



AGENDA

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

February 4, 2016 – Thursday

5:00 p.m.

1. Pledge of Allegiance
2. Swearing-in of Don Horsley (Board of Supervisors Representative)
3. Call to Order/Roll Call
4. Report of the Citizens Advisory Committee
5. Consent Calendar MOTION
Members of the public or Board may request that an item under the Consent Calendar be considered separately
 - a. Approval of Minutes of January 7, 2016
 - b. Acceptance of Statement of Revenues and Expenditures for December 2015
6. Public Comment
Public comment by each individual speaker shall be limited to one minute
7. Chairperson's Report
 - a. Resolution of Appreciation to Past Chair Karyl Matsumoto RESOLUTION
8. San Mateo County Transit District Liaison Report – K. Matsumoto INFORMATIONAL
9. Joint Powers Board Report – J. Hartnett INFORMATIONAL
10. Report of the Executive Director – J. Hartnett INFORMATIONAL
11. Finance
 - a. Authorize Amendment of Fiscal Year 2016 Budget by \$2.4 Million for a New Total of \$71,937,182 RESOLUTION
 - b. Authorize Allocation of \$26,382,300 in Original Measure A Funds to the San Mateo County Transit District for the Peninsula Corridor Electrification Project RESOLUTION

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

- c. Authorize Acceptance of Quarterly Investment Report and Fixed Income Market Review and Outlook for the Quarter Ended December 31, 2015 MOTION
- d. Acceptance of the Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2015 MOTION

12. Program

- a. Pedestrian and Bicycle Call for Projects Draft Funding Recommendations INFORMATIONAL
- b. Program Report: Highway Program – US 101/Willow Road Interchange INFORMATIONAL
- c. Approval of the 2016 Legislative Program MOTION
- d. Update on State and Federal Legislative Program INFORMATIONAL

13. Requests from the Authority

14. Written Communications to the Authority

15. Date/Time of Next Meeting: Thursday, March 3, 2016, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

16. Report of Legal Counsel

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast vs. California Department of Transportation, Respondents and Defendants, and San Mateo County Transportation Authority and City of Pacifica, Real Parties in Interest and Defendants. Case No. CIV 523973

17. Adjournment

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6242. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at www.smcta.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

Public Comment

If you wish to address the Board, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the Authority Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the TA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306 or emailed to board@smcta.com; or by phone at 650-508-6242, or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

MINUTES OF JANUARY 7, 2016

MEMBERS PRESENT: M. Freschet, C. Groom (Chair), K. Ibarra, C. Johnson,
K. Matsumoto, M.A. Nihart

MEMBERS ABSENT: D. Horsley

STAFF PRESENT: J. Averill, J. Cassman, A. Chan, G. Harrington, J. Hartnett,
C. Harvey, J. Hurley, M. Martinez, N. McKenna, S. Murphy,
M. Simon, S. van Hoften

Chair Karyl Matsumoto called the meeting to order at 5:03 p.m. and led the Pledge of Allegiance.

SWEARING IN

Martha Martinez, Executive Officer, District Secretary/Executive Administration, administered the Oath of Office to Maureen Freschet representing City Selection Committee – Central Judicial Cities, and Ken Ibarra representing City Selection Committee – Northern Judicial Cities.

Director Freschet said she is delighted to represent central cities on this Board that is so important.

Director Ibarra said he has been on a city council for a long time and is confident he can be helpful on the Board.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of January 5, 2016 (see attached).

Director Mary Ann Nihart arrived at 5:10 p.m.

SWEARING IN

Ms. Martinez administered the Oath of Office to Director Nihart representing City Selection Committee – Cities-at-Large.

Director Nihart said she is honored to be selected for the Board.

ELECTION OF 2016 OFFICERS

Director Carole Groom was elected chair.

Motion/Second: Johnson/Ibarra

Ayes: Freschet, Groom, Ibarra, Johnson, Matsumoto

Noes: Nihart

Absent: Horsley

Director Don Horsley was elected vice chair.

Motion/Second: Nihart/Johnson
Ayes: Freschet, Ibarra, Johnson, Matsumoto, Nihart, Groom
Absent: Horsley

APPROVAL OF CONSENT CALENDAR

- a) Approval of Minutes of December 3, 2015
- b) Acceptance of Statement of Revenues and Expenditures for November 2015

Motion/Second: Johnson/Matsumoto
Ayes: Freschet, Groom, Ibarra, Johnson, Matsumoto, Groom
Absent: Horsley

PUBLIC COMMENT

None

CHAIRPERSON'S REPORT

Resolution of Appreciation for Director David Canepa

Chair Groom presented a resolution of appreciation to Director Canepa after three years of service on the Board.

Motion/Second: Groom/Johnson
Ayes: Freschet, Groom, Ibarra, Johnson, Matsumoto, Groom
Absent: Horsley

SAN MATEO COUNTY TRANSIT DISTRICT LIAISON REPORT – K. MATSUMOTO

The January 6 report is in the reading file.

PENINSULA CORRIDOR JOINT POWERS BOARD (JPB) REPORT

The January 7 report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR

Update on Super Bowl 50 Transportation Planning – Caltrain

Chuck Harvey, Deputy CEO, Organization Support/Special Projects, presented:

- Caltrain will run six-car trains the weekends of January 30 and February 6 to increase capacity.
- Enhanced Safety Measures
 - Increased patrols throughout the system
 - Regular sweeps of high visibility locations
 - Communication of National Football League (NFL) bag policy to customers
 - Pre-inspection of every train departing San Francisco on Super Bowl Sunday
 - Participating in multi-jurisdictional law enforcement planning task force
 - Increased use of K-9s for system-wide inspections
- Event preparation
 - All staff time off cancelled

- Additional Transit America Services, Inc. staff brought in to support operations and maintenance activities
- Standby maintenance teams to address equipment malfunctions
- Preventative pre-event maintenance
- Station brightening and cleaning at San Francisco, Millbrae, Redwood City, Palo Alto, Mountain View, Santa Clara and San Jose stations
- Communication
 - Participating in region-wide Super Bowl informational planning effort
 - Using #SB50 hashtag campaigns across Twitter, Facebook and Instagram
 - Staffing joint information center in Santa Clara
 - Targeted digital and print advertising efforts
 - Paid social media campaign
 - Outreach to local tourism organizations and area hotels

Seamus Murphy, Chief Communications Officer, presented:

- Customer Communication
 - Onboard take ones and brochures
 - Conductor announcements
 - Website information
 - Platform announcements
 - Use of visual messaging system on platforms
 - Expanded hours for customer service representatives and social media officer
 - News releases
 - Social media
- Ambassadors
 - Customer information ambassadors at San Francisco beginning January 30 and at Millbrae throughout the week prior to Super Bowl 50
 - More than 122 shifts scheduled throughout the week beginning January 30
 - Targeted locations include San Francisco, Millbrae, Redwood City, Palo Alto Mountain View, Santa Clara and San Jose stations
 - Created a “train the trainer” program to rollout conductor information
- Fares and Parking
 - Customers may use all forms of regular fare media throughout Super Bowl 50 week
 - New Joint Caltrain/Santa Clara Valley Transportation Authority (VTA) Levi's Stadium Tickets sold at ticket vending machines
 - For Super Bowl Sunday, only customers holding a special VTA light rail ticket will be allowed to board Levi's Stadium-bound trains
 - The joint VTA mobile application ticket will be accepted on Caltrain
 - VTA capping the number of tickets sold at 12,000
 - Due to anticipated demand, parking at all Caltrain lots will be increased to \$20 on February 7 only

Mr. Harvey presented:

- Bus Contingency Plans
 - SamTrans bus service into San Francisco during Super Bowl 50 week not directly impacted by street closures
 - Staff will be monitoring loads and adding bus tripper service if additional demand requires
 - Traffic conditions and delays of bus service will be monitored daily by SamTrans Bus Operations Control Center
- Super Bowl Sunday
 - VTA will be staging contingency bus fleets at Mountain View and Santa Clara County to address any light rail service interruptions
 - In San Mateo County, SamTrans will have a fleet of articulated buses, drivers, and field supervisors staged in South San Francisco and San Carlos to respond to any Caltrain Service interruptions
- Budget
 - Super Bowl Host Committee and NFL are not reimbursing local transit agencies for Super Bowl 50-related expenses
 - Staff is establishing budgets for Transit America, Inc., the Transit Police, ambassadors, communications and all other related expenses
 - Final accounting of all Super Bowl 50 expenses will be prepared
 - Peninsula Corridor Joint Powers Board and SamTrans budgets have operating budget capacity to fund Super Bowl 50

Director Johnson asked if the existing Caltrain schedules are in place for the week of the game. Mr. Harvey said the normal weekday pattern will be run in addition to post-event games.

Mr. Hartnett said

- The Pedestrian and Bicycle Program Call for Projects (CFP) solicitation closed and 20 applications have been received from 13 sponsors requesting \$9.3 million in funding, nearly twice the \$4.9 million funding available. A review committee composed of staff from the TA, SamTrans, City/County Association of Governments (C/CAG), C/CAG Bicycle and Pedestrian Advisory Committee, and San Mateo County Public Health Department are reviewing the proposals and staff will present a draft recommended program of projects to be funded at the February Board meeting. In March staff will request action to approve the program of projects.
- On December 14, the Local Shuttle Program CFP was released, and up to \$10 million will be available. On December 15 the TA hosted a workshop for prospective sponsors. Applications are due on February 12.
- Facebook has provided a \$1 million grant to the San Mateo County Transit District (District) to complete a Dumbarton Transportation Corridor Plant, which will study various mobility improvement options and develop a phased program of potential short- and long-term infrastructure and operational improvements to enhance mobility between San Mateo and Alameda counties along the Dumbarton Corridor.

- Facebook has provided the District up to \$700,000 to complete the environmental review to use a West Bay portion of the Dumbarton Rail right of way to construct a bike and pedestrian trail.

PROGRAM

Program Report: Local Streets/Transportation

Joe Hurley, Director, TA Program, presented:

- Local Streets and Transportation Share – 22.5 percent of Measure A
- Meeting the Local Mobility Needs of San Mateo County
 - Provides an assured source of funding to cities and the county for local streets, and funds improvements and maintenance to:
 - Maintain local streets and roads, pave streets, and repair potholes and sidewalks
 - Promote and operate alternative modes of transportation such as shuttles, sponsor carpools, and bicycling and pedestrian programs
 - Develop and implement traffic operations and safety projects, including signal coordination
 - Develop bicycle and pedestrian safety projects that eliminate hazardous conditions
- Funding Distribution Formula
 - Based on 50 percent population and 50 percent number of road miles in each jurisdiction
- Distribution
 - \$101,411,095 allocated to local jurisdictions since New Measure A began
 - Over \$18 million allocated to local jurisdictions in Fiscal Year 2015
- Terms/Conditions of Funding
 - TA insures the distribution of proportional share of funding on a monthly basis
 - Cities may use funding for local transportation projects and programs
 - Funding may not be used to supplant other funding sources
 - Cities must provide a summary of projects and programs funded with Measure A funds and provide an annual audit
- Types of Projects Funded
 - Street lighting repair/replacement
 - Traffic safety projects
 - Congestion management program
 - Traffic signals installation/upgrade
 - Bike lanes
 - Sidewalk installation/maintenance
 - Shuttles
 - Traffic studies
 - Road maintenance
- Where the Funding Goes
 - Road maintenance – 70 percent
 - Other – 30 percent
- San Mateo County Publically Maintained Roadways
 - Cities – 73 percent or 1,520 miles
 - County – 15 percent or 322 miles

- State highway – 10 percent or 213 miles
- Other State agencies – 2 percent or 35 miles
- Pavement Condition Index (PCI)
 - State-wide roads are rated a PCI of 66, in the “at risk” category
 - San Mateo County PCI is rated 70, in the “excellent/good” category

Draft 2016 Legislative Program

Mr. Murphy presented:

- Core Objectives
 - Maintain and enhance funding opportunities
 - Seek a regulatory environment that streamlines project delivery and maximizes ability to meet demands
 - Reinforce and expand projects that build and incentivize public transportation ridership, bike and pedestrian improvements, and transit-oriented developments (TOD)
- Public engagement strategies include direct engagement, coalition-based engagement, and media engagement
- The program is divided into three categories:
 1. Budget and transportation funding opportunities
 - State/Regional level
 - Existing revenues – formula and cap and trade
 - Ballot measures and voter threshold
 - Other innovative funding options – managed lanes
 - Federal level
 - Annual appropriations
 - Tax extenders
 - Surface transportation and rail authorization
 2. Transportation Projects – funding requests and needs
 - State/Regional level
 - TA supported projects – transit/highway/local streets/grade separations/bike and pedestrian/alternative congestion relief
 - Caltrain Modernization (CalMod) Program supplemental memorandum of understanding
 - Other projects – projects that enhance capacity, service and safety
 - Federal level
 - Partner agencies funding requests
 - CalMod Program – Federal Transit Administration Core Capacity funding
 - Other projects – projects that enhance capacity, service and safety
 3. Regulatory and administrative issues
 - State/Regional level
 - Managed lanes
 - California Environmental Quality Act
 - Sustainable communities implementation
 - Commuter Benefits Program

- Federal level
 - Fixing America's Surface Transportation (FAST) Act and other regulations
 - Aviation fuel tax
- Next steps
 - Solicit feedback on Draft Program
 - Board approval and adoption in February

Director Nihart asked if anyone is looking strategically at how the region, the State or the Federal government are spending funds in a “bang for the buck” way. Mr. Murphy said there are some criteria applied to most funding programs to ensure there is a return. No one has that sole responsibility.

Director Nihart said there is an ongoing issue and crisis concerning housing and displacement and the impact on transportation. Mr. Murphy said 20 percent of all Cap and Trade funds are available for the Affordable Housing and Transportation Program. This is housing focused but there has to be a tie to transportation. It's geared towards TOD because in order for those funds to be used there has to be a greenhouse gas reduction. There is an opportunity to revise the criteria for that program that is underway now and staff has been working with the region and MTC to provide comments to make it more viable for this region and qualifying what it means to be a disadvantaged community.

Director Nihart said there is a nexus between water and transportation projects. There are no good funding sources that capitalize on those two issues together and when projects are built water has to be considered. She said she would appreciate a push in that direction. Mr. Murphy said staff will look for opportunities to incentivize that issue and put it into the program.

Director Matsumoto said \$15 million of Measure A funds were available for the South San Francisco and Redwood City ferry, and \$7 million was used. She asked if water taxis could be funded through that program. Mr. Hartnett said the funds were intended for capital improvements to build a safe place for people to get on and off the ferry.

Joan Cassman, Legal Counsel, said the description in the 2004 Transportation Expenditure Program is to provide financial assistance as local match funds for cost-effective ferry service to South San Francisco and Redwood City.

Mr. Hartnett said there is a State focus on Highway 101 and staff is working with the California State Department of Transportation and others in connection with opportunities. The TA is getting great support, but there are financial constraints. Mr. Murphy has a lot of great State and regional transportation relationships that will be an advantage.

Update on State and Federal Legislative Program

Mr. Murphy provided the following update:

State

The special session on transportation is ongoing. A proposal came forward to increase the tax on diesel fuel and allocate more Cap and Trade funding to different pots including a doubling of the pot for inter-city and rail and transit to 20 percent. All the sales tax-, gas tax- and fuel tax-related increases would go to local streets and roads or highway maintenance and improvements.

Federal

Through passage of the FAST Act, Congress decided to equate the benefits that transit riders receive with the tax benefit that that drivers receive up to \$255 per month.

REQUESTS FROM THE AUTHORITY

Director Matsumoto said former TA Director Terry Nagel used to represent the TA at C/CAG in a non-voting seat. She asked if anyone is interested who serves on C/CAG. Director Johnson said he would do it.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

DATE AND PLACE OF NEXT REGULAR MEETING

February 4, 2016 at 5 p.m. in the San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue, San Carlos CA 94070

REPORT OF LEGAL COUNSEL

Ms. Cassman said the Board will meet in closed session on a matter of existing litigation.

Recessed to closed session 6:24 p.m.

Reconvened at 6:35 p.m.

Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast vs. California Department of Transportation, Respondents and Defendants, and San Mateo County Transportation Authority and City of Pacifica, Real Parties in Interest and Defendants. Case No. CIV 523973

Ms. Cassman said the Board received an update and no action was taken.

The meeting adjourned at 6:35 p.m.

TA CAC Chair's Report

January 7, 2016

Good evening, Madame Chair and Members of the Board.

The CAC was pleasantly surprised and delighted to be visited by Chair Matsumoto at our meeting on Tuesday. Members of the CAC were equally pleased and delighted to both hear what she had to say to us and to also share in the box of delicious chocolates that she gave to us to start off our New Year. On behalf of the CAC, I would once again like to extend our thanks to Chair Matsumoto for her generous gift.

We began our meeting by selecting the new officers for the leadership of the CAC for the 2016 term. The Nominating Committee consisted of Randy Hees, John Fox and Rich Hedges. The CAC agreed with the nominations presented by the Committee's spokesperson, Randy Hees, and unanimously voted for both William Warhurst from San Carlos to be the new Vice Chair and for myself, Barbara Arietta, to serve as the continuing Chair of the CAC.

In reference to the details of Tuesday's meeting of the CAC, I have the following to report:

(TA Item 6a) The CAC reviewed the TA Board Minutes of December 3, 2015, without questions or comments.

(TA Item 6b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for November 2015.

(TA Item 12a) As part of an ongoing series of program reports on the Transportation Authority's (TA) six program areas, this month Joe Hurley, TA Program Director, gave the CAC a comprehensive report highlighting the Local Streets/Transportation Program. The CAC was highly interested in finding out about the Measure A Funding Distribution Formula, which is based 50% on population and 50% on number of road miles in each jurisdiction. They were also interested in finding out the terms and conditions of the funding, which among other requirements asks that cities must now provide an annual audit, which wasn't a requirement in the original Measure A.

The CAC was also pleased to hear from Joe's report the fact that San Mateo County now enjoys an countywide average Pavement Condition Index rating of 70, which puts the condition of the County's roads in the "good to excellent" category for road

maintenance, as compared to the state wide average of rating of 66 for road pavement conditions, which is in the "at risk" category for road condition.

(TA Item 12b) The CAC received a highly informative presentation overview from Shweta Bhatnagar, Government Affairs Officer, on the 2016 Legislative Program, which included not only information on the purpose and core objectives of the program, but also information on the public engagement strategies, State and Federal issues, budget and funding opportunities and State, Regional and Federal funding requests and needs, as well as regulatory and administrative issues.

(TA Item 12c) The CAC received a comprehensive Legislative update from Shweta Bhatnagar, covering the recent passage by Congress of the Omnibus Appropriations Bill, and the tax extenders provisions, which include several tax credits for transportation agencies. Shweta also delivered a high level report on the new Fixing America's Surface Transportation (FAST) Act (H.R.22).

In reference to State legislative issues, the CAC was given information about Assemblyman Mullin's amended bill AB378, as well as the news that Governor Brown's new State Budget is due to be released today.

In my own Chair's Report to the CAC, I advised the following:

1. The Caltrain NORCAL/MLK Celebration Train presented by PG& E will run on Monday, January 18, 2016. The Celebration Train will provide free service for those on the Peninsula, who wish to attend the annual celebration of the life of Dr. Martin Luther King Jr. in San Francisco, hosted by Northern California Dr. Martin Luther King Jr. Community Foundation.
2. With respect to the Bay Area's share of highway formula funding over the five year life of the FAST Act, HR 22, it has been reported by the Metropolitan Transportation Commission (MTC) that the funds flowing to the Bay Area region in Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) funding are used for the region's One Bay Area Grant Program (OBAG), the second cycle of which was approved in November 2015.

According to the reports on the MTC's website, this will be approximately \$69 million more than anticipated over the five year period, including \$30 million in additional CMAQ funding and \$39 million in additional STP funds. When the FAST Act's annual growth is extrapolated through FY 2022, the final year of the OBAG 2 programming cycle, MTC reports that funding

would be up by approximately \$93 million.

In Joe's staff report, he advised the CAC about the on-going Shuttle Call for Projects and reported that all requests from sponsors for funding must be submitted by February 12, 2016. He also reported the transmission tower line at the 101/Broadway Interchange in Burlingame that was damaged in a construction incident last August has now been replaced by a "mono" pole, instead of the original tower structure. The work was able to be done without the need for any road closures.

He also informed us that at the request of the City of Burlingame the left turn at the terminus of the southbound off ramp will be restored as soon as the weather permits. This will improve traffic flow in the area which had been a very contentious issue with the city.

Respectfully submitted,

BARBARA ARIETTA

Chair, San Mateo County Transportation Authority CAC

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
DECEMBER 31, 2015**

ACTION

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of December 2015 and supplemental information.

SIGNIFICANCE

Revenues: Year-to-date *Total Revenue* (\$41,554,594 - line 7) is **better** than staff projections by \$2,942,198 or 7.6 percent. *Sales Tax* (\$39,175,089 – line 1) is **better** than staff projections by \$2,671,955 or 7.3 percent and *Interest Income* (\$1,803,555 – line 2) is \$310,713 or 20.8 percent **better** than projections due to higher than budgeted returns.

Total Revenue (\$41,554,594 - line 7) is \$664,272 or 1.6 percent **worse** than prior year performance. *Sales Tax* (\$39,175,089 - line 1) is \$1,036,512 or 2.6 percent **worse** than prior year. *Interest Income* (\$1,803,555 - line 2) is \$396,542 or 28.2 percent **better**, slightly offset by *Rental Income* (\$575,950 – line 4) which is \$24,302 or 4 percent **worse** than prior year.

Expenditures: *Total Administrative Expenses* (\$622,975 - line 22) is **better** than staff projections by \$141,324 or 18.5 percent. Within total administrative expenses, *Staff Support* (\$255,996 - line 18) is \$118,634 or 31.7 percent **better** than staff projections and *Other Admin Expense* (\$366,965 – line 20) is **better** than staff projections by \$21,329 or 5.5 percent.

