



AGENDA

*** **CONFIDENTIAL** ***

Executive Committee

**Wednesday, February 24, 2010
11:00 a.m. – 12:00 p.m.**

Conference Call Meeting

Dial-in Number: 1-800-867-2581

Access Code: 4464656 followed by the # key

Agenda Items **Recommended Action**

General Business

- | | | |
|----|---|------|
| 1. | Chair’s Report (oral) | File |
| 2. | Executive Director’s Report (oral) | File |

Strategic Goal 1 - Advocacy: Influence decision makers to enact policies and supply funds supporting and advancing public transit.

- | | | |
|----|---|-----------------|
| 3. | Transit Revenue Protection & Enhancement | |
| a. | Transit Funding: Budget, Litigation & Initiative (p. 1) | Possible Action |

Strategic Goal 2 - Member Services: Provide members timely information and services enhancing the strengths and effectiveness of their organizations.

- | | | |
|----|---|-----------------|
| 4. | Association Management | |
| a. | Transit Lobby Day and Spring Legislative Conference Planning (p. 9) | Possible Action |

Other Business

- | | | |
|----|-----------------------------------|--|
| 5. | Other Business | |
| a. | Items Otherwise Not on the Agenda | |
| 6. | Adjournment | |

Vision Statement

This statement contains our long-range vision for the transit industry and portrays the desired future the Association seeks to achieve.

Our Association's vision is:

Fully funded, efficient, and effective public transit systems operating in a balanced transportation network.

* * *

Mission Statement

This statement describes how the Association will accomplish its vision.

Our Association's mission is:

Support the needs of California's public transit systems through advocacy and education.

* * *

Core Values

These describe how the Association's members and staff will conduct themselves and the business of the Association.

Our Association's core values are:

Ethical Behavior

Honesty

Integrity

Accountability

Serve the Public good

Informed Participation

Consensus-Based Decision Making & Inclusiveness

Agenda Item 3(a) Transit Funding: Budget, Litigation & Initiative Summary of Staff Report and Staff Recommendation

Background

The Association for several years has been pursuing three main strategies, separately but in parallel, to protect and enhance funding for public transit. They are:

1. Preserve transit funding in the annual State budget process.
2. Resolve satisfactorily the Association's litigation against the State.
3. Begin preliminary exploration of longer-term and stronger options to protect and enhance transit funding, including possibly a statewide initiative measure.

This report brings all three efforts together, as each is under attack by the governor / in the legislature.

On January 8, 2010 the governor proposed a budget eliminating all state support for local transit, by eliminating the sales taxes on gasoline and diesel fuel. Lost revenue for highways and streets & roads would be replaced by a new gasoline fee, and those revenues would also go to bond debt service, thus providing General Fund relief, too.

Democratic leaders in the legislature have been developing a counter-proposal, similar to the governor's, in terms of funding for highways, streets & roads, and bond debt, but which preserves some level of state support for local transit (by maintaining the sales tax on diesel fuel), while granting new authority to MPO's (and RTPA's in the SCAG region) to call for a vote of the people to assess regional regulatory fees on gasoline, for transit and bike / ped projects only.

By eliminating the sources of Public Transportation Account revenue, the governor's proposal relieves future legislatures from having to comply with case law as established in our litigation with regard to transit funding. And, even with the current legislative counter-proposal, our initiative most likely would have little effect save to split the sales tax on diesel fuel equally as between the State Transit Assistance program and state-level transit priorities like the Intercity Passenger Rail program and Caltrans transit staff costs.

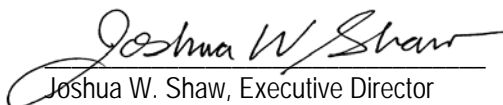
The Executive Committee has been meeting weekly to provide policy direction guiding our advocacy efforts.

Summary of Staff Report

The report provides the latest developments in Sacramento, and compares the latest legislative counter-proposal to the Executive Committee's adopted advocacy policies. An action is *not* necessarily required at this time.

