

AGENDA: May 17, 2007

TO: RTC – Transportation Policy Workshop
FROM: Kim Shultz, Senior Transportation Planner
RE: Federal and State Legislative Issues

RECOMMENDATION

Staff recommends that the Regional Transportation Commission:

1. Receive a status report on Federal and State legislative issues and provide comment and guidance on specific legislative items or issues;
 2. Support Assembly Bill 57 (Soto) on Safe Routes to School;
 3. Support a broader definition of eligible projects and matching funding sources for legislation regarding guidelines for State Local Partnership Program established with the approval of Proposition 1B in November; and,
 4. Receive an oral report from RTC's Sacramento Assistants John Arriaga and Steve Schnaidt on the May revision of the Governor's proposed budget and other State legislative matters.
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BACKGROUND

In approving the 2007 Legislative Agenda, the Regional Transportation Commission (RTC) directed staff to provide periodic status reports on legislative activity of interest to the RTC and member agencies, and to provide guidance in support or opposition to specific legislative issues. The RTC's Washington Assistant, Carolyn C. Chaney and Associates, Inc., provides support and assistance to staff on Federal legislative matters. The RTC's Sacramento Assistants, John Arriaga and Steve Schnaidt, provide support and assistance to staff on State legislative matters.

DISCUSSION

This status report provides an overview of current federal and state legislative activity with the recommendation that the RTC provide comment and guidance on specific legislative items or issues.

Federal Legislative Activity

Attached is an update on federal transportation issues submitted by RTC's Washington Assistants, Carolyn Chaney and Chris Giglio of Carolyn Chaney and Associates, Inc., (Attachment 1). The Amtrak reauthorization bill approved by the Senate Commerce Committee provides \$1.4 billion for capital grants to states for intercity passenger rail projects. There is no

corresponding bill in the House of Representatives so it is difficult to determine at this time if this section will survive final legislative approval.

Legislation (S 881 and HR 1586) has been introduced in both the House and Senate to extend for three years the 50% tax credits for short line operators that perform maintenance on qualified short line railroad track. Big Trees and Pacific Railroad has been able to take advantage of this tax credit and if the RTC purchases the Santa Cruz Branch Rail Line the tax credit could be available to a short line operator on that line and help ensure maintenance. Since this is one of the items on the RTC's 2007 Federal Legislative Agenda, staff will request that federal legislators support the bills.

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expires in 2009, but no meaningful progress is anticipated in outlining the future bill before the 2008 elections. Financing the nation's highway program will be a central item of discussion, given the decreasing balance of funds in the Highway Trust Fund.

The majority of funding for construction of highway and road projects throughout the nation comes from a combination of state and federal gas taxes. Those taxes haven't changed much over the last ten years while vehicles have gotten increasingly fuel efficient and the cost of materials to maintain and improve the transportation system has increased significantly. As a result, gas tax revenues at both the state and federal level are proving increasingly inadequate. The growth in the number of alternative fueled vehicles further impacts the generation of transportation revenues. Several states across the nation are testing alternatives to the traditional assessment of gasoline taxes as reported in a recent Wall Street Journal article ([Attachment 2](#)).

State Legislative Activity

RTC's State Legislative Assistants report that the Senate is taking the lead on the more complicated transportation matters while the Assembly leadership has been more focused on global warming issues. Following is a brief report on select state legislative bills and items of interest being monitored by staff. RTC's Sacramento Assistants, John Arriaga and Steve Schnaidt, will provide an oral report on State legislative matters.

Safe Routes to School, Assembly Bill 57 (Soto)

This bill would eliminate the sunset date for the Safe Routes to School (SR2S) program which has allocated approximately \$140 million to local agencies to improve pedestrian and bicycle paths in school areas. A recent study completed by Caltrans of representative projects randomly selected throughout the state showed a significant increase in pedestrian and bicycle use in areas where SR2S projects were implemented. Based on the success of California's measure this program was included in SAFETEA-LU appropriating \$612 million over 5 years to fund states SR2S programs.

The previous attempts to extend the life of this program have met with some resistance from the state Department of Finance. The bill will be heard in the Assembly Appropriations Committee at the end of May. This bill is consistent with the RTC's 2007 State Legislative Agenda for improved conditions and funding for bicycle and pedestrian transportation; therefore, **staff recommends support for AB 57.**

Safe Bicycle Passing Distance, Assembly Bill 60 (Nava)

The intended purpose of this bill is to set 3 feet as the minimum safe passing distance for vehicles sharing the road with bicyclists. The RTC's Bicycle Committee has reviewed the bill and requests that the RTC support this bill. The Interagency Technical Advisory Committee (ITAC) reviewed the bill, did not recommend a position, and requested additional information on the experience of other states that have adopted similar laws.

