

2024 Election Outcomes and 2025 Policy Preview

Presented to:

***Sonoma County Transportation Authority
& Regional Climate Protection Authority***

November 18, 2024



Presentation Overview

- 2024 Election Outcomes
- 2025 State Policy Preview
 - Climate and Transportation
 - Funding and Budget
 - Climate Bond Implementation
 - Transit Funding and Policy
 - Open Meetings
- Questions & Discussion

2024 Statewide General Election

- 1.6 million ballots remain uncounted
- Several close races subject to potential change
- Democrats will retain super-majority control in both houses
 - 1 Republican pick-up in the Senate
 - 2 seats flip to Republicans in the Assembly
- 33 new legislators (27.5%) with 3 more on the way
- General obligation bond measures pass handily
- Proposition 5 fails, as do other progressive ballot priorities

2025 State Senate

- Democrats hold 31 of 40 seats (77.5%)
- Women will comprise a majority of the Senate for the first time ever with 22 of 40 seats
- Women will also comprise a majority of both the Democratic (16 of 31 seats) and Republican (6 of 9 seats) caucuses
- Two special elections upcoming in Orange County
 - Senator Dave Min (D-Irvine) elected to Congress
 - Senator Janet Nguyen (R-Huntington Beach) elected to OCBOS

2025 State Senate, cont.

- 11 new Senators
 - 6 previously served in the Assembly
 - 3 current/former mayors
 - 2 former Members of Congress (one also served in Assembly)
- Significant changes as policy committee chairs depart
 - Energy, Utilities & Commerce
 - Governmental Organization
 - Health
 - Housing
 - Revenue & Taxation

2025 State Assembly

- Democrats hold 60 of 80 seats (75%)
- 22 new members
- Women will comprise 36 of 80 members, also a record high
- Upcoming special election in Kern County
 - Assemblymember Vince Fong (R-Bakersfield) elected to Congress
- Likely less turnover in committee leadership than in Senate
 - Four chairs of mostly lower-profile committees departing

Ballot Measures

		Proposition Title	Yes Votes	%	No Votes	%
Yes	2	Bonds for Public School and College Facilities	7,934,036	58.2%	5,700,587	41.8%
Yes	3	Constitutional Right to Marriage	8,571,535	62.5%	5,151,572	37.5%
Yes	4	Bonds for Water, Wildfire, and Climate Risks	8,138,935	59.3%	5,584,990	40.7%
No	5	Bonds for Affordable Housing and Infrastructure	6,041,230	44.5%	7,539,080	55.5%
No	6	Eliminates Forcing Inmates to Work	6,222,726	46.5%	7,168,079	53.5%
No	32	Raises Minimum Wage	6,718,579	48.9%	7,012,505	51.1%
No	33	Local Government Residential Rent Control	5,359,074	39.5%	8,201,979	60.5%
Yes	34	Restricts Spending of Prescription Revenues	6,679,647	50.8%	6,470,435	49.2%
Yes	35	Provides Permanent Funding for Medi-Cal	9,134,755	67.6%	4,376,501	32.4%
Yes	36	Increased Sentencing for Certain Drug and Theft Crimes	9,398,775	68.8%	4,254,171	31.2%

CAPTI Update

- CAPTI adopted per Gov's 2019 Climate Executive Order
- Align discretionary transportation spending with climate goals
- Draft CAPTI update underway – comments due Dec. 13
- Key draft actions:
 - Climate adaptation strategy for transportation infrastructure
 - Pricing strategy and state role
 - VMT mitigation banking framework (see also: infill Exec. Order)
 - Eligibility changes to reduce VMT from trade corridors (TCEP) and congested corridors (SCCP) grant programs

Cap and Trade Reauthorization

- Program sets a statewide limit for sources responsible for 85% of California's GHG emissions and expires in 2030
- Generated \$28 billion from auction proceeds to-date with continuous appropriations for:
 - California High-Speed Rail (25%)
 - Affordable Housing and Sustainable Communities (20%)
 - Transit and Intercity Rail Capitol Program (10%)
 - Low Carbon Transit Operations Program (5%)
 - Safe and Affordable Drinking Water (5%)
- Administration and Legislature looking to extend program in 2025

SB 375: Land Use and Transportation

- “Big Four” Metropolitan Planning Organizations letter to CA Air Resources Board on Sustainable Communities Strategies
- Numerous legislative attempts to overhaul the program over last ~5 years, but solutions evasive
- Multiple SB 1 grant programs require an SCS that will meet the GHG reduction target
- Should regions with an Alternative Planning Strategy be ineligible for competitive transportation grants?