Executive Director's Recommendation

Receive latest status report on legislative negotiations and determine whether any changes are necessary to our current advocacy policies, as described in the report; no changes are recommended at this time.


Joshua W. Shaw, Executive Director

Executive Committee
February 24, 2010 Conference Call Meeting

**California Transit Association
Executive Committee
Agenda Item 3(a)**

Transit Funding: Budget, Litigation & Initiative

The Association for several years has been pursuing three main strategies, separately but in parallel, to protect and enhance funding for public transit. They are:

1. Preserve transit funding in the annual State budget process.
2. Resolve satisfactorily the Association's litigation against the State.
3. Begin preliminary exploration of longer-term and stronger options to protect and enhance transit funding, including possibly a statewide initiative measure.

This report brings all three efforts together, as each is under attack by the governor / in the legislature.

What follows is a slightly revised report based on the e-mail I sent the Executive Committee on Sunday, February 21st.

California Transit Association's Position

Last Thursday morning, February 18th (after a lot of soul-searching along the lines of, "Why are they even doing this?!?!"), the Executive Committee determined the following positions, on the proposed "gas tax swap" developed by the legislature (which the Executive Committee understood to be a counter-proposal to the governor's version of the swap), as follows:

1. With respect to the transportation package crafted by legislative leaders -- as a response, we understand, to the governor's original proposal completely eliminating *all* state support for local public transit agencies -- and as regards those elements of the package that are left on the table (i.e. since the legislature refused our request to reject the governor's proposal to eliminate the sales tax on gas), the California Transit Association will only support a package that includes a boost in the rate of sales tax on diesel fuel, to the Assembly's proposed 7.5%; dedication of that sales tax on diesel fuel revenue stream to the Public Transportation Account, for expenditure on a 75% / 25% basis over the long-term on, respectively, the State Transit Assistance program and the remaining historic obligations of the PTA, including the Intercity Passenger Rail program and other state transit expenses; an immediate \$400 million appropriation from the balance in the Public Transportation Account to the State Transit Assistance program; and, dedication of non-Article XIX revenues to the PTA.
2. [*When asked for clarity on our position relative to the elimination of the sales tax on gas...*] The California Transit Association remains opposed to the concept of eliminating the state sales tax on gasoline, which would destroy 40 years of public policy support for a robust state funding contribution to local public transit systems.

The Executive Committee further debated the use of the word “only” in our first position (i.e. “... the California Transit Association will *only* support a package that includes...”). Some concern was expressed about my ability to negotiate the best possible outcome under these restrictions – for instance, what if there were slight variations on these elements, which seemed transit-positive, but were not exactly or “only” those we identified? Ultimately it was decided that the position allowed enough flexibility, when overlaid with our pre-existing policies on transit finance, to provide me the best possible direction. In other words, I am to compare any changes in these “only” elements to our existing policies, to determine if we can also support, or must oppose, the new or changed elements.

The Executive Committee further debated the proposed regional regulatory fee on gasoline, offered by legislators as a way of creating new revenue streams for transit in some regions, so that transit agencies don’t have to rely on an unpredictable state budget process (i.e. if they didn’t think the state would honor its commitment to provide an ongoing transit revenue stream out of the sales tax on diesel fuel, or, if some regions wanted to go above and beyond that state revenue source). The discussion was about whether we ought to insist on this element staying in the package, or, whether supporting it was complicit in / reinforced the legislature’s desire to agree with the governor and eliminate the sales tax on gas in the first place; there was also discussion about whether our view on the subject even mattered. The Executive Committee ultimately determined that we are “neutral” on this element of the package (some agencies were supportive; some were opposed; so, based on our consensus-based decision-making requirements, the Association has no position on the matter).

