

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 25-26, 2024

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.1, Action

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Deputy Director

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Subject: State and Federal Legislative Matters

Recommendation:

Staff recommends the California Transportation Commission (Commission) accept this report on state and federal legislation.

Issue:

Attachment A includes a list of bills monitored by staff, pursuant to the Commission's bill monitoring policy. This policy directs staff to identify transportation-related bills having a statewide impact and that involve funding, greenhouse gas emissions reductions, land use and planning, the environmental process, or project delivery. It also directs staff to monitor all bills that directly affect the Commission. As of January 16, Commission staff have identified 4 bills for monitoring in the regular session, but many more bills are expected to be introduced in the coming weeks.

Commission staff is not recommending any positions on bills at this time.

The Governor submitted the 2024-25 proposed state budget to the Legislature on January 10. Details of the proposed budget are described below.

Background:

State Legislation

The Legislature returned from interim recess for the second year of the 2023-24 legislative session on January 3, 2024. The deadline for bills introduced last year to be passed out of their house of origin is January 31, and the deadline for new bills to be introduced is February 16. Policy committees are expected to begin meeting to consider bills in March.

State Budget

On January 10, 2024, the Governor submitted the proposed state budget to the Legislature. The proposed budget includes \$291 billion in spending and an overall General Fund budget shortfall of \$37.9 billion in the 2024-25 fiscal year. To help address this shortfall, the proposed

budget includes \$1.1 billion in General Fund reductions from the \$16.1 billion in recent one-time transportation investments. Some of these General Fund reductions are proposed to be offset by the Greenhouse Gas Reduction Fund, while others are not proposed to be backfilled. Noteworthy adjustments proposed in the 2024-25 budget include the following:

- **Active Transportation Program.** The proposed budget includes a reduction of \$200 million from the \$1.05 billion General Fund augmentation approved in the 2022-23 budget. The Administration proposes to advance \$200 million for future Active Transportation Program cycles to allow for full funding of the program of projects adopted by the Commission in December 2022, which would reduce available funding in the 2025 program cycle by that same amount. The proposed budget also delays \$400 million from the General Fund augmentation to future fiscal years. This is not anticipated to impact any previously programmed projects because some of those projects are not scheduled to receive an allocation until those future fiscal years.
- **Transit and Intercity Rail Capital Program.** The Governor's budget proposes delaying \$2.1 billion from the competitive program and \$1 billion from the formula program to future fiscal years and shifting \$530 million in the competitive program and \$261 million in the formula program from the General Fund to the Greenhouse Gas Reduction Fund. These delays and shifts are expected to have no programmatic impact.
- **Highways to Boulevards.** The proposed budget delays \$150 million from the General Fund to future fiscal years.
- **Port and Freight Infrastructure Program.** The proposed budget delays \$100 million from the General Fund to future fiscal years.
- **Port of Oakland.** The proposed budget reduces the \$280 million made available from the General Fund in fiscal year 2021-22 by \$96 million.

The 2024-25 proposed budget also includes a proposal submitted by the Commission to convert previously approved funding for a legal services contract to a permanent attorney position and to increase the Commission's reimbursement authority to support three positions performing workload related to climate resiliency, the Local Transportation Climate Adaptation Program, and the Transit and Intercity Rail Capital Program.

Commission staff has been advised that all state departments' budget proposals for resources to implement legislation enacted in 2023 will be deferred until the Governor's revised budget, to be released this Spring. This includes proposals submitted by the Commission requesting resources to implement Assembly Bill 251 (Ward), which requires the Commission to convene a task force to study the impact of vehicle weights on safety, and Assembly Bill 744 (Carrillo), which requires the Commission to develop a proposal to procure transportation data, modeling, and analytic software tools.

Budget committees and subcommittees in both houses of the Legislature are expected to begin meeting to consider the Governor's proposed budget in late February.

