



October 13, 2021

TO: Board Members, Madera County Transportation Commission  
FROM: Gus Khouri, President  
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**RE: STATE LEGISLATIVE UPDATE – OCTOBER**

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**GENERAL UPDATE**

The Legislature adjourned the first year of the 2021-22 Session on September 10. Governor Newsom had until October 10 to act on bills sent to him in the final weeks of the session. Majority vote bills go into effect January 1, 2022, urgency items become effective immediately upon enactment. Below is a summary of legislation of potential interest to MCTC that have been signed by the Governor:

AB 14 (Aguiar-Curry) authorizes the Public Utilities Commission to impose the surcharge to fund the California Advanced Services Fund, capped at \$100 million annually, until December 31, 2032, instead of through 2022. The purpose of the bill is to provide broadband access to no less than 98% of all Californians, which provides an opportunity for constituents to telecommute.

AB 43 (Friedman) allows for the recalibration of speed limits of order to eliminate fatalities for motorists, bicyclists, and pedestrians. This bill has been signed by the Governor.

AB 361 (Rivas) provides an exemption from the Ralph M. Brown Act's meeting requirements to allow local jurisdictions to meet virtually during emergencies, provided the legislative body makes certain determinations by majority vote, publishes proper notice, and provides opportunity for public comment. The exemption is allowed for a 30-day period and must be renewed by the local agency for the duration of the state of emergency to allow virtual meetings to continue.

AB 1499 (Daly), which would extend the sunset date, from January 1, 2024, to January 1, 2034, for the ability to utilize the design-build project delivery system for up to 10 projects on the state highway system has been signed by the Governor. The bill is sponsored by the Self-Help Counties Coalition.

SB 4 (Gonzalez) requires the Governor's Office of Business and Economic Development ("GO-Biz") to coordinate with state and local agencies and national organizations to explore ways to facilitate streamlining of local land use approvals and construction permit processes for projects related to broadband infrastructure deployment and connectivity. This is a companion bill to AB 14.

SB 339 (Wiener), which extends the ability of Road User Charge Technical Advisory Committee to continue meeting from January 1, 2023, to January 1, 2027, has been signed by the Governor. The California Transportation Commission requested the extension to allow for another pilot program to be conducted, this time with actual fee collection, rather than vehicle miles traveled monitoring.

### **FY 2021-22 State Budget Summary**

On July 12, the Governor signed [SB 129 \(Skinner\)](#), a “Budget Bill Jr.” that amends the main budget bill, [AB 128 \(Ting\)](#), signed by Governor Newsom on June 28.

As reported last month, SB 129 also contains significant investments in transportation, including \$2.7 billion in funding for zero-emission vehicles and infrastructure and \$2.6 billion for statewide Transit and Intercity Rail Capital Program (TIRCP) funding, funding for the 2028 LA Olympics, and funding for grade separations statewide.

Notably, SB 129 did not include the Governor’s proposed \$4.2 billion investment in the California high-speed rail project, which is still the subject of ongoing negotiations between Legislative Leaders and Governor Newsom. Given that the legislature and Governor were unable to come to an agreement on exhausting the \$4.2 billion appropriation of Proposition 1A funds for high-speed rail, General Fund money proposed for the Transit and Intercity Rail Capital Program (TIRCP) (\$2.6 billion), Active Transportation Program (\$500 million), and State and Local Climate Adaption (\$400 million), are no longer available. Conversations are expected to be renewed in January with the release of the 2022-23 State Budget.

Governor Newsom vetoed AB 604 (Daly), which proposes to dedicate one-time interest money, between 2012 and 2028 (a total of \$1.1 billion), derived from investments made by Road Maintenance and Rehabilitation Account into the Pooled Money Investment Account for the State Highway Operations and Protection Program (SHOPP) to address highway maintenance. The SHOPP however received \$968 million in federal funding and Caltrans carried over a balance of unused capacity. The interest money was something Khouri Consulting suggested to be included in consideration of consummating a deal on the transportation package, particularly for active transportation highway congestion management, and transit fixed guideway infrastructure. Governor Newsom concurred in his veto message by referencing an opportunity to use the interest funds in prospective discussions next January on a transportation package.

### **Governor’s Climate Action Plan for Transportation Infrastructure**

On July 12, the California State Transportation Agency announced its adoption of the Governor’s Climate Action Plan for Transportation Infrastructure (CAPTI). The purpose of the plan is to implement Governor Newsom’s Executive Order, N-19-19. That Executive Order aims to reduce greenhouse gas emissions and vehicle miles traveled through limiting capacity projects along the state highway system, discouraging the use of single-occupant, gas-powered vehicles, while encouraging mode shift through accelerated investments into public transportation, bicycle and pedestrian programs, and electric vehicle infrastructure.

