

AMENDED IN ASSEMBLY MAY 30, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 17

Introduced by Assembly Member Holden

December 5, 2016

An act to add *and repeal* Chapter 2 (commencing with Section 99100) ~~to~~ of Part 11 of Division 10 of the Public Utilities Code, relating to ~~transportation~~; *transportation, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 17, as amended, Holden. Transit Pass *Pilot* Program: free or reduced-fare transit passes.

Existing law declares that the fostering, continuance, and development of public transportation systems are a matter of statewide concern. Existing law authorizes the Department of Transportation to administer various programs and allocates moneys for various public transportation purposes.

This bill would create the Transit Pass *Pilot* Program to be administered by the department. ~~The bill would require the Controller of the State of California to allocate moneys made available for the program, upon appropriation by the Legislature, to support transit pass programs that department to provide free or reduced-fare transit passes to specified pupils and students; students by supporting new, or expanding existing, transit pass programs.~~ The bill would require the department to develop guidelines that describe the criteria that eligible transit providers, as defined, are required to use to make available free or reduced-fare transit passes to eligible participants, as defined, and to ensure that moneys from the program are used to expand eligibility or further reduce the cost of a transit pass under existing programs. The

~~bill application process and selection criteria for awarding the moneys made available for the program, and would exempt the development of those guidelines from the Administrative Procedure Act. The bill would require eligible transit providers and eligible participants to enter into agreements for the distribution of free or reduced-fare transit passes to students.~~

~~This bill would require the department to develop performance measures and reporting requirements to evaluate the effectiveness of the program, including an annual update of the number of free or reduced-fare transit passes distributed to pupils and students and whether the program is increasing transit ridership among pupils and students. The bill would set a minimum allocation of \$20,000 for each eligible transit provider and would provide for the distribution and allocation of remaining moneys by formula to eligible transit providers, and would require the department to submit a report to specified committees of the Legislature on or before January 1, 2020, on the outcomes of the program and the status of transit pass programs statewide. The pilot program would be repealed on January 1, 2022.~~

~~This bill would appropriate \$20,000,000 to the department to implement the pilot program.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) ~~California landmark laws and regulations for reducing~~
- 4 ~~greenhouse gases address one of the most important issues of our~~
- 5 ~~time, and dramatically increasing the use of public transportation~~
- 6 ~~is a vital component in reducing greenhouse gas emissions by 80~~
- 7 ~~percent by the year 2050.~~
- 8 (b)
- 9 (a) Student transit pass programs have been shown to increase
- 10 overall transit ridership and fill empty seats on trains and buses,
- 11 resulting in reduced costs per rider and improved service because
- 12 of higher demand.
- 13 (c)
- 14 (b) Targeting student transit pass programs to low-income
- 15 middle school, high school, college, and university students can

1 promote the development of lifelong transit riders and further
2 bolster the capacity and reliability of our transit systems.

3 ~~(d)~~

4 (c) Student transit pass programs in this state and across the
5 country have resulted in significant increases in transit ridership
6 and have made it easier and cheaper for students to get to schools
7 and jobs.

8 ~~(e)~~

9 (d) Student transit pass programs can help the state reduce
10 greenhouse gas emissions, vehicle miles traveled, petroleum use,
11 and air pollution and improve overall community health.

12 ~~(f)~~

13 (e) Student transit pass programs can lower pollution around
14 elementary schools, thereby improving student health.

15 ~~(g)~~

16 (f) Schools are often a major generator of traffic in ~~cities~~ cities,
17 and student transit pass programs can help reduce the traffic and
18 parking problems in neighborhoods around schools.

19 ~~(h)~~

20 (g) Student transit pass programs can reduce the need for
21 colleges to use campus land for expensive parking structures when
22 this land and money could be better used for educational purposes.

23 ~~(i)~~

24 (h) Student transit pass programs have decreased the necessity
25 of, and costs associated with, driving to and from school, thereby
26 reducing the overall cost of school attendance and the parental
27 burdens on working families.