Attachment:

- Attachment A: Legislation Monitored by Commission Staff

Legislation Monitored by Commission Staff
Active Bills (2023-24 Regular Session)
(As of January 16, 2024)

Bill	Author	Subject	Description	Status
AB 627*	Jackson	Heavy-duty trucks: voucher incentive project.	Modifies the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project administered by the California Air Resources Board to establish a sliding scale to determine the dollar amount of a voucher provided for the purchase of a new drayage truck or retrofit of a used truck based on the number of vehicles in a fleet, and requires drayage vouchers be prioritized for operators that transport goods between the ports of Los Angeles, Long Beach, or Oakland and warehouses in California, and for operators who own five or fewer drayage trucks.	Pending hearing in Assembly Appropriations Committee
SB 768*	Caballero	California Environmental Quality Act: State Air Resources Board: vehicle miles traveled: study.	Requires the California Air Resources Board to conduct and submit to the Legislature a study on how vehicle miles traveled is used as a metric for measuring transportation impacts pursuant to the California Environmental Quality Act by January 1, 2026.	Pending hearing in Senate Appropriations Committee
SB 925	Wiener	San Francisco Bay area: local revenue measure: transportation improvements.	States the intent of the Legislature to enact subsequent legislation to authorize the Metropolitan Transportation Commission to propose a revenue measure to the voters in its jurisdiction to fund the operation, expansion, and transformation of the San Francisco Bay area's public transportation system, as well as other transportation improvements.	Pending referral to committee
SB 926	Wahab	San Francisco Bay area: public transportation.	Requires the California State Transportation Agency to develop a plan to consolidate all transit agencies, as defined, that are located within the geographic jurisdiction of the Metropolitan Transportation Commission.	Pending referral to committee

Total Active Measures: 4

Note: Measures marked with "*" were amended since most recent staff report.

**Legislation Monitored by Commission Staff
Inactive Bills (2023-24 Regular Session)
(As of January 16, 2024)**

Bill	Author	Subject	Description
AB 6	Friedman	Transportation planning: regional transportation plans: Solutions for Congested Corridors Program: reduction of greenhouse gas emissions.	Requires the California Air Resources Board to establish additional greenhouse gas reduction targets for each region of the state for 2035 and 2045 and modifies the process for preparing and approving sustainable communities strategies. Requires each project nomination in the Commission's Solutions for Congested Corridors program to demonstrate how the project would contribute to achieving the state's greenhouse gas emission reduction targets.
AB 7	Friedman	Transportation: planning: project selection process.	Requires the California State Transportation Agency (CalSTA), the California Department of Transportation (Caltrans), and the Commission to incorporate specified principles from the Climate Action Plan for Transportation Infrastructure into their existing program funding guidelines and planning processes to the extent applicable and cost effective by January 1, 2025. Requires the California Transportation Plan to include a financial element and an analysis of how CalSTA, Caltrans, and the Commission are achieving principles outlined in the Climate Action Plan for Transportation Infrastructure, the federal Infrastructure Investment and Jobs Act of 2021, and the federal Justice40 initiative.
AB 295	Fong, Vince	Department of Transportation: maintenance projects.	Requires Caltrans to expedite roadside maintenance for special projects related to roadside maintenance and the removal and clearing of material, as provided.
AB 364	Bryan	Street furniture data: statewide integrated data platform.	Requires Caltrans, in collaboration with the Commission, state-created transportation entities, local agencies, metropolitan planning organizations, the Office of Planning and Research, and the State Department of Public Health to develop guidelines for data sharing, documentation, public access, quality control, and promotion of open-source and accessible platforms and decision support tools related to street furniture data and submit a report describing these guidelines to the Legislature every three years. Requires Caltrans to designate the Office of Planning and Research's Integrated Climate Adaptation and Resiliency Program Technical Advisory Council to advise on the development of the initial and subsequent guidelines and review the reports related to those guidelines, as specified.
AB 382	Cervantes	High-occupancy vehicle lanes: County of Riverside.	Requires CalSTA, on or before January 1, 2025, to report to the transportation policy committees of the Legislature on the feasibility and appropriateness of limiting the use of high-occupancy vehicle lanes in Riverside County as specified, and on the feasibility and appropriateness of removing any double parallel solid lines to restrict the entrance into or exit from those lanes on or before January 1, 2025.
AB 832	Cervantes	California Transportation Commission: membership.	Requires at least one of the Governor-appointed members of the Commission to have expertise in transportation issues and professional experience that includes experience working in, or representing, disadvantaged communities.
AB 833	Rendon	Freeway caps.	Requires Caltrans to prepare a plan for adding caps to freeway segments that divide disadvantaged, underrepresented, urban communities, by January 1, 2030, as specified.

Bill	Author	Subject	Description
SB 517	Gonzalez	Economic development: movement of freight.	Authorizes the Governor's Office of Business and Economic Development to serve as the coordinating entity to steer the growth, competitiveness, and sustainability for freight and the supply chain across the state and requires the Governor to appoint a freight coordinator with specified duties.

Total Inactive Measures: 8

Note: Measures introduced in 2023 that failed legislative deadlines are not included.