

SBCAG STAFF REPORT

SUBJECT: State Legislative Platform

MEETING DATE: February 17, 2022

AGENDA ITEM: 7

STAFF CONTACT: Lauren Bianchi Klemann

RECOMMENDATION:

- A. Receive a report from SBCAG’s state lobbyist Gus Khouri of Khouri Consulting.
- B. Approve SBCAG’s State Legislative Platform for 2022.
- C. Appoint an SBCAG Board delegate to participate in Central Coast Coalition Sacramento advocacy activities.

DISCUSSION:

SBCAG’s legislative program guides strategies to maximize funding and public policy opportunities for high priority transportation projects in Santa Barbara County and to protect the agency’s interests and the communities it serves. The program is consistent with the Board’s Measure A Strategic Plan goal to aggressively pursue outside matching funds to complete Measure A project commitments and meet the region’s transportation needs.

SBCAG works with a state lobbyist, Gus Khouri of Khouri Consulting to develop an annual state legislative platform in order to effectively convey the Board’s position on state priorities to legislative representatives and state agencies in Sacramento. Today, Gus Khouri will present SBCAG’s draft 2022 state legislative platform for the Board’s consideration, review 2021 accomplishments, and discuss what to expect in 2022.

SBCAG Board of Directors approval of the 2022 state legislative agenda will authorize staff, Board members, and its lobbyist to continue efforts to advocate for the agency’s interests in Sacramento. Attached to this staff report is the proposed draft of the state 2022 legislative platform in two formats, a *redline* version that visually shows changes from the previously adopted version and a *clean copy* that is easier to read without the marked-up changes.

The draft 2022 state platform advances efforts from 2021 and directs attention to maximizing access to new funding sources. It also seeks to advocate for improvements to existing and developing programs. In particular, the 2022 platform is responsive to the dynamics of implementing the new Federal Bipartisan Infrastructure Law in California, opportunities to influence the next cycle of Senate Bill 1, the Road Repair and Accountability Act of 2017, competitive programs and to seek opportunities to modify and allow for the flexibility to conduct public meetings remotely. As a priority issue for SBCAG in 2022, the platform added collaboration with regional partners on the topic of broadband.

The platform identifies high priority topics with goals and strategies to address six issue areas:

- 1. Acquire State Funding for SBCAG’s Priority Projects
- 2. Leverage Regional Partnerships

3. Enhance Transit Service
4. Expand Passenger Rail Service
5. Addressing Mobility and Meeting State Climate Change Mandates
6. Modernize the Ralph M. Brown Act

Central Coast Coalition Lobby Day

SBCAG works with Gus Khouri, our state legislative lobbyist, on a Central Coast Coalition virtual Sacramento advocacy day to provide an opportunity for the appointed SBCAG Board member(s) to meet with our state legislative delegation and transportation agency officials on the Board's legislative priorities. 2022 will be the twelfth annual Central Coast Coalition Sacramento advocacy day and is being scheduled to take place virtually in March 2022. SBCAG Staff recommends the Board appoint a delegate(s) to participate in Central Coast Coalition Sacramento Advocacy Day activities. Notably, the Central Coast Coalition is surveying Board delegate availability to participate in a virtual advocacy day on Friday, March 11 or Wednesday, March 30.

The above recommended actions are not a "Project" under the California Environmental Quality (CEQA) Act under CEQA Guidelines section 15378.

COMMITTEE REVIEW:

The Transportation Technical Advisory Committee discussed the state legislative platform at the February 3, 2022, meeting and requested additional language to support enhancement of roadway safety and prevention of fatalities for drivers, bicyclists, and pedestrians. Additionally, as the state adopts new policies for multimodal facilities, member agencies discussed interest to influence funding programs and public policy on building, operating, and maintaining these systems. The requested additional items have been added to the 2022 platform.

ATTACHMENTS:

- A. DRAFT 2022 State Legislative Platform (redline copy)*
- B. DRAFT 2022 State Legislative Platform (clean copy)
- C. 2022 State Legislative Update from Gus Khouri of Khouri Consulting.

