

General Manager's Report August 11, 2014

GOVERNMENT AFFAIRS UPDATE

FEDERAL

The House and Senate have begun their 5 week summer recess. Congress will return for legislative business on September 8 and is only expected to be in session for three weeks before adjourning until after the November elections.

A ten-month, nearly \$11 billion Highway Trust Fund patch that cleared Congress last week is awaiting President Barack Obama's signature. The White House bill clerk received the legislation on Friday, and President Obama should sign it this week. Congress barely beat the August 1 deadline for the Department of Transportation (DOT) to implement its emergency cash management plan for the trust fund's highway account. Reimbursements for road and bridge work are still flowing to states on time and in full, even though President Obama has not yet signed the bill, according to a DOT spokesperson. (Remember that Transportation Secretary Foxx's warning to states said the cash management procedures would go into effect August 1 unless Congress acted - which it did).

Partisan divisions over spending priorities and policy riders that have stymied fiscal 2015 appropriations work for months will complicate efforts in September to move a stopgap funding measure and reach a compromise on a border supplemental. Lawmakers headed out for a five-week recess without having sent the President any fiscal 2015 spending bills. The House has gotten further, passing seven, while the Senate has yet to move any. As a result, when Congress returns, it will have to work on a continuing resolution to keep agencies funded into the new fiscal year, which begins October 1, and avoid the threat of a government shutdown. Congress' easiest route would be to clear a "clean" Continuing Resolution (CR) that simply extends current funding at fiscal 2014 levels. But there will be pressure from both sides of the aisle for spending add-ons, known as anomalies, that may not stall passage but could lead to tough negotiations. Potential add-ons could vary from dozens of small spending changes the Office of Management Budget typically seeks in CRs to broader spending requests, which this year could include border or wildfire spending. Conservatives also could push for the CR, but at a lower level than fiscal 2014 funding. Any CR is likely to last until mid-December to push any concerns over a shutdown beyond the mid-term elections. And at that point, a lame-duck Congress would be left to either propose a long-term CR into next year or assemble an omnibus package of fiscal 2015 spending bills.

STATE

Legislature

The legislature returned from Recess on August 4 and is scheduled to conduct business until September 4.

Transit Association Sponsored Bills

Two prominent measures of interest to transportation agencies, sponsored by the California Transit Association, will be considered in the month-long remainder of the Legislative Session:

SB 1433 (Hill) – This extends transit design build authority and makes improvements to the existing process, as well. The bill is set to be heard on August 6, 2014 in the Assembly Appropriations Committee.

AB 1727 (Bloom) – This measure extends the time during which transit districts may procure heavier transit buses and these buses may travel on California’s roads by one year, to January 1, 2016. The bill has passed both houses and is pending final Assembly concurrence in Senate Amendments, before moving to the Governor.

Renewed Legislation

SB 556 (Corbett) – This measure was stiffly opposed by transit and other public agencies in 2013. Essentially, it would have compelled contracted service providers to place disclaimers on vehicles and uniforms indicating that the service is provided by contractors and not by public agencies. Late amendments, prior to the bill being placed on the Assembly Inactive File at the end of 2013 Session year, limited the applicability of the bill to public health and safety services.

Yesterday, the measure was noticed for removal from the Assembly Inactive File. This is typically in preparation for possible amendments or for actively moving the bill forward.

We will be monitoring this measure for any adverse amendments.

Public Employees Pension Retirement Reform Act (PEPRA)

Last year AB 1222 addressed an urgent matter related to the US Department of Labor interpretation of the effect of PEPRA on pending federal transit grants. The bill exempted California public transit workers from the requirements of the PEPRA through January 1, 2015, pending a ruling from the federal district court, and authorized cash flow loans of up to \$26 million to local mass transit providers.

Interested parties, including the California Transit Association, are exploring with the Brown Administration and legislative leadership, the potential for an extension of the PEPRA exemption. This would provide the opportunity for the federal case to be completed without placing grants in jeopardy. At present, it appears the court resolution will occur after the close of this year’s legislative session.

BUS SERVICE ADJUSTMENTS FOR THE ENTERTAINMENT AND SPORTS CENTER

Oral Report by Mike Wiley

RT CALENDAR

Regional Transit Board Meeting

August 25, 2014
RT Auditorium
6:00 P.M

September 8, 2014
RT Auditorium
6:00 P.M

September 22, 2014
RT Auditorium
6:00 P.M

Mobility Advisory Council

September 11, 2014
RT Auditorium
2:30 P.M

November 6, 2014
RT Auditorium
2:30 P.M

Quarterly Retirement Board Meeting

September 17, 2014
RT Auditorium
9:00 A.M

December 17, 2014
RT Auditorium
9:00 A.M

Paratransit Board Meeting

September 25, 2014
Easter Seals
2629 Alta Arden Expressway
Sacramento, CA 95825
6:00 P.M

November 20, 2014
2501 Florin Road
6:00 P.M