Future Proofing Transportation Revenue

- Despite diversification of revenues sources in SB 1 and inflationary adjustments decarbonizing transportation will reduce state transportation revenues
- California Transportation Commission estimates gas tax revenue will decline by \$31.3 billion over the next decade
- Forthcoming reports include:
 - CTC's SB 1121 State and Local Transportation Needs Assessment
 - Industry-sponsored report on future funding options
- Anticipated hearings and potential legislation in 2025

State Budget and Funding

- State revenues are exceeding estimates in the adopted FY 2024-25 budget...
- *But so are expenditures:*
 - Expenses in MediCal and social services programs increasing
 - Ballot measures impose unbudgeted costs (Props. 35, 36)
 - Some reductions in the current budget may not materialize
- Federal uncertainty and special session
- Unlikely to see significant state General Fund for SCTA/RCPA priorities in climate and transportation

Climate Bond Implementation

- Prop. 4 - \$10 billion GO bond passing with over 59% of the vote
 - \$3.8 billion for water supply, quality, flood protection
 - \$1.5 billion for wildfires and forest health
 - \$1.2 billion for sea-level rise and wetlands
 - \$1.2 billion for biodiversity and nature-based solutions
 - \$850 million for clean energy and offshore wind infrastructure
 - \$450 million for extreme heat mitigation
 - \$700 million for parks and outdoor access.
 - \$300 million for climate resilient agriculture and healthy soils
- Next steps: budget appropriations and guideline development

Transit Funding and Policy Issues

- Continued policy debates in Legislature surrounding the purpose of public transit and state in role in funding
- Permit streamlining select committee hearing in November
- Transit Transformation Task Force continues to meet with report due to the Legislature October 31, 2025
- Regional Transportation Planning Agencies must submit long-term transit financial plans June 26, 2026
- Current farebox/funding flexibilities lapse June 30, 2026

Housing and Homelessness

- Continued focus on “accountability,” including new provisions to claw-back funds from state homelessness-related grants
- Housing element compliance and grant eligibility
- *Sheetz* decision and impact fee legislation
- Housing bond likely to be reintroduced – what priority programs should be added?
- Regional Early Action Planning Grant Program of 2021 (REAP 2.0) saved in budget – project delivery and future funding

Open Meetings

- Brown Act flexibilities for specified public health and safety issues expire January 1, 2024
- “Just Cause” flexibilities for members of Brown Act bodies expire on January 1, 2026 – legislation to extend the authority anticipated in 2025
- AB 817 (Pacheco) related to advisory bodies failed in 2024 and will likely return in 2025