Due to concerns raised by the California Highway Patrol (CHP), Assemblymember Nava, Chair of the Assembly Transportation Committee has extended this into a two-year bill to allow additional time to work with the CHP and other interested parties to develop a compromise.

Guidelines for the State-Local Partnership Program in Proposition 1B

The Senate Transportation Committee passed two different bills (SB 748 and SB 872) designed to establish procedures for the allocation of up to \$1 billion in the State-Local Partnership Program approved with the passage of Proposition 1B, the transportation bond measure approved in November 2006.

SB 748 (Corbett), defines a greater range of eligible projects and local matching funds to qualify for the program. The list of eligible projects includes roadway capacity improvements, roadway rehabilitation, safety or operational improvements, transit equipment or facilities, bicycle and pedestrian improvements, and environmental mitigation. The list of qualifying local funds includes any voter-approved local or regional tax or fee dedicated to transportation improvements, such as countywide sales tax, a property or parcel tax, voter approved bridge tolls or voter approved fees dedicated to transportation.

SB 872 (Ackerman), restricts eligible projects to local roads, state highways, or exclusive public mass transit guideway improvement projects that add capacity or extend service to new areas. Eligible matching funds are limited to locally imposed sales tax for transportation projects (favored by the Los Angeles Metropolitan Transportation Authority (MTA)). There is debate regarding whether tolls should be allowed (favored by the Bay Area Metropolitan Transportation Commission (MTC)).

Staff recommends that the RTC support a broader list of eligible projects and sources for matching funds to provide a greater opportunity for Santa Cruz County to compete for these funds.

Transportation, Land Use, and the California Environmental Quality Act, SB 375 (Steinberg)

This bill has three separate provisions:

- 1) requires regional transportation planning agencies (RTPAs) to adopt preferred growth scenarios that reduce vehicle miles traveled per household;
- 2) requires the California Transportation Commission (CTC) to adopt guidelines for the use of travel demand models by RTPAs that meet specified standards; and,
- 3) provides for various forms of California Environmental Quality Act (CEQA) relief in communities that conform their general plans to the preferred growth scenario.

The bill has engendered considerable debate in the transportation community and is currently undergoing a major revision and is expected to be re-circulated in mid-May. While there is broad appreciation of the challenges confronting transportation agencies tasked with addressing increased congestion and constrained revenues, there is no consensus as to the best approach that serves agencies of various sizes and resources. There is concern that the modeling tools and data necessary to perform the proposed studies is not uniformly available and that the legislative expectations may exceed practical abilities of many regions.

Senator Steinberg, author of SB 375 and Chair of the Natural Resources and Water Committee, has been described as dedicated to this issue, and not likely to give up the intent. The bill has generated strong support from conservation and environmental organizations.

State Budget

The Governor is scheduled to deliver the “May Revise” to his proposed budget on May 14th. Based on current revenue and expenditure projections, the State Legislative Analyst’s Office (LAO) has estimated that the original budget proposal would result in a \$726 million deficit compared to a \$2.1 billion reserve projected in the Governor’s budget in January 2007. The difference in these numbers is attributed to lower revenue estimates and higher expenditures, primarily related to Proposition 98, the school funding initiative. The Governor has taken criticism in his proposal to redirect state funds for local transit agencies to address the projected state budget deficit.

Staff and the RTC’s State Legislative Assistants will provide an oral report on major issues affecting the transportation projects or programs contained in the Governor’s revised budget proposal.

SUMMARY

This report provides an overview of current federal and state legislative activity. Staff recommends that the RTC support the Safe Routes to School bill, AB 57, support a broad definition of eligible projects and matching funds for the State Local Partnership Program, and accept an oral report from the RTC’s Sacramento Assistants John Arriaga and Steve Schnaidt on State transportation budget and legislative matters.

Attachments:

1. Federal Transportation Update from Carolyn Chaney, dated May 1, 2007
2. *Fuel-Efficient Cars Dent States’ Road Budget*, by Robert Matthews, The Wall Street Journal, April 25, 2007.