The Executive Committee also debated whether and how the proposed legislative gas tax swap – if it indeed contained these transit funding elements, and if these indeed were to be signed into law by the governor – would affect our support of the Local Taxpayer, Public Safety and Transportation Protection Act of 2010 (i.e. “the initiative”). The group also discussed the likely actions of our other transportation coalition partners, like the California Alliance for Jobs or the League of California Cities, should the legislative package be enacted. As noted during the meeting, the original Senate version of the legislative counter-proposal promised a certain level of funding for city and county streets & roads, STIP projects, and SHOPP projects, all bigger than what those programs would expect to get from Prop. 42 over time; the Assembly proposal raises the sales tax on diesel for transit, but, to maintain “revenue neutrality” -- so Democrats can enact the whole package with a simple majority vote -- the gas tax increase would have to go down a little bit, proportionate to the amount raised by the sales tax on diesel going up. Thus, the amount originally projected for streets and roads, as well as the STIP and the SHOPP, would have to go down a bit, proportionate to the amount raised by the new sales tax on diesel. Thus, while those programs would get slightly less than they were originally promised, they would still get more than Prop. 42 would have produced (there is a “maintenance of effort” factor ensuring that the gas tax increase grows over time to stay ahead of the pace at which Prop. 42 would have grown).

While acknowledging that the legislative package, if enacted, undermines to some degree the potential value of the Act – by eliminating the sales tax on gas, the legislature would most likely be eliminating the Act’s ability to protect for transit the spillover revenue stream and the transit revenue stream from Proposition 42 – the Executive Committee ultimately determined to remain fully committed as a co-sponsor of the Act.

I believe the Executive Committee maintained this position for at least these reasons:

1. The Act would still protect the sales tax on diesel fuel revenue stream for transit, a not-insubstantial source given the proposal to increase the rate of sales tax on diesel.
2. The Act contains provisions protecting local TDA revenues and local-option sales taxes, parcel taxes, and other locally-enacted revenue already dedicated to transit.
3. The Act contains certain provisions making it theoretically possible that a court would either reinstate the sales tax on gas and protect that source, including for transit, or, failing that, require the new gas tax increase to be spent according to Prop. 42's allocation formula, including transit, and possibly including for transit operations.

The Executive Committee was concerned, however, that our other partners who've so far supported the Act might reduce their political and financial commitment to the Act, because the legislative counter-proposal provides a very attractive revenue stream to their transportation projects and priorities over time.

Subsequent Legislative & Other Developments

Following is an update on the latest developments as we understand them:

1. On the question of whether our position matters to decision makers, relative to the regional regulatory fee on gasoline for transit, I have received two different calls already on just this question, and it came up in another discussion. First, on Thursday evening, the director of the Department of Finance called me to inquire as to our position, stating that in her negotiations with legislative staff and other interest groups, she had received "mixed signals" as to transit's position on the local fee for transit. I reiterated our Association position, as stated above. Then, during a Friday discussion with Assembly Democratic budget staff, who were briefing me on the progress made in getting the Senate to agree to the transit funding elements we supported, the fee was mentioned as "losing traction" and probably "a topic best thought of as coming back for later debate." On Saturday evening, I then received a call from Senate Democratic staff, inquiring specifically as to our position on the regional fee for transit; the context was explained to me that the Senate was the progenitor of the fee, and it was designed explicitly to acknowledge that the legislature was taking steps that most in our organization would view as going back on the state's commitment to transit (i.e. by eliminating the sales tax on gas), so the fee was designed to give those regions who wanted it a chance to put into place their own locally-controlled transit revenue, a potential revenue stream divorced from the vicissitudes of the state budget-setting process. I reiterated our Association position on the fee, as stated above.

My concern is this: At best, it seems like the Assembly and possibly the governor's office do not see a need to fight hard for the local transit fee; at worst, I am afraid the Senate might view transit's lack of support for this element of the package as an excuse to actually diminish the power of the elements for transit proposed by the Assembly – i.e. the Senate might reject the sales tax increase on diesel fuel, and / or lower the \$400 million appropriation to STA, and instead use those funds for some other General Fund purpose. I detect real frustration, by several parties negotiating the final package, that I

am unable to provide a clearer picture for them other than “we are neutral.” Therefore, since the Association is officially neutral on the fee, I encourage all members to communicate directly with their respective legislative delegations, and to the governor’s office, as to their desires relative to the fee: If you don’t like it, you need to make that clear; and if you do like it, you need to make that clear. Let the governor and legislature make their own conclusions, based on the best arguments you can provide them.