**Redline reflects the 2022 changes from the adopted 2021 legislative platform*

[DRAFT] SBCAG 2024 State Legislative Platform

Issue	Goal	Strategy
<p>1. Acquire State Funding for SBCAG’s Priority Projects</p>	<p>Aggressively pursue funds through the State Budget, California Transportation Commission allocation process or any other state sources.</p>	<p>SBCAG will remain diligent in competing for <u>Senate Bill 1 (SB1) competitive programs and any</u> additional state funds, including <u>California’s share of any COVID-stimulus-relief federal funds that needs to be implemented</u>, for countywide priorities, with an emphasis on completing the <u>Santa Barbara</u> U.S. 101 Multimodal Corridor project.</p> <p>SBCAG will support efforts to increase the appropriation authority/ programming capacity for the Senate Bill 1 (SB1) competitive programs in order to enhance the prospects of an award to complete the <u>Santa Barbara</u> U.S. 101 Multimodal Corridor project.</p> <p>SBCAG will also continue to pursue revenue <u>and influence policy on made available through the Cap and Trade, and State Highway Operation and Protection, Active Transportation and other p</u>Programs to build, operation and maintain the multimodal network, for operations and capital needs for bus, rail and bicycle and pedestrian programs.</p> <p>In 2017, the legislature enacted SB 1 (Beall), Chapter 5, statutes of 2017, which provides \$5.2 billion in annual revenues to fund traffic congestion relief, highway rehabilitation and safety, local streets and roads repair, and multi-modal options through investments into public transportation, commuter and intercity rail, and bicycle and pedestrian programs. In 2018, SBCAG was successful in acquiring over \$431 million for the <u>Santa Barbara U.S.</u> 101 Multimodal Corridor project from Carpinteria through Montecito and capital needed for the retiming of LOSSAN to provide peak hour service through Goleta. The California Transportation Commission will <u>adopt guidelines in the Summerthe Fall of 2022, with applications being due in the Winter, commence workshops in 2024 for the next cycle (SB 1 Cycle 3) of</u> competitive programs. <u>An allocation vote is The CTC is expected to be approve Cycle 3 awardseconsidered</u> in Summer of 2023.</p> <p><u>Additionally, the State General Fund is projected to have a \$45.7 billion surplus for FY 22-23. There is also a \$4.5 billion carryover of resources (\$3.4B General</u></p>

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		<p>Fund and \$1.1B interest earnings on transportation account investments) from FY 21-22.</p> <p>On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act of 2021 (IIJA P.L. 117-58), also known as the Bipartisan Infrastructure Law, which provides \$1.2 trillion in investments through 2026 for federal-aid highways, transit, highway safety, among other items. California is estimated to receive a guaranteed formulaic distribution of \$40 billion over the next five years as follows: \$25.3 billion for federal-aid highways (60/40 split between state and local agencies); \$9.45 billion to improve public transportation; \$4.2 billion for bridge repair and seismic retrofits; and \$384 million for expanding the electric vehicle charging network. Legislation will be introduced to distribute funding.</p>
<p>2. Leverage Regional Partnerships</p>	<p>Coordinate with Central Coast Coalition (CCC) to raise awareness of the U.S. Highway 101 Corridor and highlight its' importance as a transportation facility of state and national significance.</p>	<p>SBCAG will coordinate with the CCC to ensure that efforts to reduce greenhouse gas emission account for opportunities and limitations along the Central Coast.</p> <p>SBCAG will collaborate with the CCC and regional partners to pursue funding to improve safety and goods movement conditions on Highway U.S. 101.</p> <p>SBCAG will work with the CCC and other regional partners to seek candidates for appointment of a Central Coast representative to serve on the California Transportation Commission when the opportunity presents itself.</p> <p>Educate our delegation and funding partners, such as the California State Transportation Agency, California Transportation Commission, Caltrans, and the Newsom Administration, about the Santa Barbara U.S. Highway 101 Multimodal Corridor project gap closure, the funding plan, schedule, and attributes that make it a highway of statewide/national significance, as previously recognized by the Brown Administration in letters submitted to the Trump Administration. Work with other regional agencies on the Central Coast (Monterey, San Benito, San Luis Obispo, and Santa Cruz) and Caltrans to raise awareness of the importance of U.S. Highway 101 and its need for</p>

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		<p>improvements as one of the two north-south interregional corridors in the state and the vital role it plays in goods movement in addition to regional connectivity to major metropolitan areas.</p>
<p>3. Enhance Transit Service</p>	<p>Support potential changes to the Transportation Development Act to assist Santa Barbara County local public transit agencies with funding eligibility.</p>	<p>SBCAG will support legislation that creates flexibility within the Transportation Development Act to allow public transportation systems access to locally generated revenues to maintain existing service, <u>particularly with ridership challenges resulting from the persistence of the COVID-19 pandemic and shift to working from home for many.</u></p> <p>The Transportation Development Act dedicates a statewide ¼-cent sales tax for each county for local transportation purposes. That 1/4 cent sales tax, known as the Local Transportation Fund, generates over \$1.7 billion annually, primarily for public transit. Some operators statewide have had difficulty in meeting the farebox recovery ratio requirements (20% for urban operators) that are necessary in order to qualify to use funds for operational purposes. AB 149 (Committee on Budget), Chapter 81, Statutes of 2021, provides statutory relief in meeting farebox recovery requirements for receiving State Transit Assistance (STA), Low Carbon Transit Operations Program (LCTOP), and State of Good Repair funds, through fiscal year 22-23. It suspends Transportation Development Act (TDA) and STA penalties for this duration. The bill also adds a list of new exemptions from the farebox recovery calculation, including on-demand service and micro transit service beyond fixed-route service, costs for security, ticketing services, pensions, planning for improvements in transit operations, integration with other operators and agencies, transitioning to zero-emission operations, and for compliance with state and federal mandates. AB 90, Chapter 17, Statutes of 2020, provides farebox recovery relief through FY 21-22, resulting in continued access to various transit funding programs.</p>
<p>4. Expand Passenger Rail Service</p>	<p>Expand availability of passenger rail peak hour commute service connecting Ventura and Santa Barbara counties.</p>	<p>SBCAG will continue to work diligently on increasing Pacific Surfliner service to not only offset the impacts of the U.S. 101 Multimodal Corridor project, but to also reduce greenhouse gas emissions, and expand mobility options in order to alleviate congestion within the region.</p>

