



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Letter

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nvta.ca.gov
SUBJECT: State Legislative Update and State Bill Matrix

RECOMMENDATION

That the Napa Valley Transportation Authority (NVRTA) Board receive the State Legislative update and State Bill Matrix (Attachment 2) prepared by Platinum Advisors.

OTHER OPTIONS FOR CONSIDERATION

None

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

State Update

Attached is the State legislative update (Attachment 1), and State Bill Matrix (Attachment 2).

The Assembly and Senate resumed sessions on May 4th. Bill hearing deadlines have already passed so many legislators have dropped or postponed bills in order for more critical legislation to meet the extended deadline.

The Department of Finance released its revenue estimate for the upcoming fiscal year and has projected a \$54.3 billion budget deficit – more than twice the \$26 billion in the rainy day fund. More will be known when the governor releases the May Revise on May 15th.

On May 6th, Governor Gavin Newsom announced that workers who contract COVID-19 while on the job may be eligible to receive workers' compensation benefits. The Governor

signed an [executive order](#) that creates a time-limited rebuttable presumption for accessing workers' compensation benefits applicable to Californians who must work outside of their homes during the stay at home order. Following this announcement AB 196 was introduced by Assembly Member Gonzalez that would make worker's compensation benefits for certain essential workers, such as transit operators, to receive worker's compensation benefits for illness and injury caused by COVID-19.

The governor also announced waiving penalties on property taxes for residents and small businesses experiencing economic hardship associated with COVID-19.

Federal Update

The Senate returned to session on May 4th after a nearly six-week absence. The House is expected to return on May 11th.

While the House has not officially announced its return, as we previously reported, they are eying a quick (one day) return next week to vote on resolutions to allow for proxy voting and virtual Committee meetings and their CARES 2.0 package.

While normal work is resuming, Congressional Leadership have also indicated negotiations on the next coronavirus stimulus package. Speaker of the House Nancy Pelosi (D-CA) and Senate Majority Leader Mitch McConnell (R-KY) have already indicated what could be included. Pelosi, along with Democrats have floated the idea of potentially \$1 trillion in aid to states, cities and localities, along with economic aid to businesses hardest hit. McConnell, who has expressed doubts about the need for another COVID-19 relief bill, has insisted that if there is another bill, it protect businesses from lawsuits by employees or patrons who may be exposed to the virus. Infrastructure is another potential avenue; however, Senator McConnell has come out against including infrastructure in the next big stimulus.

A group of 19 House Republicans sent a letter to the President, urging him to support direct federal relief for counties with fewer than 500,000 residents in any upcoming negotiations for a coronavirus spending package. Specifically, the lawmakers ask the President to "push for inclusion of language fixing the statutory definition of a local government to protect our counties, cities, and municipalities with fewer than 500,000 residents and incorporate retroactive relief to assist these struggling smaller communities offset unforeseen COVID-19 related expenses." The full letter can be found [here](#).

House Majority Leader Steny Hoyer (D-MD) said he would call the House back into session "as soon as we are ready to put a bill on the floor, hopefully with bipartisan support." Hoyer said that could be as early as next week, but that he would give members more than one day's notice to return because airline schedules have changed. He said he remains concerned about the continuing rise of COVID-19 cases in the Washington, D.C., area.

Policy issues for inclusion in the next COVID-19 bill are actively being negotiated among Congressional leadership. The following list includes issues currently being proposed by House Democratic leadership:

- \$500 billion for state and local governments;
- More money for hospitals;
- Childcare for frontline workers;
- Another round of stimulus money to individuals;
- Extended unemployment timeline;
- Rental and homeowners' assistance funds;
- Extension of the ban on evictions and foreclosure to all properties;
- Credit report freeze;
- Student loan forgiveness;
- Money for testing, treatment, data, and vaccine development;
- FMAP increase;
- Subsidized COBRA benefit;
- Mental health funding;
- Fixing the big business issues in the Paycheck Protection Program (PPP);
- Extension of the date by which companies have to hire back employees by two additional months;
- Expanded eligibility for PPP for non-profits;
- Post office relief; and
- Provisions to support K-12 education.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comments

