportation Agency (CalSTA) to invest its annual portfolio of $5 billion toward construction, operations, and maintenance to help reverse the trend of increased fuel consumption and reduce greenhouse gas emissions associated with the transportation sector. CalSTA, in consultation with the Department of Finance, is also directed to align transportation spending, programming and mitigation with the state’s climate goals.

Executive Order N-79-20 states that it shall be the goal of California that 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. The order further directs Caltrans and the California Transportation Commission, in consultation with the Department of Finance and other State agencies to “identify near term actions and investment strategies to improve clean transportation, sustainable freight and transit options…including building towards an integrated, statewide rail and transit network.” The Executive Orders led CalSTA to develop Climate Action Plan for Transportation Infrastructure (CAPTI) in 2021 with input from a variety of stakeholders. The Plan details how the state proposes to use discretionary transportation funds to “combat and adapt to climate change while supporting public health, safety and equity.”

The Association participated in the CAPTI process and will continue to work to implement the Plan in the most beneficial way possible for transit agencies, while working to ensure state and federal funds are made available to achieve the goals outlined in the plan.

OBJECTIVE 2: New transit funds are secured.

A. Advocate for additional state funding to address transit and rail agencies’ operating needs, and advocate for additional state funding to help transit agencies build back from the pandemic.

The COVID-19 pandemic dramatically reduced state and local transit revenue sources and increased the cost of transit operations, threatening the viability of public transit in the short and long-term. At the same time, the pandemic also undermined transit ridership and emphasized the importance of transit agencies exploring new strategies and investments to regain and expand their place in California’s transportation network. The Association, in seeking additional operations funding, will explore a range of revenue options to approach the Governor and Legislature with, including but not limited to, raising existing revenue sources (diesel sales tax, TIF), setting up an emergency one-time escrow account, increasing the amount of Cap and Trade funds flowing to transit, and directing revenue new taxes or funding sources towards transit (oil profits windfall tax).

B. Advocate for additional state transit funding from the Cap & Trade program.

The Association has for years maintained the goal of doubling the funding percentage for both the LCTOP and the TIRCP and recently shifted to proposing only doubling the LCTOP, bringing this program on par with the TIRCP (each would receive 10 percent of Cap & Trade revenues). The Association should continue its goal of increasing the transit operation’s share to 10 percent, but instead of routing it through the existing LCTOP program, we would instead direct the funding to supplement the State Transit Assistance Program to help support transit’s operating needs.

C. Advocate for additional state funding to support the transition to zero-emission transit vehicles across all modes.
The Association will continue to advocate to ensure funding is approved by the State Legislature for the Clean Truck, Bus, and Off-Road Equipment Program – which includes, but is not limited to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and Clean Off-Road Equipment Voucher Project – and emerging opportunities to support zero-emission transit vehicle deployment and the California Energy Commission’s various clean transportation programs that support zero-emission transit vehicle infrastructure buildout. For HVIP and the CEC Clean Transportation Programs, specifically, the Association will advocate to maintain the funding set-asides approved in the FY 2022-23 budget to specifically and exclusively advantage transit agencies. These efforts will include working to secure the additional ZEV funding identified in AB 211 (Committee on Budget) [Chapter 574, Statutes of 2022]. Additionally, the Association will continue to engage on HVIP and TIRCP guidelines to better align these programs and their requirements to reflect the needs and limitations of transit agencies and, thus, increase the share of funding available to transition to zero-emission buses.

Finally, the Association will work with the State Legislative Committee and Executive Committee to review and analyze the potential to develop and pursue a legislatively authorized state funding source to further subsidize the transition to zero-emission vehicles by 2040.

D. Support new local government funding options to support transit and infrastructure near transit.

The Association supports new local funding tools enabling local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit. These tools could come in the form of changes to Infrastructure Financing District law, CEQA incentives for development closer to transit stations, lower voter-thresholds and sub-regional initiatives for local sales tax measures, authority for transit agencies to develop projects on their own property, and the inclusion of transit-oriented development projects in new housing programs.

E. Seek resources to assist transit agencies in managing homelessness.

The Association, informed by research form the University of California’s Institute of Transportation Studies, will continue to work to identify funding models and sources, which can be used by transit agencies to combat homelessness on their systems and will work the Legislature and the Administration to such funding. Additionally, the Association will seek to expand the Project HomeKey program to require consideration of transit availability for future project sites. In doing so, the Association will collaborate with its internal Operations Committee, as well as other local stakeholder groups, like the League of California Cities and the California State Association of Counties, whose members have been the traditional recipients of homelessness funding in year’s past.

