

**To:** Board of Directors

**Date:** January 3, 2013

**From:** Rick Ramacier  
General Manager

**Reviewed by:**

---

**SUBJECT:** State and Federal Legislative Update

---

## STATE

### 2012

Last year, SB1339 – Yee was enacted. This legislation provides the Metropolitan Transportation Commission (MTC) with the ability to develop a program requiring certain employers to directly support transit options for their employees. This could include – but is not limited to – employers subsidizing shuttles and/or fares. Thus, if MTC pursues this ability in 2013 as expected, opportunities for County Connection to increase our partnerships with business centers and companies along the lines of what we have with Bishop Ranch will greatly increase. We will update you as MTC proceeds to implement SB1339.

Proposition 30 was passed by the voters in November. One result is there is no talk in Sacramento of diverting transit funding for the first time in years.

### 2013

The legislative proposals are beginning to emerge for consideration in the new Legislature. Soon, the Governor will release his draft FY2014 budget. We do not expect to see anything that does not fully fund transit per current state law in the budget. On the other hand, we expect to see draft proposals to lower the threshold to pass local transportation sales tax measures to 55%. While these proposals have been considered in the past, it is expected that the votes may actually be there this year to place something on the state-wide ballot in 2014 on this subject.

### Pension Reform Clean Up and the Public Transit Unions

Last year, state public pension reform was enacted. Clean-up legislation to that reform has been introduced. Three of the major public transit unions are lobbying to be included in the clean-up legislation for the purpose of having public transit employees be exempt from the pension reform.

To that end, the Amalgamated Transit Union (ATU), the Teamsters, and the United Transit Union (UTU) have been filing federal Section 13(c) objections to new federal grants

programmed to any California transit operator that does not ignore the new pension reform law. Federal Section 13(c) calls for federal transit funding recipients to bargain over wages, benefits, and working conditions with their employee unions. The three unions, ATU, UTU, and Teamsters argue that the state pension reform takes away their right to bargain over pensions. The goal of these three unions is to hold up federal grants to California transit operators under Section 13 (c) such that the state legislature acts to exempt these transit employees from pension reform so that the federal funding continues to flow to California transit operators. It is expected that the legislative leadership may at least think about moving such legislation. However, the Governor's office has thus far indicated a lack of support for this.

### Other Potential State Legislation

The Legislature is likely to explore additional ideas on smart growth and transit, transit performance requirements, or additional local funding options for transit.

## **FEDERAL**

### The Next Re-Authorization

Late last year, Congress finally passed the long awaited transportation re-authorization (MAP 21). However, it expires in October of 2014. Thus, work is beginning on the next re-authorization. One of the critical issues will be the financing of the next federal bill. MAP 21 did not address the strong likelihood that the highway and mass transit trust accounts will go bankrupt within the next few years. That, coupled with the growing national debt means that determining how to finance the federal transportation programs will be extremely challenging.

Also, as the debate on transportation moves in the direction of performance and so-called national interest, the trend may move in the direction of prescribed and directed expenditures based on ridership, density, or air quality improvements, versus population or formulaic approaches. This will hold other unique challenges for systems like County Connection.

Therefore, staff will work with the MP&L Committee to develop a County Connection federal re-authorization platform that is very basic and very focused on a few key suburban transit items. Such a platform would be contained in a small brochure of no more than four pages.