FISCAL IMPACT

Is there a Fiscal Impact? No

SUPPORTING DOCUMENTS

Attachments: (1) April 28, 2020 State Legislative Update (Platinum Advisors)
(2) April 28, 2020 State Bill Matrix (Platinum Advisors)



April 28, 2020

TO: Kate Miller, Executive Director
Napa Valley Transportation Authority

FR: Steve Wallauch
Platinum Advisors

RE: Legislative Update

Reconvening: The Assembly is scheduled to resume session on May 4th, and the House has already scheduled floor sessions and tentatively scheduled policy committee hearings. As of today, the Senate has also scheduled floor session for May 4th, which is a departure from previous plans to not return until May 18th. No word yet on the Senate schedule for policy committees. With hearing deadlines already passed, rules will be changed to accommodate this compressed schedule. Meeting the deadlines is only made possible by legislators electing to drop/postpone most of their legislative priorities. Instead of nearly 3,000 bills winding their way through the legislature, there will be 600-700 bills heard in policy committees.

The Assembly is planning for one or two policy hearings per day. The committee hearings will be held in either the large hearing room, 4202, or in the Assembly Chambers. Policy committees will begin on May 4th and run through May 20th. Assembly Appropriations will likely hold only two hearings in early June. Given the fiscal outlook, the expectation is most bills will be held on the respective Suspense Files. Assembly Transportation Committee will be the first policy committee to meet on May 4th, and it will likely only be setting 6 to 10 bills on its agenda, as compared to over 100 bills it would hear in a typical year.

Unlike in the Senate where members were asked to prioritize their legislative packages, Assembly committee chairs have been given the power to determine what bills will and will not be heard in their respective committees. Once lawmakers return to the Capitol, it is anticipated that the physical presence of staff and the public in the Capitol will be extremely limited. Members of the public will be pre-screened by a health professional before being permitted to enter the Capitol, everyone must wear a mask, and strict social distancing protocols will be observed. Visiting legislative offices will likely be prohibited. The hearing process will also rely on conference calls for public testimony; however, it is unclear if one speaker in support and one in opposition will be allowed to speak in person.

May Revise: Governor Newsom is preparing the required May Revise that will be released by May 15th. It will paint a grim picture. The Department of Finance has issued

guidance to all state departments informing them that all aspects of the January budget will be reconsidered in preparation of a bare bones June budget that will be revisited in August. In addition, Assembly Budget Committee chairman, Phil Ting, sent a memo to members stating that “When we convene we will no longer be able to consider new priorities and ideas from stakeholders, advocates, and members, with the exception of COVID-19 related costs, wildfire prevention, and homeless funding.” In addition, the Assembly will likely defer all deliberations on special fund programs, such as cap & trade auction revenue, until later in the session.

April is normally the largest revenue month for income tax receipts. The forecast for April 2020 pegged income tax revenues at \$18.4 billion. However, with the filing deadline extended to July 15th, April receipts have totaled only \$4.8 billion so far. Once a complete picture on revenue is known in July, an August Revise will be issued and the budget will be adjusted accordingly. Since this income tax is based on 2019 income, it is expected to increase as the July deadline approaches, but stock market volatility could take a toll. Other state revenues will be hit hard with the economy on lock down. Sales tax revenue at the state and local level is expected to drop by 40% in the short term, and sales tax revenue from diesel fuel sales, a major source of transit operating funds, will also take a big hit. It has been rumored that the Legislative Analyst’s Office is estimating a 20-40% hit to overall state revenues.

DOF Update: The Department of Finance provided the Legislature with an interim fiscal update on April 10th, stating that the pandemic is expected to result in a recession.

- Finance is anticipating that, in consideration of the 2.7 million unemployment requests already, California may experience unemployment numbers higher than the Great Recession in the coming months.
- They are estimating emergency expenditures beyond the \$1 billion already allocated to total about \$7 billion in 2020, however significant federal reimbursement is also expected.
- Finance is preparing for significant caseload increases in Medi-Cal, CalWORKs, and other social services.
- Cash flow is sufficient through the end of the current fiscal year, however, because of the fluid nature of the situation, the governor authorized the State Controller to open and transfer funds to the General Cash Revolving Fund. This allows the State to issue Revenue Anticipation Warrants (external cash borrowing beyond a single fiscal year) if necessary.

