

## 2022 STATE LEGISLATIVE PROGRAM

The California Transit Association's 2022 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.

## 2022 STATE LEGISLATIVE PROGRAM – SUMMARY OF NEW / ACTION ITEMS

The following summarizes the highest priority policy goals the California Transit Association will pursue in 2022, including sponsored legislation we will seek.

- **COVID-19 Relief:** Secure additional statutory, administrative, and funding relief for California transit systems, as necessary, to respond to the COVID-19 pandemic.
- **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 2023 to reform TDA law more holistically beyond the statutory relief secured for transit agencies in 2020 and 2021.
- **Zero-Emission Transit:** Monitor implementation of the Innovative Clean Transit regulation, and work with the Association's State Legislative Committee and ZEB Task Force to identify and pursue strategies to reduce the costs associated with deploying ZEBs. Additionally, the Association will sponsor legislation to extend the state sales tax exemption for the purchase of ZEBs authorized by AB 784 (Mullin) [Chapter 684, Statutes of 2019].
- **Part-Time Transit Lane Expansion:** Support AB 476 (Mullin), the Association-sponsored bill authorizing an expansion of the existing, very limited ability to operate buses on highway shoulders granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District by AB 946 (Stone) [Chapter 426, Statutes of 2013].
- **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.
- **CEQA Exemptions for Transit Projects:** Pursue legislation to extend, and expand on, the CEQA exemptions for transit projects currently authorized under SB 288 (Wiener) [Chapter 200, Statutes of 2020].
- **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) 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.

## **2022 STATE LEGISLATIVE PROGRAM – ALL ACTION ITEMS**

The following summarizes all policy goals the California Transit Association will actively pursue in 2022, 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 2022.

### **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 for transit agencies. These statutory relief measures largely built on the work Task Force’s efforts.

As we enter 2022, 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.

#### **B. Protect existing State transit funds, including new SB 1 (Beall and Frazier) [Chapter 5, Statutes 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 2022-23 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 & 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. 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 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 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 the adverse funding impact of the COVID-19 pandemic on transit agencies, as necessary, 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 will engage the Administration and the Legislature, as necessary, to secure new emergency funding for transit agencies statewide to address the impacts of the COVID-19 pandemic on their budgets and operational capacity. The Association will also advocate for additional state funding to help transit agencies build back from the pandemic. Such a funding request may be directed at securing the additional funding for transit capital, outlined in SB 129, which reverted to the state’s General Fund.

**B. Advocate for additional state transit funding from the Cap & 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 & 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 Budget Act of 2021 includes soft commitments to provide multi-year funding to support the transition to zero-emission vehicles, including transit buses, and to facilitate the buildout of charging/refueling infrastructure. The Association will advocate to ensure such funding is approved by the State Legislature 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 advocate to maintain the funding set-asides approved in the FY 2021-22 budget within these projects and programs to specifically and exclusively advantage the deployment of zero-emission buses by transit agencies. Additionally, the Association will continue to engage on 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 in managing homelessness.**

The Association, informed by research from 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. 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, including sponsoring legislation to extend the state sales tax exemption for the purchase of ZEBs authorized by AB 784 (Mullin) [Chapter 684, Statutes of 2019]. The current exemption ends January 1, 2024.

**B. Monitor and pursue, as necessary, regulatory solutions to reduce 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.

### **C. Define and seek as appropriate an expansion of the existing, very limited part-time transit lane 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 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 is co-sponsoring this bill with the Contra Costa Transportation Authority.

### **D. Seek formal approval for transit agencies to require credit card authentication at ticketing kiosks.**

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, however, was unsuccessful in this regard in 2020 and 2021.

### **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. This effort began in 2020 through the pursuit of legislation and budget trailer bill language but did not gain traction with the Legislature.

### **F. Pursue extension and expansion of CEQA exemptions for transit projects.**

The Association will seek legislation, alongside the Bay Area Council, the Silicon Valley Leadership Group, and SPUR to extend, and expand on, the CEQA exemptions for transit projects currently authorized under SB 288 (Wiener) [Chapter 200, Statutes of 2020]. The SB 288 provisions are set to sunset on January 1, 2023. In doing so, the Association will pursue technical changes to the bill that make implementation easier, including, but not limited to, the certification requirement of skilled & trained workforce and the definitions of public right of way & urbanized area. The Association will also seek to reasonably expand the list of eligible project types, such as an exemption for zero-emission rail (like what was pursued in AB 1260 (Chen)). Finally, the Association will consider adding an urgency clause to the extension at the appropriate time, and with the support of our co-sponsors, if it is politically viable.

#### **G. 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.

#### **H. 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.

#### **I. Support alternative procurement methods and measures that 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. The Association also supports efforts that allow local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit.

#### **J. 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. The Association may support federal efforts to transfer the transit grant certification process under 49 U.S.C. Section 5333(b) [commonly referred to as "Section 13(c)"] of the federal Urban Mass Transportation Act of 1964 from the United States Department of Labor to the United States Department of Transportation, if necessary.

#### **K. 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.

#### **L. 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.

#### **M. 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.

**N. Support efforts to implement the surface transportation reauthorization 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 surface transportation reauthorization bill at the state level and, if necessary, assist the Federal Legislative Committee in its effort to secure a surface transportation reauthorization bill that advantages public transit to the maximum extent.

**O. 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.**

**P. 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.