Discussion & Questions

Chris Lee

clee@politicogroup.com

Kiana Valentine

kiana@politicogroup.com

(916) 444-3770

SCTA/RCPA FEDERAL PROGRAM UPDATE AND 2025 PROGRAM DEVELOPMENT

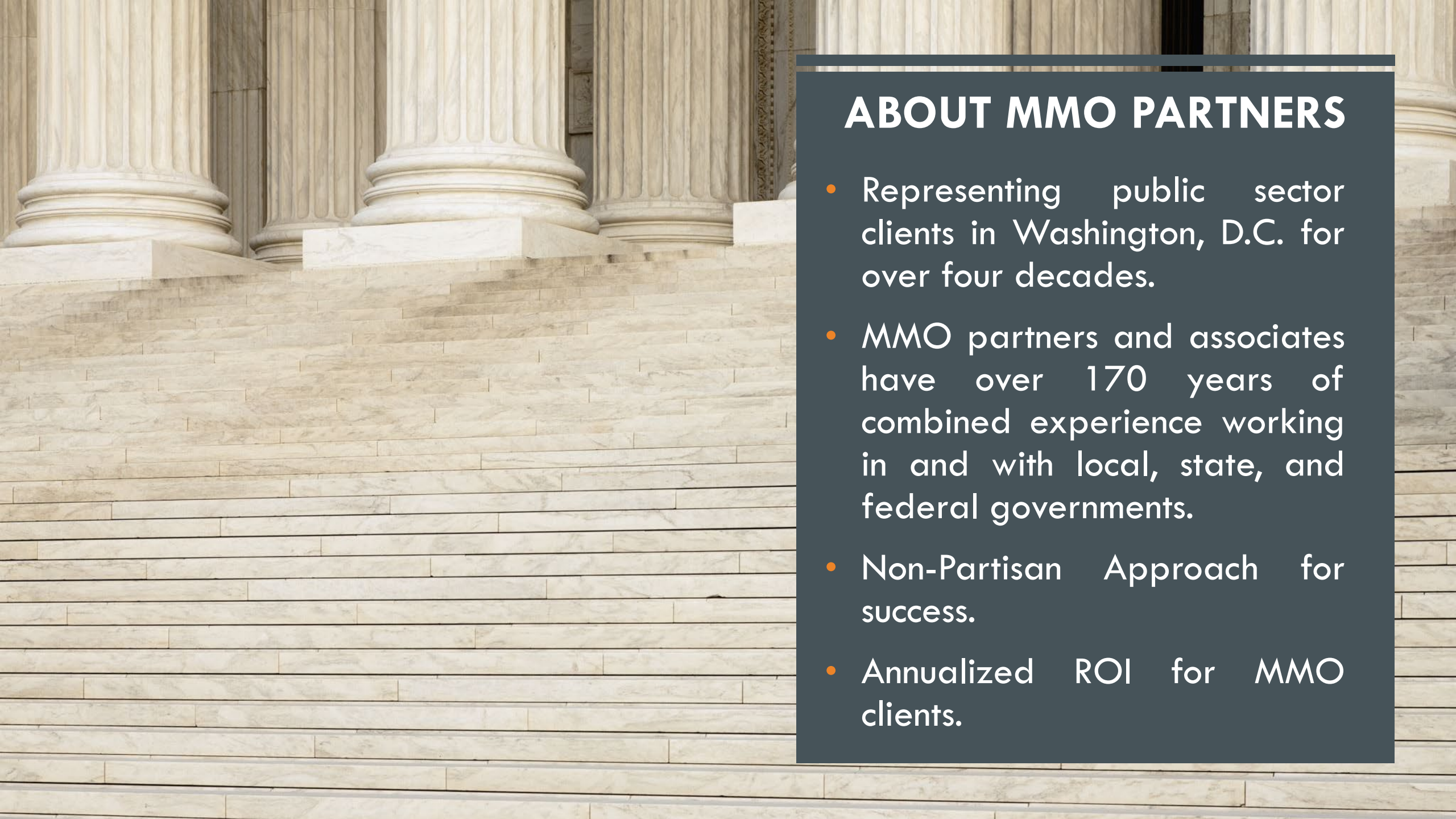
PRESENTED BY:
MMO PARTNERS

NOVEMBER 18, 2024



DISCUSSION TOPICS

- About MMO Partners
- Congressional Agenda – Lame Duck
- SCTA/RCPA 2024 Federal Principles/Program Highlights
- 119th Congress – At a Glance
- SCTA/RCPA 2025/FY26 Federal Principles Development



ABOUT MMO PARTNERS

- Representing public sector clients in Washington, D.C. for over four decades.
- MMO partners and associates have over 170 years of combined experience working in and with local, state, and federal governments.
- Non-Partisan Approach for success.
- Annualized ROI for MMO clients.

CONGRESSIONAL AGENDA – LAME DUCK



2024 FEDERAL PRINCIPLES

PROGRAM HIGHLIGHTS

FY 25 Community Project Funding - Supported Projects

House

- \$1.25m for Donald Gap (Rep. Thompson)
- \$850k for Moorland School Access/Ped (Rep. Thompson)

Senate*

- \$2.5 million for Moorland School Access/Ped (Sen. Padilla)
- \$2.5 million for Donald Gap (Sen. Padilla)
- \$3 million for SMART Pathway/Great Redwood Trail (Sen. Padilla)
- \$2.5 million for resiliency roadway improvements (Sen. Butler)

