

PLATINUM | ADVISORS

Meeting of April 26, 2024

TO: Chris Snyder, Chair, Governmental Affairs and Public Information Committee
Gerald D. Cochran, President, Board of Directors
Denis J. Mulligan, General Manager

FR: Platinum Advisors, LLC

RE: **STATE UPDATE FROM THE DISTRICT'S LEGISLATIVE ADVOCATES, PLATINUM ADVISORS, LLC**

Fiscal Hope: Every grain of sand will count this year with the state facing a potential \$70 billion deficit. With that, revenues for February provided some hope with income tax revenues exceeding projections by \$579 million for the month. The LAO notes that income surged at the end of February and this jump appears to be from withholdings for equity compensation packages from several large technology companies in the state. This was followed by March receipts showing income tax withholding increased by \$579 million above January projections. While these small gains will barely dent the estimated deficit, optimism is all we have until the official May Revision is released.

Early Action: On March 14th, Senate leadership unveiled a plan of early action budget items totaling \$17 billion in budget solutions that they plan to adopt this month. Governor Newsom praised this announcement, but it was not immediately embraced by the Assembly. However, following negotiations between the Senate, Assembly, and the Administration an agreement was reached on a package of spending changes that will reduce the deficit by \$17.3 billion. The spending changes were amended into AB 106, which was approved on a party line vote. These changes along with the use of reserve funds will address approximately 2/3 of the projected deficit. The spending amendments in AB 106 including the following changes:

- \$5.2 billion of delays and deferrals. This includes the Governor's proposal to delay \$1 billion of the funding for the Formula Transit and Intercity Rail Program.
- \$3.4 billion of fund shifts (shifts of costs from the General Fund to other state funds).
- \$3.6 billion of reductions (generally reductions of one-time funding).
- \$1.4 billion of borrowing from other state funds.

In addition, to specific changes, AB 106 will grant the Administration the ability to *suspend* any undisbursed onetime appropriations from the 2021, 2022, and 2023 Budget Acts. However, the Department of Finance is required to inform the Joint Legislative Budget Committee on any spending item to be suspended, and the Committee can then decide whether to review the proposal.

Cycle 7: CalSTA released the draft guidelines for [Cycle 7](#) of the Transit and Intercity Rail Capital Program (TIRCP). While the LAO has highlighted that these funds could be used to reduce the budget deficit by using Cycle 7 funds to supplant awards from prior cycles that received general fund dollars, CalSTA is moving forward with the next round of funding.

CalSTA has scheduled two virtual workshops on April 16th, with the Northern California workshop starting at 9:30 a.m. The call for projects is anticipated to be released on April 23rd, with the application deadline on July 23rd, and awards will be announced in October.

LEGISLATION

It is par for the course for the legislature to introduce thousands of bills each year. This year was no different. Below is a restrained list of bills we are actively tracking on behalf of the District. While this list is lengthy, time will be consumed by SB 1031, which would authorize MTC to seek voter support for transit operating and capital funds. In exchange for this new revenue, transit operators, as the bill is currently drafted, will be required to forfeit some control over routes and fares to MTC. SB 1031 also requires the state to examine whether consolidating some or all Bay Area transit operators is a good idea.

	Subject	Status	Position
<p><u>AB 817</u> <u>(Pacheco D)</u> Open meetings: teleconferencing: subsidiary body.</p>	<p>AB 817 would authorize a “subsidiary body” to remotely hold a public meeting if specified conditions are met.</p> <p>With the Assembly Local Government Committee under new leadership, AB 817 was approved earlier this month, and approved by the Assembly last week on a vote of 54-8.</p> <p>AB 817 was amended to include a sunset date of January 1, 2026, and amendments clarified the public participation requirements.</p> <ul style="list-style-type: none"> • certain types of commissions, committees, or other body as defined in paragraph (b) of Government Code Section 54952, • a body that serves exclusively as an advisory body, • a body that is not authorized to take final action on any contract, legislation, regulation, or permit. 	Senate Rules	Watch