F. Advocate for resources to help transit agencies recruit, retain, and train employees.

In the last three years both the State and federal government have made landmark investments in transit, however, labor shortages in transit operations and maintenance could severely undercut the benefits of these investments. There has been a dire shortage of transit bus drivers and bus maintenance positions for years and COVID-19 has exacerbated this problem. In a 2022 survey by APTA, 71% of transit agencies reported that they have either had to cut services or delay service increases because of worker shortages. Nearly all responding agencies indicated that they face challenges hiring new employees.

To address this perennial issue, the Association will advocate for new state resources to fund existing transit workforce development programs or establish new training programs, through pilots or other means, in community colleges to ensure a strong pool of skilled transit workers for the future.

OBJECTIVE 3: Laws and regulations supporting transit are enacted and those impeding transit’s ability to meet the public’s mobility needs are defeated.

A. Identify and pursue strategies to reduce the cost of compliance with the Innovative Clean
Transit regulation, Commercial Harborcraft regulation, and proposed In-Use Locomotive regulation.

The Association will continue to educate the Legislature, ARB, the Public Utilities Commission (PUC) and the California Energy Commission on the real-world costs and experiences of transit agencies deploying zero-emission transit vehicles. More specifically, the Association will continue to work with its ZEV Task Force to identify and pursue legislative, budgetary, and regulatory strategies to reduce the costs the associated with deploying ZEVs and complying with the regulations.

B. Monitor and pursue, as necessary, regulatory and legislative solutions to reduce the cost of electricity and hydrogen procured by transit agencies, and to ensure the reliability of these energy sources.

To address the high cost of electricity and hydrogen as a fuel, the Association will continue to work with its ZEV Task Force to monitor the implementation of new commercial electricity vehicle rates, approved by the PUC in 2018 and 2019, and will engage the PUC to ensure that approved rate designs reduce the cost of operating battery-electric buses and are extended, as appropriate. Additionally, the Association will engage with the CEC to develop and implement strategies for reducing the high cost of hydrogen as a fuel.

The Association will also pursue legislation to ensure electricity is prioritized for transit agencies. As public transit agencies statewide replace their vehicles, rolling stock, and vessels with all-electric fleets, the Association has heard concerns from transit agencies about the ability to maintain service during public safety driven power shutoffs and rolling blackouts. The Association will engage with the Legislature to identify transit agencies as essential use customers and to prioritize energy storage for transit agencies so they may continue offering essential services without having to compete for resources.

C. Pursue amendments to the Surplus Lands Act to address implementation challenges faced by transit and transportation agencies.

AB 1486 (Ting) [Chapter 664, Statutes of 2019] made numerous changes to the Surplus Lands Act (SLA) and clarified the need for transit and rail operators to adhere to the SLA. In doing so, the revised SLA has created a series of issues for agencies, including challenges with legal restrictions on properties, federal land-use overlays, and short-term leases. The Association’s State Legislative Committee set up an SLA working group that has discussed these issues and has proposed changes to the statutes. The Association will work to amend the SLA statutes to address our concerns.

D. Work to ensure the successful implementation of Caltrans’ pilot authorization of part-time transit lanes.

AB 946 (Stone) [Chapter 426, Statutes of 2013] authorized Monterey-Salinas Transit District (MST) and Santa Cruz Metropolitan Transit District (METRO), in consultation with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP), to designate the shoulders of certain highways and freeways as part-time transit lanes. In 2016, the Santa Clara Valley Transportation Authority sponsored AB 1746 (Stone), which sought to expand on the authorization previously provided to MST and METRO to allow itself and numerous other agencies to use the shoulders of certain state highways as part-time transit lanes. In 2020, the Association successfully introduced SB 1283 (Beall), which would have established a statewide pilot program. The bill was ultimately scrapped in response to COVID-19.

In 2021, the Association successfully introduced AB 476 (Mullin), a two-year bill that would authorize a statewide part-time transit lane program. The Association co-sponsored this bill with the Contra Costa Transportation Authority. As 2021 ended, the Association continued to pursue AB 476 with Assemblymember Mullin’s office, however prior to the 2022 session, the member decided not to move forward.

Subsequent to the legislation stalling, Caltrans announced that it was preparing to authorize a statewide part-time transit lane pilot that would facilitate the use of highway shoulders for bus operations. The Association will work with Caltrans to help implement the pilot.
E. Pursue mandatory reimbursements to transit agencies for Medi-Cal eligible trips.

The Association will continue to seek legislation to require Medi-Cal managed care plans (MCP) to reimburse public transit agencies for Medi-Cal eligible trips with or without prior MCP approval for the trip and to also allow public transit agencies who provide these trips access to the Department of Health Care Services database to identify customers who are enrolled in Medi-Cal and under which MCP the customer is enrolled.