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	<p>Maintain and increase funding for intercity passenger rail in the LOSSAN North Corridor. Pursue funding opportunities made available through the California State Transportation Agency to create Coast rail service connecting the Los Angeles Basin to the Bay Area.</p>	<p>SBCAG will advocate for programs (State Rail Assistance and Transit Capital and Intercity Rail Program or other sources) to increase active transportation and passenger rail service along the Central Coast, including <u>UPRR undercrossing improvements at Cabrillo and Los Patos in the City of Santa Barbara and</u> -innovative projects such as a new state-supported passenger rail service on the Coast Route, maximizing existing right of way through high-occupancy lanes or use of shoulders for managed lanes, and increased rail and transit service. This includes closing the 154-mile gap between Gilroy and San Luis Obispo to provide Coast rail service.</p> <p><u>SBCAG will Support mechanisms and funding providing for the implementation of the LOSSAN rail corridor wide Strategic Implementation Plan, California State Rail Plan, and other rail improvement plans.</u></p> <p>Work cooperatively with the California State Transportation Agency, Caltrans Division of Rail, Amtrak, CTC, LOSSAN, Metrolink, and Union Pacific Railroad to expand passenger rail service to accommodate Ventura County to south Santa Barbara County commuter schedules.</p>
<p>5. Addressing Mobility and Meeting State Climate Change Mandates</p>	<p>Monitor activities on conversations regarding the jobs-housing imbalance and the impact on vehicle miles traveled.</p> <p>Support state funding to expand infrastructure and incentives for conversion to electric vehicles to reduce greenhouse gas emissions.</p> <p>Ensure predictability and stability of transportation revenue should conversion occur due to lack of</p>	<p>SBCAG supports a revenue-neutral conversion to a source that ensures equity in revenue collection that does not disadvantage those that must drive further to job centers. Distribution should respect the vital role the Central Coast plays in maintaining system integrity and providing mobility options.</p> <p>SBCAG will support efforts to secure resources, such as bonds or budget appropriations, to expand electric vehicle charging infrastructure and incentives to purchase or lease electric vehicles, <u>including transit buses</u>. An evaluation of the impact of increased usage of electricity, electric power storage capacity, and safety protocols should be considered.</p> <p>SBCAG will work with the California Association of Councils of Governments to develop additional revenue sources at the state, regional</p>

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	<p>reliance on petroleum consumption to address greenhouse gas emission reduction.</p>	<p>and local level to support the planning required by SB 375, including the promotion of incentivizing businesses to locate or expand in the region and making transit-oriented development more viable, where feasible. <u>This includes supporting legislation and administrative action that focuses on the enhancement of roadway safety and prevention of fatalities for drivers, bicyclists, and pedestrians.</u></p> <p>SBCAG will also work with organizations such as the California League of Cities, California State Association of Counties, Central Coast Coalition, and Self-Help Counties Coalition, among others, to pursue funding from Cap-and-Trade revenues or other means to help comply with the statewide mandate to reduce greenhouse gas emissions. This includes supporting operational improvements such as telecommuting, transit, vanpools, shipping more freight via rail, pursuing innovative technology projects to accelerate the replacement of rail and transit diesel engines to zero emission propulsion systems, and promoting opportunities for regions to sell mitigation credits to generate revenue for providing multi-modal options.</p> <p><u>SBCAG will work diligently with local jurisdictions to seek funding opportunities to improve availability, accessibility, competition, and reliability of high-speed broadband internet services and the development and implementation of those expansion efforts. SBCAG is particularly interested in services provided to unserved or underserved households, or businesses at speeds sufficient to enable users to generally meet their needs, including simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household and business demands for bandwidth.</u></p> <p>Per AB 179 of 2017, the California Transportation Commission and California Air Resources Board are required to convene twice a year to coordinate transportation, housing, and air quality policies, with a focus on reducing vehicle miles traveled and greenhouse gas emissions. In 2020, the California Department of Housing and Community Development was added. Concurrently, the legislature continues to work on providing resources to develop additional affordable housing and assess job creation opportunities to help mitigate</p>

