

2021 STATE LEGISLATIVE PROGRAM

The California Transit Association's 2021 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.

2021 STATE LEGISLATIVE PROGRAM – SUMMARY OF NEW / ACTION ITEMS

The following summarizes the highest priority policy goals the California Transit Association will pursue in 2021, including sponsored legislation we will seek.

- **California Without Transit Relief Measures:** Continue to build on the Association's 2020 efforts by working towards additional statutory, administrative, and funding relief for California transit systems in response to the COVID-19 pandemic.
- **Transportation Development Act (TDA) Reform:** Work with transit agencies, regional partners, Caltrans, legislative committee staff, and other stakeholders to review existing metrics for the qualification and distribution of TDA revenues, with the possibility for legislation in 2021 to update TDA law.
- **Zero-Emission Transit:** Monitor implementation of the Innovative Clean Transit regulation requiring transition to zero emission bus (ZEB) fleets, and work with the Association's ZEB Task Force to identify and pursue strategies to reduce the costs associated with deploying ZEBs.
- **Bus on Shoulder Expansion:** Seek support for and pursue legislation authorizing an expansion of the existing, very limited bus on shoulder statutory authorization granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District by AB 946 (Stone) [Chapter 426, Statutes of 2013].
- **Automated Enforcement:** Pursue legislation establishing expanded authorization for the use of automated enforcement technologies by transit agencies.
- **Diagnostic and Training Information for ZEBs:** Pursue contractual solutions or legislation to require original equipment manufacturers to provide diagnostic and training information for zero-emission buses to transit agencies.
- **Nonmedical Transportation Reimbursements:** Pursue legislation establishing mandatory reimbursements to transit agencies for Medi-Cal eligible trips.
- **Credit Card Verification:** Seek further clarification for transit agencies to require credit card authentication at ticketing kiosks.
- **Homelessness:** Work to secure funding for transit systems to help combat homelessness.
- **Cap and Trade Funding:** Pursue additional dedicated funding from the Greenhouse Gas Reduction Fund (GGRF) and pursue continued funding from the GGRF for zero-emission bus deployment, including a funding set-aside and guideline changes benefitting only transit agencies.
- **Driver Testing:** Work to improve driver testing, certification and licensing timeframes.

2021 STATE LEGISLATIVE PROGRAM – ALL ACTION ITEMS

The following summarizes all policy goals the California Transit Association will actively pursue in 2021, 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 2021.

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; the Task Force will resume work and put forward for legislative consideration a final proposal in 2021.

In any case, the Association will also revisit and seek to extend the temporary waiver of the financial penalties for non-compliance with TDA’s farebox recovery ratio and cost per revenue hour requirements.

B. Protect existing State transit funds, including new SB 1 (Beall and Frazier) [Chapter 5, Statutes of 2017] funding, TDA, PTA, and Cap and 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 2021-22 State Budget. 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 and Trade revenues for public transit established in 2014 legislation and explore flexibility regarding the use of existing Cap and Trade revenues.

The Association will work to protect the existing long-term Cap and 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 and Trade funds to the Low Carbon Transportation program to be used for transit. The Association will also seek limited, short-term flexibility within the LCTOP program as part of its COVID-19 response efforts. Should changes be made to the overall expenditure plan for continuously appropriated Cap and Trade revenues, the Association will work to ensure an equal, if not greater amount of revenue is dedicated to transit.

D. Engage in 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 Association will engage in the State’s effort to address the transit-specific goals outlined in the executive orders, protect transit agencies from any negative impacts, and work to ensure state and federal funds are made available to achieve the goals outlined in the orders.

OBJECTIVE 2: New transit funds are secured.

A. Advocate for additional state funding to address the adverse funding impact of the COVID-19 pandemic on transit agencies.

The COVID-19 pandemic has 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. We estimate transit agencies will require at least \$3.1 billion in emergency funding through the end of calendar year 2021 to backfill these revenue losses and to cover these increased operational expenses.

The Association will continue to engage the Administration and the Legislature through our *California Without Transit* campaign to secure new emergency funding for transit agencies statewide to address the impacts of the COVID-19 pandemic on their budgets and operational capacity.

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

The Association will maintain the primary goal to double the funding percentage for both the LCTOP and the TIRCP. However, as a fallback position during negotiations, the Association would instead propose only doubling the LCTOP, bringing this program on par with the TIRCP (each would receive 10 percent of Cap and Trade revenues). Also, if during next year’s process it appears the Legislature has an aversion to further continuous appropriations, we would explore a one-time appropriation of funds to either program.

The Association will also seek dedicated, continuously appropriated funding for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project as well as for the California Energy Commission’s various clean transportation programs that support zero-emission bus infrastructure buildout. The Association will continue to seek funding set-asides within these projects and programs to specifically and exclusively advantage the deployment of zero-emission buses by transit agencies. Additionally, the Association will seek amendments to HVIP guidelines to better align the program’s structure, and requirements on original equipment manufacturers (OEMs), to reflect the needs and limitations of transit agencies and, thus, increase the share of vouchers awarded to transit agencies.

C. 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.

D. Seek resources to assist transit agencies manage homelessness.

The Association will continue to work with University of California's Institute of Transportation Studies 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. 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.