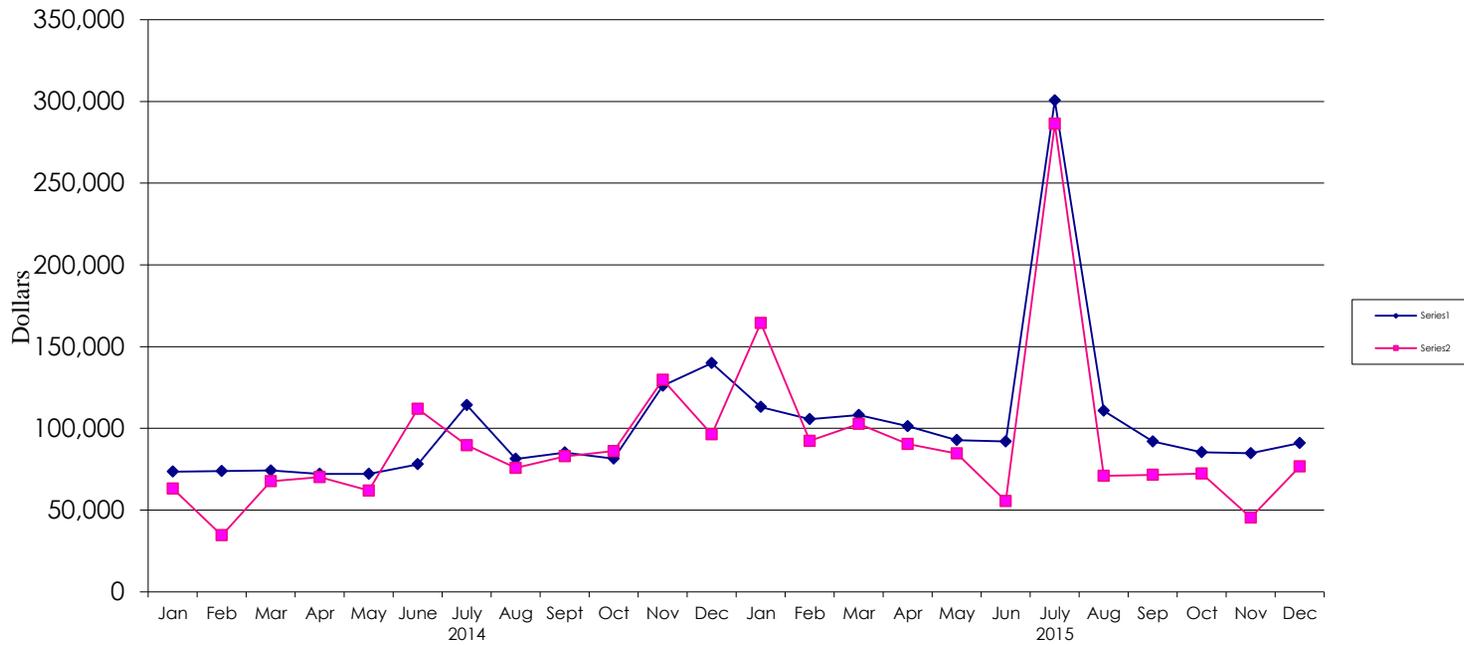
Budget Amendment: The revised budget per Board Resolution No. 2015-21 amends an increase in Program Expenditures by \$5 million for the 25th Avenue –San Mateo Grade Separation Project.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2016
December 2015

% OF YEAR ELAPSED: **50.0%**

| | MONTH | YEAR TO DATE | | | | ANNUAL | | |
|----------------------------------------------------------------------------------------------|-----------------------|------------------------|------------------------|--------------------|---------------|--------------------|-------------------------|--------------|
| | CURRENT ACTUAL | PRIOR ACTUAL | CURRENT ACTUAL | STAFF PROJECTION | % OF PROJ | ADOPTED BUDGET* | STAFF PROJECTION** | % OF PROJ |
| REVENUES: | | | | | | | | |
| 1 Sales Tax | 7,898,755 | 40,211,601 | 39,175,089 | 36,503,134 | 107.3% | 77,000,000 | 77,000,000 | 47.4% |
| 2 Interest Income | 335,249 | 1,407,013 | 1,803,555 | 1,492,842 | 120.8% | 2,985,683 | 2,985,683 | 50.0% |
| 3 Miscellaneous Income | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| 4 Rental Income | 98,978 | 600,252 | 575,950 | 616,420 | 93.4% | 1,232,840 | 1,232,840 | 46.7% |
| 5 Grant Proceeds | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| 6 | | | | | | | | |
| 7 TOTAL REVENUE | 8,332,981 | 42,218,866 | 41,554,594 | 38,612,396 | 107.6% | 81,218,523 | 81,218,523 | 51.2% |
| 8 | | | | | | | | |
| EXPENDITURES: | | | | | | | | |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 Annual Allocations | 2,883,045 | 14,677,234 | 14,298,907 | 13,326,102 | 107.3% | 28,105,000 | 28,105,000 | 50.9% |
| 12 | | | | | | | | |
| 13 Program Expenditures | 1,954,596 | 13,563,428 | 13,174,422 | 17,661,786 | 74.6% | 33,895,000 | 38,895,000 | 33.9% |
| 14 | | | | | | | | |
| 15 Oversight | 54,638 | 297,393 | 425,826 | 592,500 | 71.9% | 1,185,000 | 1,185,000 | 35.9% |
| 16 | | | | | | | | |
| 17 Administrative | | | | | | | | |
| 18 Staff Support | 43,416 | 286,542 | 255,996 | 374,630 | 68.3% | 739,869 | 739,869 | 34.6% |
| 19 Measure A Info-Others | 13 | - | 13 | 1,375 | 1.0% | 16,500 | 16,500 | 0.1% |
| 20 Other Admin Expenses | 33,163 | 273,772 | 366,966 | 388,294 | 94.5% | 595,813 | 595,813 | 61.6% |
| 21 | | | | | | | | |
| 22 Total Administrative | 76,592 | 560,314 | 622,975 | 764,299 | 81.5% | 1,352,182 | 1,352,182 | 46.1% |
| 23 | | | | | | | | |
| 24 TOTAL EXPENDITURES | 4,968,872 | 29,098,370 | 28,522,130 (1) | 32,344,687 | 88.2% | 64,537,182 | 69,537,182 | 41.0% |
| 25 | | | | | | | | |
| 26 EXCESS (DEFICIT) | 3,364,109 | 13,120,496 | 13,032,464 | 6,267,709 | | 16,681,341 | 11,681,341 | |
| 27 | | | | | | | | |
| 28 BEGINNING FUND BALANCE | Not Applicable | 459,220,186 | 469,053,620 | 424,848,697 | | 424,848,697 | 424,848,697 | |
| 29 | | | | | | | | |
| 30 ENDING FUND BALANCE | Not Applicable | 472,340,682 | 482,086,084 (2) | 431,116,406 | | 441,530,038 | 436,530,038 | |
| 31 | | | | | | | | |
| 32 | | | | | | | | |
| 33 Includes the following balances: | | | | | | | | |
| 34 Cash and Liquid Investments | | 7,491,178 | | | | | 331,485,040 | |
| 35 Current Committed Fund Balance | | 372,500,092 (3) | | | | | 64,537,182 | |
| 36 Undesignated Cash & Net Receivable | | <u>102,094,813</u> | | | | | 5,000,000 | |
| 37 Total | | <u>482,086,084 (2)</u> | | | | | <u>(28,522,130) (1)</u> | |
| 38 | | | | | | | <u>372,500,092 (3)</u> | |
| 39 | | | | | | | | |
| 40 | | | | | | | | |
| 41 | | | | | | | | |
| 42 | | | | | | | | |
| 43 "% OF YEAR ELAPSED" provides a general measure for evaluating overall progress | | | | | | | | |
| 44 against the annual budget. When comparing it to the amounts shown in the | | | | | | | | |
| 45 "% of PROJ" column, please note that individual line items reflect variations | | | | | | | | |
| 46 due to seasonal activities during the year. | | | | | | | | |
| 47 | | | | | | | | |
| 48 * The TA Adopted Budget is the Board adopted budget effective June 4, 2015. | | | | | | | | |
| 49 ** The TA Staff Projection is the adopted budget including year to date budget transfers. | | | | | | | | |
| 50 | | | | | | | | |
| 51 | | | | | | | | |
| 52 | | | | | | | | |
| 53 | | | | | | | | |
| 54 | | | | | | | | |
| 55 | | | | | | | | |
| 56 | | | | | | | | |
| 57 | | | | | | | | |

SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

| | Jul '15 | Aug '15 | Sep '15 | Oct '15 | Nov '15 | Dec '15 | Jan '16 | Feb '16 | Mar '16 | Apr '16 | May '16 | Jun '16 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| MONTHLY EXPENSES | | | | | | | | | | | | |
| Staff Projections | 300,582 | 110,756 | 91,961 | 85,348 | 84,679 | 90,973 | | | | | | |
| Actual | 286,281 | 70,899 | 71,533 | 72,304 | 45,366 | 76,592 | | | | | | |
| CUMULATIVE EXPENSES | | | | | | | | | | | | |
| Staff Projections | 300,582 | 411,338 | 503,299 | 588,647 | 673,326 | 764,299 | | | | | | |
| Actual | 286,281 | 357,180 | 428,713 | 501,017 | 546,383 | 622,975 | | | | | | |
| Variance-F(U) | 14,301 | 54,158 | 74,586 | 87,630 | 126,943 | 141,324 | | | | | | |
| Variance % | 4.76% | 13.17% | 14.82% | 14.89% | 18.85% | 18.49% | | | | | | |



BOARD OF DIRECTORS 2015

KARYL MATSUMOTO, CHAIR
 DAVID CANEPA, VICE CHAIR
 CAROLE GROOM
 DON HORSLEY
 CAMERON JOHNSON
 TERRY NAGEL
 MARY ANN NIHART

JIM HARTNETT
 EXECUTIVE DIRECTOR

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF December 31, 2015

| TYPE OF SECURITY | | MATURITY DATE | INTEREST RATE | PURCHASE PRICE | MARKET VALUE |
|------------------------------|-----|------------------|------------------|-----------------------|-----------------------|
| County Pool #3 | * | Liquid Cash | 0.881% | \$ 304,914,620 | \$ 304,914,620 |
| Local Agency Investment Fund | ** | Liquid Cash | 0.400% | \$ 2,967,803 | \$ 2,967,803 |
| Investment Portfolio | *** | Liquid Cash | 0.848% | \$ 154,459,959 | \$ 154,663,865 |
| Other | | Liquid Cash | 0.000% | \$ 7,491,178 | \$ 7,491,178 |
| | | | | <u>\$ 469,833,560</u> | <u>\$ 470,037,467</u> |

Accrued Earnings for December 2015 \$ 337,983.42

Cumulative Earnings FY2016 \$ 1,953,099.05

* County Pool average yield for the month ending December 31, 2015 was 0.881%. As of December, 2015 the total cost of the Total Pool was \$4,672,458,188.89 and the fair market value per San Mateo County Treasurer's Office was \$4,666,906,656

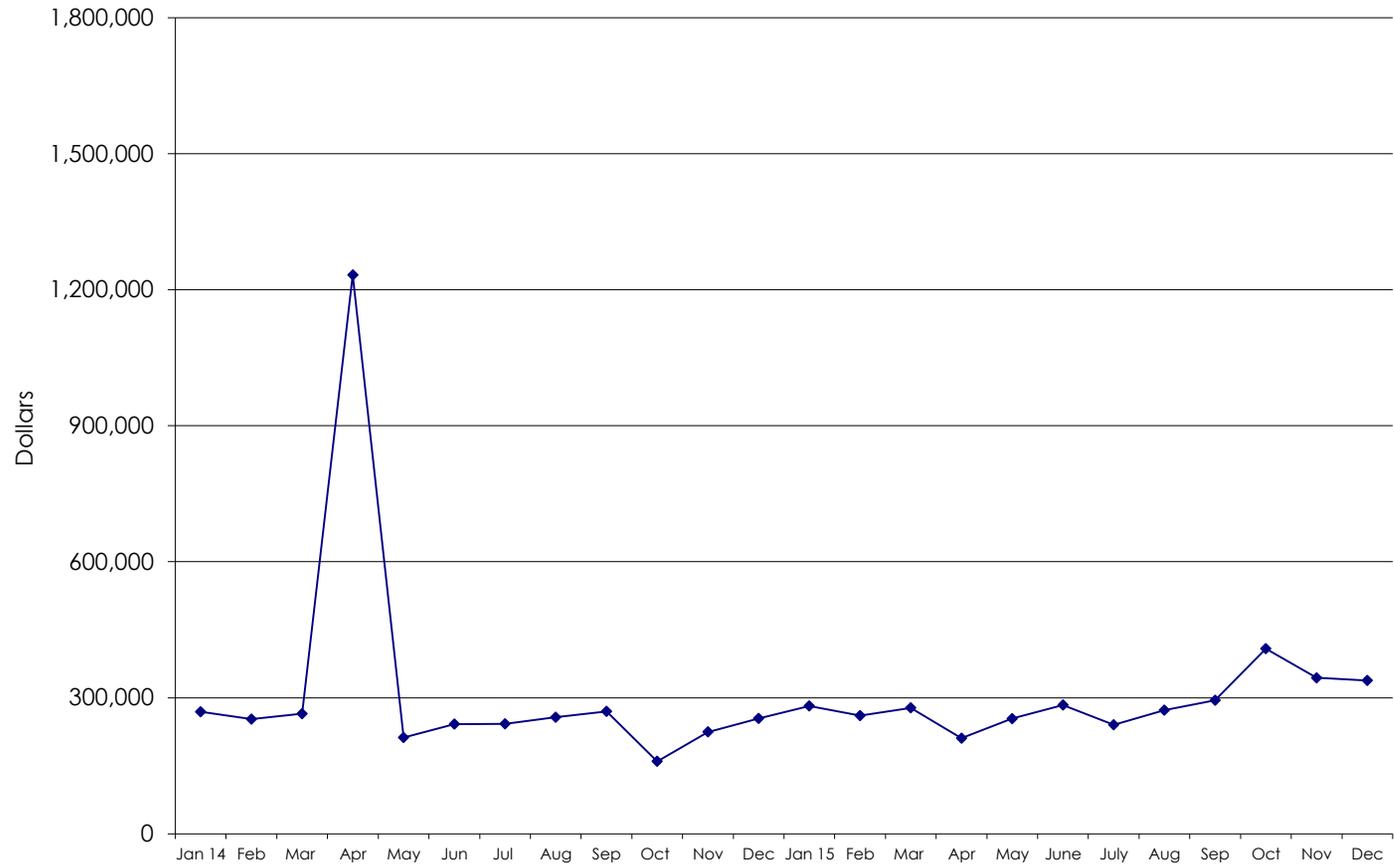
** The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

*** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST STATEMENT
DECEMBER 2015**

| FY2015 | CURRENT MONTH TOTAL | FISCAL YEAR TO DATE TOTAL |
|-----------|------------------------|------------------------------|
| JULY | 240,448.83 | 240,448.83 |
| AUGUST | 272,498.39 | 512,947.22 |
| SEPTEMBER | 294,306.19 | 807,253.41 |
| OCTOBER | 408,279.58 | 1,215,532.99 |
| NOVEMBER | 343,943.91 | 1,559,476.90 |
| DECEMBER | 337,983.42 | 1,897,460.32 |
| JANUARY | | 1,897,460.32 |
| FEBRUARY | | 1,897,460.32 |
| MARCH | | 1,897,460.32 |
| APRIL | | 1,897,460.32 |
| MAY | | 1,897,460.32 |
| JUNE | | 1,897,460.32 |

SMCTA Interest Income



NOTE: Treasury Inflation Protected Security (TIPS) matured 4/15/14. Interest for the inflation component is paid at maturity.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
December 31, 2015

| DESCRIPTION | TOTAL INVESTMENT 12-31-15 | INTEREST RECEIVABLE 11-30-15 | PREPAID INT RECEIVABLE 11-30-15 | INTEREST EARNED 12-31-15 | INTEREST RECEIVED 12-31-15 | ADJ. | INTEREST RECEIVABLE 12-31-15 |
|---------------------------|---------------------------------|------------------------------------|---------------------------------------|--------------------------------|----------------------------------|-------------------|------------------------------------|
| LAIF | 2,967,802.69 | 1,984.71 | 0.00 | 1,008.24 | | | 2,992.95 |
| COUNTY POOL | 304,914,620.39 | 269,341.14 | 0.00 | 224,971.80 | | | 494,312.94 |
| BANK OF AMERICA | 4,787,678.02 | 0.00 | 0.00 | | | | 0.00 |
| WELLS FARGO | 2,606,270.36 | 0.00 | 0.00 | | | | 0.00 |
| US BANK (Cash on deposit) | 97,230.10 | 0.00 | 0.00 | | | | 0.00 |
| INVESTMENT PORTFOLIO | 154,459,958.59 | 217,510.46 | 0.00 | 115,050.18 | 10,209.51 | (3,046.80) | 319,304.33 |
| | <u>469,833,560.15</u> | <u>488,836.31</u> | <u>0.00</u> | <u>341,030.22</u> | <u>10,209.51</u> | <u>(3,046.80)</u> | <u>816,610.22</u> |

DECEMBER 2015 -- SUMMARY OF INTEREST & CAPITAL GAIN

| | | |
|-------------------------------------|----------|-------------------|
| Interest Earned Per Report | 12/31/15 | 337,983.42 |
| Add: | | |
| Less: | | |
| Management Fees | | (9,250.00) |
| Amortized Premium/Discount | | (566.83) |
| Capital Gain(Loss) | | 0.00 |
| Total Interest & Capital Gain(Loss) | | <u>328,166.59</u> |

YEAR TO DATE -- SUMMARY

| | |
|----------------------------|---------------------|
| Interest Earned | 1,953,099.05 |
| Add: | |
| Less: | |
| Management Fees | (55,500.00) |
| Amortized Premium/Discount | (3,400.98) |
| Capital Gain(Loss) | 0.00 |
| Total Interest | <u>1,894,198.07</u> |

| | | |
|-------------------------------------|----------|---------------------|
| Balance Per Ledger as of | 12/31/15 | |
| Exp. Acct. 530011 - Amort Prem/Disc | | (3,400.98) |
| Management Fees (530040)* | | (55,500.00) |
| Int Acct. 409100 - Co. Pool | | 1,207,958.04 |
| Int Acct. 409100 - LAIF | | 14,660.86 |
| Int Acct. 409101 - Portfolio Funds | | 730,480.16 |
| Gain(Loss) Acct. 405210 | | 0.00 |
| | | <u>1,894,198.07</u> |

**INVESTMENT PORTFOLIO
December 31, 2015**

| TYPE OF SECURITY | CUSIP # | SETTLE DATE | ORIGINAL | GASB 31 | MARKET | MATURITY DATE | INT RATE | RATE/DAY | APPL DAYS | INTEREST | PREPAID | INTEREST | INTEREST RECEIVED | ADJ. | INTEREST | INT REC'VBLE | PAR VALUE |
|---------------------------------------------------------|------------|-------------|-----------------------|-----------------------|-----------------------|---------------|----------|----------|-----------|---------------------|-------------------------|-------------------|-------------------|-------------------|---------------------|-------------------------|-----------------------|
| | | | PURCHASE PRICE | ADJUSTED 6-30-14 | VALUE 12/31/2015 | | | | | REC'VBLE 11/30/2015 | INT REC'VBLE 12/31/2015 | EARNED 12/31/2015 | | | REC'VBLE 12/31/2015 | LESS PREPAID 12/31/2015 | |
| <u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u> | | | | | | | | | | | | | | | | | |
| <u>U.S. TREASURY NOTES AND BONDS</u> | | | | | | | | | | | | | | | | | |
| US TREASURY NOTE | 912828WD8 | 10-13-15 | 14,415,070.31 | 14,381,552.90 | 14,279,894.20 | 10-31-18 | 1.25% | 496.5278 | 31 | 15,223.21 | | 15,392.36 | | (169.14) | 30,446.43 | 30,446.43 | 14,300,000 |
| US TREASURY NOTE | 912828VL1 | 12-19-13 | 17,089,374.85 | 20,025,000.00 | 17,051,329.90 | 07-15-16 | 0.625% | 296.0069 | 31 | 40,250.51 | | 9,176.21 | | (199.48) | 49,227.24 | 49,227.24 | 17,050,000 |
| US TREASURY NOTE | 912828WA4 | 03-21-14 | 11,972,343.75 | 11,980,320.00 | 11,988,744.00 | 10-15-16 | 0.625% | 208.3333 | 31 | 9,631.15 | | 6,458.33 | | (105.87) | 15,983.61 | 15,983.61 | 12,000,000 |
| US TREASURY NOTE | 912828WX4 | 8/27/14 | 17,998,593.75 | 18,047,880.00 | 17,988,048.00 | 07-31-16 | 0.500% | 250.0000 | 31 | 30,081.52 | | 7,750.00 | | (168.48) | 37,663.04 | 37,663.04 | 18,000,000 |
| US TREASURY NOTE | 912828WF3 | 03-28-14 | 7,493,276.96 | 9,971,900.00 | 7,505,020.08 | 11-15-16 | 0.625% | 130.4688 | 31 | 2,064.56 | | 4,044.53 | | (44.44) | 6,064.65 | 6,064.65 | 7,515,000 |
| US TREASURY NOTE | 912828ST8 | 03-23-15 | 14,830,857.42 | | 14,755,450.05 | 04-30-19 | 1.250% | 515.6250 | 31 | 15,808.72 | | 15,984.38 | | (175.65) | 31,617.45 | 31,617.45 | 14,850,000 |
| US TREASURY NOTE | 912828F62 | 9-9-15 | 11,245,062.50 | | 11,165,000.00 | 10-31-19 | 1.500% | 466.6667 | 31 | 14,307.69 | | 14,466.67 | | (158.98) | 28,615.38 | 28,615.38 | 11,200,000 |
| US TREASURY NOTE | 912828UQ1 | 11-9-15 | 8,289,421.88 | | 8,262,517.20 | 02-29-20 | 1.250% | 291.6667 | 31 | 26,538.46 | | 9,041.67 | | (99.36) | 35,480.77 | 35,480.77 | 8,400,000 |
| US TREASURY NOTE | 912828VF4 | 12-7-15 | 7,403,027.34 | | 7,392,187.50 | 05-31-20 | 1.375% | 286.4583 | 31 | | | 10,852.55 | | (1,836.16) | 9,016.39 | 9,016.39 | 7,500,000 |
| <u>U.S. GOVERNMENT AGENCIES</u> | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | 71.54% |
| FNMA | 3135G0VA8 | 05-13-13 | 16,628,933.80 | 23,865,600.00 | 16,601,278.20 | 03-30-16 | 0.500% | 230.56 | 31 | 20,333.33 | | 7,147.22 | 6,886.11 | 386.12 | 20,980.56 | 20,980.56 | 16,600,000 |
| FNMA | 3135G0XP3 | 12-10-13 | 9,959,800.00 | 9,930,700.00 | 9,987,940.00 | 07-05-16 | 0.375% | 104.17 | 31 | 15,208.33 | | 3,229.17 | | (104.17) | 18,333.33 | 18,333.33 | 10,000,000 |
| FNMA | 3135 G0YE7 | 03-07-14 | 15,029,400.00 | 14,991,150.00 | 15,000,750.00 | 08-26-16 | 0.625% | 260.42 | 31 | 24,739.58 | | 8,072.92 | | (260.42) | 32,552.08 | 32,552.08 | 15,000,000 |
| <u>COLLATERIZED MORTGAGE OBLIGATIONS</u> | | | | | | | | | | | | | | | | | |
| FNMA | 3136ANJY4 | 04-30-15 | 1,075,646.17 | | 1,063,964.39 | 04-01-18 | 1.550% | 45.85 | 31 | 1,375.63 | | 1,421.48 | 1,375.63 | (45.85) | 1,375.63 | 1,375.63 | 1,065,000 |
| FNMA | 3136AQDQ0 | 10-30-15 | 1,434,219.74 | 1,434,219.74 | 1,417,835.07 | 09-01-19 | 1.646% | 64.93 | 31 | 1,947.77 | | 2,012.69 | 1,947.77 | (64.92) | 1,947.77 | 1,947.77 | 1,420,000 |
| <u>CASH INVESTMENT</u> | | | | | | | | | | | | | | | | | |
| <u>MATURED/CALLED</u> | | | | | | | | | | | | | | | | | |
| TOTAL | | | 154,865,028.47 | 124,628,322.64 | 154,459,958.59 | | | | | 217,510.46 | 0.00 | 115,050.18 | 10,209.51 | (3,046.80) | 319,304.33 | 319,304.33 | 154,900,000.00 |