28 ~~(j)~~

29 (i) A University of California, Los Angeles, study of 35 college
30 and university student transit pass programs across the United
31 States in 2001 showed ridership increases of 71 to 200 percent
32 after the implementation of these programs.

33 *SEC. 2. (a) The sum of twenty million dollars (\$20,000,000)*
34 *is hereby appropriated from the Public Transportation Account*
35 *to the Department of Transportation to be expended to implement*
36 *the Transit Pass Pilot Program created in Section 99100 of the*
37 *Public Utilities Code.*

38 *(b) The Department of Transportation shall award those moneys*
39 *to eligible participants, as defined in Section 99101 of the Public*
40 *Utilities Code, to fund pilot testing of transit pass programs.*

1 ~~SEC. 2.~~

2 SEC. 3. Chapter 2 (commencing with Section 99100) is added
3 to Part 11 of Division 10 of the Public Utilities Code, to read:

4
5 CHAPTER 2. TRANSIT PASS *PILOT* PROGRAM
6

7 99100. (a) The Transit Pass *Pilot* Program is hereby created,
8 to be administered by the department.

9 ~~(b) Moneys made available for the program, upon appropriation~~
10 ~~by the Legislature, shall be allocated by the Controller to support~~
11 ~~transit pass programs that~~ *The department shall administer the*
12 *program to provide free or reduced-fare transit passes to any of*
13 *the following:*

14 (1) Pupils attending public middle schools or high schools that
15 are eligible for funding under Title I of the federal ~~No Child Left~~
16 ~~Behind Act of 2001~~ *Elementary and Secondary Education Act of*
17 *1965* (20 U.S.C. Sec. 6301 et seq.).

18 (2) Students attending a California community college who
19 qualify for a waiver of student fees pursuant to subdivision (g) of
20 Section 76300 of the Education Code.

21 (3) A student who attends a campus of the California State
22 University or the University of California and who receives an
23 award under the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant
24 Program established in Chapter 1.7 (commencing with Section
25 69430) of Part 42 of Division 5 of Title 3 of the Education Code,
26 the federal Pell Grant Program established under Title IV of the
27 federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070 et
28 seq.), or both.

29 99101. As used in this chapter, the following terms are defined
30 as follows:

31 ~~(a) "Controller" means the Controller of the State of California.~~

32 ~~(b)~~

33 (a) "Department" means the Department of Transportation.

34 ~~(c)~~

35 (b) "Eligible participant" means a public agency, including, but
36 not limited to, a transit operator, school district, community college
37 district, the California State University, or the University of
38 California.

39 ~~(d) "Eligible transit provider" means a transportation agency;~~
40 ~~transportation planning agency, or county transportation~~

1 commission that is eligible to receive moneys from a state transit
2 assistance fund pursuant to the distribution formula in subdivision
3 (b) or (c) of Section 99312 and Sections 99313 and 99314.

4 (e)

5 (c) “Program” means the Transit Pass *Pilot* Program established
6 *created* pursuant to this chapter.

7 99102. ~~(a) Moneys shall be allocated by the Controller~~
8 ~~consistent with the requirements of this chapter upon a~~
9 ~~determination by the department that the expenditures proposed~~
10 ~~by an eligible transit provider meet both the requirements of this~~
11 ~~chapter and the guidelines developed pursuant to subdivision (c),~~
12 ~~and with the amount of funding requested and that is currently~~
13 ~~available.~~

14 ~~(b) (1)~~

15 99102. (a) Moneys allocated for the program shall be expended
16 to provide ~~low- or no-cost public free or reduced-fare~~ transit passes
17 to pupils and students, as specified in Section 99100, ~~through~~
18 ~~programs that support new by supporting new, or existing~~
19 ~~expanding existing~~, transit pass programs.