CAPTI encourages investments in improvements for disadvantaged communities, safety improvements that reduce fatalities on roadways and transit systems, projects that respond to climate risk for transportation infrastructure projects, projects that reduce vehicle miles traveled reduction, and investments into passenger rail prioritized over highways, particularly capacity projects. Impacted funding programs include the Highway Safety Improvement Program, State Transportation

Improvement Program, Local Partnership Program, Solutions for Congested Corridors Program, State Highway Operations and Protection Program, Trade Corridor Enhancement Program, and TIRCP.

CAPTI policy could require MCTC to reassess its ability to leverage Measure T funds against state grant investments. The policy could also preclude MCTC from making investments on the state highway system. While MCTC, through the San Joaquin Valley Policy Council's (SJVPC) adopted S2021 State Legislative Platform, is supportive of many of these objectives, it may be problematic for many small urban/rural areas to refrain from making highway capacity project improvements, particularly where reductions in vehicle miles traveled may not be possible due to the lack of rail infrastructure, frequency of service, density to support those systems, or the inability of certain populations, such as farmworkers or labor to pragmatically utilize the service. This results in a need to plan, fund, and deliver projects that may increase passenger vehicle travel that addresses safety, congestion, and freight movement, particularly along lifeline routes, such as Highway 99 or freight corridors such as SR 41 and 152. Many regions (Central Coast, Inland Empire, San Joaquin Valley, and Super North – the 16 counties north of Sacramento, which is at least 31 counties) are asking the state to consider geographic areas where capacity expansion is necessary to address climate adaptation and resiliency or completing gap closures on evacuation or parallel routes, and east-west connectors, in case of natural disasters or other climate events.

Despite not having the population density of the Bay Area or Los Angeles, MCTC (also through the SJVPC), has historically advocated for the creation of programs to support multi-modal options such as rail (TIRCP and the State Rail Assistance Program), bike and pedestrian projects, and additional bus service. It is expensive however to build and operate a transit system and may not always serve as a pragmatic or efficient solution for a constituency's daily mobility needs. Pre-pandemic, ridership levels declined in 31 metropolitan areas nationally. The widespread impact of the COVID-19 has exacerbated this predicament due to the shelter in place order and social distancing protocols. Choice riders often utilize transportation network companies, leaving society's most vulnerable, such as seniors, school kids, those on a fixed income and the physically challenged, to cover the cost of operating expenses. Therefore, maintaining flexibility to balance mobility needs on highways and public transportation systems may be most beneficial to MCTC.

The focus on vehicle miles traveled may not provide the most constructive metric to address air quality concerns. In 2017, SJVPC advocated for utilizing the vehicle registration fee as a carbon-neutral, prospective state funding source to address congestion and mobility. A full conversion from the gas tax should be considered. The SJVPC's adopted 2021 State Legislative Platform articulates several solutions to consider that are designed to improve air quality, reduce congestion, and provide greater mobility options. Suggested strategies include operational investments such as the increase of broadband access to encourage telecommuting, ability of transit agencies to utilize vanpools and high-occupancy vehicle lanes to provide more frequent and cost-effective service, shipment of more freight via rail to ease congestion and enhance safety, creation of greater incentives for businesses to expand or relocate to help reduce vehicle miles traveled, and accelerating the installation of zero-emission charging stations and providing incentives for zero-emission vehicle purchases. The investments provide the most pragmatic approach for the region to reduce its carbon footprint.

### **SB 1 Cycle 3 Competitive Programs**

SB 1 Cycle 3 guidelines will be discussed later this Fall through December with guideline adoption and the calls for projects in the various programs occurring in summer of 2022, and applications being due summer of 2023.

### Active Transportation Program (ATP)

The ATP was created in 2013 to consolidate five programs (Transportation Alternatives Program, Safe Routes to School Program, Bicycle Transportation Account Program, Recreational Trails Program, and Environmental Enhancement and Mitigation Program) to better leverage resources to provide multi-modal options. The CTC awarded \$450 million this March for Cycle 5.

### Solutions for Congested Corridors Program (SCCP)

The SCCP provides funding to achieve a balanced set of transportation, environmental, and community access improvements to reduce congestion throughout the state. The program makes \$250 million available annually (programmed in 2-year increments) for projects that implement specific transportation performance improvements.

### Local Partnership Program (LPP)

The LPP is intended to provide local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees with a continuous appropriation of \$200 million annually from the Road Maintenance and Rehabilitation Account to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects. The Competitive program is funded at \$100 million annually.

### Trade Corridor Enhancement Program (TCEP)

The TCEP provides funding for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network as identified in California Freight Mobility Plan, and along other corridors that have a high volume of freight movement. There is approximately \$300 million provided per year (programmed in 2-year increments) for the competitive program.

### **Draft TIRCP Guidelines Released**

On August 9, the California State Transportation Agency (CalSTA) released the Transit and Intercity Rail Capital Program's (TIRCP) Cycle 5 discussion draft guidelines. CalSTA kicked off the TIRCP guideline development process for the 2022 cycle with a workshop on August 12, 2021. The current focus is on updating the program to reflect the resources currently available through the budget, which includes approximately \$600 million of new funding for projects statewide through Fiscal Year 2026-27. Awards are expected to be announced next April.