26-Jan-16 Weighted Average Interest Rate 0.8477%

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY2016
 December 2015

1/25/16 10:00 AM

| Approved Budget | | | Receipts | | Over/(Under) | Current |
|---------------------|--------------------------|-------------------|------------------------------------------------|-------------------|-------------------|-------------------|
| Date | Amount | Revised | Date | Amount | Budget/Projection | Projection |
| FY2015: | | | | | | |
| 1st Quarter | 17,150,000 | 18,948,951 | 1st Quarter | 19,884,600 | 935,649 | 19,884,600 |
| 2nd Quarter | 18,405,000 | 19,606,049 | 2nd Quarter | 22,629,401 | 3,023,352 | 22,629,401 |
| 3rd Quarter | 17,500,000 | 17,500,000 | 3rd Quarter | 18,200,061 | 700,061 | 18,200,061 |
| 4th Quarter | 18,945,000 | 18,945,000 | 4th Quarter | 20,260,116 | 1,315,116 | 20,260,116 |
| FY2015 Total | 72,000,000 | 75,000,000 | FY2015 Total | 80,974,178 | 5,974,178 | 80,974,178 |
| FY2016: | | | | | | |
| Jul. 15 | 5,390,000 | | Sep. 15 | 5,856,300 | 466,300 | 5,390,000 |
| Aug. 15 | 5,390,000 | | Oct. 15 | 5,856,300 | 466,300 | 5,390,000 |
| Sep. 15 | 6,827,333 | | Nov. 15 | 7,808,400 | 981,067 | 6,827,333 |
| 3 Months Total | 17,607,333 | | | 19,521,000 | 1,913,667 | 17,607,333 |
| Oct. 15 | 5,877,667 | | Dec. 15 | 6,635,955 | 758,288 | 5,877,667 |
| Nov. 15 | 5,877,667 | | Jan. 16 | | | 5,877,667 |
| Dec. 15 | 7,140,467 | | Feb. 16 | | | 7,140,467 |
| 6 Months Total | 36,503,134 | | | 26,156,955 | 2,671,955 | 36,503,134 |
| Jan. 16 | 5,544,000 | | Mar. 16 | | | 5,544,000 |
| Feb. 16 | 6,079,920 | | Apr. 16 | | | 6,079,920 |
| Mar. 16 | 7,542,920 | | May 16 | | | 7,542,920 |
| 9 Months Total | 55,669,974 | | | 26,156,955 | 2,671,955 | 55,669,974 |
| Apr. 16 | 6,884,826 | | Jun. 16 | | | 6,884,826 |
| May 16 | 6,997,760 | | Jul. 16 | | | 6,997,760 |
| Jun. 16 | 7,447,440 | | Aug. 16 | | | 7,447,440 |
| FY2016 Total | 77,000,000 | | FY2016 Total | 26,156,955 | 2,671,955 | 77,000,000 |
| | 18,073,633 | | 1st Quarter | | | |
| | 21,101,456 | | 2nd Quarter | | | |
| | | | 3rd Quarter | | | |
| | | | 4th Quarter | | | |
| | <u><u>39,175,089</u></u> | | YTD Actual Per Statement of Revenue & Expenses | | | |

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF DECEMBER 31, 2015

| | <u>12/31/2015</u> |
|------------------------------------------|------------------------------|
| Cash -- Bank of America Checking Account | 4,787,678.02 |
| Cash -- Wells Fargo Lockbox Account | 2,606,270.36 |
| Cash - US Bank (on deposit) | 97,230.10 |
| LAIF | 2,967,802.69 |
| County Pool | 304,914,620.39 |
| Investment Portfolio | 154,459,958.59 |
| | <hr/> |
| Total | <u><u>469,833,560.15</u></u> |

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
December 2015

| Unit | Ref | Name | Amount | Method | Description |
|-------|--------|-----------------------------------------|-------------------|--------|---------------------------------|
| SMCTA | 900066 | HORSLEY, DONALD | 100.00 | WIRE | Board Member Compensation |
| SMCTA | 900067 | JOHNSON, CAMERON | 100.00 | WIRE | Board Member Compensation |
| SMCTA | 900068 | MATSUMOTO, KARYL M. | 100.00 | WIRE | Board Member Compensation |
| SMCTA | 900069 | NAGEL, TERRY | 100.00 | WIRE | Board Member Compensation |
| SMCTA | 004134 | PUBLIC FINANCIAL MANAGEMENT, INC. | 9,250.00 | CHK | Investment Advisory Services |
| SMCTA | 004135 | SOUTH SAN FRANCISCO, CITY OF | 35,107.60 | CHK | Capital Programs ⁽¹⁾ |
| SMCTA | 004136 | VAVRINEK, TRINE, DAY & CO., LLP | 10,000.00 | CHK | Annual Audit Services |
| SMCTA | 004137 | BKF ENGINEERS | 10,749.08 | CHK | Consultants |
| SMCTA | 004138 | DMJM HARRIS/MARK THOMAS JV | 171,449.73 | CHK | Consultants |
| SMCTA | 004139 | EAST PALO ALTO, CITY OF | 149,230.09 | CHK | Capital Programs ⁽¹⁾ |
| SMCTA | 004140 | HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY | 15,336.00 | CHK | Legal Services |
| SMCTA | 004141 | JACOBS ENGINEERING GROUP INC. | 516.26 | CHK | Consultants |
| SMCTA | 004142 | KHOURI CONSULTING | 3,500.00 | CHK | Legislative Advocate |
| SMCTA | 004143 | SOUTH SAN FRANCISCO, CITY OF | 45,161.99 | CHK | Capital Programs ⁽¹⁾ |
| SMCTA | 004144 | URS CORPORATION | 4,218.51 | CHK | Consultants |
| SMCTA | 004145 | DMJM HARRIS/MARK THOMAS JV | 37,484.53 | CHK | Consultants |
| SMCTA | 004146 | PENINSULA TRAFFIC CONGESTION RELIEF | 71,249.78 | CHK | Capital Programs ⁽¹⁾ |
| SMCTA | 004147 | NORTH AMERICAN TITLE | 367.40 | CHK | Capital Programs ⁽²⁾ |
| SMCTA | 004148 | PENINSULA TRAFFIC CONGESTION RELIEF | 206,364.29 | CHK | Capital Programs ⁽¹⁾ |
| SMCTA | 004149 | SUSTAINABLE SAN MATEO COUNTY | 333.33 | CHK | Dues & Subscription |
| | | | <u>770,718.59</u> | | |

(1) FY15/16 Shuttles Call for Projects

(2) Hwy 101 Broadway Interchange

**AGENDA ITEM # 8
FEBRUARY 4, 2016**

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

TO: Transportation Authority

FROM: Karyl Matsumoto
SamTrans Board Liaison to the Transportation Authority

SUBJECT: **SAMTRANS LIAISON REPORT – MEETING OF FEBRUARY 3, 2016**

The summary report will be made available at the Board meeting.

Prepared By: Josh Averill

650-508-6223

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
General Manager/CEO

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **AMENDMENT OF FISCAL YEAR (FY) 2016 BUDGET**

ACTION

Staff proposes that the Board adopt a resolution amending the FY2016 Budget to increase expenditures by \$2.4 million for a revised total budget of \$71,937,182 (Line 26 of Attachment A).

The proposed amendment primarily reflects an increase in projected sales tax income since adoption of the FY2016 Budget, which triggers corresponding increases in pass-throughs and other expenditures consistent with the 2004 Transportation Expenditure Plan.

SIGNIFICANCE

OPERATING REVENUES:

Sales Tax (Line 1 of Attachment A): Increase of \$3 Million

FY2016 sales tax revenue projections have been increased by \$3 million to \$80 million based on current year's actuals.

EXPENDITURES:

The following expenditures have been adjusted:

Annual Allocations (Line 14 of Attachment A): Increase of \$1,095,000

The proposed revised budget reflects an increase in funding for categories that receive Measure A funds based on percentages of projected sales tax revenue. These categories include Allocation to Local Entities, Transfer to San Mateo County Transit District for Caltrain, Paratransit, and San Francisco Airport Bay Area Rapid Transit Extension, as detailed in Attachment B.

Program Expenditures (Line 16 of Attachment A): Increase of \$1,305,000

The proposed revised budget for the various Program Expenditure Categories detailed in Attachment B will be increased by \$1,305,000. The additional funds will be subject to future programming and allocation.

BUDGET IMPACT

The overall impact to the FY2016 Budget is an increase of \$2.4 million in total expenditures, from \$69,537,182 to \$71,937,182.

BACKGROUND

The TA annually adopts a budget. On June 4, 2015, the Board adopted the FY2016 budget in the amount of \$64,537,182 as per Board Resolution No. 2015-12. The Board amended the FY2016 Budget on December 3, 2015, pursuant to Resolution No. 2015-21, for the 25th Avenue – San Mateo Grade Separation Project, increasing the amount to \$69,537,182.

Note that the transactions affected by the proposed amendment are highlighted in bold and blue on the attached budget.

Prepared By: Connie Yee, Sr. Analyst, Operations Budgets
Eileen Bettman, Manager, Budgets

650-508-6302
650-508-6425

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
FY2016 REVISED BUDGET

| | FY2015 AUDITED ACTUAL A | FY2016 ADOPTED B | FY2016 REVISED C | FY16 REVISED TO FY16 ADOPTED Increase (Decrease) D = C-B | BUDGET PERCENT CHANGE E = D/B | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------|------------------------|----------------------------------------------------------------------|----------------------------------------|----|
| REVENUE: | | | | | | |
| 1 Sales Tax | 80,974,178 | 77,000,000 | 80,000,000 | 3,000,000 | 3.9% | 1 |
| 2 | | | | | | 2 |
| 3 Interest Income | 2,971,594 | 2,985,683 | 2,985,683 | - | 0.0% | 3 |
| 4 | | | | | | 4 |
| 5 Miscellaneous Income | 2,461,886 | - | - | - | | 5 |
| 6 | | | | | | 6 |
| 7 Rental Income | 1,218,595 | 1,232,840 | 1,232,840 | - | 0.0% | 7 |
| 8 | | | | | | 8 |
| 9 TOTAL REVENUE | 87,626,253 | 81,218,523 | 84,218,523 | 3,000,000 | 3.7% | 9 |
| 10 | | | | | | 10 |
| 11 | | | | | | 11 |
| EXPENDITURES: | | | | | | |
| 12 | | | | | | 12 |
| 13 | | | | | | 13 |
| 14 Annual Allocations | 29,555,575 | 28,105,000 (1) | 29,200,000 | 1,095,000 | 3.9% | 14 |
| 15 | | | | | | 15 |
| 16 Program Expenditures | 45,952,847 | 38,895,000 (1) | 40,200,000 | 1,305,000 | 3.4% | 16 |
| 17 | | | | | | 17 |
| 18 Oversight | 1,077,370 | 1,185,000 (1) | 1,185,000 | - | 0.0% | 18 |
| 19 | | | | | | 19 |
| 20 Administrative: | | | | | | 20 |
| 21 Staff Support | 523,880 | 739,869 | 739,869 | - | 0.0% | 21 |
| 22 Measure A Info-Others | 1,066 | 16,500 | 16,500 | - | 0.0% | 22 |
| 23 Other Admin Expenses | 682,081 | 595,813 | 595,813 | - | 0.0% | 23 |
| 24 Total Administrative | 1,207,027 | 1,352,182 | 1,352,182 | - | 0.0% | 24 |
| 25 | | | | | | 25 |
| 26 TOTAL EXPENDITURES | 77,792,819 | 69,537,182 | 71,937,182 | 2,400,000 | 3.5% | 26 |
| 27 | | | | | | 27 |
| 28 EXCESS/(DEFICIT) | 9,833,434 | 11,681,341 | 12,281,341 | 600,000 | 5.1% | 28 |
| 29 | | | | | | 29 |
| 30 BEGINNING FUND BALANCE | 459,220,186 | 424,848,697 | 469,053,620 | 44,204,923 | | 30 |
| 31 | | | | | | 31 |
| 32 ESTIMATED ENDING FUND BALANCE | 469,053,620 | 436,530,038 | 481,334,961 | 44,804,923 | 10.3% | 32 |
| 33 | | | | | | 33 |
| 34 (1) See Attachment B for details. | | | | | | 34 |
| 35 | | | | | | 35 |
| FUND BALANCE | | | | | | |
| 36 | | | | | | 36 |
| 37 | | 1988 Measure | 2004 Measure | Aggregate | | 37 |
| 38 Beginning Fund Balance | | 259,338,000 | 209,715,620 | 469,053,620 | | 38 |
| 39 Excess/(Deficit) | | (1,994,571) | 14,275,912 | 12,281,341 | | 39 |
| 40 Ending Fund Balance | | 257,343,429 | 223,991,532 | 481,334,961 | | 40 |
| 41 | | | | | | 41 |
| 42 Capital Appropriation Carryover | | 197,642,000 | 151,770,000 | 349,412,000 | | 42 |
| 43 Undesignated (2) | | 59,701,429 | 72,221,532 | 131,922,961 | | 43 |
| 44 Total Ending Fund Balance | | 257,343,429 | 223,991,532 | 481,334,961 | | 44 |
| 45 | | | | | | 45 |
| 46 (2) Undesignated funds are funds collected but not budgeted or allocated. The 1988 Undesignated funds are projected to include about | | | | | | 46 |
| 47 \$53 million for Dumbarton and \$7 million for Caltrain. The 2004 Undesignated funds include about \$32 million for Grade Separation, \$21 million | | | | | | 47 |
| 48 for Caltrain, \$9 million for Dumbarton, and \$8 million for Shuttles. | | | | | | 48 |

ATTACHMENT B

FY2016 ALLOCATIONS AND EXPENDITURES

| | | | | <u>Prior Approved Budget</u> | <u>FY2016 Revised</u> | <u>Total Approved Budget</u> | <u>Budgeted Non-Measure A</u> | <u>Total Measure A Share</u> |
|----------------------------|--------------------------------|---------------------------------|-----|------------------------------|-----------------------|------------------------------|-------------------------------|------------------------------|
| ANNUAL ALLOCATIONS: | | | | | | | | |
| 1 | Allocation to Local Entities | | | N/A | 18,000,000 | | | N/A |
| 2 | Transfer to SMCTD for Caltrain | | | N/A | 6,400,000 | | | N/A |
| 3 | Paratransit | | | N/A | 3,200,000 | | | N/A |
| 4 | SFO BART Extension | | | N/A | 1,600,000 | | | N/A |
| 5 | | | | | 29,200,000 | | | |
| 6 | | | | | | | | |
| 7 | PROGRAM EXPENDITURES: | | | | | | | |
| 8 | | | | | | | | |
| 9 | ALTERNATIVE CONGESTION RELIEF | | | | | | | |
| 10 | 00903 | Call for Projects | (1) | 1,338,794 | 365,000 | 1,703,794 | | 1,703,794 |
| 11 | TBD | Countywide TDM Program | | 2,041,206 | 435,000 | 2,476,206 | - | 2,476,206 |
| 12 | DUMBARTON | | | | | | | |
| 13 | 00745 | Maintenance of Way | | 1,784,500 | 400,000 | 2,184,500 | - | 2,184,500 |
| 14 | CALTRAIN | | | | | | | |
| 15 | 00605 | San Mateo Local Share JPB CIP | | 65,297,540 | 6,400,000 | 71,697,540 | 2,733,100 | 68,964,440 |
| 16 | PEDESTRIAN AND BICYCLE PROGRAM | | | | | | | |
| 17 | 00816 | Set-aside for Call for Projects | (2) | 11,118,824 | 2,400,000 | 13,518,824 | - | 13,518,824 |
| 18 | LOCAL SHUTTLE | | | | | | | |
| 19 | 00902 | Set-aside for Call for Projects | (3) | 10,544,777 | 3,200,000 | 13,744,777 | - | 13,744,777 |
| 20 | STREETS AND HIGHWAYS | | | | | | | |
| 21 | 00900 | Key Congested Corridors Program | (4) | 61,461,000 | 13,840,000 | 75,301,000 | - | 75,301,000 |
| 22 | 00901 | Supplemental Roadway Program | (4) | 36,237,000 | 8,160,000 | 44,397,000 | - | 44,397,000 |
| 23 | GRADE SEPARATION | | | | | | | |
| 24 | 00812 | 25th Avenue - San Mateo | | 3,700,000 | 5,000,000 | 8,700,000 | - | 8,700,000 |
| 25 | | | | | | | | |
| 26 | | | | 193,523,641 | 40,200,000 | 233,723,641 | 2,733,100 | 230,990,541 |
| 27 | | | | | | | | |
| 28 | | | | | | | | |
| 29 | OVERSIGHT: | | | | | | | |
| 30 | | | | | | | | |
| 31 | 00740 | Program Planning and Management | | 4,810,000 | 1,185,000 | 5,995,000 | - | 5,995,000 |
| 32 | | | | 4,810,000 | 1,185,000 | 5,995,000 | - | 5,995,000 |

(1) Funds proposed in FY2016 for the ACR Call For Projects represent 1% of sales tax revenues, less funds designated for the Alliance's Countywide TDM program (\$435K).

(2) The Pedestrian and Bicycle Set-aside for Call for Projects (\$2.28M) represents the estimated funds to be collected in FY16, which will be reserved for the FY2016/17 Call for Projects.

(3) The Local Shuttle Set-aside for Call for Projects (\$3.0M) represents the estimated funds to be collected in FY16 which will be reserved for future Call for Projects.

(4) The Key Congested Corridors and Supplemental Roadway Programs represent 17.3% and 10.2% respectively of Measure A revenues projected to be collected in FY16 and are placeholders until specific projects are selected under these categories.

(5) True-up adjustments for the difference between annual projected vs. actual collected Sales Tax since inception until FY2015

RESOLUTION NO. 2016 –

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA**

**AMENDING THE FISCAL YEAR (FY) 2016 BUDGET BY \$2.4 MILLION
FOR A TOTAL BUDGET OF \$71,937,182**

WHEREAS, Section 131265(a) of the California Public Utilities Code requires the Board of Directors (Board) to adopt an annual budget for the San Mateo County Transportation Authority (TA); and

WHEREAS, the Board adopted the FY2016 Budget on June 4, 2015, pursuant to Resolution No. 2015-12, in the amount of \$64,537,182; and

WHEREAS, the Board amended the FY2016 Budget on December 3, 2015, pursuant to Resolution No. 2015-21, for the 25th Avenue – San Mateo Grade Separation Project, increasing the total budget to \$69,537,182; and

WHEREAS, since the adoption of the FY 2016 Budget, the TA's sales tax revenue projections have increased by \$3 million, resulting in corresponding increases of \$1,095,000 in Annual Allocations and \$1,305,000 in Program Expenditures consistent with the TA's voter-approved 2004 Transportation Expenditure Plan; and

WHEREAS, staff recommends the Board amend the FY 2016 Budget in the amount of \$2.4 million to account for increased actual and projected sales tax revenues and associated increases in expenditures for a total FY 2016 Budget of \$71,937,182.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby approves an amendment increasing the FY2016 Budget by \$2.4 million for a total amended Budget of \$71,937,182.

