



June 13, 2024

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

General Outlook

The legislature is contemplating legislation in policy committees in the second house (Assembly bills in the Senate, Senate bills in the Assembly). These bills must progress to the respective Appropriations Committee by July 3. Bills heading to the Appropriations Committee must progress to the Floor by August 16. The 2024 Calendar states that August 31 will be the final day of the 2023-24 Legislative Session. Governor Newsom will have until September 30 to sign or veto legislation. The Big Three - Governor Newsom, Senate President pro-Tempore Mike McGuire, and Assembly Speaker Robert Rivas are finalizing negotiations on the FY 2024-25 State Budget, which must be enacted by the legislature on June 15 and signed by the Governor by June 30.

Bills of Interest

AB 6 (Friedman), as amended on May 30, this bill would strengthen the authority of the California Air Resources Board (CARB) over Sustainable Communities Strategies (SCS) submitted by metropolitan planning organizations (MPO), such as the Madera County Transportation Commission (MCTC), by allowing CARB to reject an SCS if it determines that the SCS is unlikely to be implemented. The bill also removes the 2050 sunset on updating regional greenhouse gas emission targets, allows CARB to dismiss projects that have environmental clearance if CARB does not want it included in an SCS, and requires wildlife crossings to be considered in an SCS. **Status:** Senate Transportation Committee. The author withdrew the bill from a hearing on June 11, but it is still eligible to be heard through July 3. MCTC has an oppose position.

State Budget Update – Transportation Impacts

On May 10, Governor Newsom released his May Revision to the proposed FY 2024-25. The following is a summary of programs of interest to MCTC and their status.

- **Transit Intercity Rail Capital Formulaic Program**—A delay, from FY 24-25 to 25-26, of \$1.3 billion of formulaic Transit and Intercity Rail Capital Program funds provided in SB 125, leaving \$1 billion for this program in FY 24-25. Additionally, the Budget proposes to shift \$261.4 million

of the remaining \$1 billion in FY 24-25 from the General Fund to the GGRF. This fund shift will have no programmatic impact. **Legislative Leadership Action:** The Assembly Speaker and Senate President pro-Tempore agreed with the Governor’s proposal to hold the program harmless.

- **Transit Capital and Intercity Rail Capital Program** – A reduction of \$148 million in unused funds from Cycle 6, which is from the \$1.8315 billion balance dedicated to projects in Southern California, including the counties of Orange, Imperial, Los Angeles, Riverside, San Bernardino, San Diego, and Ventura. **Legislative Leadership Action:** The Assembly Speaker and Senate President pro-Tempore rejected the cut to the program harmless.
- **Regional Early Action Planning Grants** – In January, Governor Newsom proposed a reversion of a \$300 million General Fund for REAP 2.0. This is a flexible program that accelerates progress toward our state housing goals and climate commitments through a strengthened partnership between the state, its regions, and local entities. REAP 2.0 is administered by the California Department of Housing and Community Development (HCD) in collaboration with the Governor’s Office of Planning and Research (OPR), the Strategic Growth Council (SGC), and the California Air Resources Board (CARB). Through this program, approximately \$510 million flows directly to Metropolitan Planning Organizations (MPOs); \$30 million is set aside for eligible entities in smaller counties in non-MPO regions and for tribal entities; and \$30 million is set aside for the Higher Impact Transformative allocation for all eligible entities (i.e., city, county, transit agency, tribal entity, etc.). **Leadership Action:** The Assembly Speaker and Senate President pro-Tempore rejected \$250 million of the \$300 million in cuts to help save the program. Monitoring to ensure no line-item veto potential.