



March 19, 2020

TO: Board Members, Transportation Agency for Monterey County
FROM: Gus Khouri, Principal
Khouri Consulting LLC

RE: STATE LEGISLATIVE UPDATE – MARCH

On March 16, the California State Legislature approved [Assembly Concurrent Resolution 189](#) to adjourn the 2019-20 Regular Legislative Session for Spring Recess until at least April 13, due to the outbreak of the coronavirus pandemic. This has resulted in committee hearings being cancelled and staff being ordered to work remotely. The Capitol is not open to the public during this time. There has been discussion about shortening the Summer Recess to account for the lost time, but with the uncertain duration needed to flatten the curve of spreading the virus, the situation remains fluid.

TAMC-Sponsored Legislation

Senator Bill Monning has agreed to author legislation, SB 1231, on behalf of TAMC to improve safety through the State Route 156 Corridor (SR 156). The bill has been referred to the Senate Natural Resources and Water Committee. It was scheduled to be heard on March 24, but will be rescheduled to April 14 instead, due to the Recess.

Transportation Development Act Reform

The 1971 Transportation Development Act (TDA) dedicated a statewide 1/4 cent sales tax to local transportation. That 1/4 cent sales tax, now known as the Local Transportation Fund (LTF), generates over \$1.7 billion annually, primarily for public transit.

To be eligible to receive its full share of Local Transportation Funding, existing law requires a transit operator to meet a specified ratio of fare revenues to operating cost, called farebox recovery ratios. Generally, existing law defines the minimum ratio necessary to receive all Local Transportation Funding as either 20% for urban operators, or 10% for operators in a non-urbanized area. If a transit operator fails to meet its specified farebox recovery ratios, existing law requires the Regional Transportation Planning Agency to withhold a percentage of the Local Transportation Fund equal to the percentage by which the operator missed its expected ratio. At the

request of the legislature, the California Transit Association (CTA) has been leading working groups to determine the feasibility of either amending or overhauling the Transportation Development Act.

We have proposed that California Transit Association consider a prospective fix for operators in rural and suburbanized areas (Central Coast, rural counties in Northern California, and San Joaquin Valley) that would increase the “urbanized area” population threshold from 500,000 to 1 million, reflecting the doubling of the state’s population since 1971, and allow for those areas to consider using population density as a metric. Another suggestion was to allow for Local Transportation Funding to always be used for operations rather than restricting funding for capital purposes only. It seems logical that you should not purchase a bus that you cannot operate and that maintenance of existing service should be a priority.

Monterey-Salinas Transit has expressed an interest in a bill that can provide relief through a prospective global fix, particularly to address the high cost of providing paratransit service.