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		<p>vehicle miles traveled. On September 20, 2019, Governor Newsom issued Executive Order, N-19-19, directing the California State Transportation Agency to leverage \$5 billion in state funding to encourage mode shift with an emphasis on reducing greenhouse gases and vehicles miles traveled. Regional transportation planning agencies face greater challenges in addressing mobility and congestion management while accounting for local land use planning and complying with state mandates to reduce greenhouse gas emissions and vehicle miles traveled. Given the unique geography of Santa Barbara County and the travel patterns associated with the jobs-housing nexus, and infusion of tourism traffic, reducing vehicle miles traveled is challenging. The prospects for reducing greenhouse gas emissions however could be realized through investments made to improve the availability of charging station infrastructure and providing incentives for converting from gas-powered to electric passenger vehicles, where feasible, along the state highway system. On September 23, 2020, Governor Newsom issued Executive Order N-79-20, which prohibits the sale of gasoline-powered passenger vehicles by 2035, promotes zero-emission vehicles for future mobility needs. Given that transportation is predominantly funded through the gas tax, a successor funding mechanism will be needed. The California State Transportation Agency intends to implement these objectives into all state funding programs by late 2022.</p> <p>In 2021, the legislature approved \$6 billion in the FY 20-21 State Budget for broadband investments. Governor Newsom also signed AB 14 (Aguiar-Curry), Chapter 658, Statutes of 2021, and SB 4 (Gonzalez), Chapter 671, Statutes of 2021. Both bills respectively create a \$100 million annual pot administered by the California Public Utilities Commission, and allow for greater permitting by local jurisdictions, with the goal of providing broadband access with a minimum speed of 100 mbps to 98 percent of Californians.</p> <p>The proposed FY 22-23 contains a combined \$10 billion over the next six years for zero-emission vehicle rebates, particularly for low-income consumers, school and transit buses, and charging stations.</p>
6. Modernize the Ralph M. Brown Act	Monitor efforts to modernize the Ralph M. Brown Act responsive to increased interest in flexibility	SBCAG will work with organizations such as the California League of Cities, California State Association of Counties, Central Coast Coalition, and Self-Help Counties Coalition, among others, to pursue legislation to

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	<p>for participation in public meetings by elected officials and how telecommuting may continue following the COVID-19 pandemic for remote public engagement on programs and projects.</p>	<p>allow <u>modify AB 361 (Rivas), Chapter 165, Statutes of 2021, which allows the use of remote access to public meetings without requiring noticing of all remote Board or committee member locations, provided the public can participate via remote access software or in-person. <u>The intent of amending statute is to allow for flexibility to continue meeting remotely through the duration of a declared state of emergency, rather than renewing the ability to meet virtually every 30 days, as is currently required.</u></u></p>

[DRAFT] SBCAG 2022 State Legislative Platform

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<p>1. Acquire State Funding for SBCAG’s Priority Projects</p>	<p>Aggressively pursue funds through the State Budget, California Transportation Commission allocation process or any other state sources.</p>	<p>SBCAG will remain diligent in competing for Senate Bill 1 (SB1) competitive programs and any additional state funds, including California’s share of federal funds that needs to be implemented, for countywide priorities, with an emphasis on completing the Santa Barbara U.S. 101 Multimodal Corridor project.</p> <p>SBCAG will support efforts to increase the appropriation authority/ programming capacity for the Senate Bill 1 (SB1) competitive programs to enhance the prospects of an award to complete the Santa Barbara U.S. 101 Multimodal Corridor project.</p> <p>SBCAG will also continue to pursue revenue and influence policy on the Cap and Trade, State Highway Operation and Protection, Active Transportation and other programs to build, operate and maintain the multimodal network.</p> <p>In 2017, the legislature enacted SB 1 (Beall), Chapter 5, statutes of 2017, which provides \$5.2 billion in annual revenues to fund traffic congestion relief, highway rehabilitation and safety, local streets and roads repair, and multi-modal options through investments into public transportation, commuter and intercity rail, and bicycle and pedestrian programs. In 2018, SBCAG was successful in acquiring over \$431 million for the Santa Barbara U.S. 101 Multimodal Corridor project from Carpinteria through Montecito and capital needed for the retiming of LOSSAN to provide peak hour service through Goleta. The California Transportation Commission will adopt guidelines in the Summer of 2022, with applications being due in the Winter, for the next cycle (SB 1 Cycle 3) of competitive programs. The CTC is expected to approve Cycle 3 awards in Summer of 2023.</p> <p>Additionally, the State General Fund is projected to have a \$45.7 billion surplus for FY 22-23. There is also a \$4.5 billion carryover of resources (\$3.4B General Fund and \$1.1B interest earnings on transportation account investments) from FY 21-22.</p>

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<p>2. Leverage Regional Partnerships</p>	<p>Coordinate with Central Coast Coalition (CCC) to raise awareness of the U.S. 101 Corridor and highlight its' importance as a transportation facility of state and national significance.</p>	<p>SBCAG will coordinate with the CCC to ensure that efforts to reduce greenhouse gas emission account for opportunities and limitations along the Central Coast.</p> <p>SBCAG will collaborate with the CCC and regional partners to pursue funding to improve safety and goods movement conditions on U.S. 101.</p> <p>SBCAG will work with the CCC and other regional partners to seek candidates for appointment of a Central Coast representative to serve on the California Transportation Commission when the opportunity presents itself.</p> <p>Educate our delegation and funding partners, such as the California State Transportation Agency, California Transportation Commission, Caltrans, and the Newsom Administration, about the Santa Barbara U.S. 101 Multimodal Corridor project gap closure, the funding plan, schedule, and attributes that make it a highway of statewide/national significance, as previously recognized by the Brown Administration in letters submitted to the Trump Administration. Work with other regional agencies on the Central Coast (Monterey, San Benito, San Luis Obispo, and Santa Cruz) and Caltrans to raise awareness of the importance of U.S. 101 and its need for improvements as one of the two north-south interregional corridors in the state and the vital role it plays in goods movement in addition to regional connectivity to major metropolitan areas.</p>

