

AGENDA: May 15, 2008

TO: Transportation Policy Workshop
FROM: Rachel Moriconi, Senior Transportation Planner
RE: State Legislative Overview and Proposed Positions on Bills

RECOMMENDATION

Staff recommends that the Regional Transportation Commission:

1. Receive an oral report from RTC's Sacramento Assistants John Arriaga and Steve Schnaidt on State legislative matters, the May revision of the Governor's proposed budget, if available; and
 2. Approve staff recommended positions on State bills, as shown in the 2008 RTC Priority Legislation Matrix (Attachment 1).
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BACKGROUND

Every year the Regional Transportation Commission adopts a legislative agenda to guide its support and opposition of state legislative or administrative actions. Thousands of bills are introduced by the State Legislature each year. Working with its state legislative assistants and transportation entities statewide, the RTC monitors several bills that could impact transportation in Santa Cruz County.

DISCUSSION

The RTC's Sacramento Assistant JEA and Associates provides support and assistance on State legislative matters. At this meeting, John Arriaga and Steve Schnaidt will provide information on key state legislative activities and the Governor's proposed May revision to the State Budget, if available.

Legislative Tracking and Positions

JEA and staff have been monitoring several key transportation bills this year (see Attachment 1). The matrix includes several bills which staff recommends that the RTC "watch", "support", or "oppose". **Staff recommends that the RTC approve the staff recommended positions on these state bills.** The full text of these bills is available online at <http://www.leginfo.ca.gov/bilinfo.html>.

Revenue Generating Bills

There are several bills which could expand the ability of the RTC to raise revenues to address a portion of the region's \$2 billion funding shortfall for transportation. These include AB444 (\$10 vehicle registration fee), AB 2558 (climate change mitigation fee), AB2744 (10 cent/gallon fee for regional transportation/climate protection), SB445 (greenhouse gas mitigation vehicle registration fee), SB1731 (\$1/vehicle registration fee for congestion mitigation), and ACA 10 (reduce voter threshold for special taxes for transportation to 55%). Several of these bills are currently focused on

specific regions. Staff recommends that the RTC support region-specific bills if they are amended to include the RTC.

State Budget

The Governor is scheduled to deliver the “May Revise” to his proposed FY08/09 state budget on May 14th. Based on recent information released by the State Department of Finance (DOF), some believe that there maybe a \$14 billion shortfall. As such it is highly likely that the Governor’s proposal will include cuts to many programs. 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.

The RTC has submitted letters to the Governor and our state legislators requesting that the FY08/09 State Budget fully fund transportation and not divert revenues from the sales tax on fuel (Proposition 42), including “spillover” funds, to the State General Fund. The RTC requested full funding of local streets and roads, Safe Routes to Schools, and Bicycle Transportation Account programs. The RTC also has urged the Governor and Legislature to increase revenues dedicated to transportation and approve legislation which would expand our ability to raise funds locally.

CTA Lawsuit Update

In recent years, the State Legislature has repeatedly diverted state transit funds to other programs. One of the focus areas for the RTC’s 2008 State Legislative Agenda is to oppose shifting transportation funds to non-transportation purposes, including loans from transportation accounts and Proposition 42 revenues or the diversion of Public Transportation Account (PTA) funds, including “spillover” revenues, to the State General Fund. Last fall the California Transit Association filed a lawsuit (Shaw vs. Chaing/Genest) against the State based upon the proposed uses of funds that were diverted from the Public Transportation Account (PTA) to the State General Fund. Earlier this year, the Judge required the State to return approximately \$409 million to the PTA that had been diverted to the General Fund to repay debt service on prior years’ bonds. The Legislature in turn passed a Supplemental Budget Bill that re-diverted the \$409 million to the General Fund for home-to-school transportation, which the Judge indicated would be a legal use of the funds. The CTA is appealing the Judge’s decision and has expressed concerns that the Judges’ decision may have created loopholes through which the State may be able to divert even locally generated revenues.

SUMMARY

This report provides an overview of current federal and state legislative activity. Staff recommends that the RTC take positions on several of these bills, as shown in Attachment 1 and accept an oral report from the RTC’s Sacramento Assistants John Arriaga and Steve Schnaidt on State transportation budget and legislative matters.

Attachment: Priority Legislation Matrix