Regularly passed and adopted this 4th day of February, 2016 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
General Manager/CEO

FROM: Gigi Harrington Deputy CEO
April Chan
Chief Officer, Planning, Grants and
the Transportation Authority

SUBJECT: **ALLOCATION OF \$26,382,300 IN ORIGINAL MEASURE A FUNDS TO THE
SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT) FOR THE PENINSULA
CORRIDOR ELECTRIFICATION PROJECT (PCEP)**

ACTION

Staff recommends the Board allocate \$26,382,300 in Original Measure A funds from the Caltrain Program category to the District for the PCEP.

SIGNIFICANCE

The San Mateo County Transportation Authority (TA) is a signatory to the high-speed rail early investment strategy Memorandum of Understanding (MOU), which provides funding to the Caltrain Modernization (CalMod) Program. As part of the funding plan in the MOU, the three Peninsula Corridor Joint Powers Board (JPB) member agencies will contribute a total of \$180 million, or \$60 million per partner, towards the two CalMod projects: PCEP and the Communications-based Overlay Signal System (CBOSS). Each agency's contribution is contingent upon the \$60 million contributions from the other two member agencies. To date, both the Santa Clara Valley Transportation Authority (VTA) and the city and county of San Francisco (CCSF) have provided their respective shares for the projects.

The TA previously budgeted and programmed \$60 million for the District's contribution towards CalMod, \$33.6 million of which has been allocated to date. The proposed allocation action would provide the JPB access to the balance of TA funds programmed for the District's PCEP contribution.

Over the past several budget years, the TA has approved allocation actions for the CalMod Program based on the JPB's annual cash flow needs. In Fiscal Year 2016, in addition to the JPB member agencies' funds, the JPB originally anticipated receiving State and Federal funds for the PCEP project, including State Proposition 1A and Federal Transit Administration funds. However, due to longer-than-expected processes for accessing these funds, additional allocation of Measure A funds is needed. Staff recommends the TA allocate the balance of budgeted CalMod contributions to be available on an as-needed, cash-flow basis, consistent with how the VTA funds are

made available to JPB for the project. CCSF funds also have been made available to the project, subject to San Francisco's sale of bonds as reimbursement.

BUDGET IMPACT

The proposed allocation of \$26,382,300 for the CalMod improvement projects was included in prior years' TA budgets.

BACKGROUND

Per Resolution No. 2012-07, the TA Board approved the High-Speed Rail Early Investment Strategy for a Blended System in the San Francisco to San Jose Segment known as the "Peninsula Corridor of the Statewide High-Speed Rail System MOU." The overall intent of the MOU is to jointly support and pursue the implementation of a statewide high-speed rail system that utilizes a blended system and operational model on the Peninsula Rail Corridor.

The blended system on the Peninsula Rail Corridor is comprised of several interrelated capital projects including infrastructure for the PCEP and Advanced Signal System projects (CBOSS/Positive Train Control) only.

The TA has allocated a total of \$33.6 million out of the TA and District's total \$60 million contribution to the CalMod Program through the following resolutions:

| Resolution No. | Amount Allocated for PCEP and CBOSS |
|----------------|-------------------------------------|
| 2012-19 | \$3,000,000 |
| 2012-22 | \$3,800,500 |
| 2013-17 | \$6,390,200 |
| 2014-16 | \$7,500,000 |
| 2015-17 | \$12,927,000 |
| Total | \$33,617,700 |

Prepared By: Andy Ly, Manager, Budgets

650-508-6376

RESOLUTION NO. 2016 –

**BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA**

*** * ***

**ALLOCATING \$26,382,800 IN ORIGINAL MEASURE A FUNDS TO THE SAN MATEO COUNTY
TRANSIT DISTRICT FOR APPLICATION TOWARDS THE CALTRAIN PROGRAM CATEGORY**

WHEREAS, on June 7, 1988, the voters of San Mateo County approved the ballot measure known as "Measure A" (Original Measure A), which increased the local sales tax in San Mateo County by one-half percent with the new tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan (1988 TEP) presented to the voters; and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the San Mateo County Transportation Authority (TA) of the Measure A (New Measure A) half-cent transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan (2004 TEP) beginning January 1, 2009; and

WHEREAS, the 2004 TEP approved by the voters of San Mateo County provides for New Measure A funding for various program categories and percentage split of the sales tax revenue for these program categories; and

WHEREAS, the TA designates New Measure A revenues to fund the San Mateo County Transit District's (District) share of the annual Caltrain Capital Program, which, when combined with San Francisco and Santa Clara Counties' equal shares, provides a portion of the annual Caltrain Capital Program, which funds are then leveraged to attain other Federal and State financial support; and

WHEREAS, the TA can designate funds remaining in the Caltrain Program category from the Original Measure A approved by the voters of San Mateo County in 1988 to complete projects which were commenced during that program; and

WHEREAS, the Executive Director proposes that the TA allocate a total of \$26,382,300 from the balance of Original Measure A funds from the Caltrain Program category to the District for its share of the Caltrain Modernization Program's Early Investment Program; and

WHEREAS, the proposed allocations are consistent with amounts approved in current and prior year budgets and meet the intent of the 2004 TEP.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby allocates a total of \$26,382,300 in Original Measure A funds to the District as detailed above.

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute any necessary documents or agreements to encumber the subject funding.

Regularly passed and adopted this 4th day of February, 2016 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **QUARTERLY INVESTMENT REPORT AND
FIXED INCOME MARKET REVIEW AND OUTLOOK**

ACTION

Staff recommends the Board accept and enter into the record the Quarterly Investment Report and Fixed Income Market Review and Outlook for the quarter ended December 31, 2015.

SIGNIFICANCE

The San Mateo County Transportation Authority (TA) Investment Policy contains a requirement for a quarterly report to be transmitted to the Board within 30 days of the end of the quarter. This staff report was forwarded to the Board of Directors under separate cover on January 20, 2016 in order to meet the 30-day requirement.

BUDGET IMPACT

As this reports on the Quarterly Market Review and Outlook, there is no budget impact.

BACKGROUND

The TA is required by State law to submit quarterly reports within 30 days of the end of the quarter covered by the report to the Board of Directors. The report is required to include the following information:

1. Type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the local agency;
2. Description of any of the local agency's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. For all securities held by the local agency or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund (LAIF), a current market value as of the date of the report and the source of this information;
4. Statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and,
5. Statement that the local agency has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

A schedule, which addresses the requirements of 1, 2, and 3 above, is included in this report on pages 5 and 6. The schedule separates the investments into two groups: the Investment Portfolio, managed The Public Financial Management Group (PFM), and Liquidity funds, which are managed by TA staff. The Investment Policy governs the management and reporting of the Investment Portfolio and Liquidity funds.

PFM provides the TA a current market valuation of all the assets under its management for each quarter. Generally, PFM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

The Liquidity funds managed by TA staff are considered to be cash equivalents and therefore market value is considered to be equal to book value (i.e. cost). The shares of beneficial interest generally establish a nominal value per share. Because the Net Asset Value is fixed at a nominal value per share, book and market value are equal and rate of income is recalculated on a daily basis.

The portfolio and this Quarterly Investment Report comply with the Investment Policy and the provisions of Senate Bill 564 (1995). The TA has the ability to meet its expenditure requirements for the next six months.

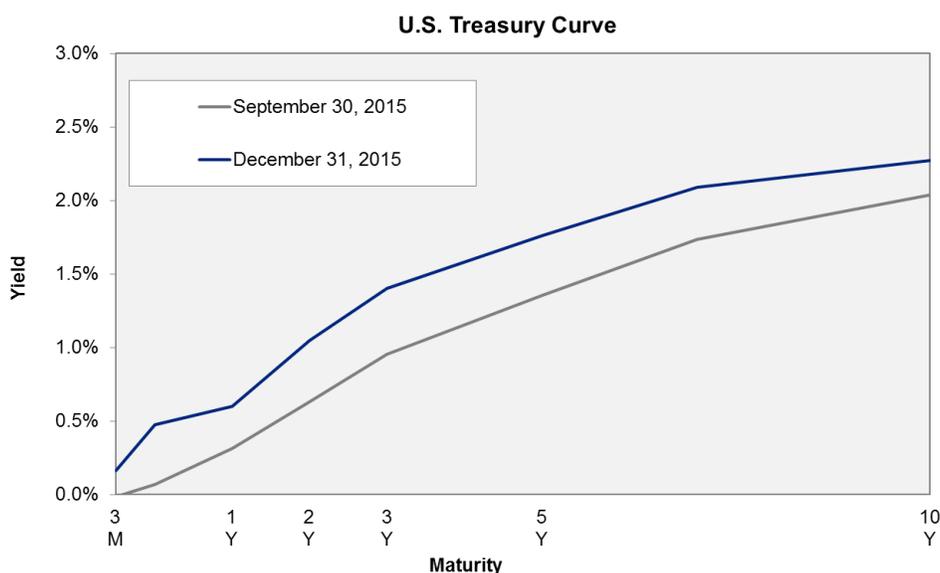
DISCUSSION

Fixed Income Market Review and Outlook

The Federal Open Market Committee (FOMC) raised the target federal funds rate by 25 basis points (bps) at its December meeting. The new target range is 0.25 to 0.50 percent, up from zero to 0.25 percent, where it had been for seven years. Ongoing job growth played a key role in the FOMC's decision as job gains maintained an average of more than 200,000 per month over the past year, and the unemployment rate held at 5 percent, a post-recovery low.

Oil prices plunged to below \$35 per barrel in December, their lowest level in nearly seven years, while demand from emerging markets economies slowed at the same time that production, especially from the Organization of the Petroleum Exporting Countries, remained high. The downward pressure on energy prices is expected to remain through late 2016.

While Treasury yields across the curve ended the quarter higher, the path towards higher rates varied by maturity. Short maturity yields (three years and under) rose steadily throughout the quarter as expectations for a December FOMC rate hike increased with an inflow of modestly strong economic data. After increasing during the first half of the quarter, longer maturities leveled off as market participants priced in moderate growth expectations and assessed the likely impact of persistently low commodity prices on long-term inflation. These factors combined to produce a flatter yield curve – a reaction that generally mimics the Greenspan-led rate hikes.



Ahead of the December FOMC meeting, market expectations were for an initial fed funds hike, supported by assurances that future policy changes would be gradual. Market reaction after the FOMC's announcement to raise the target range for the federal funds rate was relatively subdued, evidence that the action was in line with these expectations, a goal of the FOMC's effort to provide transparency to investors.

The yield relationship between U.S. Treasury and Federal agency securities remained stable throughout the fourth quarter. PFM's relative value analysis of these sectors continued to favor investments in U.S. Treasuries. The mortgage-backed securities sector (MBS) produced strong performance during the quarter as the slow rise in long-term rates helped to mitigate prepayment risk (prepayments typically occur when mortgage holders exercise the option to refinance, which can hurt bondholders).

Strategy

PFM maintains the outlook that the economy will continue to expand at a moderate pace in the intermediate term. PFM will continue to monitor any spillover effect that modest global growth and muted inflation may have on the U.S. economy. These factors will help justify the FOMC's stated intention to remain patient in the pace at which it raises the federal funds rate.

Recent FOMC projections indicate that Committee members anticipate that three or four rate hikes may be appropriate in 2016 -- projections that most market participants believe to be overstated. PFM believes that expectations for low inflation will limit this year's rate hikes to two or three, and that short-term yields will trend only modestly higher in the near term. PFM expects long-term rates to remain within modest ranges, resulting in further flattening of the yield curve.

Given the low likelihood that rates will move significantly higher in the near-term, PFM started the new quarter with a duration position closer to the benchmark. Similarly, PFM will continue to position the maturity distribution of the portfolio to generally match the maturity distribution of the benchmark.

Because of narrow yield spreads, Federal agencies currently have limited appeal relative to comparable-maturity U.S. Treasuries. PFM will monitor the yield relationship between the two sectors to take advantage of opportunities that may arise -- opportunities that are most likely to occur with new-issue securities. PFM's strategy continues to favor credit sectors, including asset-backed securities. Although yield spreads narrowed in the fourth quarter and remain narrow, their superior income continues to benefit portfolios. The impact of slower global growth (particularly in emerging markets), interest rate uncertainty, and increased regulatory scrutiny will vary by each issuer's exposure to these market risks, underscoring the importance of fundamental issuer analysis and careful selection of issuers that we are added to portfolios.

Budget Impact

Total return is interest income plus capital gains (or minus losses) on an investment and is the most important measure of performance as it is the actual return on investment during a specific time interval. For the quarter ending December 31, the total return of the portfolio was **-0.28 percent**. This compares to the benchmark return of **-0.43 percent**. The Performance graph on page 9 shows the relative performance of the TA over the last 12 months. The Growth of a Thousand Dollars graph on page 8 shows the cumulative performance over this same time frame for the TA's portfolio.

The yield at cost represents the yield on a fixed-income security at its current rate (at the time of purchase) of return until maturity equivalent to the annual percentage rate of interest an investor would receive for investing the purchase price of a given security in a bank account that paid interest semiannually. As of the end of the quarter the portfolio's yield to maturity at cost was **0.84 percent**.

The yield at market is the yield that an investor can expect to receive in the current interest rate environment utilizing a buy-and-hold investment strategy. This calculation is based on the current market value of the portfolio including unrealized gains and losses. For the quarter ending December 31, the portfolio's market yield to maturity was **0.95 percent**. The benchmark's market yield to maturity was **1.38 percent**.

Prepared by: Shannon Gaffney, Finance

650-508-7740

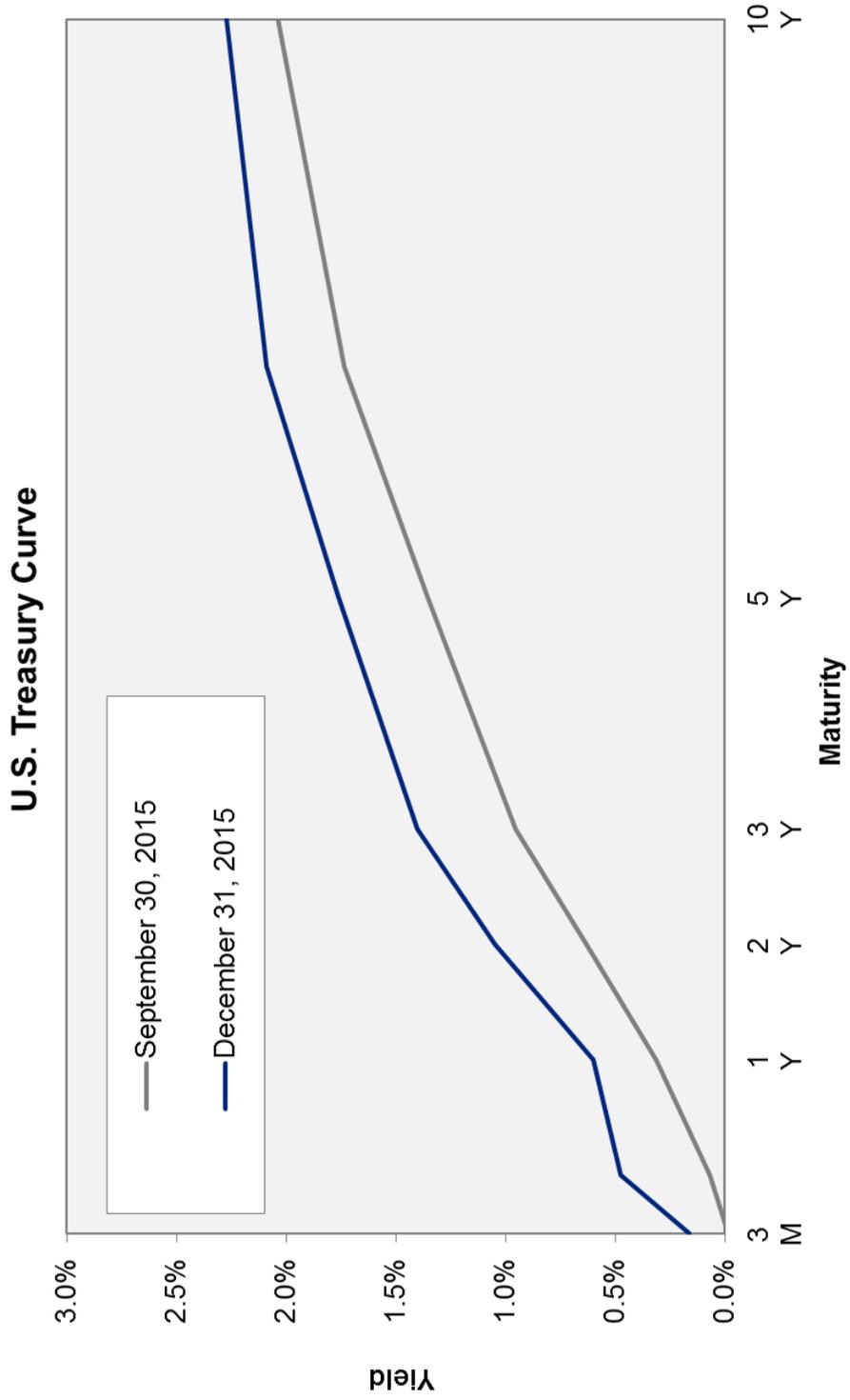
| INVESTMENT PORTFOLIO | | | | | | | | | | |
|--------------------------------------------------|------------|---------------|----------------|-------------------------|----------------|------------------|--------------------------|--|--|--|
| December 31, 2015 | | | | | | | | | | |
| TYPE OF SECURITY | CUSIP # | MATURITY DATE | PAR VALUE | ORIGINAL PURCHASE PRICE | MARKET VALUE | INTEREST REC'BLE | MARKET VALUE + ACCR INT. | | | |
| SECURITIES MANAGED BY INVESTMENT ADVISOR: | | | | | | | | | | |
| U.S. TREASURY NOTES AND BONDS | | | | | | | | | | |
| US TREASURY NOTE | 912828WD8 | 10-31-18 | 14,300,000 | 14,416,070.31 | 14,279,894.20 | 30,446.43 | 14,310,340.63 | | | |
| US TREASURY NOTE | 912828VL1 | 07-15-16 | 17,050,000 | 17,089,374.85 | 17,051,329.90 | 49,227.24 | 17,100,557.14 | | | |
| US TREASURY NOTE | 912828WA4 | 10-15-16 | 12,000,000 | 11,972,343.75 | 11,988,744.00 | 5,983.61 | 12,004,727.61 | | | |
| US TREASURY NOTE | 912828WX4 | 07-31-16 | 18,000,000 | 17,998,593.75 | 17,988,048.00 | 37,663.04 | 18,025,710.04 | | | |
| US TREASURY NOTE | 912828WF3 | 11-15-16 | 7,515,000 | 7,493,276.96 | 7,505,020.08 | 6,064.65 | 7,511,084.73 | | | |
| US TREASURY NOTE | 912828ST8 | 04-30-19 | 14,850,000 | 14,830,857.42 | 14,755,450.05 | 3,161.45 | 14,787,067.50 | | | |
| US TREASURY NOTE | 912828F62 | 10-31-19 | 11,200,000 | 11,245,062.50 | 11,165,000.00 | 28,615.38 | 11,193,615.38 | | | |
| US TREASURY NOTE | 912828UQ1 | 02-29-20 | 8,400,000 | 8,289,421.88 | 8,262,517.20 | 35,480.77 | 8,297,997.97 | | | |
| US TREASURY NOTE | 912828VF4 | 05-31-20 | 7,500,000 | 7,403,027.34 | 7,392,187.50 | 9,016.39 | 7,401,203.89 | | | |
| U.S. GOVERNMENT AGENCIES | | | | | | | | | | |
| | | | 7154% | | | | | | | |
| FNM A | 3155G0VA8 | 03-30-16 | 16,600,000 | 16,628,933.80 | 16,601,278.20 | 20,980.56 | 16,622,258.76 | | | |
| FNM A | 3155G0XP3 | 07-05-16 | 10,000,000 | 9,959,800.00 | 9,987,940.00 | 18,333.33 | 10,006,273.33 | | | |
| FNM A | 3155 G0YE7 | 08-26-16 | 15,000,000 | 15,029,400.00 | 15,000,750.00 | 32,552.08 | 15,033,302.08 | | | |
| | | | 26.86% | | | | | | | |
| COLLATERIZED MORTGAGE OBLIGATIONS | | | | | | | | | | |
| FNM A | 3136ANJY4 | 04-01-18 | 1085,000 | 1,075,646.17 | 1,063,964.39 | 1,375.63 | 1,065,340.02 | | | |
| FNM A | 3136AQDQ0 | 09-01-19 | 1,420,000 | 1,434,219.74 | 1,417,835.07 | 1,947.77 | 1,419,782.84 | | | |
| CASH INVESTMENT | | | | | | | | | | |
| | | | 160% | | | | | | | |
| TOTAL | | | | | | | | | | |
| | | | 154,900,000.00 | 154,865,028.47 | 154,459,958.59 | 319,304.33 | 154,779,262.92 | | | |

EXHIBIT 1 (Cont.)

| SAN MATEO COUNTY TRANSPORTATION AUTHORITY | | | | | | |
|---------------------------------------------------|-------------------------------|--------------------|----------------|---------------------------------|--|--|
| REPORT OF INVESTMENTS (Continued) | | | | | | |
| FOR QUARTER ENDED DECEMBER 31, 2015 | | | | | | |
| TYPE | ORIGINAL PURCHASE PRICE | MARKET VALUE | INT REC'VBLE | MARKET VALUE + ACCR. INT. | | |
| LIQUIDITY FUNDS MANAGED BY DISTRICT STAFF: | | | | | | |
| SAN MATEO COUNTY POOL | 304,914,620 | 304,914,620 | 494,313 | 305,408,933 | | |
| LOCAL AGENCY INVESTMENT FUND (LAIF) | 2,967,803 | 2,967,803 | 2,993 | 2,970,796 | | |
| U.S BANK (CASH ON DEPOSIT) | 97,230 | 97,230 | | 97,230 | | |
| BANK OF AMERICA CHECKING | 4,787,678 | 4,787,678 | | 4,787,678 | | |
| WELLS FARGO | 2,606,270 | 2,606,270 | | 2,606,270 | | |
| TOTAL FUNDS MANAGED BY DISTRICT STAFF | 315,373,602 | 315,373,602 | 497,306 | 315,870,907 | | |
| TOTAL AS OF DECEMBER 31, 2015 | 469,833,560 | 469,833,560 | 816,610 | 470,650,170 | | |

San Mateo County Transportation Authority

EXHIBIT 2



Source: Bloomberg.

