



Legislative Update
AC Transit Board of Directors
January 22, 2020

Governor's Proposed 2020-21 Budget

- Governor Newsom unveiled his spending plan for 2020-21 that tops \$222 billion in total spending.
- The plan provides \$21 billion in total reserves, which includes \$18 billion Rainy Day Fund, \$900 million for Safety Net Services, \$487 million in public school reserves, and \$1.6 billion for Special Fund for Economic Uncertainty.
- While the LAO in December estimated a budget surplus of nearly \$7 billion, the Governor's budget forecast assumes a \$5.6 billion surplus.

State Budget Transportation

- No substantive changes to transportation spending
- Inflationary fuel tax adjustments include:
 - Gasoline taxed at a rate of 50.3 cents per gallon, up from 47.3 cents in 2019-20.
 - Diesel fuel taxed at a rate of 38.2 cents per gallon, up from 36 cents in 2019-20.
- State Transit Assistance (STA) program will have \$804 million available for allocation in 2020-21.
- Low Carbon Transit Operations Program (LCTOP) will allocate about \$125 million.

State Budget Cap & Trade

- 2020-21 budget allocates only \$965 million in cap & trade funding, and cuts CARB's share by \$135 million for a total of \$400 million.
- This is primarily due to lower forecast auction revenue.
- 2019-20 budget includes \$1.2 billion in cap & trade appropriations, including \$535 million for CARB's Low Carbon Transportation programs.
- The cap & trade estimate might increase with the May Revise.
- There remains significant demand for more funding for HVIP and infrastructure projects.

State Budget

Workforce Training

- Governor Newsom proposes to create the Department of Better Jobs & Higher Wages. This is an effort to consolidate the various workforce and job training programs that are now found in various departments.
- The cap and trade expenditure plan includes \$33 million for workforce training for pre-apprenticeship programs and expanding the High Road Training Partnership. Governor Newsom proposes to maintain this funding commitment to provide a total of \$165 million in workforce training over 5 years.

State Budget

Climate Resiliency Bond

- The proposed budget calls for placing a \$4.75 billion bond on the November ballot.
- This bond would fund a range of projects from drinking water and flood management to wildfire prevention and sea level rise.
- The bond does not address funding needs for decarbonizing public transit service.

Legislative Items of Interest

- AB 1350 (Gonzalez) was introduced last year with the intent of creating a funding program to provide free student bus passes.
 - AB 1350 was amended this year to replace the grant program with a mandate on transit operators.
- AB 1839 (Bonta) was introduced this year to create a Green New Deal for California. One of the elements of the New deal includes increasing affordable housing and public transportation by “doubling their current availability by 2030.”
- SB 50 (Wiener) was introduced last year and amended this year to require local governments to provide a specified “equitable communities incentive” to developers that construct residential developments in “jobs-rich” and “transit-rich” areas.
 - SB 50 was amended to allow local governments to develop their own housing plans.
- SB 278 (Beall) is the expected vehicle to implement the Faster Bay Area proposal.
 - No amendments yet, but SB 278 will be moving out of Senate Transportation in its current form.
- Assemblyman David Chiu is considering legislation promoted by Seamless Bay Area that would create a commission charged with coordinating transit service and establish a regional “network manager” that would have authority over all transit operators’ schedules and fares.

Thank You