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<p>3. Enhance Transit Service</p>	<p>Support potential changes to the Transportation Development Act to assist Santa Barbara County local public transit agencies with funding eligibility.</p>	<p>SBCAG will support legislation that creates flexibility within the Transportation Development Act to allow public transportation systems access to locally generated revenues to maintain existing service, particularly with ridership challenges resulting from the persistence of the COVID-19 pandemic and shift to working from home for many.</p> <p>The Transportation Development Act dedicates a statewide ¼-cent sales tax for each county for local transportation purposes. That 1/4 cent sales tax, known as the Local Transportation Fund, generates over \$1.7 billion annually, primarily for public transit. Some operators statewide have had difficulty in meeting the farebox recovery ratio requirements (20% for urban operators) that are necessary to qualify to use funds for operational purposes. AB 149 (Committee on Budget), Chapter 81, Statutes of 2021, provides statutory relief in meeting farebox recovery requirements for receiving State Transit Assistance (STA), Low Carbon Transit Operations Program (LCTOP), and State of Good Repair funds, through fiscal year 22-23. It suspends Transportation Development Act (TDA) and STA penalties for this duration. The bill also adds a list of new exemptions from the farebox recovery calculation, including on-demand service and micro transit service beyond fixed-route service, costs for security, ticketing services, pensions, planning for improvements in transit operations, integration with other operators and agencies, transitioning to zero-emission operations, and for compliance with state and federal mandates.</p>
<p>4. Expand Passenger Rail Service</p>	<p>Expand availability of passenger rail peak hour commute service connecting Ventura and Santa Barbara counties.</p> <p>Maintain and increase funding for intercity passenger rail in the LOSSAN North Corridor. Pursue funding opportunities made available through the California State Transportation Agency to create Coast rail service</p>	<p>SBCAG will continue to work diligently on increasing Pacific Surfliner service to not only offset the impacts of the U.S. 101 Multimodal Corridor project, but to also reduce greenhouse gas emissions, and expand mobility options to alleviate congestion within the region.</p> <p>SBCAG will advocate for programs (State Rail Assistance and Transit Capital and Intercity Rail Program or other sources) to increase active transportation and passenger rail service along the Central Coast, including UPRR undercrossing improvements at Cabrillo and Los Patos in the City of Santa Barbara and innovative projects such as a new state-supported passenger rail service on the Coast Route, maximizing existing right of way through high-occupancy lanes or use of</p>

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	<p>connecting the Los Angeles Basin to the Bay Area.</p>	<p>shoulders for managed lanes, and increased rail and transit service. This includes closing the 154-mile gap between Gilroy and San Luis Obispo to provide Coast rail service.</p> <p>SBCAG will Support mechanisms and funding providing for the implementation of the LOSSAN rail corridor wide Strategic Implementation Plan, California State Rail Plan, and other rail improvement plans.</p> <p>Work cooperatively with the California State Transportation Agency, Caltrans Division of Rail, Amtrak, CTC, LOSSAN, Metrolink, and Union Pacific Railroad to expand passenger rail service to accommodate Ventura County to south Santa Barbara County commuter schedules.</p>
<p>5. Addressing Mobility and Meeting State Climate Change Mandates</p>	<p>Monitor activities on conversations regarding the jobs-housing imbalance and the impact on vehicle miles traveled.</p> <p>Support state funding to expand infrastructure and incentives for conversion to electric vehicles to reduce greenhouse gas emissions.</p> <p>Ensure predictability and stability of transportation revenue should conversion occur due to lack of reliance on petroleum consumption to address greenhouse gas emission reduction.</p>	<p>SBCAG supports a revenue-neutral conversion to a source that ensures equity in revenue collection that does not disadvantage those that must drive further to job centers. Distribution should respect the vital role the Central Coast plays in maintaining system integrity and providing mobility options.</p> <p>SBCAG will support efforts to secure resources, such as bonds or budget appropriations, to expand electric vehicle charging infrastructure and incentives to purchase or lease electric vehicles, including transit buses. An evaluation of the impact of increased usage of electricity, electric power storage capacity, and safety protocols should be considered.</p> <p>SBCAG will work with the California Association of Councils of Governments to develop additional revenue sources at the state, regional and local level to support the planning required by SB 375, including the promotion of incentivizing businesses to locate or expand in the region and making transit-oriented development more viable, where feasible. This includes supporting legislation and administrative action that focuses on the enhancement of roadway safety and prevention of fatalities for drivers, bicyclists, and pedestrians.</p> <p>SBCAG will also work with organizations such as the California League of Cities, California State Association of Counties, Central Coast Coalition,</p>