San Mateo County Transportation Authority

Growth of a Thousand Dollars

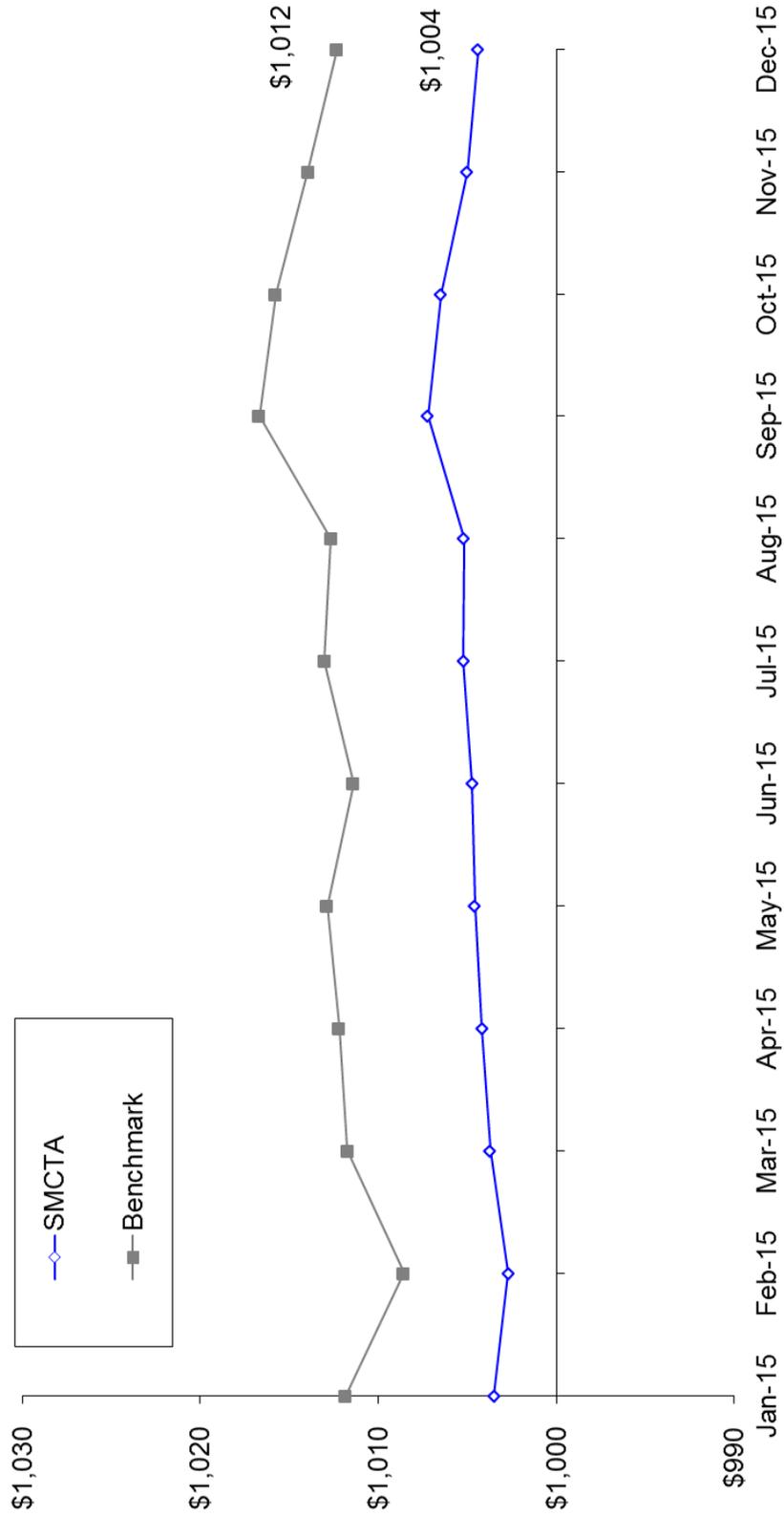
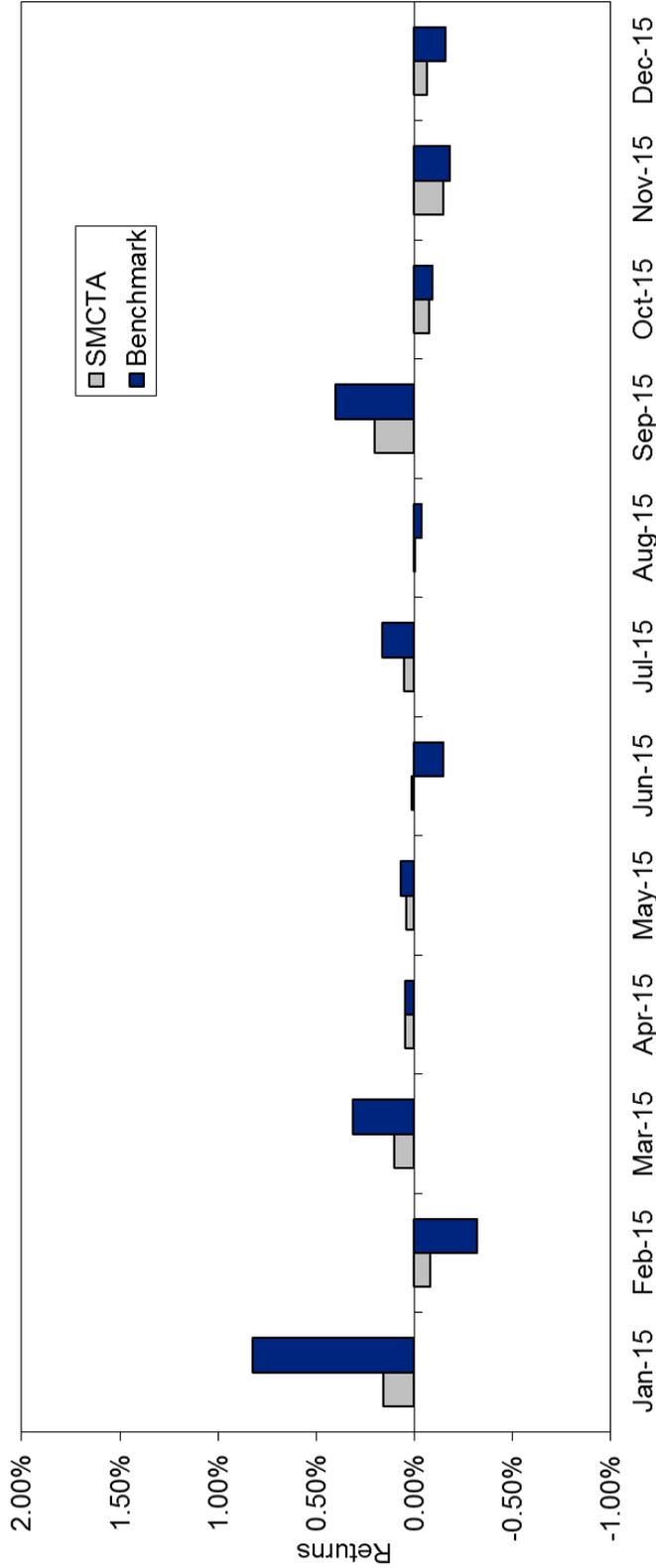


EXHIBIT 3

Source: Bloomberg.
 Benchmark reflects 15% Merrill Lynch 0-1 Year U.S. Treasury Index, 15% Merrill Lynch 0-1 Year Agency Index 20%,
 Merrill Lynch 1-3 Year Government Index, 20% Merrill Lynch 3-5 Year Government Index, 10% Merrill Lynch 1-10 Year
 Government Index, and 20% Merrill Lynch 1-5 Year Corporate Index.

San Mateo County Transportation Authority

Monthly Review Accounts vs. Benchmark



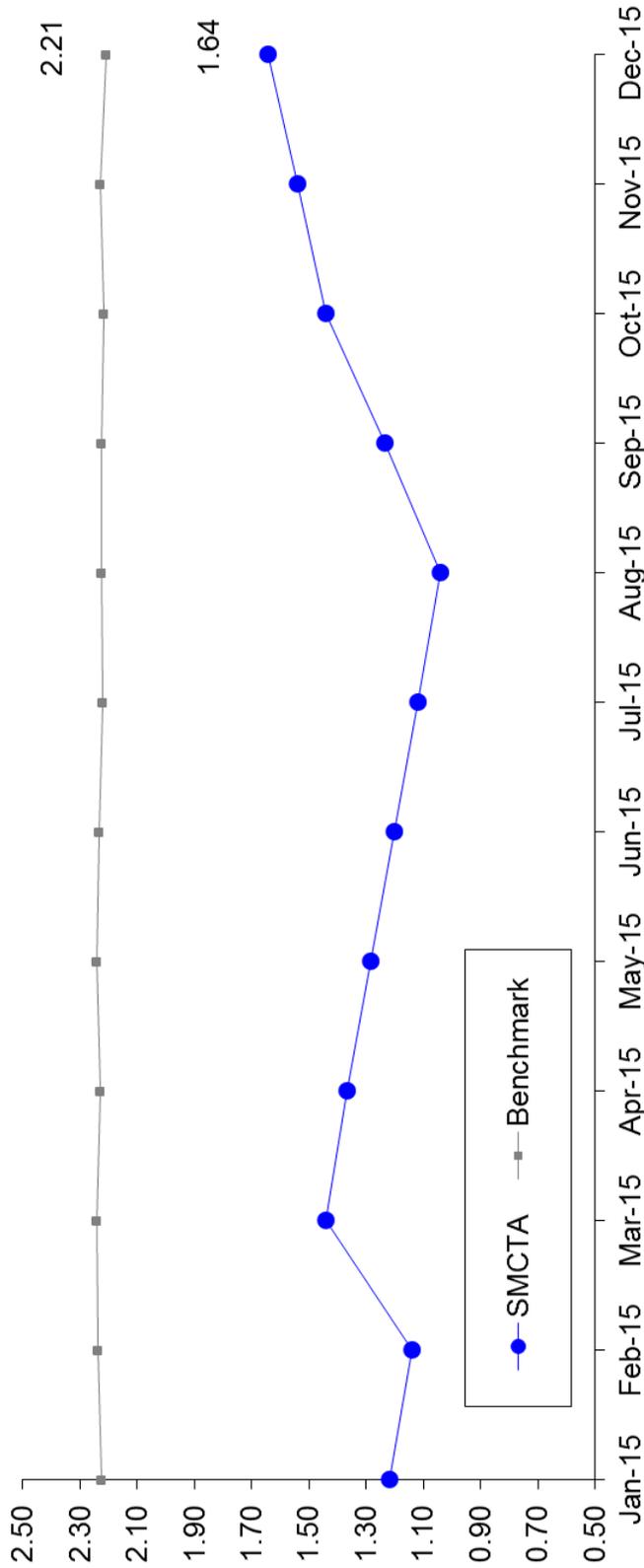
| MONTHLY PERFORMANCE DATA | |
|--------------------------|--------|
| SMCTA | 0.16% |
| Benchmark | -0.08% |
| | 0.82% |
| | -0.32% |
| | 0.10% |
| | 0.05% |
| | 0.04% |
| | 0.07% |
| | 0.01% |
| | -0.15% |
| | 0.05% |
| | 0.16% |
| | 0.00% |
| | 0.20% |
| | -0.08% |
| | -0.15% |
| | -0.06% |
| | -0.16% |
| | 0.25% |
| | 0.87% |

Source: Bloomberg.
 Benchmark reflects 15% Merrill Lynch 0-1 Year U.S. Treasury Index, 15% Merrill Lynch 0-1 Year Agency Index 20%,
 Merrill Lynch 1-3 Year Government Index, 20% Merrill Lynch 3-5 Year Government Index, 10% Merrill Lynch 1-10 Year
 Government Index, and 20% Merrill Lynch 1-5 Year Corporate Index.

San Mateo County Transportation Authority

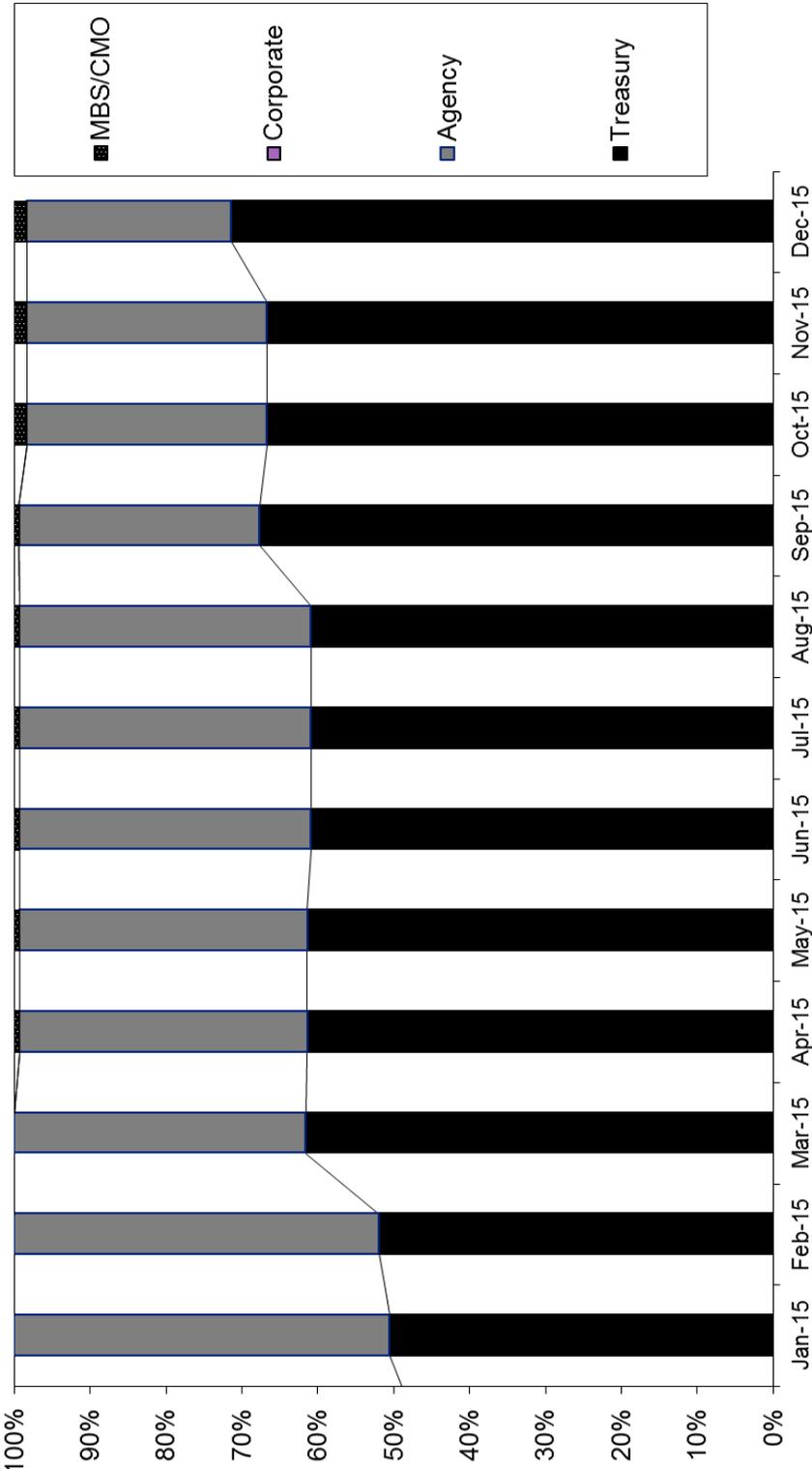
Duration vs. Benchmark

Duration is a measure of the market value sensitivity of a portfolio to changes in interest rates. The longer the duration, the larger the market value fluctuation and more significant the return volatility. For example, if interest rates rise by 1.00%, a portfolio with a duration of 2 years should experience a decrease in market value of 2.0%; a portfolio with a duration of 2.5 years should experience a decrease in market value of 2.5%



Source: Bloomberg. Benchmark reflects 15% Merrill Lynch 0-1 Year U.S. Treasury Index, 15% Merrill Lynch 0-1 Year Agency Index 20%, Merrill Lynch 1-3 Year Government Index, 20% Merrill Lynch 3-5 Year Government Index, 10% Merrill Lynch 1-10 Year Government Index, and 20% Merrill Lynch 1-5 Year Corporate Index.

San Mateo County Transportation Authority
Percent of Assets Held by Type



MBS/CMO – Mortgage-backed securities and collateralized mortgage obligations

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Gigi Harrington
Deputy CEO

SUBJECT: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

ACTION

Staff proposes the Board of Directors accept the San Mateo County Transportation Authority's (TA) Fiscal Year (FY) 2015 Comprehensive Annual Financial Report (CAFR).

The FY2015 CAFR is also available online at <http://www.smcta.com/Finance/CAFR.html>.

SIGNIFICANCE

Vavrinek, Trine, Day & Co., LLC conducted the annual audit of the financial statements for the fiscal year ended June 30, 2015 and determined that in their opinion the financial statements fairly represent the financial position for the period of July 1, 2014 to June 30, 2015.

The Comprehensive Annual Financial Report has three sections, the Introductory, Financial and Statistical. The financial section includes;

- Independent Auditor's Report – this report was prepared by the independent auditors, who rendered an unqualified opinion, which is the most favorable opinion an agency can receive in an audit. An unqualified opinion means that the financial statements are presented fairly and in accordance with generally accepted accounting principles.
- Management's Discussion and Analysis – this section provides management's overview of the financial activities.
- Basic Financial Statements – the basic financial statements include a statement of net assets, statement of activities, governmental fund balance sheet, governmental fund statement of revenues, expenditures and changes in fund balance and notes to the statements which are essential to a full understanding of the data provided.

- Required Supplementary Information – this includes the budgetary comparison for the Special Revenue Fund and the budgetary comparison for the Transportation System Management Fund.

Annually, the TA submits the CAFR to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. The TA has received an award for every year that the report was submitted.

Budget Impact

There is no impact on the budget.

Prepared by: Sheila Tiyoao, Manager, Financial Services

650-508-7752

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **PEDESTRIAN AND BICYCLE CALL FOR PROJECTS UPDATE**

ACTION

No action is required. This item is being presented to the Board for information only.

SIGNIFICANCE

In November 2015, the San Mateo County Transportation Authority (TA) issued its third Pedestrian and Bicycle Program Call for Projects (CFP), announcing the availability of up to \$4.9 million in Measure A funds. Since that time, the amount of available funding has been revised up to \$5.7 million.

Twenty applications were received from 13 jurisdictions at the close of the CFP. The total project sponsor funding request exceeded \$9.3 million, resulting in a CFP oversubscribed by approximately \$3.6 million from the original sales tax projection.

The TA project review committee met on January 15, 2016 to evaluate and score the submitted applications. The TA project review committee, composed primarily of staff, also included a representative from the City/County Association of Governments Bicycle and Pedestrian Advisory Committee.

Recommendations from the TA project review committee, along with a brief description of the applications, will be provided at the February 4, 2016 Board meeting. Staff will also be making a presentation via PowerPoint on the proposed recommendations. Final TA action on the final list of projects is anticipated at the March 3, 2016 Board meeting.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

A schedule is provided below that outlines the key dates and milestones for this process:

| Event | Date |
|---------------------------------------------|-------------------|
| Joint CFP Issued | November 10, 2015 |
| Workshop for Potential Applicants | November 12, 2015 |
| Project Applications Due | December 18, 2015 |
| TA Project Review Committee Scoring Meeting | January 15, 2016 |
| TA Board Information Update | February 4, 2016 |
| TA Board Action | March 3, 2016 |

The purpose of the Measure A Pedestrian and Bicycle Program is to fund specific projects to encourage and improve bicycling and walking conditions. Funding can be used for project development and construction of pedestrian and bicycle facilities within San Mateo County. As defined in the 2004 Transportation Expenditure Plan, this category receives a three percent share of the sales tax revenues collected. The TA holds its Measure A Pedestrian and Bicycle CFP biennially.

Prepared By: Joel Slavit, Manager of Programming and Monitoring

650-508-6476

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: PROGRAM REPORT: HIGHWAY PROGRAM US 101/WILLOW INTERCHANGE

ACTION

No action is required. This item is being presented to the Board for information only.

SIGNIFICANCE

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian & Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year. This month's report features the Highway Program with specific emphasis on the US 101/Willow Interchange in Menlo Park and East Palo Alto.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

The Board programmed and allocated \$56.4 million in Measure A funding in October 2015 for the construction phase of the US 101/Willow Interchange Reconstruction Project. The project will address operational and safety deficiencies that exist both on US 101 and Willow Road in the proximity of the interchange.

Prior phases, which include environmental, design and right of way, were funded with the State Transportation Improvement Program (STIP). The city of Menlo Park, sponsor of the project, and the City/County Association of Governments are currently pursuing opportunities with the California Transportation Commission to advance STIP funding for construction management. As was reported in October at the time of the allocation, if they are unable to advance the STIP funding there may be the need to allocate additional Measure A funding to keep the project on schedule. The project is scheduled to be advertised for bids this summer, leading to a start of construction in early fall of 2016. Staff will provide an update on that effort; this month's presentation will be presented via PowerPoint.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **2016 LEGISLATIVE PROGRAM**

ACTION

Staff proposes Board adoption of the attached Legislative Program to guide the Transportation Authority's policy advocacy efforts over the course of the 2016 calendar year.

SIGNIFICANCE

The 2016 Legislative Program (Program) establishes the principles that will guide the San Mateo County Transportation Authority's (TA) legislative and regulatory advocacy efforts through the 2016 calendar year, including the second half of the State legislative session and the second session of the 114th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the TA to respond swiftly and effectively to unanticipated developments. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of the TA's priorities.

