



September 15, 2021

TO: Board Members, Transportation Agency for Monterey County

FROM: Gus Khouri, President, Khouri Consulting LLC

RE: **STATE LEGISLATIVE UPDATE – SEPTEMBER**

General Update

The Legislature adjourned the first year of the 2021-22 Session on September 10. The Governor has 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.

On September 14, more than 9.1 million votes were cast in the recall election of Governor Newsom. The recall effort failed by a resounding margin of 63.9% to 39.1% per unofficial results reported on the Secretary of State's website. County elections officials must report final official results to the Secretary of State by October 15, 2021. The Secretary of State will summarize and certify the county reports in the official Statement of Vote (Official Results) on October 22, 2021.

Brown Act Exemptions for Virtual Meetings

On March 17, 2020, Governor Newsom issued Executive Order N-29-20 in response to the COVID-19 pandemic, allowing local or state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically without violating the open meeting laws found in the Bagley-Keene Act or the Brown Act.

The Governor announced California's reopening as of June 15, 2021, lifting many COVID-19 restrictions. There was some lack of clarity on what reopening would entail for public agencies, and many agencies sought clarification from the Governor's office regarding guidelines for conducting public meetings.

On June 11, 2021, the Governor issued Executive Order N-08-21 with clarifying language concerning N-29-20 on conducting public meetings, allowing for virtual meetings to continue through September 30, 2021. Notwithstanding the issuance of another executive order, local jurisdictions would have to revert to meeting in person after that date.

AB 339 (Lee) is viewed as the main legislative vehicle to amend the Brown Act to enable meetings to continue to be held virtually, but AB 339 does not provide the desired flexibility, since it requires in-person and virtual options to be simultaneously provided for every meeting.

AB 361 (Rivas), which, until January 1, 2024, authorizes a local agency an exemption from the Brown Act to use teleconferencing capabilities during a state or local declared state of emergency, has made it to the Governor's desk. The bill has an urgency clause and would therefore take effect immediately upon the Governor's signature.

Fiscal Year 2021-22 State Budget Summary

Governor Newsom signed AB 128 (Ting), the main FY 2021-22 budget bill, and SB 129 (Skinner), the supplemental budget bill, authorizing \$262.6 billion, including \$12.7B for transportation. SB 129 includes language pertaining to augmented funding for Active Transportation Program (ATP), \$500 million; Transit and Intercity Rail Capital Program (TIRCP), \$2.5 billion; and the State and Local Climate Adaptation funding, \$400 million, stating that money shall not be available for encumbrance or expenditure unless additional legislation is enacted by October 10, 2021. This language is directly related to the stalemate on exhausting the remaining \$4.2 billion Proposition 1A appropriation for high-speed rail. The legislature and Governor were unable to come to an agreement by the end of Session. As a result, the \$3.4 billion in General Fund money proposed for TIRCP, ATP, and State and Local Climate Adaptation are no longer available. Conversations will resume in January with the release of the 2022-23 State Budget and a General Fund augmentation for transportation programs may be reconsidered then.

Farebox Recovery Relief

On July 16, Governor Newsom signed AB 149 (Committee on Budget). This bill extends 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 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.

Broadband Investments

Through adoption of its 2021 State Legislative Platform, TAMC took a step in endorsing non-traditional congestion relief efforts, such as advocating for the deployment of expanded broadband service to help encourage telecommuting and reduce highway congestion.

On July 20, Governor Newsom signed SB 156 (Committee on Budget), which is the budget trailer bill that implements \$6 billion in broadband investments over three years, as follows:

- \$3.25 billion from federal American Rescue Plan Act funds for construction of state-owned open access middle mile broadband infrastructure for projects in rural and urban areas.
- \$2 billion for the Broadband Infrastructure Grant Account program over 3 years for last mile expenditures. Of this amount, at least \$1 billion must be used for last mile projects in rural counties, and \$1 billion is initially allocated to urban counties.
- \$750 million over three years to assist local governments and non-profits in financing broadband service projects.
- Authority to support Caltrans in the construction of middle-mile infrastructure on state rights of way, and for technical assistance to local governments seeking to deploy and connect local broadband networks.

AB 14 (Aguiar-Curry) and SB 4 (Gonzalez) are both on the Governor's desk and attempt to increase the amount of funding set aside (\$100 million) to increase internet speed to at least 100 mega bites per second and make it availability in rural and disadvantaged areas. The goal is to provide 98 percent of all Californians with reliable, high-speed internet service.

SB 1 Cycle 3 Competitive Program Update

SB 1 Cycle 3 guidelines will be discussed later this Fall through December with tentative 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.