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<p>6. Modernize the Ralph M. Brown Act</p>	<p>Monitor efforts to modernize the Ralph M. Brown Act responsive to increased interest in flexibility for participation in public meetings by elected officials and how telecommuting may continue following the COVID-19 pandemic for remote public engagement on programs and projects.</p>	<p>SBCAG will work with organizations such as the California League of Cities, California State Association of Counties, Central Coast Coalition, and Self-Help Counties Coalition, among others, to pursue legislation to modify AB 361 (Rivas), Chapter 165, Statutes of 2021, which allows the use of remote access to public meetings without requiring noticing of all remote Board or committee member locations, provided the public can participate via remote access software or in-person. The intent of amending statute is to allow for flexibility to continue meeting remotely through the duration of a declared state of emergency, rather than renewing the ability to meet virtually every 30 days, as is currently required.</p>

ATTACHMENT C



February 1, 2022

TO: Board Members, Santa Barbara County Association of Governments
FROM: Gus Khouri, Principal
Khouri Consulting LLC

RE: STATE LEGISLATIVE UPDATE – FEBRUARY

Legislative Musical Chairs

There has been quite a bit of movement with respect to departures in the legislature, particularly for the Class of 2012, who are either choosing to pursue other opportunities or not to run for their final term. Under California's term limits law, legislators can run for a total of 12 years, which is either three four-year terms in the Senate, six terms in the Assembly, or any combination that does not exceed the 12 years (8 years in Senate, or 4 in Assembly, 8 in the Senate). So far, there have been nine departures that have either occurred or been announced including the following: former Assembly Transportation Chair, Jim Frazier (D-Fairfield), resigned on December 31; Ed Chau (D-El Monte), was recently appointed as a judge to the Los Angeles County Superior Court; Assembly Members Jose Medina (D-Riverside) and Bill Quirk (D-Hayward) will not seek a sixth and final term; Richard Bloom (D-Santa Monica) is running for the Los Angeles County Board of Supervisors; Assembly Member Marc Levine (D-Marin) is eschewing his final term to run for Insurance Commissioner; Rudy Salas (D-Bakersfield) is running for Congress; Assembly Member Kevin Mullin (D- San Mateo), who is looking to succeed Congresswoman Jackie Speier who is retiring from a long-distinguished career of public service, and Autumn Burke (D- Inglewood), who resigned immediately on February 1.

Impact of Redistricting

More movement is expected now that the California Citizens Redistricting Commission finalized maps for Congress, the Assembly, Senate, and Board of Equalization on December 26. The new lines place 22 incumbents in the same district as at least one other Assembly Member, and 10 of the 80 districts are home to more than one incumbent. All but one of those districts include incumbents of the same party, such as Democrats Evan Low (D-San Jose) and Marc Berman (D-San Mateo) in the Bay Area. The exception: Democrat Cottie Petrie-Norris and Republican Janet Nguyen in Orange County. There are two districts where three Assembly Members have been placed together: Democrats Jose Medina, Sabrina Cervantes and Eloise Gómez Reyes in a Riverside-area district, and Democrats Jesse Gabriel, Adrin Nazarian and Luz Rivas in a San Fernando Valley district. The maps are not expected to dramatically alter districts that would result in a dramatic loss of seats for either party. Democrats currently enjoy a

58 to 19 margin of representation in the Assembly (two Democrat-leaning seats are vacant, and one seat is held by an Independent).

Impact to Santa Barbara County

Compared to the current lines, Santa Barbara essentially nets a loss of one seat for legislative representation. The current seat occupied by Assembly Member Jordan Cunningham, who has announced that he does not seek reelection. That seat gets pushed further north into the new Assembly District 30 shared by Monterey, San Luis Obispo, and Santa Cruz counties.

Assembly Member Bennett's seat also moves further south, no longer encroaching into Santa Barbara County. While the county loses these two representatives, a new Assembly District (37) is created to encompass the County. Here is a breakdown of the Assembly and Senate districts for the County:

AD 37 includes all of Santa Barbara County and small portions of San Luis Obispo County.

This district includes the whole Cities of Guadalupe, Buellton, Lompoc, Santa Maria, Goleta, Carpinteria, Solvang, and Santa Barbara. This is a coastal district with strong communities of farmworkers to the north, and includes University of California, Santa Barbara.

SD 21 is based on nesting AD 37 and AD 38 and includes Santa Barbara County and portions of San Luis Obispo and Ventura Counties.

All splits were made to balance population while considering communities of interest. This district includes the whole Cities of Buellton, Camarillo, Carpinteria, Fillmore, Goleta, Grover Beach, Guadalupe, Lompoc, Ojai, Oxnard, Port Hueneme, San Buenaventura (Ventura), Santa Barbara, Santa Maria, Santa Paula, and Solvang. This district consists of coastal communities and smaller, rural, agricultural communities as is roughly the same district currently represented by Senator Monique Limón.

Musical Chairs Continued

On January 14, California State Transportation Agency Secretary David Kim announced his resignation due to family considerations. Deputy Secretary Elissa Konove is serving as interim Secretary. The California Transportation Commission has also experienced change with the retirement of long time Commissioner Bob Alvarado (a Schwarzenegger appointee). He is succeeded by Jay Bradshaw who is also from the NorCal Carpenters Union. Commissioner Lee Ann Eager was named as Chair, succeeding Hilary Norton, who will still serve on the commission. These changes will take effect at March 16th commission meeting.