The 2016 Program is organized to guide the TA's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the TA's programs, projects, and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the TA's ability to meet public transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

The Program is structured to apply these core objectives to a series of issues detailed in the 2016 Legislative Program.

Should other issues surface that require the Authority's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that

are unrelated to these policy goals will be brought to the TA's Board of Directors for consideration.

The TA and its legislative consultants will employ a variety of engagement tools to support the 2016 Legislative Program, including:

1. Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the TA's legislative priorities and positions.

2. Coalition-based Engagement

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2016 Program.

3. Media Engagement

Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and through the use of social media and other electronic media.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff presented the 2016 Legislative Program as an informational item at the January Board meeting. Since that meeting, staff has incorporated feedback into this final Legislative Program.

Staff actively monitors legislative and regulatory activity and will seek Board positions on selected bills as appropriate to further the TA's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

Prepared By: Shweta Bhatnagar, Government Affairs Officer

650-508-6385

San Mateo County Transportation Authority 2016 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transportation Authority (Authority) programs and services. They also have potential to present serious challenges that threaten the Authority's ability to meet San Mateo County's most critical transportation demands.

The 2016 Legislative Program establishes the principles that will guide the Authority's legislative and regulatory advocacy efforts through the 2016 calendar year, including the second half of the 2015-2016 State legislative session and the 114th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Authority to respond swiftly and effectively to unanticipated developments.

Objectives

The 2016 Legislative Program is organized to guide the Authority's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the Authority's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the Authority's ability to meet transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership, bike and pedestrian improvements, and transit-oriented development.

Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

1. Budget and Transportation Funding Opportunities
2. Transportation Projects - Funding Requests and Needs
3. Regulatory and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Authority's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Authority's Board of Directors for consideration.

2016 LEGISLATIVE PROGRAM

Public Engagement Tools

Authority staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2016 Legislative Program, including:

1. Direct Engagement
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Authority's legislative priorities and positions.
2. Coalition-based Engagement
Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2016 Legislative Program.
3. Media Engagement
Build public awareness and communicate the Authority's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

2016 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

1 . Budget and Transportation Funding Opportunities (State/Regional)

| <i>Issues and Background</i> | <i>Strategies</i> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>General</u> State investment in transportation operations and infrastructure continues to be underfunded despite a rebounding economy and the stabilization of the State budget. While some existing revenues have been protected from diversion, other funds remain vulnerable, and although some State bond revenues are still available to fund specified transportation projects, over \$200 billion in new revenue will be required to meet the State’s infrastructure needs over the next six years. Since the gas tax has not been increased or adjusted for inflation since 1994, its buying power has been diminished, further depleting resources available to maintain, let alone expand or improve the state highway system or transit needs.</p> <p>A statewide advisory committee has been established to assess the implementation of pilot program for a mileage-based user fee as an alternative to the gas tax.</p> <p>In addition, Governor Brown has called for a Special Session on Transportation, which will last until the end of the Legislative Session, to find revenues for local streets and roads maintenance and rehabilitation, the state highway system, and funding for public transportation.</p> <p><u>Existing Revenues</u> <i>Formula</i> After years of diversion to support the State’s General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in order to meet the demand of increased ridership, reduce highway congestion - especially on Highway 101 - and adhere to the State’s mandate of reducing greenhouse gas emissions, and create livable communities.</p> | <p><u>General</u></p> <ul style="list-style-type: none"> • Protect against the elimination or diversion of any State or regional funds that support San Mateo County transportation needs • Support State funding allocation requests for investments that benefit San Mateo County transportation programs and services • Work with statewide transit coalitions to identify and advance opportunities for funding that would support San Mateo County transportation priorities • Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CalSTA) • Monitor and support efforts to study Vehicle Miles Traveled tax as a potential revenue source • Support a funding package that will help address maintenance, rehabilitation, and congestion management needs in San Mateo County for programs that allow locals flexibility in leveraging funding for priority projects, such as congestion management and safety improvements on Highway 101, transit capital and operations, grade separations, bicycle and pedestrian programs, and local streets and roads <p><u>Existing Revenues</u> <i>Formula</i></p> <ul style="list-style-type: none"> • Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation • Advocate for the regularly scheduled issuance of State infrastructure bonds that support San Mateo County’s transportation services and programs • Support legislation seeking to increase the sales tax on diesel, which serves as the primary source of funding for the STA program • Advocate for the restoration of over \$1 billion in annual truck weight fee revenue and \$900 million in General Fund loan repayments, which can be used to support Measure A program priorities |

2016 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

1. Budget and Transportation Funding Opportunities (State/Regional) Continued

| <i>Issues and Background</i> | <i>Strategies</i> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Cap-and-Trade Revenues</i></p> <p>In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). The State estimates that the system may yield billions of dollars per year in revenues that will be allocated to various emissions-reducing projects and programs. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent (approximately \$500 million) is subject to annual appropriation through the state budget process.</p> <p>Transit funding can be obtained through the Low Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program, the Affordable Housing Sustainable Communities Program, and in some circumstances through the High Speed Rail Program. Each programs requirements, oversight, and competitiveness vary. The programs require a certain percentage of funds be expended in state defined “disadvantaged communities” (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.</p> <p><u>Ballot Measures and Voter Threshold</u></p> <p>With over \$200 billion in unfunded transportation needs and funding from existing infrastructure bond measures waning, proposals for new local, regional and statewide transportation revenues are being discussed.</p> <p>Despite broad-based majority support for dedicating additional revenue to transportation services and programs, efforts to generate new revenues are often unsuccessful due to the requirement that certain measures receive two-thirds supermajority support from the Legislature and/or voters.</p> <p>In 2016, legislation may be considered that provides a framework for lowering the thresholds for the State or a city, county, special district or regional public agency to impose a special tax.</p> | <p><i>Cap-and-Trade Revenues</i></p> <ul style="list-style-type: none"> • Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support San Mateo County transportation needs • Support legislation and regional action that makes a broad array of San Mateo County emissions-reducing transportation projects, programs and services eligible for investment • Protect existing cap-and-trade appropriations for transit operations and capital projects and sustainable communities strategy implementation • Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project • Support efforts to revise the State’s definition on “disadvantaged communities” to encompass a larger proportion of disadvantaged communities on the Peninsula <p><u>Ballot Measures and Voter Threshold</u></p> <ul style="list-style-type: none"> • Engage in efforts to generate new local, regional or statewide transportation funding and support proposals that adequately benefit San Mateo County transportation needs • Oppose efforts to add burdensome restrictions on the expenditure of these revenues, such as requiring payment for maintenance costs on the state highway system • Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs |

2016 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

1. Budget and Transportation Funding Opportunities (State/Regional) Continued

| <i>Issues and Background</i> | <i>Strategies</i> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Other State or Local Funding Options</u> With the State’s recent dissolution of redevelopment agencies, local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods.</p> | <p><u>Other State or Local Funding Options</u></p> <ul style="list-style-type: none"> • Advocate for legislation that would create new local funding tools to support transportation infrastructure and services • Advocate for funding sources that would assist transit agencies in obtaining funds for sustainability initiatives including water conservation, waste reduction, storm water capture, long-term resource efficiency of facilities and equipment, and greenhouse gas reductions • Support MTC’s efforts to seeking authority for Bay Area voters to consider raising tolls on state- owned bridges to fund transportation improvements in bridge corridors (Regional Measure 3) |

2. Transportation Projects – Funding Requests and Needs (State/Regional)

| <i>Issues and Background</i> | <i>Strategies</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>General</u> As the Bay Area’s population continues to grow, the region’s transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.</p> <p><u>Authority Supported Projects</u> Created to administer Measure A, San Mateo County’s ½ cent sales tax, the Authority provides funding to cities and San Mateo County transportation agencies for transportation and infrastructure improvement projects.</p> <p>The Authority provides funding through six key programs: transit, highway, local streets and transportation, grade separation, pedestrian and bicycles, and alternative congestion relief.</p> | <p><u>General</u></p> <ul style="list-style-type: none"> • Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area • Support efforts by project partners including cities, counties, congestion management agencies, SamTrans and Caltrain, to secure funding for transportation projects that benefit San Mateo County commuters <p><u>Authority Supported Projects</u></p> <ul style="list-style-type: none"> • Support San Mateo County cities and transportation agencies in their effort to secure state funding for projects that align with the Authority’s key programs |

2016 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

2. Transportation Projects – Funding Requests and Needs (State/Regional) Continued

| <i>Issues and Background</i> | <i>Strategies</i> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Caltrain Modernization Program (CalMod)</u> In 2012, the State Legislature appropriated \$705 million in Proposition 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain’s aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.</p> <p>In order to progress on the Peninsula Corridor Electrification Project, supplemental funding MOUs with state and local partners needs to be pursued and finalized.</p> <p><u>Other Projects</u> Beyond the CalMod Program, JPB has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations and station upgrades.</p> <p>In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work will kick-off in the corridor. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service.</p> | <p><u>Caltrain Modernization Program (CalMod)</u></p> <ul style="list-style-type: none"> • Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor • Support the allocation of cap-and-trade funding to advance implementation of the Caltrain Modernization Program • Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local and regional commitments to the Caltrain Modernization Program • Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits <p><u>Other Projects</u></p> <ul style="list-style-type: none"> • Support the allocation of cap-and-trade or other state / regional funding to advance implementation of JPB projects • Work to address regulatory actions or policies that negatively impact future capacity or service improvements • Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor |

2016 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

3. Regulatory and Administrative Issues (State/Regional)

| <i>Issues and Background</i> | <i>Strategies</i> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>General</u> Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.</p> <p><u>Managed Lanes</u> Various local jurisdictions around the state are looking to expand managed lane programs as a way of generating additional funding for highway maintenance and operations, and, possibly to support public transit in managed lane corridors.</p> <p><u>California Environmental Quality Act (CEQA)</u> Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.</p> <p><u>Sustainable Communities Strategies Implementation</u> In conjunction with AB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2013, regional authorities in the Bay Area approved Plan Bay Area, which includes the region's SCS.</p> <p><u>Commuter Benefits Program Pilot</u> In 2012, SB 1339 authorized the Bay Area Air Quality Management District, and Metropolitan Transportation Commission to adopt a regional commute benefit program, applicable to employers with 50 or more employees, to promote alternative commute modes such as transit, ridesharing, bicycling and walking. As of June 2015, approximately 3,800 employers had registered with the program, of which 53 percent reported they were offering commuter benefits for the first time.</p> | <p><u>General</u></p> <ul style="list-style-type: none"> • Support opportunities to remove barriers to, and improve the ability to conduct, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the Authority • Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Authority's ability to conduct efficient transportation administration, planning and project delivery efforts <p><u>Managed Lanes</u></p> <ul style="list-style-type: none"> • Support legislation that streamlines and expedites construction and implementation of managed lanes • Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin <p><u>California Environmental Quality Act (CEQA)</u></p> <ul style="list-style-type: none"> • Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects, without compromising CEQA's effectiveness as an environmental protection policy • Support efforts to streamline project delivery including expedited reviews and approvals for large transportation projects such as HWY 101 HOV/HOT lane conversion and projects within the Dumbarton Rail Corridor <p><u>Sustainable Communities Strategies Implementation</u></p> <ul style="list-style-type: none"> • Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on San Mateo County's transportation services associated with the implementation of SB 375 and Plan Bay Area <p><u>Commuter Benefits Program Pilot</u></p> <ul style="list-style-type: none"> • Support legislation that extends the Commuter Benefit Program beyond December 31, 2016 when the pilot program is scheduled to end |

2016 LEGISLATIVE PROGRAM

FEDERAL ISSUES

1. Budget and Transportation Funding Opportunities (Federal)

| <i>Issues and Background</i> | <i>Strategies</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Federal Appropriations and Tax Extenders</u> Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer.</p> <p>Congress also considers legislation that governs tax and finance issues that impact transit agencies.</p> <p><u>Surface Transportation and Rail Authorization</u> In 2015, Congress passed Fixing America’s Surface Transportation (FAST) Act, a five year bill that establishes funding levels and federal policy for the nation’s highways and public transit systems through Fiscal Year 2020. While the FAST Act included significant benefits for transportation agencies, it did not address several critical issues including the long-term solvency of the Highway Trust Fund.</p> | <p><u>Federal Appropriations and Tax Extenders</u></p> <ul style="list-style-type: none"> • Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County’s transportation services and needs • Work with local and regional coalitions to support requests for funding from discretionary programs • Continue to monitor legislation that impacts tax and finance issues relative to transit agencies <p><u>Surface Transportation and Rail Authorization</u></p> <ul style="list-style-type: none"> • Advocate for a dedicated source of revenue that ensures long-term solvency of the Highway Trust fund; allows for the expansion of Federal transportation funding to cover transit state-of-good-repair and other transportation expansion needs |

2. Transportation Projects – Funding Requests and Needs (Federal)

| <i>Issues and Background</i> | <i>Strategies</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>General</u> Support the efforts of partnering agencies to obtain federal funding for transit projects in San Mateo County.</p> <p><u>Caltrain Modernization Program</u> The current Peninsula Corridor Electrification Project funding plan includes funding from several federal funding sources including the Federal Transit Administration (FTA) Core Capacity Program. In October 2015, the JPB submitted the PCEP for consideration in the President’s FY17 budget under the FTA Core Capacity Program. To receive the funds, the JPB will need a Full Funding Grant Agreement (FFGA) with the FTA. The Core Capacity funding is an important part of the PCEP funding plan that will keep the project on track to award contracts in 2016.</p> | <p><u>General</u> Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies</p> <p><u>Caltrain Modernization Program</u></p> <ul style="list-style-type: none"> • Advocate for the PCEP to be included in the FY17 Core Capacity Program Presidential Budget and for a swift FFGA process with the FTA • Work with federal delegation members, as well as local, regional, and state coalitions to support the PCEP requests for funding |

2016 LEGISLATIVE PROGRAM

F E D E R A L I S S U E S

2. Transportation Projects – Funding Requests and Needs (Federal) Continued

| <i>Issues and Background</i> | <i>Strategies</i> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Other Projects</u> Beyond the CalMod Program, the JPB has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations, station upgrades, and supporting regional projects that will increase Caltrain ridership.</p> | <p><u>Other Projects</u></p> <ul style="list-style-type: none"> • Support the allocation of federal funding to advance implementation of Caltrain projects • Work with federal delegation members, as well as local, regional, and state coalitions to support requests for federal funding that will benefit transit service and ridership projects |

3. Regulatory and Administrative Issues (Federal)

| <i>Issues and Background</i> | <i>Strategies</i> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>FAST Act and Other Regulations</u> Under FAST Act, the United States Department of Transportation (USDOT) will issue guidance and conduct rulemaking to implement various regulatory changes.</p> <p>USDOT will also issue guidance, new rulemaking, and take action in response to executive orders on a variety of issues outside the scope of the FAST Act.</p> <p><u>Aviation Fuel Tax Use</u> In 1999, the Federal Aviation Administration (FAA) instituted the Policy and Procedures Concerning the use of Airport Revenue (64 Fed. Reg. 7696) stating that state and local taxes on aviation fuel, whether part of a general tax or otherwise, are subject to federal restrictions on the use of airport revenue. This means proceeds from taxes on aviation fuel must be used for the capital or operating expenses of the airport where the fuel is sold. The FAA believes the Authority’s San Mateo County Bradley-Burns Local Uniform Sales and Use Tax and Measure A tax are both subject to this policy.</p> <p>The FAA has provided a three year transition period, ending in December 2017, for state and local governments to comply. In December 2015, an action plan detailing the transition was submitted to FAA.</p> | <p><u>FAST Act and Other Regulations</u></p> <ul style="list-style-type: none"> • Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues • Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximizes benefits for transportation programs, services and users <p><u>Aviation Fuel Tax Use</u></p> <ul style="list-style-type: none"> • Work with the State and County to develop an action plan response as it relates to necessary steps for assuring compliance related to the policy • Show that the services and improvements funded by the Authority’s programs exceed the affected sales tax revenues derived from the sale of aviation fuel |

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

This report is for information only. No Board action is required.

SIGNIFICANCE

Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

STATE ISSUES

Transportation Funding Proposals

On January 7th Governor Brown released his proposed 2016-2017 State Budget. The budget consists of a \$122.6 billion spending plan, which is up \$6 billion from last year's \$116 billion plan.

For transportation spending, the Governor proposes to spend \$1.7 billion in 2016-17 with \$590 million going to local streets and roads, \$409 million for transit, \$211 million for investments in trade corridors, and \$515 million for highway repairs and maintenance.

The proposal lays out the foundation for a 10-year funding plan that will provide a total of \$36 billion for transportation with an emphasis on repairing and maintaining the existing transportation infrastructure.

Assembly Member Jim Frazier, Chair of the Assembly Transportation Committee, introduced his own transportation spending plan, Assembly Bill (AB) 1591, which will raise approximately \$7 billion annually and will mostly fund trade corridor improvements and road maintenance. His proposal doubles the amount of cap and trade funds going into the Transit and Intercity Rail Program from 10 percent to 20 percent, and provides 20 percent of the remaining 40 percent unallocated cap and trade funds for trade corridor improvements.

Summaries of both proposals and a chart comparing the proposals can be found in the agenda packet.

Assembly Bill 378 (Mullin)

Assembly Member Kevin Mullin's bill, AB 378, which directed the California State Department of Transportation (Caltrans), the City/County Association of Governments and the San Mateo County Transportation Authority to develop an integrated corridor management team to consider congestion relief transportation projects in the Highway 101 corridor, died in the Assembly Transportation Committee. The Committee determined the bill was a project focused bill, which are prohibited under existing law. The Committee also felt the bill was unnecessary since Caltrans is already working with regional stakeholders to find possible congestion solutions on Highway 101.

FEDERAL ISSUES

2017 Budget

President Obama's Fiscal Year (FY) 2017 budget is expected to be released on February 9, 2016. The Peninsula Corridor Joint Powers Board has requested that the Peninsula Corridor Electrification Project be part of the FY2017 budget and funded through the Federal Transit Administration Core Capacity Program.

Prepared By: Shweta Bhatnagar, Government Affairs Officer

650-508-6385

Preliminary Comparison of The Major Funding Proposals

| | SBx1 (Beall) As of 8/25/15 | AB 1591 (Frazier) As of 1/6/16 | Governor's Proposal As of 1/8/16 |
|------------------------------------------------------|-----------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Funding | | | |
| Gas Excise Tax Increase | 12 cents (\$2B) | 22.5 cents (\$3.3B) | None |
| Price-Based Portion Reset (currently at 12 cents) | 17.3 cents (\$872 million) | 17.3 cents (\$872m) | 18 cents (\$500m)* |
| -CPI Adjustment | Every 3 Years | Every 3 years | Every Year |
| Diesel Excise Tax Increase | 22 cents (\$600m) | 30 cents (\$840m) | 11 cents (\$500m) |
| -CPI Adjustment | Every 3 Years | Every 3 Years | Every Year |
| Vehicle Registration Fee | \$35 (\$1B) | \$38 (\$1.254B) | None |
| Road Access Fee/Highway User Fee | \$35 (\$1B) | None | \$65 (\$2B) |
| ZEV-specific Fee | \$100 (\$25m) | \$165 (\$16m) | None |
| -Total Vehicle Fee Increase | \$70 (\$170 for ZEVs) | \$38 (\$203 for ZEVs) | \$65 |
| Greenhouse Gas Reduction Fund (Cap and Trade) | None | TIRCP** from 10% -20% (\$200m) | TIRCP (\$400m) |
| | | TCIF-20% (\$400m) | Complete Streets (\$100m) |
| Weight Fees | None | Returned ASAP*** (\$1 billion) | None |
| General Fund Loan Repayments | \$879 Million Over 3 yrs to RMRA**** | \$879 Million Over 2 yrs, directly to locals | \$879 Million By 6/30/19 to various accounts |
| Caltrans Efficiencies | Up to 30% (\$500m) | None | \$100m |
| Estimated Total Annual funding Increase***** | ~\$6 Billion | ~\$7.8 Billion | ~\$3.6 billion |

* The Governor's proposal does not reset the price-based portion of the excise tax until FY 2017-18.

** Transit and Intercity Rail Capital Program, a competitive grant program administered by the Transportation Agency.

*** The weight fees would be restored (rather than being used for bond debt service payments) or traditional uses including SHOPP, STIP, and LSR.

****The Road Maintenance and Rehabilitation Account, created by SBx1 1.

****rough estimates over a ten year period. Figures may not add up due to rounding.

| Expenditures | SBx1 1 | AB 1591 | Governor's Proposal |
|------------------------------------------|------------------------------------|---------------------------------------------|--------------------------------------------------------------------|
| Gas Tax Increase | RMRA | RMRA | - |
| Diesel Excise Tax Increase | 10 cents to RMRA, 12 cents to TCIF | All to TCIF | RMRA |
| CPI Adjustment Revenues | To respective programs | To respective programs | RMRA |
| Vehicle Fee Increases | RMRA | RMRA | RMRA |
| Greenhouse Gas Reduction Fund | - | \$200m to rail & transit, \$400m to TCIF | \$400m to rail & transit \$100m to complete streets |
| General Fund Loan Repayments | RMRA | Cities & Counties | Various Accounts |
| Total Annual Expenditures | | | |
| Road Rehab and Maintenance | \$5.5 Billion | \$5.8 Billion | \$2.9 Billion |
| Freight Mobility | \$500 million | \$1.2 Billion | \$200 Million |
| Rail and Transit or Complete Streets | - | \$200 Million | \$500 Million |
| Expenditure Split State/Local | 52%/48% | 55%/45% | 50%/50% |
| | | | |
| Accountability & Reforms | | | |
| Reporting to the CTC | Both Caltrans and locals | - | Both Caltrans & locals |
| Local Maintenance of Effort Requirements | Included | Included | Included |
| CTC Allocation of SHOPP | Required by 2017 | Required by 2017 | - |
| State vs. Contract Staff | - | - | 80%/20% by 7/2020 |
| CM/GC Project Delivery | - | - | Expands authority for Caltrans from 6 to 12 projects |
| Public Private Partnerships | - | - | Extends sunset from 2017 to 2027 |
| CEQA Exemption | - | - | Exempts projects in existing right of way in certain circumstances |
| NEPA Delegation | - | - | Eliminates the sunset |
| Regional Advance Mitigation Program | - | - | Included |

ASSEMBLY BILL 1591: TRANSPORTATION FUNDING

Assemblymember Jim Frazier

THE PROBLEM IN BRIEF:

California's transportation infrastructure is extremely underfunded, which has led to significant deferred maintenance and a lost opportunity on economic growth. The current resources are not sufficient to cover the most basic and crucial maintenance and repair of our core transportation infrastructure: state highways, local streets, roads, and bridges. Without increased funding today, the deferred maintenance will soon be too much for our state to catch up.

