

## General Manager's Report September 10, 2012

### GOVERNMENT AFFAIRS UPDATE

#### FEDERAL

Congress reconvened today, following the presidential nominating conventions and there is nothing further to report at this time.

#### STATE

**AB 1779 (Galgiani)** This bill authorizes the transfer of the San Joaquin Intercity Rail service from Caltrans to a joint power authority.

The measure passed both houses of the Legislature on August 30, and has been transmitted to the Governor. San Joaquin Valley Rail supporters are working with the Governor's Office and Business, Transportation & Housing Agency in support of approval by the Governor.

**AB 1706 (Eng)** This bill makes legal transit buses that are over current state bus weight limits, permits transit operators to purchase new overweight buses only with the concurrence of the local jurisdictions on whose roads the buses will travel, and beginning in 2019, imposes a new weight limit equal to the limit in federal law at that time.

The bill was approved by the Legislature on August 28. With leadership of CTA and San Diego MTS, amendments were added to the bill to refine the so-called "grandfathering" provisions.

**Cap and Trade Revenue Allocations** Our legislative advocacy team worked with other transit interests to attempt to address shortcomings in SB 1018, a budget trailer bill approved earlier in the Summer, that excluded public transit as an eligible recipient of Cap and Trade funds administered by the Public Utilities Commission (PUC). We anticipate the issue will re-emerge in 2012.

In the final week of the legislative Session, AB 1532 (J. Perez) was approved by the legislature and sent to the Governor's office for signature. AB 1532 addresses the use of California Air Resources Board (ARB) administered auction revenue for 3 fiscal years beginning with the 2013-14 budget. These funds will be in the Greenhouse Gas Reduction Fund (GHGR) and the Department of Finance is directed to submit an Investment Plan to the legislature for the GHGR spending strategy, by January 10, 2013. The Investment Plan will establish criteria and requirements for use of these monies, establish program categories eligible for funding, specify a public process that ARB shall use to develop the strategy as well as the role of the Legislature in reviewing that strategy. AB 1532 is also contingent upon the approval of SB 535 (De Leon) which requires that 25% of monies in the GHGR Fund go to projects that benefit disadvantaged communities, and 10% to fund projects located within disadvantaged communities.

Another bill that would have distributed the first year of Cap and Trade revenues was SB 1572 (Pavely). SB 1572 would have set monies aside for integrated land use and transportation infrastructure development, design, construction, or planning. However, this bill was held in the Senate Rules Committee in deference to AB 1532.

**Pension Reform** – Following Governor Brown’s introduction of the California Public Employee’s Pension Reform Act of 2013 on August 28th, the Legislature approved AB 340 (Furutani). The new law makes changes to the public pension system. Specifically, it extends retirement ages, caps pensions and gives new hires a single pension formula, rather than menu of formulas. CalPERS analysis indicates that this will save \$42-55 billion over the next 30 years. The changes to public pensions go into effect for new employees hired on or after January 1, 2013. Additionally, it gives new powers to hundreds of cities to make cuts that had been elusive in negotiations with public employee unions. However, cities that operate under their own charters rather than general law, such as Los Angeles, San Diego, and San Jose, are not covered by this legislation.

### **IMPLEMENTATION OF SERVICE CHANGES**

Oral Report by Mike Wiley

### **RT CALENDAR**

#### **Regional Transit Board Meeting**

September 24, 2012  
RT Auditorium  
6:00 P.M

October 22, 2012  
RT Auditorium  
6:00 P.M

November 12, 2012  
RT Auditorium  
6:00 P.M

#### **Executive Committee Meeting for 2012**

Will be approved and scheduled by the Chair  
on an as needed basis.

#### **Mobility Advisory Council**

October 4, 2012  
RT Auditorium  
2:30 P.M

November 1, 2012  
RT Auditorium  
2:30 P.M

December 6, 2012  
RT Auditorium  
2:30 P.M.

**Quarterly Retirement Board Meeting**

September 19, 2012  
RT Auditorium  
9:00 A.M

December 12, 2012  
RT Auditorium  
9:00 A.M

**ParaTransit Board Meeting**

September 27, 2012  
2501 Florin Road  
6:00 P.M.

November 15, 2012  
2501 Florin Road  
6:00 P.M.