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

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.

In December 2018, the California Air Resources Board (ARB) adopted the Innovative Clean Transit regulation. The regulation requires transit agencies to begin to purchase zero-emission buses (ZEBs) as soon as 2023, with the goal of transitioning all transit buses in California to zero-emission technology by 2040. While the regulation is well-intentioned, early adopters of ZEBs have found that the costs associated with purchasing ZEBs, building the infrastructure necessary to deploy them, and procuring electricity are high and, in the absence of new funding, may undermine our members' ability to provide robust transit service.

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 ZEBs. More specifically, the Association will continue to work with its ZEB Task Force to identify and pursue legislative, budgetary and regulatory strategies to reduce the costs the associated with deploying ZEBs and complying with the regulation.

B. Pursue contractual or statutory solutions to require original equipment manufacturers to provide diagnostic and training information for zero-emission buses to transit agencies.

The Association will work with its ZEB Task Force to pursue contractual solutions to require OEMs to provide diagnostic and training information for zero-emission buses to transit agencies. This information is critical for transit agencies to build the in-house capacity to maintain ZEBs and can directly reduce the costs of ZEB operations and maintenance. The Association will consider, with advice from the ZEB Task Force, statutory solutions to compel this information, if ultimately necessary.

C. Pursue regulatory solutions to reducing the cost of electricity procured by transit agencies.

As transit agencies scale up their deployment of battery-electric buses, they are finding that the cost of electricity as a fuel far exceeds the cost of CNG and, at times, diesel. For example, the two California transit agencies that have operated the most electric bus miles in the country reported to the California Transit Association that the cost of fuel per mile for their operations are 40 percent to 2 times higher for electric

buses than CNG- and diesel-powered equivalents, respectively. These findings were validated by a fuel cost report from Energy and Environmental Economics (E3), commissioned by the Association. The report asserted that, on average, the cost of electricity as a fuel is greater than the cost of CNG on a per revenue mile basis, but less than diesel. These findings are significant, because roughly 60 percent of California's transit fleet operates on CNG.

To address the high cost of electricity as a fuel, the Association will continue to work with its ZEB 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, as appropriate, to ensure that approved rate designs reduce the cost of operating battery-electric buses.

D. Define and seek as appropriate an expansion of the existing, very limited bus on shoulder statutory authorization.

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 transit bus-only corridors (commonly referred to as BOS programs). 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 transit-bus only traffic corridors. In 2020, the Association successfully introduced SB 1283 (Beall), which would have established a statewide pilot program for BOS operations. The bill was ultimately scrapped in response to COVID-19.

The Association will again seek support for, and pursue legislation authorizing, the expansion of BOS statewide.

E. Seek formal approval for transit agencies to require credit card authentication at ticketing kiosks.

In order to protect against the fraudulent use of credit cards at transit properties and the loss of revenue, the Association will seek a written opinion from Legislative Counsel memorializing the oral opinion given to the Association in 2020 clarifying that state law does not preclude transit agencies from requiring zip code authentication by the cardholder. The Association may also look for opportunities to amend the statutes in this regard.

F. Pursue expanded authorization for the use of automated enforcement technologies by transit agencies.

The Association will seek legislation to apply the existing statutory authority for automated (camera) enforcement utilized by the San Francisco Municipal Transportation Agency and the Alameda-Contra Costa Transit District to cite parking violations in transit-only lanes to all transit operators in California. The Association will also seek to expand the authority to include parking violations at any transit stop, regardless of whether it is in a transit-only lane.

G. Pursue mandatory reimbursements to transit agencies for Medi-Cal eligible trips.

The Association will 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.

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

The Association will continue to engage the Department of Motor Vehicles and other relevant state entities on driver testing, certification and licensing, and pursue legislation, if appropriate, in order to improve the time it takes to deploy new bus operators.

I. 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.

J. Support state policies that encourage development near transit.

The Association supports state policy objectives that enable local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit.

K. Monitor state implementation of pension reform laws.

The Association will closely monitor state and federal actions regarding the 2013 Public Employees' Pension Reform Act (PEPRA)/ 13(c) issue and continue to remain actively involved with all levels of government on this issue to mitigate any negative impacts to transit systems or support efforts which advantage transit systems. The Association will also support Association members in their efforts to clarify PEPRA as it applies to employees covered under Section 13(c) of the Federal Transit Act.

L. 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.

M. Continue to identify and pursue 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 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.

N. Monitor and support efforts to advance racial justice and transportation equity through state transportation policy.

The Association recently established the Task Force on an Inclusive, Diverse, and Equitable Association, intended to guide our internal and external efforts to advance racial justice and transportation equity. While the work of the Task Force is still being scoped, the Association has clear direction to monitor and support such efforts related to state transportation policy.

O. Support efforts to implement the Fixing America's Surface Transportation (FAST) Act in California and 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 FAST Act at the state level and assist the Federal Legislative Committee in its effort to secure a surface transportation reauthorization bill that advantages public transit to the maximum extent.

P. 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 288 (Wiener) [Chapter 200, Statutes of 2020] 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.

Q. 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 increase the number of *Californians Without Transit* program followers and to engage them on important policy issues.