

STAFF REPORT

SUBJECT: 2018 Legislative Overview

FROM: Jennifer Yeamans, Senior Grants & Management Specialist

DATE: September 25, 2018

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**Action Requested**

Receive an informational update on results of the 2017-18 state and federal legislative sessions, LAVTA's legislative priorities, and current legislative issues.

**Background**

In February 2018, the Board of Directors approved LAVTA's 2018 Legislative Program, built upon the following five principles in support of LAVTA's mission:

1. Protect existing transportation funding sources.
2. Enhance future transportation funding investments.
3. Enhance operating conditions to support safety and performance goals.
4. Enhance public transit's role in addressing climate change and air quality issues.
5. Leverage support from and with partners to promote mobility, improve service productivity, and enhance regional leadership.

During the course of 2018, LAVTA staff has used these principles to monitor emergent legislative issues to support, watch, stay neutral, or oppose. This report provides a summary of major legislative outcomes of 2018 of interest to LAVTA.

**2018 Legislative Overview**

*Federal*

The 115<sup>th</sup> Congress is scheduled to adjourn the week of December 10. With November's midterm elections scheduled for little more than a month into the new federal fiscal year beginning October 1, Congress introduced a Continuing Resolution (CR) on September 13 to fund the federal government, including FTA formula programs, at FY 2018 levels through December 7, 2018. The Senate approved the CR legislation on September 18; the House will need to approve the bill and send it to the President for signature prior to October 1 to avert a government shutdown.

*State*

The California Legislature adjourned August 31, ending the 2017-18 legislative session in advance of November's elections. The Governor has until September 30 to either sign or veto bills passed by the Legislature in 2018. Attachment 1 provides an update on the current status

of LAVTA priority bills. Both of the bills LAVTA supported in 2018 related to fleet electrification failed to advance out of the Legislature.

*Regional*

In June, 55% of voters in the nine Bay Area counties approved Regional Measure 3, a ballot initiative sponsored by the Metropolitan Transportation Commission/Bay Area Toll Authority (MTC/BATA) to raise tolls on the region’s seven state-owned toll bridges by up to \$3 over six years to fund \$4.5 billion in regional congestion-relief projects. While 54% of all Alameda County votes were cast in favor of the measure, a majority of precincts in Dublin, Pleasanton, and Livermore voted against it. The measure included \$100 million in funding for “Tri Valley Transit Access Improvements” that may now be made available to the Tri-Valley–San Joaquin Valley Regional Rail Authority for the Valley Link project, following BART’s May decision to not proceed with any of the alternatives studied in the BART-to-Livermore Environmental Impact Report. LAVTA may be eligible for future operating funding under Regional Measure 3 provided it can meet MTC performance requirements for such funds.

The Bay Area Toll Authority (BATA) is expected to hold a public hearing on the proposed toll schedule in November 2018, and adopt the new toll schedule in December, including the first \$1 toll increase to take effect January 1, 2019. Subsequent \$1 toll increases would follow in 2022 and 2025.

**Current Issues: Proposition 6**

Proposition 6 will appear before voters statewide on the November ballot. The constitutional amendment initiative would repeal \$5 billion in annual funding statewide for roads, bridges, and public transportation approved by Senate Bill 1 in 2017, and moreover would strip the Legislature of the authority to raise fees on fuel or vehicles in the future without 2/3 voter approval statewide, establishing a very high threshold for any future efforts to fund transportation infrastructure maintenance needs should SB 1 be repealed by the initiative.

If Proposition 6 is passed by voters, staff estimates LAVTA could lose approximately \$860,000 in annual formula funds raised by the increased sales tax on diesel fuel which SB 1 directed to the State Transit Assistance (STA) program, much of which was subsequently programmed by MTC and the Alameda County Transportation Commission to LAVTA as follows:

<b>Program</b>	<b>FY 2017-18 estimate (pre-SB 1)</b>	<b>FY 2018-19 estimate (with SB 1)</b>	<b>Difference with SB 1</b>
STA Population-Based Small Operators	\$666,477	\$1,182,046	\$515,569
STA Lifeline (ACTC formula)	\$0	\$45,118	\$45,118
STA Revenue-Based	\$194,878	\$322,450	\$127,572
<i>Subtotal STA flexible funds</i>	<i>\$861,355</i>	<i>\$1,549,614</i>	<i>\$688,259</i>
STA Affordable Student Transit Pass Program	\$0	\$118,692	\$118,692
STA State of Good Repair (Capital)	\$0	\$55,640	\$55,640
<b>Grand Total STA Formula Funds</b>	<b>\$861,355</b>	<b>\$1,723,946</b>	<b>\$862,591</b>

Over three-fourths of the funding at risk if Proposition 6 passes are valuable, flexible funds that can be used either for capital or operating purposes at LAVTA's discretion. The remaining at-risk funds are restricted to specific uses, including the Affordable Student Transit Pass Program and for capital maintenance purposes.

In addition, a portion of the \$20 million in state discretionary grant funds awarded to LAVTA and Alameda County for the Dublin/Pleasanton BART parking garage project would be jeopardized if Proposition 6 passes.

**Next Steps**

Staff will return to the Finance and Administration Committee in early 2019 with a draft 2019 Legislative Program for Committee input.

**Recommendation**

None — information only.

Attachments:

1. LAVTA 2018 Priority Legislation Update

## LAVTA 2018 Priority Bills

Bill	Status/Location	Description	Related LAVTA Legislative Agenda Goal or Principle	LAVTA Position
<a href="#">AB 3201</a> (Daly)	Assembly Dead	<p><b>California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.</b> The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. This bill would add large-scale deployments of transit buses to the program’s list of eligible projects, delete the reference to the annual framework and plan and instead just refer to a framework and plan, and revise the definition of zero- and near-zero-emission to include infrastructure that reduces greenhouse gas emissions and improves air quality when compared with conventional or fully commercialized alternatives.</p>	Enhance Future Transportation Funding Investments	Support
<a href="#">SB 1434</a> (Leyva)	Assembly Dead	<p><b>Transportation electrification: electricity rate design.</b> This bill would require the PUC to direct electrical corporations with more than 100,000 service connections in California to file rate design applications, specific to transit agencies as commercial customers, that support and accelerate the deployment of zero-emission transit buses to reduce dependence on petroleum, meet air quality standards, and reduce emissions of greenhouse gases to 40% below 1990 levels by 2030 and to 80% below 1990 levels by 2050. The bill would require that a rate design proposed by an electrical corporation seek to minimize overall costs and maximize overall benefits to rate payers and transit agencies and would require the commission to approve, or modify and approve, rate design applications, but only if they are consistent with this requirement and are in the interests of ratepayers.</p>	Enhance Operating Conditions to Support Safety and Performance Goals	Support