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Consulting and Governmental Relations

MEMORANDUM

TO: John Cunningham

FROM: Mark Watts

DATE: July 6, 2016

SUBJECT: **July TWIC Report**

Key Bills - Update

Presented below are brief summaries of bills of interest to the County, including AB 1592 (Bonilla), AB 1665 (Bonilla), and AB 1764 (Stone). A brief summary of the key transportation items acted upon on the pending state budget is included, as well as an update on the effect locally of legislation approved this year to begin state repayment of outstanding loans.

AB 1592 (Bonilla)

This measure authorizes the Contra Costa Transportation Authority to conduct a pilot project for the testing of autonomous vehicles.

The Senate Transportation & Housing committee approved the bill on June 24th on a 10-0 vote. Amendments recommended by the committee included a new requirement for insurance and limits on the use of vehicle data. These amendments have necessitated that the bill be referred to the Senate Appropriations Committee with the hearing there likely to be in early August.

AB 1665 (Bonilla)

The Governor approved this measure on July 1st; as the bill was approved by the Legislature with an Urgency Clause included, it became effective immediately. The bill authorizes the taxing authority for a countywide transportation program to be transferred from the County of Contra Costa to the Contra Costa Transportation Authority.

AB 1746 (Stone)

This bill extends the present limited authority for a pilot program to operate transit buses on highway shoulders to additional transit operators. The bill would provide this authorization to Livermore Amador Valley Transit Authority (LAVTA), as well as other agencies, including the Central Contra Costa Transit Authority (CCCTA).

Late opposition from public safety organizations led to the bill failing to be considered in the Senate Transportation & Housing committee on June 28th, as it was withdrawn by the author. Having thus failed a critical deadline, it is no longer viable.

TCRP Repayment

The Traffic Congestion Relief Act of 2000 committed \$4.9 billion to 141 specific projects in the so-called Transportation Congestion Relief Program (TCRP), including the Bay Area Transit Connectivity project that earmarked funds for the Hercules Train Station. Of the \$3 million “programmed” for the early phases of the project, \$700,000 was caught up in one of the state budget crises and was part of a larger set of loans to assist in balancing the state General Fund.

Earlier this year the legislature enacted AB 133 that begins to make repayments of TCRP funds for projects like the Hercules Station, to meet the programming obligations made a decade ago. The CTC has developed a policy guidance document that was approved at their recent regularly scheduled meeting. It is intended that this repayment process provide the funds in January 2017, in line with the provisions of AB 133.

STATE BUDGET UPDATE

On June 28th, Governor Brown approved the 2017 State Budget Act, along with a number of relevant trailer bills.

I have summarized key budgetary items affecting transportation programs acted upon as reflected in the budget, as well as highlighted issues relegated to the transportation budget trailer bills, AB 1610 and SB 838.

The Assembly has approved SB 838 and returned it to the Senate, while AB 1610 was approved by the Senate and returned the Assembly for concurrence. These bills differ by one provision: SB 838 reflects the Conference Committee Recommendation to authorize additional HOV Access stickers, while the other bill does not. Discussions continue on this issue, which was originally proposed by the governor.

Cap And Trade

Due to the lower-than-expected auction revenues in the May auction, decisions on Cap and Trade programmatic funding have been deferred by leadership until after June 15, 2016. As a consequence, only a very modest amount of funds will be appropriated to state agencies for program administration purposes. The balance of the \$1.4 billion unspent since last year will be reserved for further discussion in August. This extra time will allow for more analysis of the amounts of revenue potentially available for appropriation in the budget year.

Transportation - Key Budget Actions, 2016-17

- *Governor's Transportation Budget Proposal.* The subcommittees in both houses shifted the Governor's proposed \$3.6 billion transportation funding and reform package back to the policy process and removed those provisions from the budget package.
- *Trade Corridor Federal Funding.* The subcommittees rejected the Governor's proposed trailer bill language to establish a new trade corridor program to allocate new federal funds the State has received from the recently enacted federal FAST Act.

AB 2170 (Frazier) addresses this matter now and discussions are under way with the Administration.

- *Capital Outlay Support at Caltrans.* The budget adjusts overall Capital Outlay Support baseline staffing within the department, resulting in a reduction in overall staffing by 94 positions. This adjustment reflects the changes to the program as a result of the status quo level of revenue.
- *Federal Trade Grant Program.* Both subcommittees approved provisional language to allow the CTC to allocate federal and state capital funds to match grant funds as necessary in order to take advantage of any federal FASTLANE grants awarded to the State of California for Caltrans nominated projects.

This issue is addressed in both AB 1610 and SB 838.

- *State Transit Assistance "Fix":* The budget conferees adopted Trailer Bill Language (contained in both AB 1610 and SB 838) to overturn a recent reinterpretation of current law that has resulted in a reallocation of existing funding in the State Transit Assistance program to an expanded base of transit entities.

This issue is addressed in both AB 1610 and SB 838.

Pre-Prop 42 Loans. A surprise addition to the budget trailer bills, not discussed in the committee process, this new proposal approves trailer bill language that allows the transfer of tribal gaming revenues to the General Fund in the event that the State repays Traffic Congestion Relief Fund debts earlier than anticipated.

Contained in both AB 1610 and SB 838.

HOV Lane Access. The Governor proposed in the budget to eliminate the cap on the number of approved stickers (85,000, current law) that authorize plug-in hybrids to access HOV Lanes with single occupants. Due to a disagreement between the two houses on this policy, the Transportation Trailer Bills (AB 1610 and SB 838) have not progressed to the Governor. Negotiations are underway to resolve this matter.