F. Work to improve driver testing, certification, and licensing processes.

The Association will continue to work with the Department of Motor Vehicles and other relevant state entities on driver testing, certification, and licensing, and pursue legislation or new funding, if appropriate, to improve the time it takes to deploy new bus operators. These efforts will be focused, in part, on addressing the challenges related to transit agencies meeting the 10-test rule for the Employer Testing Program to build on efforts begun in 2021.

In 2022, the Association drafted and sent a letter to the Department of Motor Vehicles offering a series of recommendations to alleviate the shortage in transit operators. These recommendations included expediting commercial licensing, and pursuing state funding for additional courses, appointments, and online webinars to allow for recertification of Examiners.

G. Support transportation efforts to improve enforcement and driver safety.

The Association will continue to explore new ideas and support member agencies as they work to improve the enforcement of violations on transit systems or those that may impact transit service. The Association will also support efforts to better protect transit vehicle operators and will develop a subgroup of the State Legislative Committee to work with employee representatives and other stakeholders to determine what, if any, legislative approaches should be considered, including expanding the use of prohibition orders and increasing fines and penalties for certain crimes committed against transit employees.

H. Support alternative procurement methods and measures that improve the construction of transit capital projects and encourage development near transit.

The Association supports state policy objectives and legislation that enable transit agencies to use alternative procurement methods, such as design-build, construction manager/general contractor, and job order contracting, to help streamline construction & maintenance and reduce costs. This includes the need to extend, and possibly expand, the existing design-build authority for transit agencies sunsetting January 1, 2025. The Association also supports efforts that allow local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit.

I. Continue to Monitor PEPRA 13(c)-Related Litigation

The Association will continue to monitor objections to the certification of federal transit grants for California as well as the status of the litigation filed by the Amalgamated Transit Union in response to the United States Department of Labor’s certification of transit grants over Public Employees’ Pension Reform Act of 2013-related objections.

J. Pursue the changes to statutes & regulations and funding necessary to implement the recommendations of the Association’s Transit is Essential: Recommendations for the Future of Transit report.

In July 2020, the Association published its Transit is Essential: Recommendations for the Future of Transit, detailing 17 recommendations for improving the safety, efficiency, and viability of transit operations during the COVID-19 pandemic and which aim to establish a more reliable and resilient public transportation network in
the future that expands access to mobility and economic opportunity to all Californians.

The Association will pursue changes to statutes & regulation and, to the extent necessary, funding to implement the recommendations contained in the report.

K. Continue to identify and pursue, as necessary, statutory and regulatory relief measures necessary to address the impacts of the COVID-19 pandemic on transit operations.

The Association will continue to work with the State Legislative Committee, Federal Legislative Committee, Operations Committee and COVID-19 Transit Crisis Relief Task Force to identify and pursue, as necessary, statutory and regulatory relief measures necessary to reduce costs, relieve administrative burden and otherwise address the impacts of the COVID-19 pandemic on transit operations.

L. Monitor and support efforts to advance racial and social justice, transportation equity, and workforce equity through state transportation policy.

The Association will implement the recommendations of the Actions for a More Equitable, Inclusive, and Diverse Association report by reviewing and engaging on state transportation policy intended to advance racial and social justice, transportation equity, and workforce equity. Such policy may relate to issues, including but not limited to, transit access and affordability, policing, workforce development and training, and zero-emission technologies.

M. Support efforts to implement the Infrastructure Investment and Jobs Act in California and, if necessary, assist the Federal Legislative Committee in securing a surface transportation reauthorization bill with the best outcomes for transit.

The Association will continue to participate in state legislative and regulatory efforts to ensure appropriate implementation of the Infrastructure Investment and Jobs Act at the state level.

N. The Association will work with legislative leadership, the Governor and other groups to advocate that any reforms to the CEQA process advantage public transit projects, including bicycle, pedestrian, and TOD projects, and will monitor closely the implementation of SB 44 (Allen) [Chapter 633, Statutes of 2021] and SB 743 (Steinberg) [Chapter 386, Statutes of 2013], as well support the extension and inclusion of transit projects in the Jobs and Economic Improvement Through Environmental Leadership Act of 2011.

O. The Association will support the state’s rail modernization efforts, including continued development of the high-speed rail project in its efforts to help the state achieve a successful multi-modal transportation system for the future, predicated on certain factors outlined in previous legislative programs and in the Association’s letter to the High-Speed Rail Authority dated December 31, 2013.

OBJECTIVE 4: Public and private partnerships are used to successfully influence favorable policy outcomes.

The Association will work to build new, mutually beneficial relationships between the Association, its members, and public & private partners, as well as enhance existing relationships that have helped support the Association’s goals in the past.

OBJECTIVE 5: Enhanced public awareness of transit and its daily positive impact on the lives of all Californians.

The Association will provide to decision-makers and partner organizations available polling data and other information that indicates increased public support for transit compared to previous years, and work to engage stakeholders and riders on important policy issues.