2. I met Friday afternoon with California Alliance for Jobs executive director Jim Earp and League of California Cities executive director Chris McKenzie. Jim shared that he had been brought in by legislative leadership subsequent to the Assembly’s unveiling of its “counter” counter-proposal, the one helping transit more, and that he was working hard to make it palatable to his members (i.e. relative to the cuts in the streets & roads and highways programs), and that he thought progress was being made on that front. He acknowledged that he believed Prop. 42 was going to go away at some point in time, and that he and others in the heavy construction industry – private companies and their labor partners – were working to make the legislative counter-proposal as strong as possible for their interests, in lieu of fighting harder for Prop. 42. He also acknowledged that transit funding was being cut severely, and that is why he was working to assimilate the new Assembly proposal (i.e. so that transit wouldn’t lose 100% of its prior state support).

Relative to the Act, all three of us reiterated our commitment to funding the signature gathering phase, to ensure the initiative qualified for the November 2010 ballot. While Jim acknowledged that that the legislative package takes some of the steam out of the sails of an all-out effort to campaign for the measure once qualified, he indicated that his board had made no decision to drop out of funding the campaign – indeed, they are as committed to this phase as they have ever been, and he questioned why they would drop out as partners when / if we qualify the thing. All three of us also acknowledged that it’s hard to imagine a scenario in which the legislature cuts some kind of deal with the League that would diminish the League’s enthusiasm for the Act. Jim pointed out that he still sees the benefits of trying to pass the Act, notwithstanding the potential benefits to some modes of the pending legislative package. All three of us concluded we want to see the exact form and language of the final legislative package sent to the governor, and we intend at that time on obtaining a legal opinion from our legal counsel (Nielsen Merksamer et al.) that provides a more detailed analysis of the interaction between the legislative package and the Act, i.e. hypothesizing what would happen should both be enacted. That will help us all determine our best course of action, relative to turning in signatures in mid-April, and relative to whether and how to campaign for the Act should it qualify.

3. Through Saturday night, all reports are that the Assembly made great progress in bringing the Senate along, to agree to the Assembly’s new version with the stronger transit funding elements that we support.
4. However, there have been changes to the elements, which technically differ from those we support. Specifically, based on concerns expressed by the California Alliance for Jobs (and possibly other groups with a big stake in the streets & roads and highways pots), the Assembly’s proposed 7.5% sales tax rate on diesel fuel – which would start in 2011-12 – has been negotiated down to 6.75% (from its current ~~4.75~~ 5.00%).

The elements as we now understand them look like this [**corrected / updated as of February 23rd – corrections shown as underline or ~~strikethrough~~**]:

- a. Of that new 6.75% sales tax rate on diesel fuel, 0.25% ~~would actually be dedicated over the long term to paying the bond debt service on transit bonds, like the transit component of Proposition 1B~~ would continue going to the General Fund, as it has since the early 1980's.
- b. That leaves an increase of 1.75% for direct transit programs (as well as a continuation of the underlying 4.75% for transit).
- c. This new total of 6.50% for the Public Transportation Account, starting in 2011-12, would generate an additional \$118 million annually to the PTA (to grow or decline over time based on diesel consumption). The full amount of sales tax on diesel at the 6.50% rate would be split 75% to the State Transit Assistance program and 25% to the Intercity Passenger Rail program and other historic “state” obligations of the PTA.
- d. The package will still generate, from the excise tax on gas increase, an increase to streets & roads and highways funding, starting at +\$200 million and growing to +\$450 million over time.
- e. In the period between now and June 30, 2011 (i.e. “current year + budget year”), \$400 million would be appropriated from the PTA balance to the STA program.
- f. For the current year and budget year, a combined amount of \$151 million in non-Article XIX funds will be used to pay the general obligation bond debt costs of transit bonds, providing that amount of General Fund relief.
- g. For 2011-12, the sales tax on diesel fuel, even at the new rate, is *not* enough to generate a \$350 million STA program (given the 75%/25% split), so \$72 million in available non-Article XIX funds from the State Highway Account would be deposited in the PTA, and the sales tax on diesel fuel revenue stream would be supplemented with a \$23 million appropriation from those non-Article XIX funds in the PTA, to generate a \$350 million STA program that year.
- h. Similarly, for 2012-13, another appropriation, of \$12 million from the non-Article XIX funds in the PTA, would be made to get to a \$350 million STA program that year.
- i. Thereafter, the sales tax on diesel fuel, at the new rate, is projected to provide at least a \$350 million STA program annually. For instance, it is currently projected to produce an STA program of \$511 million in 2020-21.
- j. And, beginning in 2011-12, after the small supplemental appropriations are made from the non-Article XIX funds to the STA program, all other non-Article XIX funds in the PTA would be available for appropriations to the Intercity Passenger Rail program and other Caltrans costs. The current projection is that the IPR program and Caltrans costs will receive \$162 million in 2011-12, growing to \$242 million by 2020-21.
- k. Attached is a copy of SB 6 (8x), as amended on the Floor of the Assembly on Monday, February 22nd, to reflect the elements of the “gas tax swap” deal described above, including the new transit funding elements. ~~the draft bill language that just came out in print yesterday, implementing most of the transportation elements of the “gas tax swap.”~~ Many Some of these may still be subject to change, as legislative leaders continue negotiations with the governor, but, while my analysis of the bill is not yet complete, I believe it comports overall with our understanding of the package, as described above.

1. *In the meantime, AB 6 (8x), the bill I originally sent you over the week-end, remains on the Senate Floor; it represents the original version of the legislative counter-proposal, i.e. the version agreed to by the Democratic leaders and many interest groups before the Assembly pushed for the additional transit funding elements.*

Timing

We originally thought the legislative leadership intended to pass the “gas tax swap” to the governor by February 22nd, because the governor on January 8th had invoked a “Proposition 58 special session” (the 8th Extraordinary Session), with a 45-day clock for action. Proposition 58 amended the state constitution to allow the governor to call the legislature into a special session solely to address a defined fiscal crisis, as follows:

“Article IV, Section 10(f) (1) If, following the enactment of the budget bill for the 2004-05 fiscal year or any subsequent fiscal year, the Governor determines that, for that fiscal year, General Fund revenues will decline substantially below the estimate of General Fund revenues upon which the budget bill for that fiscal year, as enacted, was based, or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session for this purpose. The proclamation shall identify the nature of the fiscal emergency and shall be submitted by the Governor to the Legislature, accompanied by proposed legislation to address the fiscal emergency.

(2) If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature may not act on any other bill, nor may the Legislature adjourn for a joint recess, until that bill or those bills have been passed and sent to the Governor.

(3) A bill addressing the fiscal emergency declared pursuant to this section shall contain a statement to that effect.”

While Monday, February 22nd was the 45th day of the 8th Extraordinary Legislative Session and a final “gas tax swap” package was *not* sent to the governor by then, it’s also true that the legislature did *not* adjourn the special session. The legislature *did* send him other bills dealing with the current year budget deficit. Thus, Democratic leaders indicate they believe they met the minimal requirements of Proposition 58 – i.e., to send the governor at least *a* bill addressing the fiscal problem he outlined when he called for the 8th Extraordinary Session – and they further indicate that they continue to work on the “gas tax swap” as part of a package of additional bills they intend on sending him related to the ongoing budget crisis, later in the special session. Any measure passed under a special session goes into effect 90 days after the governor signs it (as opposed to most bills signed into law during a normal session – they usually don’t go into effect until the following January 1st).