Governor's Proposed FY 2022-23 State Budget

On January 10, Governor Newsom released his proposed FY 2022-23 State Budget. The 2022-23 Budget, which contains \$213.1 billion in General Fund spending (\$286.4 billion with special funds) is projected to have a healthy one-time surplus of \$45.7 billion (\$28.7 billion higher than projected from FY 20-21 through FY 22-23). Of this amount, \$16.1 billion is required to go to education per Proposition 98 for K-14, \$5.1 billion must go towards reserves, and \$3.9 billion for pension obligations (\$12.7B over four years). There is \$34.6 billion in reserves which includes: \$20.9 billion from the Proposition 2 Rainy Day Fund; \$900 million from the Safety Net reserve; \$9.7 billion from the Public School System Stabilization Account; an \$3.1 billion from the state's operating reserve. The Rainy-Day Fund is now at its constitutional maximum (10 percent of General Fund revenues) requiring \$2.4 billion to be dedicated for infrastructure investments in 2022-23.

The Budget projects the State Appropriations Limit, or "Gann Limit" will likely be exceeded in the 2020-21 and 2021-22 fiscal years by \$2.6 billion. Any funds above this limit are constitutionally

required to be allocated evenly between schools and a tax refund. An updated calculation of this limit, and proposals to address it, will be included in the May Revision. The economic forecast, finalized last November, does not consider the surge of the Omicron variant, making the ongoing COVID-19 Pandemic a risk to the forecast. Strong stock market performance has generated a significant increase of volatile capital gains revenue (\$25 billion) that is approaching its prior peak levels (as a share of the state's economy) in 2000 and 2007. Personal income tax is up \$2.5 billion, sales tax is up \$6.1 billion, and corporation tax is up \$23.2 billion as well. A stock market reversal could lead to a substantial decrease in revenues. Given the state's history of boom-and-bust cycles, additional deposits into the state's reserves would further prepare the state for future economic slowdowns. Deposits into the reserves however count towards the State Appropriations Limit. Therefore, any additional deposits would have to be carefully balanced against other spending priorities.

Impact on Transportation

With the Congressional passage of the Infrastructure Investment and Jobs Act last November, California will receive more than \$40 billion of new formula-based transportation funding over the next five years and billions of dollars in additional funding from new competitive grants. This measure could also provide billions in additional funds for clean drinking water, clean energy, toxic cleanup, broadband, and other infrastructure investments.

The Budget includes an additional \$9.1 billion (\$4.9 billion General Fund and \$4.2 billion Proposition 1A bond funds), for a total of \$14.9 billion, to support the continued development of a high-speed rail system in California, regional transit and rail projects, bicycle and pedestrian projects, and climate adaptation projects, with a particular focus on aligning the state's transportation system with its climate goals.

The Budget includes an increase to base Federal Highway Administration transportation funding levels for California of \$1.8 billion in 2021-22 and \$1.9 billion 2022-23. In addition, Federal Transit Administration base transit funding will increase by \$385 million in 2021-22 and \$423 million in 2022-23. This funding will flow directly to local transit authorities and does not require any state budget changes. California is also anticipating a \$14.2 million annual increase to the National Highway Traffic Safety Administration grant program, administered by the Office of Traffic Safety. The additional funds will help address traffic fatalities and serious injuries on California roads. Here is breakdown of the proposed expenditures:

- **High-Speed Rail**—\$4.2 billion to complete electrified high-speed rail construction in the Central Valley, perform advance work for service between Merced and Bakersfield, and complete advance planning and project design for the entire project. This is in addition to the funds available for this program in Cap and Trade.
- **Statewide Transit and Rail Projects**—\$2 billion to invest in high-priority transit and rail infrastructure projects. These projects will improve rail and transit connectivity between state and local/regional services, including projects on shared corridor routes.
- **Southern California Transit and Rail Projects**—\$1.25 billion to deliver local and regional projects focusing on mobility and greenhouse gas reduction.
- **Port Infrastructure and Goods Movement**—\$1.2 billion for port-related high-priority projects that increase goods movement capacity on rail and roadways serving ports and at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
- **Zero-Emission Equipment and Infrastructure**—\$875 million for zero-emission port equipment, short-haul (drayage) trucks, and infrastructure.

- **Active Transportation and Projects to Connect Communities**—\$750 million to transform the state’s active transportation networks, improve equity, and support carbon-free transportation options, including:
 - \$500 million for Active Transportation Program projects, which encourage increased use of active modes of transportation such as walking and biking and increase the safety and mobility of non-motorized users.
 - \$150 million to establish the Reconnecting Communities: Highways to Boulevards Pilot Program, which will improve equity and remove transportation barriers by investing in the conversion of key underutilized highways into multi-modal corridors that serve existing residents by developing affordable housing and complete streets features in disadvantaged communities.
- **High Priority Grade Separation Projects**—\$500 million to support critical safety improvements throughout the state.
- **Climate Adaptation Projects**—\$400 million for state and local climate adaptation projects that support climate resiliency and reduce risks from climate impacts.
- **Zero-Emission Vehicles**—\$3.9 billion (\$2.9 billion General Fund) over three years f(\$10 billion over six years) or investments in zero-emission vehicles and infrastructure to accelerate the state’s progress toward meeting its climate and transportation goals established in Executive Order N-79-20 and advance California’s Zero-Emission Vehicle Market Development Strategy.

