

TO: Marketing, Planning & Legislative Committee

DATE: October 29, 2020

FROM: Rick Ramacier
General Manager



SUBJECT: 2020 State Legislative
Review & 2021 Preview

2020 State Legislative Review

At the start of the 2020 state legislative session, a number of bills were introduced that would have been challenging for County Connection had they been enacted. These included three bills that would have mandated free fares for select segments of public transit ridership in California. The mandates would have impacted our ability to remain eligible for Transportation Development Act (TDA) and State Transit Assistance (STA) funding.

The three bills were AB1350 – Gonzalez (would have mandated free fares for minors across the state), AB2012 – Chu (would have mandated free fares for all seniors across the state), and AB2176 – Holden (would have mandated free fares for University of California and California State Universities students across the state). All three bills were opposed by County Connection and many other public transit operators. Nonetheless, all three had a good chance of passing the legislature. However, when COVID-19 hit in March, the state legislature paired back the number of bills they heard by two-thirds. Thus, all three of the free fare bills were pulled from further consideration.

Another bill that suffered the same fate was AB2057 – Chiu. This was the bill that would have created a Bay Area Commission to examine and make recommendations on Bay Area transit governance, planning, funding and service delivery. While COVID-19 was a primary reason why this bill did not progress, Assembly Member Chiu cited the seating of the Metropolitan Transportation Commission (MTC) Blue Ribbon Transit Recovery Task Force (BRTF) as another reason for backing off his bill for now. The BRTF is expected to look at many of the issues that Assembly Member Chiu wants to include in a bill like AB2057. While AB2057 was going through a number of iterations, County Connection had expressed concerns with it.

Four bills were enacted in part because of the COVID-19 pandemic that will impact public transit. Three of these bills are beneficial and one is not. All four emerged late in the session. That combined with a multitude of pandemic items soaking up our attention meant that County Connection did not get around to discussing these bills at any length.

Two of these bills, AB90 – Committee on the Budget, and AB107 – Committee on the Budget, are part of the state FY21 budget. AB90 offers a two-year exemption for public transit relative to fare box recovery requirements related to TDA funds and a similar exemption for cost containment requirements for STA funding. While County Connection has never struggled with either of these waived requirements, this will be very helpful to smaller urban and rural systems throughout the state.

A third bill will allow a relatively small SB1 pot of funding to be used for general purpose transit operations from FY20 through FY22. This will not directly benefit County Connection as we already use these funds for the on-going maintenance and upkeep of our various software programs that we use

for a great variety of activities in our day-to-day operations. These computer related costs are already in our operations budget.

A fourth bill is going to be problematic as it greatly expands the ability of an individual who is an essential worker as defined to go out on worker's comp should that worker test positive for COVID-19 regardless how the contraction of it occurred. SB1159 – Hill, is still being evaluated by our legal team for implementation. As tricky as this bill could be, a far worse one, AB196 – Gonzalez was defeated in the legislature.

2021 State Legislative Preview

As of now, it looks like the following areas will be of focus relative to public transit in 2021. The free fare bills are likely to re-emerge in some form, Bus on Shoulder (BOS) authority for transit operators is likely to be introduced again (a similar bill was pulled from consideration in 2020 due to the pandemic), and the state Cap and Trade programs as they impact public transit may be overhauled.

Pandemic related proposals in the form of comprehensive new transit funding and new flexibility for the Low Carbon Transit Operations Program (LCTOP) will be pursued by the transit groups across the state. LCTOP funding is used by County Connection to fund free fares on our three Monument Corridor routes (11,14 and 16).

New comprehensive state-wide transit funding while very important for transit operators facing various financial cliffs in 2021, will be a very heavy lift with difficult prospects. Building in greater flexibility to the LCTOP has a better potential (Assembly Member Grayson is open to considering authoring such legislation) for action. The greater LCTOP flexibility would help ensure that County Connection can continue to use these funds for fare reimbursement in the Monument Corridor for the duration of the pandemic and beyond.

Finally, and most importantly, we should expect to see Assembly Member Chiu introduce another bill similar to AB2057. Such a bill would likely stand a fair chance of enactment and would likely impact County Connection in very significant ways. Therefore, County Connection should consider undertaking activities to educate and inform its state legislative delegation about the possibility of a new version of AB2057 being introduced and its potential meaning for County Connection and the people we serve.

Action Requested

Staff requests that the MP&L Committee review this report with staff. Staff further wishes to begin discussing with the MP&L Committee, how we might engage our state delegation now on the possibilities of a new version of AB2057 being introduced for legislative consideration in 2021. Staff further recommends that the MP&L Committee forward this item to the Board of Directors for discussion and feedback.