For our purposes, the timing of the “gas tax swap” – if all the key transit funding elements are sustained by the governor – seems to mean that the \$400 million in STA appropriations would not flow until at least late May or early June.

Conclusion

Thus, while the package has evolved in a way *not exactly* like that the Executive Committee voted to support, at least in terms of the transit elements, I am very comfortable still characterizing our position as “support” on the transit funding elements. That is because, although the rate of sales tax on diesel fuel is less than that called for by the Executive Committee last Thursday, the resulting package *still* obtains the minimum \$350 million STA program (and growing) that the Executive Committee had been calling for since last December. And, it still contains the \$400 million immediate appropriation for STA, the appropriate level of IPR program funding, and the dedication of non-Article XIX funds to the PTA.

I conclude by pointing out that this package at least holds out the opportunity for *annual STA program appropriations larger than every single past year of the program’s existence* except one (2006-07, when a large General Fund loan was paid back to the PTA); in fact, with a starting base of \$350 million in 2011-12, the STA program is now projected under this package to annually exceed the “average” year’s STA program over the past 10 years by a factor of at least 1.5.

The package also infuses into transit systems an immediate appropriation of \$400 million.

The package also provides a stable and growing baseline funding level for the IPR program.

Agenda Item 4(a)
Transit Lobby Day & Legislative Conference Planning
Summary of Staff Report and Staff Recommendation

Background

The Association for years has been conducting two annual events in Sacramento designed to increase the transit industry's political effectiveness:

1. Transit Lobby Day
2. Spring Legislative Conference

This report discusses the interaction between these two events this particular year, given competing priorities and the possibility of significant preemptive policy and fiscal changes.

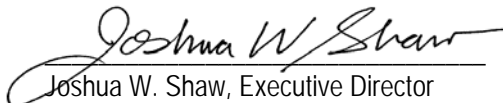
Given the possibility of massive changes to the state transit funding scheme, as discussed in Agenda Item 3(a), and the likelihood that these will take place even before this year's Transit Lobby Day, staff has developed several alternative scenarios for the Executive Committee's consideration.

Summary of Staff Report

The report describes our usual pattern of planning for the two events, describes the challenges we face this year, and provides alternatives for the Executive Committee's consideration.

Executive Director's Recommendation

Determine how to proceed with Transit Lobby Day planning, and, provide preliminary feedback to staff relative to planning for the Spring Legislative Conference.


Joshua W. Shaw, Executive Director

Executive Committee
February 24, 2010 Conference Call Meeting

**California Transit Association
Executive Committee
Agenda Item 4(a)**

Transit Lobby Day and Spring Legislative Conference Planning

The Association for years has been conducting two annual events in Sacramento designed to involve the membership in our advocacy program and to increase the transit industry's political effectiveness:

1. **Transit Lobby Day** – Members of the Association gather in Sacramento, are briefed by staff on our highest priority budget requests and our positions on key legislation, and then sent to the Capitol and put into meetings staff sets up with a wide array of legislators, to lobby for the Association positions. This event usually takes place in March.

The idea is to make an impact early in each legislative session, to set the stage for further development of our key priorities. It is also an opportunity for meeting -- if not a time to “force” some transit representatives to meet -- with their state elected officials, a worthy effort particularly for those members who do not otherwise regularly meet with their state delegations locally. This is why association staff takes the lead in setting up meetings with as many legislators as possible, and groups the participants into effective representational lobbying teams.