Governor Newsom proposes an additional one-time investment of \$6.1 billion over five years (\$3.5 billion General Fund, \$1.5 billion Proposition 98, \$676 million Greenhouse Gas Reduction Fund, and \$383 million Federal Funds) in zero-emission vehicles and infrastructure. This would result in a total of \$10 billion when factoring in the \$3.9 billion proposed for zero-emission vehicle infrastructure.

- **Low-Income Zero-Emission Vehicles and Infrastructure** - \$256 million for low-income consumer purchases, and \$900 million to expand affordable and convenient ZEV infrastructure access in low-income neighborhoods.
- **Heavy-Duty Zero-Emission Vehicles and Supporting Infrastructure** - \$935 million to add 1,000 zero-emission short-haul (drayage) trucks and 1,700 zero-emission transit buses; \$1.5 billion Proposition 98 to support school transportation programs, including advancing electric school buses in a coordinated effort between educational, air pollution, and energy agencies. \$1.1 billion for zero-emission trucks, buses, and off-road equipment and fueling infrastructure; and \$400 million to enable port electrification.
- **Zero-Emission Mobility** - \$419 million to support sustainable community-based transportation equity projects that increase access to zero-emission mobility in low-income communities. This includes supporting clean mobility options, sustainable transportation, and equity projects, and plans that have already been developed by communities that address mobility.
- **Emerging Opportunities:** \$200 million to invest in demonstration and pilot projects in high carbon-emitting sectors, such as maritime, aviation, rail, and other off-road applications, as well as support for vehicle grid integration at scale.

The Governor does propose to “pause’ the annual inflation adjustment to the per gallon fuel excise tax rate, scheduled for July 1, 2022. This mechanism was approved as part of SB 1 in 2017 to protect against inflation and has an impact on funding made available to fund maintenance and congestion management on highways and repairing local streets and roads. California State Transportation Agency David Kim stated that this is only a “pause”, and not a

repeal, and that the purpose is to provide a relief to consumers at the pump (stave off price increase of gasoline and diesel fuel) with skyrocketing gas prices that have exceeded \$5 per gallon. If enacted, this action is expected to decrease fuel tax revenues by \$523 million in FY 2022-23, but the amount would be backfilled by the State Highway Account.

Transit and Rail Funding

The State Transit Assistance (STA) program is projected at \$854 million in FY 2022-23. Intercity and Commuter Rail would receive an estimated \$283 million in FY 2022-23, and Low Carbon Transit Operations Program is expected to provide \$182 million. Lastly, the Transit and Intercity Rail Capital Program is expected to receive approximately \$473 million in FY 2022-23.

Clean California Initiative

Launched in 2020-21, the Clean California initiative invests \$1.1 billion over three fiscal years for state and local governments to clean up trash and debris statewide, beautify community gateways and public areas along highways, streets and roads while providing jobs to thousands of Californians. The Budget proposes \$100 million General Fund to continue the Clean California Local Grant Program into 2023-24, which provides grants to cities, counties, transit agencies, tribal governments, and other government agencies to beautify their communities and remove trash and debris.

Broadband

The 2021 Budget provided \$6 billion over three years as part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians. Broadband investments have been an integral strategy to promote remote work and reducing vehicles miles traveled.

The 2021 Budget Act included \$3.25 billion State Fiscal Recovery Fund to the California Department of Technology (CDT) for the purpose of building an open-access middle-mile network in unserved and underserved areas of California. Estimates produced by CDT, the Department of Transportation (Caltrans), and the California Public Utilities Commission (CPUC) indicate a need for approximately 8,100 miles of middle-mile broadband infrastructure for unserved and underserved communities.

- In November 2021, CDT announced the selection of 18 initial projects identified by the CPUC to begin building the open-access middle-mile network. The initial list of locations was developed by CPUC and the third-party administrator (TPA) and included public comment.
- In December 2021, CPUC provided updated mapping information to CDT, including updated data for unserved communities and public comment received by CPUC.
- CDT will continue to build and develop the statewide open-access middle-mile broadband network in collaboration with the TPA and Caltrans as CPUC recommends additional locations for middle-mile buildout.

To complement the middle-mile network, the 2021 Budget provided \$2 billion over three years for CPUC to build last-mile infrastructure to provide Californians with access to high-speed broadband service, and \$750 million for a Loan Loss Reserve Fund to support costs related to the financing of local broadband infrastructure development. CPUC anticipates making new last-mile project grants available in 2022 utilizing both state funding from the California Advanced Services Fund and federal funds. CPUC also anticipates releasing a staff proposal related to the Loan Loss Reserve Fund in the first quarter of 2022.