BACKGROUND:

2015 was supposed to be the year to fix transportation funding in the Capitol. The Governor declared a \$6 billion a year need for basic maintenance and repairs to state highways alone and challenged the Legislature to deliver a funding plan to meet that need. A special session was called, hearings were held, and proposals and counter-proposals were floated. Nonetheless, the call for more transportation funding went unanswered.

THE BILL:

AB 1591 answers the call for a long-term sustainable funding solution for transportation focused on relieving congestion, maintaining highways, and improving trade corridors. This bill provides nearly \$8 billion a year in additional transportation funding. It also provides clear direction as to how those funds will be used.

AB 1591 takes a broad portfolio approach to investing in our state's transportation infrastructure by:

- Increasing the excise tax on gasoline by 22.5 cents per gallon and indexing it against the Consumer Price Index every three years thereafter. Almost half of this amount (9.5 cents) will restore funding lost from declining tax revenues in just the last two years due to rate adjustments by the Board of Equalization.

Revenue raised from the gas tax increase (over \$3.3 billion annually) will be split 50/50 between the state and local transportation authorities for highway maintenance and rehabilitation, after setting a nominal portion aside to encourage state-local partnerships.

- Increasing the diesel fuel tax by 30 cents a gallon and indexing it, too. Revenue raised (\$840 million annually) will be directed right to where trucks need it most—the state's trade corridors.
- Increasing the vehicle registration fee by \$38 annually (just over 10 cents a day) and directing those funds (\$1.254 billion) to road maintenance and rehabilitation.

- Imposing an electric vehicle surcharge of \$165. Consideration will be given to delaying this fee until the second year of ownership and thereafter. Delaying this fee to the second year of ownership allows financial incentives offered at the purchase of such zero-emission vehicles to remain in full effect while ensuring they do their part to help pay for the system they travel on. The \$16 million raised will be directed to road maintenance and rehabilitation.
- Requiring repayment of outstanding transportation loans. Now that the General Fund is stable, it's time to pay these loans (\$879 million) back. Repayments will be sent directly to cities and counties to boost their road improvement efforts.
- Allocating cap and trade revenue auctions, as follows:
 - 20% (approximately \$400 million annually) for major freight corridors. Communities near our major freight corridors have borne the brunt of the nation's goods movement system. Improving congestion in these corridors will inherently improve air quality.
 - 10% (\$200 million) more for intercity rail and transit, for a total of 20% of the auction proceeds.
- Restoring the truck weight fees. Again, the General Fund is now stable. It's time for transportation dollars to go back to transportation. This restores \$1 billion to the State Highway Account where it belongs.

AB 1591 also includes greater oversight responsibilities for the California Transportation Commission over the state's roadway operation and rehabilitation efforts and imposes maintenance of effort requirements on cities and counties.

Finally, AB 1591 supports local communities and regional planning efforts to reduce greenhouse gas emissions. It provides the critical funding needed to implement sustainable communities' strategies.

FOR MORE INFORMATION

Janet Dawson
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January 7, 2016

TO: Board Members, San Mateo County Transportation Authority
FROM: Gus Khouri, Principal
Khouri Consulting

RE: STATE LEGISLATIVE UPDATE – Governor’s 2016-17 State Budget

On January 7, Governor Brown released his proposed 2016-17 State Budget. After several years of chronic deficits (\$20 billion shortfalls for the better part of the past decade including \$26.6 billion when Brown took office in 2011), Governor Brown announced that the state has turned the corner thanks to the surge of capital gains revenue (an all-time high in 2015) due to the recovery of the stock market and the passage of Proposition 30, which increases the state sales tax rate and personal income tax on high-income earners, as well as a reduction in the unemployment rate from 12.1% (2011) to 6.0%. The Budget remains precariously balanced for the long term after paying for existing obligations and the Proposition 30 temporary tax revenues expire. The economy is finishing its seventh year of expansion, already two years longer than the average recovery, and the Governor wants to plan ahead for that outcome. The Governor warns that a recession could cost up to \$55 billion in lost revenues.

As a result, the Governor’s \$122.6 billion spending plan is an modest increase of \$6 billion from last year’s \$116 billion plan, and it includes \$2 billion set aside for the Rainy Day Fund to bring that balance to \$8 billion, but the Governor is emphatic in his call for restraint due to the volatility of revenues. The unpredictability of the stock market and imminent expiration of Proposition 30 revenues will require the state to exercise fiscal restraint in the years to come.

This coming year will be the last one with the full revenues of Proposition 30. The quarter-cent sales tax increase under the measure will expire at the end of 2016, and the income tax rates on the state’s wealthiest residents will expire at the end of 2018. As it was intended, the measure has provided the state with increased resources on a short-term basis to give the economy time to recover. Under the measure, the state has been able to restore funding for education and the safety net, expand health care coverage, and pay off its budgetary borrowing.

The passage of Proposition 2 in the November election gives the state a critical opportunity to avoid repeating the boom-and-bust cycle of the past two decades. Recent budget shortfalls have been driven by making ongoing commitments based upon temporary spikes in revenues from capital gains. Under Proposition 2, these spikes in capital gains will instead be used to save money for the next recession and to pay down the state's debts and liabilities.

The state has \$224 billion in long-term costs, debts, and liabilities. The vast majority of these liabilities—\$220 billion—are related to retirement costs of state and University of California employees. For the next 15 years, Proposition 2 provides a dedicated funding source to help address these liabilities, but that funding alone will not eliminate the liabilities. In addition, the state faces \$77 billion more in identified deferred maintenance on its infrastructure and \$257 million to reimburse local jurisdictions for mandate claims. Under a projection of current policies, the state would begin to spend more than it receives in annual revenues by 2018-19 (by about \$1 billion).

Impact on Transportation

The Governor acknowledges that the state's largest deferred maintenance is on its highways, roads and bridges and that annual maintenance and repairs are billions more than can be funded annually within existing resources, especially with the expiration of Proposition 1B and dwindling gas tax revenues. The budget proposes that the state must address deferred maintenance on the state's highways and key freight corridors through expanded and ongoing funding sources.

The Budget reflects the Governor's transportation funding and reform package, including reforms first outlined in September 2015. The package includes a combination of new revenues, additional investments of Cap and Trade auction proceeds, accelerated loan repayments, Caltrans efficiencies and streamlined project delivery, accountability measures, and constitutional protections for the new revenues.

The Governor's package of revenues will be split evenly between state and local transportation priorities. The ten-year funding plan will provide a total of \$36 billion for transportation with an emphasis on repairing and maintaining the existing transportation infrastructure. It also includes a significant investment in public transit. Specifically, the proposal includes annualized resources as follows:

- **Road Improvement Charge**—\$2 billion from a new \$65 fee on all vehicles, including hybrids and electrics.
- **Stabilize Gasoline Excise Tax** — \$500 million by setting the gasoline excise tax beginning in 2017-18 at the historical average of 18 cents and eliminating the current annual adjustments. The broader gasoline tax would then be adjusted annually for inflation to maintain purchasing power.
- **Diesel Excise Tax**—\$500 million from an 11-cent increase in the diesel excise tax beginning in 2017-18. This tax would also be adjusted annually for inflation to maintain purchasing power.

- **Cap and Trade**—\$500 million in additional cap and trade proceeds.
- **Caltrans Efficiencies** — \$100 million in cost-saving reforms.

Additionally, the Budget includes a General Fund commitment to transportation by accelerating \$879 million in loan repayments over the next four years. These funds will support additional investments in the Transit and Intercity Rail Capital Program, trade corridor improvements, and repairs on local roads and the state highway system. Without this commitment, these funds would be paid back over the next 20 years.

Over the next ten years, the \$36 billion transportation package will provide \$16.2 billion for highway repairs and maintenance, and invest \$2.3 billion in the state’s trade corridors. Local roads will receive more than \$13.5 billion in new funding. Transit and intercity rail will receive over \$4 billion in additional funding. Because the state’s disadvantaged communities are often located in areas affected by poor air quality, a minimum of \$2 billion (50 percent) of these funds will be spent on projects that benefit these communities.

2016-17 Spending

For 2016-17, the Budget reflects partial first-year resources from the transportation package of over \$1.7 billion (including nearly \$1.6 billion from new revenues and \$173 million from loan repayments), which will be distributed as follows:

- **Local Streets and Roads**—An increase of \$342 million in Shared Revenues to be allocated by the Controller to cities and counties for local road maintenance according to existing statutory formulas. The Budget also includes an additional \$148 million from loan repayments to reimburse cities and counties for funds already spent on Traffic Congestion Relief Program projects.
- **Low Carbon Road Program** — \$100 million Cap and Trade for Caltrans to implement a new Low Carbon Road Program for local projects that encourage active transportation such as bicycling and walking, and other carbon-reducing road investments, with at least 50 percent of the funds directed to benefit disadvantaged communities.
- **Transit and Intercity Rail Capital Program**—An increase of \$409 million Cap and Trade (also includes \$9 million from loan repayments) for transit capital investments that provide greenhouse gas reductions, with at least 50 percent of the funds directed to benefit disadvantaged communities.
- **Highway Repairs and Maintenance** — An increase of \$515 million (\$5 million from loan repayments) for Caltrans to fund repairs and maintenance on the state highway system.
- **Trade Corridor Improvements** — An increase of \$211 million (\$11 million from loan repayments) for Caltrans to fund projects along the state’s major trade corridors, providing ongoing funding for a program originally established with \$2 billion in one-time Proposition 1B bond funding.

Project Reforms and Caltrans Efficiencies

The transportation package also includes the following reforms and efficiencies at Caltrans to streamline project delivery and advance projects more quickly:

- **State Highway Performance Plan**—Establish measurable targets for improvement including regular reporting to California Transportation Commission, the Legislature, and the public.
- **Streamlined Project Delivery**—Provide a limited California Environmental Quality Act (CEQA) exemption; remove the sunset date for the federal delegation of environmental reviews so they can be completed concurrent with the state review; advance project environmental mitigation to get early buy-in on activities and reduce late challenges that delay projects; and implement more innovative procurement methods, such as combining design and construction management elements to accelerate project delivery, commonly known as Construction Manager/General Contractor (CMGC) procurements.
- **Staffing Flexibility**—Permit Caltrans to deliver projects funded with new revenue by doubling contract staff over the next five years.
- **Extend Public-Private Partnership Authority**—Allow for these partnerships through 2027 by extending the current sunset date by ten years.

Cap and Trade

The \$3.1 billion Expenditure Plan reflects the balance of auction proceeds that were not appropriated in 2015-16, as well as the expenditure of projected proceeds in 2016-17. The proposed plan expends at least 10 percent of the proceeds within disadvantaged communities and at least 25 percent of the proceeds to projects that benefit those communities.

Consistent with existing law, the Budget reflects that 60 percent, or \$1.2 billion, of 2016-17 projected auction proceeds are continuously appropriated to support public transit, sustainable communities, and high-speed rail. To further support the Governor's goal to reduce statewide petroleum use by 50 percent by 2030, the Cap and Trade Expenditure Plan includes an additional \$1 billion for the following programs that will reduce emissions in the transportation sector:

- **\$500 million** for the Air Resources Board's Low Carbon Transportation Program to provide incentives for low carbon freight and passenger transportation, including rebates for zero-emission cars, vouchers for hybrid trucks and zero-emission trucks and buses.
- **\$400 million** for the Transportation Agency's Transit and Intercity Rail Capital Program for additional competitive grants to support capital improvements to integrate

state, local and other transit systems, including those located in disadvantaged communities, and to provide connectivity to high-speed rail. This proposal is consistent with the Administration's transportation package.

- **\$100 million** for the Department of Transportation to administer the Low Carbon Road Program, which will prioritize disadvantaged communities, and provide competitive grants for improvements to local streets and roads that encourage active transportation, such as walking and bicycling, transit, and other carbon-reducing road investments. This proposal is consistent with the Administration's transportation package.

Please see the attached to view a breakdown of the Governor's proposed Cap and Trade allocations.

State Transit Assistance Program

The program is estimated to be funded at \$ \$315 million in FY 16-17, which is roughly a decrease of \$72 million from last January (\$387 million) and \$36 million less than the May Revise from FY15-16 (\$351 million).

SMCTA Bill Matrix – January

| Measure | Status | Bill Summary | Position |
|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <p>AB 378 Mullin D</p> <p>State Highway 101 Corridor</p> | <p>1/4/16</p> <p>Assembly Transportation Committee</p> <p>Dead</p> | <p>Existing law provides that the Department of Transportation has full possession and control of the state highway system.</p> <p>This bill would require the department, in coordination with the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority, to create an integrated corridor management team to consider transportation projects addressing congestion relief in the State Highway Route 101 corridor located within the County of San Mateo. Last Amended on 1/4/16</p> | <p>Support in Concept</p> |
| <p>AB 516 Mullin D</p> <p>Temporary License Plates</p> | <p>8/20/15</p> <p>Senate Floor-</p> <p>Inactive File</p> <p>Two-Year Bill</p> | <p>Existing law requires the Department of Motor Vehicles (DMV), upon registering a vehicle, to issue to the owner 2 license plates, as specified. Existing law also requires vehicle dealers and lessor-retailers to attach numbered report-of-sale form issued by the DMV to a vehicle at the time of sale, and to submit to the DMV an application for registration of the vehicle, and the applicable fees, within a specified period after the date of sale. A violation of the Vehicle Code an infraction, but makes counterfeiting a license plate a felony.</p> <p>Existing law requires the driver of a motor vehicle to present evidence of registration of a vehicle under the driver's immediate control upon demand by a peace officer. Existing law prohibits displaying or presenting to a peace officer specified indicia of vehicle registration that are not issued for that vehicle. Existing law authorizes the DMV to assess administrative fees on a processing agency for providing notices of delinquent parking violations or toll evasion violations to the offenders in connection with the collection of penalties for those violations, and authorizes the use of those administrative fees to support those collection procedures. Existing law requires license plates to be securely fastened to the vehicle for which they were issued for the period of validity of the license plates, and authorizes the use of a special permit in lieu of license plates for that purpose.</p> <p>The purpose of this bill is to require the DMV to create a process to issue temporary license plates (TLPs) by January 1, 2018; require dealers to attach TLPs to all unlicensed vehicles when they are sold beginning January 1, 2018; and makes the forging or altering of a temporary license plate a misdemeanor.</p> <p>Last amended on 7/16/15</p> | <p>Support</p> |
| <p>AB 1384 Baker R</p> <p>MTC: Bridge Revenues</p> | <p>1/14/16</p> <p>Introduced</p> | <p>Existing law designates the Metropolitan Transportation Commission as the regional transportation planning agency for the San Francisco Bay Area. Existing law creates the Bay Area Toll Authority, governed by the same board as the commission, with specified powers and duties relative to the administration of toll revenues from state-owned toll bridges within the geographic jurisdiction of the commission. Existing law authorizes the authority to make direct contributions to the commission in furtherance of the exercise of the authority's powers, including contributions in the form of personnel services, office space, overhead, and other funding necessary to carry out the function of the authority, with those contributions not to exceed 1% of the gross annual bridge revenues.</p> <p>This bill would instead limit the direct contributions by the authority to the commission in any fiscal year to 1% of funds available to the authority in that fiscal year, and would impose a similar restriction on loans from the authority to the commission.</p> | |

SMCTA Bill Matrix – January

| Measure | Status | Bill Summary | Position |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <p>AB 1473 Salas R</p> <p>CEQA Exemptions</p> | <p>1/6/16</p> <p>Introduced</p> | <p>The California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect.</p> <p>The Jobs and Economic Improvement Through Environmental Leadership Act of 2011 authorizes the Governor to certify projects meeting certain requirements as environmental leadership development projects eligible for specified streamlining benefits under CEQA, including, among other things, the concurrent preparation of the record of proceedings for the project. The act provides that these streamlining benefits do not apply to a project if the Governor does not certify a project prior to January 1, 2016, and that the certification expires if the lead agency fails to approve the environmental leadership project prior to January 1, 2017. The act is repealed by its own terms on January 1, 2017.</p> <p>This bill would extend the time by which the Governor may certify projects as environmental leadership projects to January 1, 2019, and would extend the time by which lead agencies are required to approve certified projects to January 1, 2020, in order for certified projects to benefit from the streamlining benefits. Because the bill would extend the time period in which lead agencies would be required to concurrently prepare the record of proceedings, the bill would impose a state-mandated local program. The bill would repeal the act on January 1, 2021.</p> | |
| <p>AB 1550 Gomez D</p> <p>Greenhouse gases: investment plan: disadvantaged communities</p> | <p>1/4/16</p> <p>Introduced</p> | <p>The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act requires the board to adopt greenhouse gas emission limits and emission reduction measures by regulation, and authorizes the state board to include the use of market-based compliance mechanisms to comply with the regulations. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Existing law requires the investment plan to allocate a minimum of 25% of the available moneys in the fund to projects that provide benefits to disadvantaged communities and a minimum of 10% to projects located in disadvantaged communities. Existing law provides that the allocation of 10% for projects located in disadvantaged communities may be used for projects included in the minimum allocation of 25% for projects that provide benefits to disadvantaged communities.</p> <p>This bill would instead require the investment plan to allocate a minimum of 25% of the available moneys in the fund to projects located within disadvantaged communities and a separate and additional 25% to projects that benefit low-income households.</p> | |

SMCTA Bill Matrix – January

| Measure | Status | Bill Summary | Position |
|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <p>AB 1569 Steinorth R</p> <p>CEQA Exemptions: existing transportation infrastructure</p> | <p>1/4/16</p> <p>Introduced</p> | <p>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.</p> <p>This bill would exempt from the provisions of CEQA a project, or the issuance of a permit for a project, that consists of the inspection, maintenance, repair, rehabilitation, replacement, or removal of, or the addition of an auxiliary lane or bikeway to, existing transportation infrastructure and that meets certain requirements. The bill would require the public agency carrying out the project to take certain actions.</p> | |
| <p>AB 1591 Frazier D</p> <p>Transportation Funding</p> | <p>1/6/16</p> <p>Introduced</p> | <p>Existing law provides various sources of funding for transportation purposes, including funding for the state highway system and the local street and road system. These funding sources include, among others, fuel excise taxes, commercial vehicle weight fees, local transactions and use taxes, and federal funds. Existing law imposes certain registration fees on vehicles, with revenues from these fees deposited in the Motor Vehicle Account and used to fund the Department of Motor Vehicles and the Department of the California Highway Patrol. Existing law provides for the monthly transfer of excess balances in the Motor Vehicle Account to the State Highway Account.</p> <p>This bill would create a funding package of over \$7.8 billion for cities, counties, and Caltrans to address repairs and maintenance of local streets and roads, state highway system, and Trade Corridors by increasing gas and diesel excises taxes, vehicle registration fees, creating a new fee for electric vehicles. Proceeds from Cap and Trade auctions would be used to fund public transportation, including intercity rail. The bill would index the gas and diesel excise tax to keep up with the consumer price index. Aside from the restoration of price-based portion of the gas tax, there is no new funding for the State Transportation Improvement Program, which is a flexible program that allows local jurisdictions use to leverage local sales tax dollars or federal funding to address a wide range of needs for highway safety, congestion relief, commuter and intercity rail needs, or bicycle and pedestrian programs to name a few eligible expenditures.</p> | |
| <p>ACA 4 Frazier D</p> <p>55% Threshold for Local Sales Tax Measures: transportation</p> | <p>8/27/15</p> <p>Assembly Appropriations Committee</p> | <p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities.</p> <p>This measure would provide that the imposition, extension, or increase of a sales and use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or a transactions and use tax imposed in accordance with the Transactions and Use Tax Law by a county, city, city and county, or special district for the purpose of providing funding for local transportation projects, as defined, requires the approval of 55% of its voters voting on the proposition. The measure would also make conforming and technical, non-substantive changes. This measure would also provide that it shall become effective immediately upon approval by the voters and shall apply to any local measure imposing, extending, or increasing a sales and use tax for local transportation projects submitted at the same election. Last amended on 8/17/15</p> | <p>Support</p> |

SMCTA Bill Matrix – January

| Measure | Status | Bill Summary | Position |
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| ABx1 1 Alejo D Transportation Funding | 6/24/15 Assembly Rules Committee | <p>Existing law provides for loans of revenues from various transportation funds and accounts, including commercial truck weight fees, to the General Fund, with various repayment dates specified.</p> <p>This bill, with respect to any loans made to the General Fund from specified transportation funds and accounts with a repayment date of January 1, 2019, or later, would require the loans to be repaid by December 31, 2018. The bill would also restore truck weight fees back to the State Highway Account.</p> | |
| ABx1 2 Perea D Public-Private Partnerships | 6/26/15 Assembly Rules Committee | <p>Existing law authorizes the Department of Transportation and regional transportation agencies, as defined, to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. These arrangements are commonly known as public-private partnerships. Existing law provides that a lease agreement may not be entered into under these provisions on or after January 1, 2017.</p> <p>Authorizes public-private partnership (P3s) agreements for transportation indefinitely.</p> | |
| ABx1 3 Frazier D Transportation Funding | 9/10/15 Conference Committee | <p>Existing law requires the Department of Transportation to improve and maintain the state's highways, and establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to maintain and repair the state's highways, local roads, bridges, and other critical infrastructure.</p> | |
| ABx1 4 Frazier D Transportation Funding | 7/10/15 Assembly Rules Committee | <p>Existing law establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to improve the state's key trade corridors and support efforts by local governments to repair and improve local transportation infrastructure.</p> | |
| ABx1 6 Hernandez D Affordable Housing & Sustainable Communities Program | 7/16/15 Assembly Rules Committee | <p>Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law continuously appropriates 20% of the annual proceeds of the fund to the Affordable Housing and Sustainable Communities Program, administered by the Strategic Growth Council, to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development and that support other related and coordinated public policy objectives.</p> <p>This bill would require 20% of moneys available for allocation under the program to be allocated to eligible projects in rural areas, as defined. The bill would further require at least 50% of those moneys to be allocated to eligible affordable housing projects. The bill would require the council to amend its guidelines and selection criteria consistent with these requirements and to consult with interested stakeholders in this regard.</p> | |