Our tradition and theory of effectiveness dictates a different approach depending on the year:

- In March of even-numbered years, just after a new class of legislators was elected to office the previous year, and at the start of the first year of a new biennium (i.e. two-year legislative session), we invite all members of the Association to participate, and we try to set up meetings with all 120 legislators. The idea is interact with the entire legislature early in their work during any given biennium, and to provide general messages about transit.
 - In March of odd-numbered years, the legislature is well into its biennium, and high priority bills have been identified and are well-vetted; thus, we invite only selected members of the Association to participate, and we try to set up meetings with only selected legislators – usually those in leadership positions, and the chairs of the budget committee and subcommittees overseeing transit finance, and the chairs of the transportation committees overseeing transit policy. The idea is interact with the selected legislators most likely to make the most difference on our more narrowly defined priorities, and to do so with our team of most effective transit leaders – usually the Executive and Legislative Committee members.
2. **Spring Legislative Conference** – Members of the Association gather in Sacramento to hear from a variety of legislators, staff, and administration and department officials, in a series of panel presentations, about the latest budget developments and

key legislation affecting transit. Members are encouraged to go to the Capitol and meet with their legislative delegations, to reinforce the Association's position on various issues, but this is not the main focus of the event. The idea is to provide an education opportunity for our membership, and, secondarily, to encourage them to meet with their legislators (association staff will set up such meetings if requested, but we usually are not asked to do so). This event usually takes place in mid-May, just after the governor releases the latest budget proposals for the upcoming fiscal year.

Especially with regard budget negotiations, which usually do not heat up until the release of the so-called "May Revision," this is an opportunity to bring our members back to town and reinforce or alter our messages (as necessary) first delivered earlier in the year during Transit Lobby Day.

Thus, we've consciously over the years tried to position our members to "take two bites at the apple" regarding our advocacy priorities.

Alternative Planning Scenarios for 2010

A lot is happening in the Capitol right now of importance to transit, but, we know a lot is happening for you, locally. We also suspect that it may have been difficult for some of our members to track exactly what's going on in Sacramento with regard to transportation and transit finance this year, at least since the governor's budget came out in early January.

Thus, we are trying to make the best decisions for the use of your time and that of all our other association members, relative to advocacy actions in Sacramento. This section of the report addresses our current plans – and lays out some alternatives – for Transit Lobby Day (March 9th-10th) and the Spring Legislative Conference (May 18th-19th).

Specifically, we are wrestling with the following issues:

- at this time of the year, we normally would have invited all members of the Association to Transit Lobby Day, to meet with as many legislators as possible and deliver our key messages
- and, state transit funding normally would have been a major element of our key messages for the meetings we'd schedule between members and their legislative delegations
- however, the state is most likely going to enact in the next several days a massive change to the state funding scheme for public transit (i.e. the "gas tax swap")
- and, the scheme seems to include the main components supported by our Executive Committee (while still containing other, obviously objectionable elements)
- and, the vote will most likely take place before our Transit Lobby Day
- and, we would also normally identify several high priority pieces of legislation that affect transit agencies, such as bills sponsored by the California Transit Association, and we'd normally feature such bills as major elements of our key messages for the meetings we'd schedule between members and their legislative delegations

- but, the Association is not sponsoring any bills right now, nor are there obvious critical pieces of legislation upon which we've yet adopted positions
- however, we've already, in fact, invited all members of the Association to participate in Transit Lobby Day, and over 60 participants have already registered
- moreover, partnering with the Center for Transportation Excellence (an APTA-funded group), we have scheduled "the California Transit Initiatives Training Workshop," a full-day event on Tuesday, March 9th, bringing together transit advocates, agency representatives, community officials and ballot measure campaign professionals from around the state to discuss the latest information on and techniques for planning and winning effective transportation ballot measures to fund local transit services and projects (including a special afternoon session providing an overview of the Association-sponsored statewide initiative to protect state and local transit funding)
- in fact, more than 20 participants who registered for Transit Lobby Day have also registered to participate in the prior day's California Transit Initiatives Training Workshop
- and, the Executive Committee is currently scheduled to meet in person, in Sacramento, on Tuesday, March 9th, the evening before Transit Lobby Day (after the Transit Initiatives Training Workshop concludes)
- and, some Executive Committee members expressed concern (at the January 12th Executive Committee Retreat) about continuing our practice of holding two Sacramento events every year (they noted last year we canceled the Spring Legislative Conference because the legislature had just enacted a terrible budget for transit)