20 (2) ~~An eligible transit provider may consider granting priority~~
21 ~~to an application from an eligible participant with an existing,~~
22 ~~successful transit pass program, if the eligible participant can~~
23 ~~demonstrate that the additional moneys will further reduce the cost~~
24 ~~of the transit pass or expand program eligibility.~~

25 (e)

26 (b) (1) The department shall develop guidelines that describe
27 ~~the criteria that eligible transit providers shall use to make available~~
28 ~~free or reduced-fare transit passes to eligible participants. The~~
29 ~~application process and selection criteria for awarding the moneys~~
30 ~~made available for the program.~~

31 (2) ~~The Administrative Procedure Act (Chapter 3.5~~
32 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~
33 ~~2 of the Government Code) shall not apply to the development of~~
34 ~~the guidelines for the program established pursuant to this chapter.~~
35 ~~those guidelines.~~

36 (2)

37 (3) The guidelines shall ensure that moneys from the program
38 are used to expand eligibility or further reduce the cost of a transit
39 pass under existing programs.

40 (3)

1 (c) The department shall develop performance measures and
2 reporting requirements to evaluate the effectiveness of the program,
3 including an annual update of the number of free or reduced-fare
4 transit passes distributed to pupils and students and whether the
5 program is increasing transit ridership among pupils and students.
6 *program.*

7 ~~(d) Eligible transit providers and eligible participants shall enter~~
8 ~~into agreements pursuant to the guidelines developed pursuant to~~
9 ~~subdivision (c) to ensure that free or reduced-fare transit passes~~
10 ~~are distributed to pupils and students.~~

11 *(d) (1) Moneys awarded to an eligible participant shall be*
12 *available for expenditure by the eligible participant for two years*
13 *from the date upon which it receives those moneys.*

14 *(2) The minimum amount the department shall award to a*
15 *selected eligible participant is twenty thousand dollars (\$20,000).*

16 *(3) The maximum amount the department shall award to a*
17 *selected eligible participant is five million dollars (\$5,000,000).*

18 ~~99103. For the purposes of determining an eligible transit~~
19 ~~provider's eligibility for moneys distributed to a transportation~~
20 ~~planning agency pursuant to the distribution formula in~~
21 ~~subdivisions (b) and (c) of Section 99312 and Sections 99313 and~~
22 ~~99314, free or reduced-fare transit passes made available pursuant~~
23 ~~to the program shall be calculated at their full retail value.~~

24 ~~99104. (a) Each eligible transit provider shall receive twenty~~
25 ~~thousand dollars (\$20,000) from the program.~~

26 ~~(b) After the initial twenty-thousand-dollar (\$20,000) amount~~
27 ~~is allocated, the remaining program moneys shall be allocated to~~
28 ~~eligible transit providers pursuant to the distribution formula in~~
29 ~~subdivisions (b) and (c) of Section 99312 and Sections 99313 and~~
30 ~~99314.~~

31 ~~(c) Any moneys allocated during a fiscal year not distributed~~
32 ~~pursuant to subdivisions (a) or (b) shall be added to the allocation~~
33 ~~for the following fiscal year to be distributed pursuant to this~~
34 ~~section.~~

35 *99103. (a) On or before January 1, 2020, the department shall*
36 *submit a report on the outcomes of the program and the status of*
37 *transit pass programs statewide to the fiscal and policy committees*
38 *of the Legislature that oversee transportation programs.*

39 *(b) The report shall include, but not be limited to, all of the*
40 *following:*

1 (1) *The number of free or reduced-fare transit passes provided*
2 *to pupils and students.*

3 (2) *Whether, over the lifetime of the program, the program*
4 *increased transit ridership among pupils and students.*

5 (3) *An assessment of how many transit operators and schools*
6 *statewide have a transit pass program.*

7 (4) *An assessment of how many transit operators and schools*
8 *statewide do not have a transit pass program.*

9 (5) *Recommendations to expand transit pass programs to ensure*
10 *that all eligible pupils and students statewide have access to a*
11 *transit pass program.*

12 (c) *The report required to be submitted pursuant to subdivision*
13 *(a) shall be submitted in compliance with Section 9795 of the*
14 *Government Code.*

15 99105. *This chapter shall remain in effect only until January*
16 *1, 2022, and as of that date is repealed.*