

## General Manager's Report June 22, 2015

### GOVERNMENT AFFAIRS UPDATE

#### FEDERAL

The House and Senate are in session this week. Congress will remain in session all of June and will then recess for the July 4<sup>th</sup> holiday.

The FY16 Appropriations process could reach a standstill later this month, when Senate Democrats are expected to filibuster the first appropriations bill to reach the Senate floor. Talks on a potential budget agreement are not expected to take place until this fall, given the tight legislative calendar and the August recess.

The House Ways and Means Committee will hold a hearing tomorrow on how to fund the Highway Trust Fund over the long run. The Senate Finance Committee will hold a similar hearing on Thursday.

The Senate Environment and Public Works Committee will mark-up a long-term transportation bill on June 24. A funding source has not yet been identified for the approximately \$90 billion needed to execute a long-term plan.

#### STATE

On June 16, the Legislature approved AB 93, the 2015 State Budget Act. The overall state General Fund expenditure plan for 2015-16 is reflected in the bill amounts to be \$117 Billion. But, in a disagreement with the governor, the legislative General Fund budget is based on a higher level of revenue estimates for the fiscal year than the Governor's Department of Finance has estimated. This sets up a period of 12 days in which the Governor and the Legislature can discuss this and other differences in the budget, leading to a final compromise.

In addition to the Budget Act, the Legislature approved four trailer bills, including AB 95 (related to transportation). AB 95 includes several items of interest to the transit community:

*State Transit Assistance Eligibility Funding.* Provides a one-year extension of an exemption to allow transit operators whose cost increases have exceeded the Consumer Price Index to continue using State Transit Assistance funding for both operating and capital expenditures.

*Intercity Rail Reporting.* Requires Caltrans to report, by April 1, 2016, to the Legislature on potential benefits to safety, greenhouse gas reduction, service levels, and operating costs by improving grade separations at key intersections, as defined by the Federal Railroad Administration, along the state's intercity rail system.

*Sacramento Tower Bridge Relinquishment.* Authorizes the California Transportation Commission to relinquish the Tower Bridge to one or more cities in which it is located. These

cities are Sacramento and West Sacramento. The main budget bill contains authorization for up to \$15 million for improvements to the bridge.

*Cap on Clean Air Vehicle Program.* Increases the cap on the “green sticker” Clean Air Vehicle program from 70,000 to 85,000. This program allows low-emission and energy-efficient vehicles with a single occupant to use high-occupancy vehicle lanes

### **Cap and Trade Funding**

The Conference Committee’s final spending plan approves staff resources necessary to continue existing workload related to cap-and-trade expenditures, but rejects all of the discretionary expenditure proposals. This conforms to the announced legislative intent that discussions continue to further refine the state’s expenditure plan for the 40 percent of the cap-and-trade revenues that are not continuously appropriated according to statute enacted last year.

However, the existing statutory continuous appropriations remain, so sixty percent of revenue 2015-16 will be allocated to High Speed Rail, Affordable Housing and Sustainable Communities, Low Carbon Transit Operations, and the Transit and Intercity Rail Capital Program, pursuant to current law.

### **Transportation Loan Repayments**

The Budget Conference Committee previously added important language into their version of the budget related to the Transportation Congestion Relief Program (TCRP). The TCRP was an initial funding source for the Blue Line extension, but a substantial portion was withheld over the past decade due to state budget pressures.

The final budget agreement identifies \$842 million in pre-Proposition 42 borrowing from 2000-01 as “general fund borrowing” which would qualify the TCRP for repayment from the Proposition 2 “Rainy Day” funds in a future legislative action.

### **RT CALENDAR**

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

July 27, 2015  
RT Auditorium  
6:00 P.M

August 10, 2015  
RT Auditorium  
6:00 P.M

August 24, 2015  
RT Auditorium  
6:00 P.M

**Mobility Advisory Council**

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

September 3, 2015  
RT Auditorium  
2:30 P.M

November 5, 2015  
RT Auditorium  
2:30 P.M

**Quarterly Retirement Board Meeting**

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

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

**Paratransit Board Meeting**

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