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| <p>ABx1 7 Nazarian D</p> <p>Public Transit Funding</p> | <p>7/17/15</p> <p>Assembly Rules Committee</p> | <p>Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund. Existing law continuously appropriates 10% of the annual proceeds of the fund to the Transit and Intercity Rail Capital Program and 5% of the annual proceeds of the fund to the Low Carbon Transit Operations Program.</p> <p>This bill would instead continuously appropriate 20% of those annual proceeds to the Transit and Intercity Rail Capital Program, and 10% of those annual proceeds to the Low Carbon Transit Operations Program, thereby making an appropriation.</p> | <p>Support</p> |
| <p>ABx1 8 Chiu D</p> <p>Diesel Sales and Use Tax</p> | <p>7/17/15</p> <p>Assembly Rules Committee</p> | <p>Existing law, beyond the sales and use tax rate generally applicable, imposes an additional sales and use tax on diesel fuel at the rate of 1.75%, subject to certain exemptions, and provides for the net revenues collected from the additional tax to be transferred to the Public Transportation Account. Existing law continuously appropriates these revenues to the Controller, for allocation by formula to transportation agencies for public transit purposes.</p> <p>This bill, effective July 1, 2016, would increase the additional sales and use tax rate on diesel fuel to 5.25%. By increasing the revenues deposited in a continuously appropriated fund, the bill would thereby make an appropriation.</p> <p>The bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature. This bill would take effect immediately as a tax levy.</p> | <p>Support</p> |
| <p>ABx1 13 Grove R</p> <p>Greenhouse Gas Reduction Fund: streets and highways</p> | <p>8/31/15</p> <p>Introduced</p> | <p>Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law continuously appropriates 20% of the annual proceeds of the fund to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program, as provided.</p> <p>This bill would reduce the continuous appropriation to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program by half.</p> <p>Beginning in the 2016-17 fiscal year, it would continuously appropriate 50% of the annual proceeds of the Greenhouse Gas Reduction Fund, with 50% of that appropriation to Caltrans for maintenance of the state highway system or for projects that are part of the state highway operation and protection program, and 50% to cities and counties for local street and road purposes.</p> | <p>Oppose</p> |

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| <p>ABx1 23 Garcia D</p> <p>Transportation Funding</p> | <p>9/4/15</p> <p>Introduced</p> | <p>Existing law requires the Department of Transportation to prepare a State Highway Operation and Protection Program (SHOPP) every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. Existing law provides for the programming of transportation capital improvement funds for other objectives through the State Transportation Improvement Program (STIP) administered by the California Transportation Commission (CTC), which includes projects recommended by regional transportation planning agencies through adoption of a regional transportation improvement program and projects recommended by the department through adoption of an interregional transportation improvement program, as specified.</p> <p>Existing law creates the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, with specified available funds to be awarded to eligible projects by the California Transportation Commission and regional transportation agencies, as specified.</p> <p>This bill, by January 1, 2017, would require the California Transportation Commission to establish a process whereby the department and local agencies receiving funding for highway capital improvements from the State Highway Operation and Protection Program or the State Transportation Improvement Program prioritize projects that provide meaningful benefits to the mobility and safety needs of disadvantaged community residents, as specified.</p> <p>This bill would specifically require \$125,000,000 to be appropriated annually from the State Highway Account to the Active Transportation Program, with these additional funds to be used for network grants that prioritize projects in underserved areas, as specified.</p> | |
| <p>ABx1 24 Levine & Ting D</p> <p>Bay Area Transportation Commission: election of Commissioners</p> | <p>9/11/15</p> <p>Introduced</p> | <p>Existing law designates the Metropolitan Transportation Commission as the regional transportation planning agency for the San Francisco Bay area, with various powers and duties with respect to transportation planning and programming, as specified, in the 9-county San Francisco Bay area region. Existing law creates the Bay Area Toll Authority, governed by the same board as the commission, but created as a separate entity, with specified powers and duties relative to the administration of certain toll revenues from state-owned toll bridges within the geographic jurisdiction of the commission. Under existing law, the commission is comprised of 21 appointed members, as specified.</p> <p>This bill, effective January 1, 2017, would redesignate the Metropolitan Transportation Commission as the Bay Area Transportation Commission. Commissioners are required to be elected by districts comprised of approximately 750,000 residents. The bill would require each district to elect one commissioner, except that a district with a toll bridge, as defined, within the boundaries of the district would elect 2 commissioners. The bill would require commissioner elections to occur in 2016, with new commissioners to take office on January 1, 2017. The bill would state the intent of the Legislature for district boundaries to be drawn by a citizens' redistricting commission and campaigns for commissioners to be publicly financed.</p> <p>This bill, effective January 1, 2017, would delete the Bay Area Toll Authority's status as a separate entity from the Metropolitan Transportation Commission and merge the authority into the Bay Area Transportation Commission.</p> | |

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| <p>SB 321 Beall D</p> <p>Motor Vehicle Fuel Rate Adjustments</p> | <p>9/11/15</p> <p>Senate Floor</p> <p>Inactive File</p> <p>Two-Year Bill</p> | <p>Existing law requires the State Board of Equalization, for the 2011–12 fiscal year and each fiscal year thereafter, on or before March 1 of the fiscal year immediately preceding the applicable fiscal year, to adjust the motor vehicle fuel tax rate in a manner as to generate an amount of revenue equal to the amount of revenue loss attributable to the sales and use tax exemption on motor vehicle fuel, based on estimates made by the board. Existing law also requires, in order to maintain revenue for each year, the board to take into account actual net revenue gain or loss for the fiscal year ending prior to the rate adjustment date. Existing law requires this adjusted rate to be effective during the state's next fiscal year.</p> <p>This bill for the 2016–17 fiscal year and each fiscal year thereafter, instead require the board, on March 1 of the fiscal year immediately preceding the applicable fiscal year, as specified, to adjust the rate in a manner as to generate an amount of revenue equal to the amount of revenue loss attributable to the exemption, based on estimates made by the board that reflect the combined average of the actual fuel price over the previous 4 fiscal years and the estimated fuel price for the current fiscal year, and continuing to take into account adjustments required by existing law to maintain revenue neutrality for each year. Last amended on 8/18/15</p> | <p>Support</p> |
| <p>SB 698 Cannella R</p> <p>Active Transportation Program; school safety zone funding</p> | <p>4/16/15</p> <p>Senate Environmental Quality Committee</p> <p>Two-Year Bill</p> <p>Dead</p> | <p>The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Existing law continuously appropriates 60% of the annual proceeds of the fund for transit, affordable housing, sustainable communities, and high-speed rail purposes.</p> <p>Existing law creates the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, with available funds to be allocated to eligible projects by the California Transportation Commission, as specified.</p> <p>This bill would continuously appropriate an unspecified amount from the Greenhouse Gas Reduction Fund to the State Highway Account in the State Transportation Fund for purposes of funding school zone safety projects within the Active Transportation Program.</p> | <p>Support</p> |

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| <p>SB 885 Wolk D</p> <p>Construction Contracts: indemnity</p> | <p>1/19/16</p> <p>Introduced</p> | <p>Existing law makes specified provisions in construction contracts void and unenforceable, including provisions that purport to indemnify the promisee against liability for damages for death or bodily injury to persons, injury to property, or any other loss arising from the sole negligence or willful misconduct of the promisee or the promisee's agents who are directly responsible to the promisee, or for defects in design furnished by those persons.</p> <p>This bill would specify, for construction contracts entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend claims that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. Under the bill, a design professional would not have a duty to defend claims against any other person or entity arising from a construction project, except that person or entity's reasonable defense costs arising out of the design professional's degree of fault, as specified. The bill would prohibit waiver of these provisions and would provide that any clause in a contract that requires a design professional to defend claims against other persons or entities is void and unenforceable. The bill would provide Legislative findings and declarations in support of these provisions.</p> | |
| <p>SB 901 Bates R</p> <p>Transportation Projects: Advanced Mitigation Program</p> | <p>1/21/16</p> <p>Introduced</p> | <p>The California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, as defined, or to adopt a negative declaration if it finds that the project will not have that effect, subject to certain exceptions.</p> <p>The bill would create the Advanced Mitigation Program in the Department of Transportation to implement environmental mitigation measures in advance of future transportation projects. The bill would require the department to set aside certain amounts of future appropriations for this purpose.</p> | |
| <p>SB 903 Nguyen R</p> <p>Transportation Funds: loan repayment</p> | <p>1/21/16</p> | <p>Existing law creates the Traffic Congestion Relief Fund, as a continuously appropriated fund, for the purpose of funding a list of transportation projects specified in statute. Existing law provided for the transfer of specified amounts from the General Fund to the Traffic Congestion Relief Fund, beginning in the 2000-01 fiscal year. Existing law also provided for the transfer of a portion of the sales tax on gasoline to the Transportation Investment Fund subsequent to voter approval on March 5, 2002, of Article XIX B of the California Constitution, which thereafter dedicated those sales tax revenues to specified transportation purposes. Existing law required a portion of the revenues in the Transportation Investment Fund to be transferred to the Traffic Congestion Relief Fund. Existing law provides for loans of revenues from various transportation funds and accounts to the General Fund, including loans from the Traffic Congestion Relief Fund, with various repayment dates.</p> <p>This bill would acknowledge, as of June 30, 2015, \$879,000,000 in outstanding loans of certain transportation revenues, and would require this amount to be repaid from the General Fund by June 30, 2016, to the Traffic Congestion Relief Fund for allocation to the Traffic Congestion Relief Program, the Trade Corridors Improvement Fund, the Public Transportation Account, and the State Highway Account, as specified. The bill would thereby make an appropriation.</p> | |

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| <p>SBx1 1 Beall (D)</p> <p>Transportation Funding</p> | <p>8/20/15</p> <p>Senate Appropriations Committee</p> | <p>Similar to SB 16 with the following exceptions: Increases and extend revenues in perpetuity, as opposed to the original five-year plan. As a result, SBx1 1 would generate over \$6 billion as opposed to \$3.4 billion. Provides 5% of proceeds off the top to go to counties that acquire a local sales tax measure after July 1, 2015, before splitting proceeds 50/50 between the SHOPP and local streets and roads. Allow cities and counties to use funding for other transportation purposes if the city or county's pavement condition index meets or exceeds 85. Require the Board of equalization to make adjustments to the gas tax based on the consumer price index, rather the revenue neutral adjustments that have historically been made to reflect what would have been generated by a sales tax on gasoline.</p> <p>Last amended on 7/14/15</p> | |
| <p>SBx1 2 Huff (D)</p> <p>Greenhouse Gas Reduction Fund</p> | <p>7/6/15</p> <p>Senate Transportation & Infrastructure Development Committee</p> | <p>Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund.</p> <p>Existing law continuously appropriates 60% of the annual proceeds of the fund to various purposes, including high-speed rail, transit and intercity rail capital, low-carbon transit operations, and affordable housing and sustainable communities.</p> <p>This bill would exclude from allocation under these provisions the annual proceeds of the fund generated from the transportation fuels sector. The bill would instead provide that those annual proceeds shall be appropriated by the Legislature for transportation infrastructure, including public streets and highways, but excluding high-speed rail.</p> | |
| <p>SBX1 3 Vidak (R)</p> <p>Transportation Bonds: highways, streets, and roads projects</p> | <p>8/19/15</p> <p>Senate Transportation & Infrastructure Development Committee</p> <p>Died in Committee</p> | <p>Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of general obligation bonds in the amount of \$9 billion for high-speed rail purposes and \$950 million for other related rail purposes. Article XVI of the California Constitution requires measures authorizing general obligation bonds to specify the single object or work to be funded by the bonds and further requires a bond act to be approved by a 2/3 vote of each house of the Legislature and a majority of the voters.</p> <p>This bill would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase 1 blended system. The bill, subject to the above exception, would require redirection of the unspent proceeds from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions, upon appropriation, for use in retiring the debt incurred from the issuance and sale of those outstanding bonds. The bill, subject to the above exception, would also require the net proceeds of bonds subsequently issued and sold under the high-speed rail portion of the bond act, upon appropriation, to be made available to the Department of Transportation for repair and new construction projects on state highways and freeways, and for repair and new construction projects on local streets and roads, as specified. The bill would make no changes to the authorization under the bond act for the issuance of \$950 million in bonds for rail purposes other than high-speed rail. These provisions would become effective only upon approval by the voters at the June 7, 2016, statewide primary election. Last amended on 8/17/15</p> | <p>Oppose</p> |

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| SBX1 4 Beall (D) Transportation Funding | 9/10/15 Conference Committee | <p>Existing law requires the Department of Transportation to improve and maintain the state's highways, and establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to maintain and repair the state's highways, local roads, bridges, and other critical transportation infrastructure. Last amended on 9/4/15</p> | |
| SBX1 5 Beall (D) Transportation Funding | 7/16/15 Senate Floor | <p>Existing law establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state.</p> <p>This bill would declare the intent of the Legislature to enact legislation to establish permanent, sustainable sources of transportation funding to improve the state's key trade corridors and support efforts by local governments to repair and improve local transportation infrastructure.</p> | |
| SBx1 6 Runner (R) Greenhouse Gas Reduction Fund | 9/2/15 Senate Transportation & Infrastructure Committee Died in Committee | <p>Existing law requires all moneys, except for fines and penalties, collected by the State Air Resources Board from the auction or sale of allowances as part of a market-based compliance mechanism relative to reduction of greenhouse gas emissions to be deposited in the Greenhouse Gas Reduction Fund.</p> <p>Existing law continuously appropriates 25% of the annual proceeds of the fund to the high-speed rail project, and also continuously appropriates to that project \$400,000,000 of the amount loaned from the fund to the General Fund by the Budget Act of 2013, upon repayment of the loan by the General Fund. Existing law further appropriates 35% of the annual proceeds of the fund to transit and intercity rail capital, low-carbon transit operations, and affordable housing and sustainable communities.</p> <p>This bill would delete the continuous appropriations from the fund for the high-speed rail project, and would prohibit any of the proceeds from the fund from being used for that project. The bill would continuously appropriate the remaining 65% of annual proceeds of the fund to the California Transportation Commission for allocation to high-priority transportation projects, as determined by the commission, with 40% of those moneys to be allocated to state highway projects, 40% to local street and road projects divided equally between cities and counties, and 20% to public transit projects.</p> <p>This bill would require \$400,000,000 of the amount loaned from the fund to the General Fund by the Budget Act of 2013 to be immediately repaid to the fund, thereby making an appropriation.</p> | Oppose |
| SBx1 7 Allen (D) Diesel Sales and Use Tax | 9/3/15 Senate Appropriations Committee | <p>Identical to ABx1 8 (Chiu). Last amended on 9/3/15</p> | Support |

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| SBx1 8 Hill (D) Public Transit Funding | 9/2/15 Senate Appropriations Committee | Identical to ABx1 7 (Nazarian). | Support |
| SBx1 9 Moorlach (R) Caltrans | 8/19/15 Senate Transportation & Infrastructure Development Committee Died in Committee | <p>Existing law creates the Department of Transportation (Caltrans) with various powers and duties relative to the state highway system and other transportation programs.</p> <p>Article XXII of the California Constitution grants to the State of California and all other governmental entities the choice and authority to contract with qualified private entities for architectural and engineering services for all public works of improvement.</p> <p>This bill would prohibit Caltrans from using any nonrecurring funds, including, but not limited to, loan repayments, bond funds, or grant funds, to pay the salaries or benefits of any permanent civil service position within the department.</p> <p>This bill would require Caltrans to contract with qualified private entities for architectural and engineering services with respect to public works of improvement undertaken by Caltrans, with a minimum of 15% of the total annual value of these services to be contracted to qualified private entities beginning on July 1, 2016, and increasing each year to a minimum of 50% by July 1, 2023.</p> | |

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| <p>SBX1 10 Bates (R)</p> <p>STIP Program</p> | <p>8/20/15</p> <p>Senate Transportation & Infrastructure Development Committee</p> <p>Held in Committee</p> | <p>Existing law establishes the state transportation improvement program process, pursuant to which the California Transportation Commission (CTC) generally programs and allocates available state and federal funds for transportation capital improvement projects, other than state highway rehabilitation and repair projects, over a multiyear period based on estimates of funds expected to be available.</p> <p>Existing law provides funding for these interregional and regional transportation capital improvement projects through the state transportation improvement program (STIP) process, with 25% of funds available for interregional projects selected by the Department of Transportation (Caltrans) through preparation of an interregional transportation improvement (ITIP) program and 75% for regional projects selected by transportation planning agencies through preparation of a regional transportation improvement program (RTIP).</p> <p>Existing law requires funds available for regional projects to be programmed by the commission pursuant to the county shares formula, under which a certain amount of funding is available for programming in each county, based on population and miles of state highway. Existing law specifies the various types of projects that may be funded with the regional share of funds to include state highways, local roads, transit, and others.</p> <p>This bill would revise the process for programming and allocating the 75% share of state and federal funds available for RTIP projects. The bill would require the department to annually apportion, by the existing formula, the county share for each county to the applicable metropolitan planning organization, transportation planning agency, or county transportation commission, as a block grant.</p> <p>These transportation capital improvement funds, along with an appropriate amount of capital outlay support funds, would be appropriated annually through the annual Budget Act to regional transportation agencies. The bill would require the regional transportation agencies, in their regional transportation improvement programs, to identify the transportation capital improvement projects to be funded with these moneys, and would require the CTC to incorporate the RTIP into the STIP.</p> <p>The bill would eliminate the role of the CTC in programming and allocating funds to these regional projects, but would retain certain oversight roles of the CTC with respect to expenditure of the funds. The bill would repeal provisions governing computation of county shares over multiple years and make various other conforming changes.</p> | |

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| <p>SBx1 11 Berryhill (R)</p> <p>CEQA exemptions for roadway improvements</p> | <p>8/20/15</p> <p>Senate Transportation & Infrastructure Development Funding Committee</p> | <p>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.</p> <p>CEQA, until January 1, 2016, exempts a project or an activity to repair, maintain, or make minor alterations to an existing roadway, as defined, other than a state roadway, if the project or activity is carried out by a city or county with a population of less than 100,000 persons to improve public safety and meets other specified requirements.</p> <p>This bill would extend the above-referenced exemption until January 1, 2025, and delete the limitation of the exemption to projects or activities in cities and counties with a population of less than 100,000 persons. The bill would also expand the exemption to include state roadways. Last amended on 9/4/15</p> | |
| <p>SBx1 12 Runner</p> <p>California Transportation Commission</p> | <p>8/20/15</p> <p>Senate Appropriations Committee</p> | <p>Existing law establishes in state government the Transportation Agency, which includes various departments and state entities, including the California Transportation Commission (CTC). Existing law vests the CTC with specified powers, duties, and functions relative to transportation matters. Existing law requires the commission to retain independent authority to perform the duties and functions prescribed to it under any provision of law.</p> <p>Existing law requires the Department of Transportation (Caltrans) to prepare a state highway operation and protection (SHOPP) program every other year for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes. The SHOPP is required to be based on an asset management plan, as specified. Existing law requires the Caltrans to specify, for each project in the program, the capital and support budget and projected delivery date for various components of the project. Existing law provides for the CTC to review and adopt the program, and authorizes the commission to decline to adopt the program if it determines that the program is not sufficiently consistent with the asset management plan.</p> <p>This bill would exclude the CTC from the Transportation Agency, establish it as an entity in state government, and require it to act in an independent oversight role.</p> <p>The bill would additionally require Caltrans to program capital outlay support resources for each project in the program. The bill would provide that the CTC is not required to approve the program in its entirety as submitted by Caltrans, and may approve or reject individual projects. The bill would require the Caltrans to submit any change in a programmed project's cost, scope, or schedule to the CTC for its approval. Last amended on 8/20/15</p> | |

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| <p>SBx1 13 Vidak (R)</p> <p>Office of The Transportation Inspector General</p> | <p>9/3/15</p> <p>Senate Appropriations Committee</p> | <p>Existing law creates various state transportation agencies, including the Department of Transportation and the High-Speed Rail Authority, with specified powers and duties. Existing law provides for the allocation of state transportation funds to various transportation purposes.</p> <p>This bill would create the Office of the Transportation Inspector General in state government as an independent office that would not be a subdivision of any other government entity, to build capacity for self-correction into the government itself and to ensure that all state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with federal and state laws.</p> <p>The bill would provide for the Governor to appoint the Transportation Inspector General (TIG) for a 6-year term, subject to confirmation by the Senate, and would provide that the TIG may not be removed from office during the term except for good cause. The bill would specify the duties and responsibilities of the TIG, would require an annual report to the Legislature and Governor, and would provide that funding for the office shall, to the extent possible, be from federal transportation funds, with other necessary funding to be made available from the State Highway Account and an account from which high-speed rail activities may be funded. Last amended on 9/3/15</p> | |
| <p>SBx1 14 Cannella (R)</p> <p>Public-Private Partnerships</p> | <p>8/19/15</p> <p>Senate Transportation & Infrastructure Committee</p> | <p>Existing law authorizes the Department of Transportation and regional transportation agencies, as defined, to enter into comprehensive development lease agreements with public and private entities, or consortia of those entities, for certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. These arrangements are commonly known as public-private partnerships. Existing law provides that a lease agreement may not be entered into under these provisions on or after January 1, 2017.</p> <p>This bill would authorize public-private partnerships indefinitely.</p> | |