

General Manager's Report February 9, 2015

GOVERNMENT AFFAIRS UPDATE

FEDERAL

On February 2, President Obama released his \$4.066 trillion FY16 budget proposal. The FY16 budget request would represent one of the most significant boosts in transportation funding in years, funded in part through the Obama administration's suggested corporate tax overhaul. A proposed one-time tax on past overseas corporate profits would generate \$238 billion, which the President would use to fill the gap from inadequate gas tax receipts and help pay for a \$478 billion, six-year highway bill. Given opposition by some in Congress to tax increases, neither proposal is expected to advance. The budget also calls for moving highway grant programs, highway safety, passenger rail and much public transit spending out of the discretionary budget and into the Highway Trust Fund, which would be renamed the Transportation Trust Fund. The move is intended to both relieve the discretionary side of the budget and put sometimes-controversial programs such as TIGER grants out of the reach of appropriators on Capitol Hill. Specifically, the budget provides:

- \$3.2 billion to advance the construction or completion of 25 rail, bus rapid transit (BRT), and streetcar projects in 13 states. These projects are competitively funded through the Federal Transit Administration's (FTA) Capital Investment Grant Program (CIG). In addition to the 25 transit projects recommended for funding, the President's budget proposal includes \$320 million for Accelerated Project Delivery and Development—a new category of funding that would provide an opportunity for other projects in the pipeline, such as the Sacramento Downtown Riverfront Streetcar Project to move forward if they become ready for a construction grant prior to the end of the fiscal year. At least \$75 million of these funds would be reserved specifically to help small urban and rural communities implement new bus service with premium features.
- the TIGER grant program would receive \$1.25 billion, more than twice the amount enacted in FY15.
- a new \$500 million grant program dubbed FAST – for Fixing and Accelerating Surface Transportation – for projects to compete for money.
- two new bond programs to bring more private investment into transportation projects. The first, called America Fast Forward bonds, would be modeled on the Build America Bonds, a taxable bond program launched in the 2009 stimulus. The second, known as Qualified Public Infrastructure Bonds, would be a tax-exempt form of municipal bonds modeled on existing Private Activity Bonds.
- \$28.6 billion for high-speed rail and other passenger rail programs, including \$3.05 billion for positive train control implementation.
- \$87.138 billion for transit formula grants and \$20.505 billion for capital investment grants, a 76 percent increase above FY15 funding levels
- \$317 billion for highways, a nearly 29 percent increase above FY15 funding levels

- \$6 billion over six years for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program

The congressional Appropriations Committees will begin a series of hearings to review the Administration's budget request the week of February 9. In March/April, the House and Senate are likely to enact their own FY16 budget blueprint which will govern the FY16 appropriations process.

STATE

Legislature

Assembly Speaker Atkins

Assembly Speaker Atkins will attend the California Transportation Foundation (CTF) Annual Transportation Forum on February 4 to address California's infrastructure needs including transportation's critical funding shortfall. Speaker Atkins is expected to offer a proposal for consideration that could raise a net amount of approximately \$2 billion per year.

Among other presenters at the February Forum, new Assembly Transportation Committee Chair, Jim Frazier will also be on hand to discuss transportation-funding challenges and is expected to present a revenue-backed bond concept.

Introduced Legislation, February 3:

AB 227 (Alejo)

This broad ranging bill addresses a number of transportation funding issues:

- Outstanding Loans: Requires all transfers and loans from transportation accounts to the General Fund to be repaid by December 2018; and
- Repeals the dedication of truck weight fees for use in paying transportation bond debt service; thus these revenues will be available for the State Highway Account; and
- Recaptures non-Article XIX revenues that are now being used to support transit bond debt service; and
- Extends the present P3 statute to an unspecified date.

RT CALENDAR

Regional Transit Board Meeting

February 23, 2015
RT Auditorium
6:00 P.M

March 9, 2015
RT Auditorium
6:00 P.M

March 23, 2015
RT Auditorium
6:00 P.M

Mobility Advisory Council

March 05, 2015
RT Auditorium
2:30 P.M

May 07, 2015
RT Auditorium
2:30 P.M

July 2, 2015
RT Auditorium
2:30 P.M

Quarterly Retirement Board Meeting

March 18, 2015
RT Auditorium
9:00 A.M

June 17, 2015
RT Auditorium
9:00 A.M

September 16, 2015
RT Auditorium
9:00 A.M

December 16, 2015
RT Auditorium
9:00 A.M

Paratransit Board Meeting

March 26, 2015
Health for All
2730 Florin Road
Sacramento, CA 95822

May 28, 2015
2501 Florin Road
6:00 P.M

June 25, 2015
2501 Florin Road
6:00 P.M