* Requested

2024 FEDERAL PRINCIPLES

PROGRAM HIGHLIGHTS

Federal Agency Engagement/Grants

Grants

- **DOT- SS4A Pilot: \$4.58m** (Nov 2024) SCTA, in partnership with the jurisdictions of Santa Rosa, Petaluma, Cotati, Rohnert Park and the Town of Windsor, identified over 50 miles of candidate quick build corridors projects
- **DOT- SS4A Planning: \$1.06m** (Dec 2023)
- **DOT- SS4A Implementation (support): \$7 million SMART**
- **DOE 2025 Clean Energy to Communities (C2C) Peer-Learning Cohorts**
- **EPA Community Change Partnership**

Technical Assistance

Federal Agency/Congressional Outreach

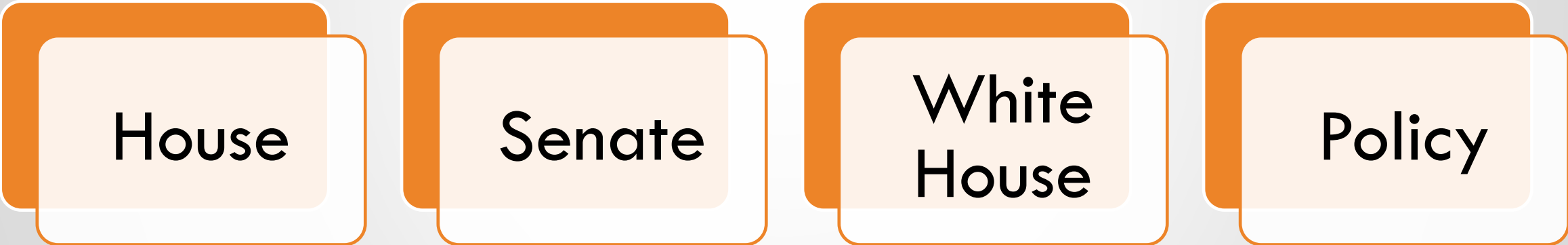
2024 FEDERAL PRINCIPLES

PROGRAM HIGHLIGHTS

FY 25 Federal Program Funding

- Department of Transportation
- Department of Energy
- Environmental Protection Agency
- Bureau of Reclamation

119TH CONGRESS – AT A GLANCE



House

Senate

White
House

Policy

PURPOSE OF 2025 SCTA/RCPA FEDERAL PRINCIPLES

- ✓ Communicates the SCTA/RCPA federal policy and project priorities to the public, CA Congressional Delegation, Congress and federal agencies
- ✓ Provides guidance/direction to SCTA/RCPA staff and federal representatives regarding SCTA/RCPA federal funding and policy priorities



FEDERAL PLATFORM DEVELOPMENT PROCESS



IDENTIFY PRIORITY
PROJECTS/PROGRAMS



UPDATE FEDERAL
PRINCIPLES



FEDERAL PRINCIPLES
ADOPTION



IMPLEMENT FEDERAL
PRINCIPLES PRIORITIES

FEDERAL PLATFORM DEVELOPMENT/IMPLEMENTATION TIMELINE

Sept – Oct	Nov – Dec	Jan – Feb	March –April	May – June	July – Aug
• MMO Reviews Existing Plans and Projects with SCTA/RCPA • Priority Project/Policy Identification	• SCTA/RCPA receives Federal Principles guidance/ feedback from Board • SCTA/RCPA adopts 2025 federal principles	• SCTA/RCPA adopts 2025 federal principles • SCTA/RCPA meets with Members/staff and Federal agencies • SCTA/RCPA reviews federal grants (ongoing)	• FY26 Budget released • FY26 Cong. deadlines for community project funding • SCTA/RCPA reviews federal grants (ongoing)	• House/Senate Appropriations Committees begin to markup FY 26 • SCTA/RCPA reviews federal grants (ongoing)	• Committees release FY 26 community project funding • SCTA/RCPA reviews federal grants (ongoing)

EARMARKS VS GRANTS



- ✓ Earmarks are Congressional grants
 - Earmarks must meet Federal program guidelines/requirements i.e. NEPA
- ✓ Earmarks selected by Congress/Appropriations Committee vs Fed Grants decided by Fed agency
- ✓ Earmark competition is within CD and CA vs Fed grant competing with nation
 - House members allowed 15 projects
 - Senators no ceiling
- ✓ Fed Grants tend to be larger (\$)
- ✓ Fed grant process more predictable vs CR for federal budget



QUESTIONS