	Subject	Status	Position
<p><u>AB 1837</u> (Papan D) San Francisco Bay area: public transit: Regional Network Management Council.</p>	<p>AB 1837 was amended to basically codify the existing Regional Network Manager Council that consists of specified Bay Area transit general managers. The bill would require MTC to create a council consisting of 11 representatives that would consist of the general managers from the large operators plus 4 additional general managers selected by specified general managers.</p> <p>The purpose of this council is to provide guidance on regional transit policies.</p>	<p>Assembly Transportation</p>	<p>Watch</p>
<p><u>AB 1904</u> (Ward D) Transit buses: yield right-of-way sign.</p>	<p>Existing law allows Santa Clara VTA and Santa Cruz Metropolitan Transit District to equip buses with a “yield right-of-way” sign to inform motorists when the bus re-entering a traffic lane.</p> <p>AB 1904 would expand this authorization to allow any transit operators to equip its bus with yield right-of-way signs. Under AB 1904 these signs could be an illuminated sign or a static decal.</p>	<p>Senate Rules</p>	<p>Watch</p>
<p><u>AB 2061</u> (Wilson D) Sales and Use Tax: exemptions: zero-emission public transportation ferries.</p>	<p>Starting on January 1, 2025 and ending January 1, 2030, AB 2061 would exempt the purchase of a "zero-emission public transportation ferry" by any public agency that provides transit services to the public and that is subject to the California Air Resources Board's (CARB's) regulation on the airborne toxic control measure for commercial harbor craft (CHC).</p>	<p>Assembly Rev & Tax Suspense File</p>	<p>Co-sponsor</p>
<p><u>AB 2645</u> (Lackey R) Electronic toll collection systems: information sharing: law enforcement.</p>	<p>AB 2645 would require a transportation agency that employs an electronic toll collection system to alert the Highway Patrol when a vehicle license plate that is subject to an emergency alert is read by the electronic toll collection system.</p>	<p>Assembly Transportation</p>	<p>Watch</p>

	Subject	Status	Position
<u>AB 2669</u> (Ting D) Toll bridges: tolls.	AB 2669 would prohibit a toll from being charged for passage of a pedestrian, a bicycle, or a personal micromobility device on any bridge in the Golden Gate Bridge, Highway, and Transportation District (GGBHTD), any state-owned bridge, and any bridge that private entities have entered into a franchise agreement with the state, unless the bridge was under construction on or after January 1, 2025, and the tolls are used to fund the cost of constructing the bridge.	Assembly Appropriations	Watch
<u>AB 2824</u> (McCarty D) Battery; Public Transportation Provider	AB 2824 was amended on March 21st to expand existing law to cover all contract employees and transit operator employees. As amended, AB 2824 would expand the application of existing provisions for battery of a bus operator to also include an agent, employee, or contractor to a public transit operator. The existing penalty for battery includes a fine of up to \$10,000, or up to one year in county jail, or both. The bill would also include imprisonment in state prison for up to 16 months, or 2 years, or 3 years.	Assembly Print	Watch
<u>SB 537</u> (Becker D) Open meetings: local agencies: teleconferences.	SB 537 allows multi-jurisdictional, cross-county local agencies with appointed members to use teleconferencing without posting agendas at each teleconference location, identifying each teleconference location in the notice and agenda, making each teleconference location accessible to the public, and requiring at least a quorum of the eligible legislative body to participate from within the local agency's jurisdiction if the legislative body complies with specified conditions.	Assembly Floor Inactive File	Watch

	Subject	Status	Position
<p>SB 960 (Wiener D) Transportation: planning: transit priority projects: multimodal.</p>	<p>SB 960 would place in statute the requirement for Caltrans to include “complete street” improvements to all transportation projects.</p> <p>Complete Streets elements can include sidewalks, bike lanes, bus-only lanes, accessible public transit stops, crosswalks, median islands, accessible pedestrian signals, curb extensions, narrower travel lanes, among other improvements.</p> <p>SB 960 includes the following requirements:</p> <ul style="list-style-type: none"> • Caltrans is required to include complete street elements in its asset management plan and set 4-year and 10-year targets and performance measures reflecting complete streets assets. • Establish a streamlined process for the approval of pedestrian facilities, traffic calming improvements, bicycle facilities, and transit priority treatments at locations where state-owned facilities intersect with local facilities. • Develop – by January 1, 2026 – a transit priority policy with performance targets to improve transit travel time reliability, speeds, reduced transit and rider delay, and improved accessibility at stops, stations, and boarding facilities. 	<p>Senate Transportation</p>	<p>Support</p>

	Subject	Status	Position
<p>SB 1031 (Wiener D) San Francisco Bay area: local revenue measure: transportation improvements.</p>	<p>SB 1031 has been amended to combine the proposals outlined in SB 925 (Wiener) and SB 926 (Wahab).</p> <p>The language in SB 1031 is extensive. The bill generally contains 2 proposals. The first directs CalSTA to study the consolidation of all Bay Area transit operators, and then develop a plan for consolidation. The second area provides MTC with the authority to seek a regional funding measure for transit operations and capital programs. The regional measure also includes provisions that consolidated funding and policy authority over transit operations with MTC.</p>	<p>Senate Transp Senate Rev & Tax</p>	<p>Watch</p>