Economic Recovery Task Force: April 17th, Governor Newsom named a new economic recovery [task force team \(link: https://www.gov.ca.gov/wp-content/uploads/2020/04/Task-Force-on-Business-and-Jobs-Recovery.pdf\)](https://www.gov.ca.gov/wp-content/uploads/2020/04/Task-Force-on-Business-and-Jobs-Recovery.pdf) to be jointly chaired by former presidential candidate Tom Steyer and the governor’s chief of staff Ann O’Leary. The task force will meet twice monthly and focus on determining actions government and businesses can take to help the State recover from the COVID-19 recession. The team includes a broad range of people including all four living former California State governors. Steyer was also named the governor’s new chief adviser on business and jobs recovery.

COVID-19 Spending: The Senate Republican Caucus created a [webpage](https://cssrc.us/covid/spending) (link: <https://cssrc.us/covid/spending>) outlining state spending on COVID-19 thus far. [SB 89, Chapter 2, Statutes of 2020](#) (link: http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB89),

amended the 2019-20 Budget Act, appropriating \$500 million from the General Fund and authorizing additional appropriations in increments of \$50 million up to a total of \$1 billion to address the COVID-19 emergency. The process includes the Department of Finance (DOF) sending letters to the Senate and Assembly Budget and Appropriations Chairmen notifying them of appropriations. Senator Holly Mitchell (D-Los Angeles) the Chair of the Joint Legislative Budget Committee then responds to the Department of Finance letters expressing support, concerns, or asking questions of the Administration. As of April 13th, a total of \$999.4 million has been appropriated.



April 28, 2020

As stated in the update legislators have drastically scaled back their legislative proposals. At this point in time all the bills listed on NVTA's matrix have been dropped, as noted in the status column.

Existing Positions

Bills	Subject	Status	Client Positions
<u>AB 1350</u> <u>(Gonzalez D)</u> Youth Transit Pass Pilot Program.	<p>AB 1350 (Gonzalez) was introduced last year with the intent of creating a funding program to provide free student bus passes. However, AB 1350 was amended earlier this month to replace the grant program with a mandate on transit operators.</p> <p>As drafted, if a public transit operator wants to receive State Transit Assistance (STA), Transportation Development Act (TDA) or Low Carbon Transit Operations Program (LCTOP) funds then it shall provide free buses to persons 18 years of age and under. While the bill states that these free passes will be counted as a full fare for purposes of farebox calculations, this would still create a significant fiscal impact on transit operators.</p> <p>While the author intends to address the fiscal impact of this bill, on behalf of NVTA we intend to work with the author to include a stable long-term funding source that is sufficient to address the cost impact.</p>	<p>Senate Transp.</p> <p><i>Assemblywoman Gonzalez will not move this bill. To be reintroduced next year.</i></p>	OPPOSE Unless Amended
<u>AB 1839</u> <u>(Bonta D)</u> Climate change: California Green New Deal.	<p>AB 1839 proposes a Green New Deal for California.</p> <p>As currently drafted, this measure would establish a policy framework of principles and goals to address negative climate change impacts and inequity. One of the elements of the New deal include increasing affordable housing and public transportation</p>	<p>ASSEMBLY PRINT</p> <p><i>Assemblyman Bonta will not move this bill. To be reintroduced next year.</i></p>	Watch