Based on these interrelated and perhaps competing priorities, we are right now thinking through:

- a) whether to continue our plans to hold a full-blown Transit Lobby Day on March 10th
- b) uncertainty as to whether any members registered for the Initiatives Workshop would cancel their participation in that event if we cancelled the next day's Transit Lobby Day
- c) whether to continue planning for a Spring Legislative Conference in mid-May
- d) how the campaign for the Local Taxpayer, Public Safety and Transportation Act of 2010 relates to these events

Thus, we are seeking your direction on the conclusions we've drawn, including some alternative scenarios, as follows:

1. We must and **will hold** the California Transit Initiatives Training Workshop, on Tuesday, March 9th. (A full day's worth of panelists is set, CTFE has invested resources, and many participants are registered.)

2. There are good reasons to continue **at least a limited form** of Transit Lobby Day, on Wednesday, March 10th. These include:
 - If the “gas tax swap” has *NOT* been enacted by March 10th, we are perfectly positioned to have a group of transit officials and supporters in the Capitol, reminding legislators of our key positions and policy requests relative to transit funding.
 - If the “gas tax swap” *HAS* been enacted by March 10th, there are still reasons to bring **at least a few selected transit representatives** to town, to meet with key legislators or other officials. These include:
 - a. Discussing in person with legislative leadership and their staffs any remaining concerns we have with the transportation funding package, and creating “markers” for our desire to continue the conversation about improving state funding for transit (i.e. “we are still hurting / SB 375 is still out there,” etc.).
 - b. Acknowledging and thanking those legislators personally who worked on our behalf to make the package better for transit, after it became clear that the sales tax on gas was going to be eliminated.
 - c. Working with certain state agencies – like Caltrans and the Treasurer’s Office – on implementing and expediting allocation of Proposition 1B bond proceeds for transit.
3. We worry about inviting the **entire membership** to Sacramento on the heels of recent actions relative to the “gas tax swap,” no matter whether the vote takes place or not by the time of Transit Lobby Day– in any case, it will be very hard to explain to and then control the way the members carry the Executive Committee’s nuanced policy messages to legislators, unless they have been as close to the policy developments as you, the members of the Executive Committee (and Legislative Committee) have been.
4. Having said that, if the package has still not been enacted by the week of March 10th, there may be good reasons to bring everyone to town for a “full-court press” on the Executive Committee’s key transit funding requests.
5. We therefore conclude that we should **keep, but scope down the size and function of, Transit Lobby Day**, much as we do in the odd-numbered years, as follows:
 - wait as long as possible to determine when / if the transportation package gets enacted
 - i. if it IS enacted before March 10th, immediately “de-invite” / de-register most participants
 - ii. only maintain the full participation of all registrants if the package is NOT enacted by the week of March 10th
 - if the package is enacted before March 10th, instead invite / register only a “SWAT team” of key and very knowledgeable transit representatives, consisting of the Executive Committee and Legislative Committee members, as

supplemented by a few key transit systems representing the legislative leadership (i.e. not otherwise on the Executive or Legislative Committees)

- set up meetings for the SWAT team NOT with all 120 legislators, but ONLY with a small group of *key* legislators, staff and other officials
6. And, we also conclude that we should **maintain the Executive Committee's in-person meeting for Tuesday, March 9th** (currently scheduled for 4:00 – 6:00 p.m.). [Note: The initiative campaign team is working on the *possibility* of conducting a training that evening, in the same hotel, for interested private sector citizens who want to become more involved in raising funds for the initiative; I will send more information to private e-mail accounts about this possible activity.]
 7. And, relative to the Spring Legislative Conference, we have not yet locked in hotel or convention center space, because, while we think it's possible we will still want the association membership in town in mid-May, it's also possible that our usual focus at that time – the budget – will have been made moot by the “gas tax swap” actions expected this week. We want to **talk with the Executive Committee in more detail about the Spring Legislative Conference options**, when it next meets in person.