<u>AB 1839</u> <i>(Continued)</i>	<p>by doubling their current availability by 2030. AB 1839 would create the California Green New Deal Council, which would consist of specified agency secretaries. This Council will develop and submit a report to the Legislature on recommendations and policies to achieve the specified goals.</p> <p>However, the current version is a general outline of future content. Amendments are expected that provide more details on how the goals of the Green New Deal will be achieved.</p>		
<u>AB 2012</u> <i>(Chu D)</i> Free senior transit passes: eligibility for state funding.	<p>AB 2012 by Assemblyman Kansen Chu was introduced on January 28th. Similar to AB 1350, this bill would mandate all public transit operators to provide free transit passes to individuals aged 65 and over if the operators want to remain eligible to receive STA, TDA and LCTOP funds.</p> <p>To be consistent with the action on AB 1350, an Oppose Unless Amended position is also recommended on AB 2012.</p>	<p>ASSEMBLY TRANS</p> <p><i>Assemblyman Chu will not move this bill. To be reintroduced next year.</i></p>	Oppose Unless Amended
<u>AB 2057</u> <i>(Chiu D)</i> San Francisco Bay area: public transportation	<p>AB 2057 is currently a spot bill that contains intent language to establish a seamlessly integrated regional transit system. While the impetus for this legislation is from the Seamless Bay Area effort, Assemblyman Chiu intends to work with transit operators to craft legislation that will advance service coordination and fare integration throughout the Bay Area. This will not be an easy process, but one that we will be actively involved in.</p>	<p>ASSEMBLY TRANS</p> <p><i>Assemblyman Chiu will not move this bill. To be reintroduced next year.</i></p>	WATCH
<u>AB 2176</u> <i>(Holden D)</i> Free student transit passes: eligibility for state funding.	<p>AB 2176 is also structured the same as AB 1350 and AB 2012, but it would require transit operators to provide a free transit pass to any student enrolled in community college, California State University (CSU), or University of California (UC).</p> <p>As proposed to be amended AB 2176 would require each transit agency and each</p>	<p>ASSEMBLY TRANS</p> <p><i>Assemblyman Holden will not move this bill. To be reintroduced next year.</i></p>	Oppose Unless Amended

<u>AB 2176</u> (Continued)	community college, CSU, or UC located within the transit operator's service area to enter into an agreement to offer free or reduced fare transit passes to students. In addition, AB 2176 would require any community college, CSU or UC that currently charges a student fee for public transit service shall use that revenue solely for transit services.		
<u>AB 3209</u> (Aguiar-Curry D) California Transportation Commission.	As amended, AB 3209 would authorize the NVTa to develop and submit to the California Transportation Commission a local alternative transportation investment plan. The plan would direct the re-investment of proceeds from the sale excess right-of-way located at the intersection of State Highway Route 29 and State Highway Route 221 to address transportation problems and opportunities on state highways in the county.	ASSEMBLY TRANS <i>Assemblywoman Aguiar-Curry with NVTa's consent has decided not to move this bill. To be reintroduced next year.</i>	SPONSOR
<u>ACA 1</u> (Aguiar-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.	<p>ACA 1 failed passage on the Assembly Floor. Reconsideration was granted, and another attempt is possible, but the measure was 8 votes short of the 54 needed for passage. A few Democrat members voted No, and several others abstained. Given the stigma that this measure erodes Prop 13 protections makes it unlikely it will secure the needed support to move to the Senate.</p> <p>ACA 1 would lower the voter threshold for property tax increases, parcel taxes and sales taxes to 55% if the funds are used for affordable housing and infrastructure projects. This includes capital improvements to transit and streets and highways.</p> <p>However, ACA 1 does not allow for the 55% local measure to use the tax revenue for transit operations.</p>	<p>ASSEMBLY FLOOR</p> <p>Failed Passage – Reconsideration Granted</p> <p><i>Assemblywoman Aguiar-Curry might try again later this session.</i></p>	SUPPORT

<p><u>SB 336</u> (Dodd D) Transportation: fully- automated transit vehicles.</p>	<p>SB 336 aims to address safety and customer service issues by requiring at least one public transit employee to be present on any fully automated transit vehicle. The public transit employee shall be trained in passenger safety, communications, emergency preparedness, and assisting the disabled and elderly.</p> <p>SB 336 would also require any transit operator that deploys an autonomous vehicle to submit a report to the legislature on that deployment by March 31st, 2025. SB 336 would sunset on January 1, 2025.</p>	<p>ASSEMBLY TRANSP – Two-Year Bill</p> <p><i>This bill will likely not move this year.</i></p>	<p>SUPPORT</p>
<p><u>SB 1408</u> (Dodd D) State Route 37 Toll Bridge Act.</p>	<p>SB 1408 would authorize another toll bridge in the Bay Area. While the bill currently does not specify the entity that would operate and maintain the toll facilities, the bill would authorize a toll for the use of the Sonoma Creek Bridge along Highway 37. The primary purpose of the toll authority is to fund improvement to the Highway 37 corridor that address sea level rise threats, flooding, and congestion.</p>	<p>SENATE TRANS</p> <p><i>Senator Dodd will not move this bill. To be reintroduced next year.</i></p>	<p>SUPPORT</p>