

## **Nevada County Transportation Commission meeting – January 24, 2024**

### Draft NCTC Legislative Platform

Presentation by Kiana Valentine and Chris Lee of Politico Group

Mike Woodman:

Staff, in coordination with Politico Group, NCTC's state advocacy firm, have prepared NCTC's Draft 2024 Legislative Platform for your review and comments. This platform contains the policy principles that will guide NCTC's advocacy on state legislation, budget issues, policy and regulations.

The platform focuses on five key legislative priority areas, including supporting safe multimodal travel for Nevada County communities; planning land use, fire safety and emergency response; public transportation operations and funding; transportation, demand management and broadband; and general government flexibility.

These foundational principles will be updated at the start of each new legislative session and will be used to actively engage with our state representatives to advance NCTC's project priorities, and will help achieve our overall advocacy goals. Approval of the legislative platform also streamlines the ability of NCTC staff to respond effectively to immediate action on pressing legislation, budget policy or regulatory issues throughout the year, that are aligned with the platform.

I'd like to introduce Kiana Valentine and Chris Lee, NCTC state advocacy firm representatives from Politico Group, and provide them an opportunity to introduce themselves and discuss some of their current advocacy focuses.

Chris Lee:

Good morning chair and commissioners, my name is Chris Lee, I am a partner with Politico Group. Excited to be here today to give a bit of an introduction to our firm. Also talk a little bit more about the platform and turn it over to Kiana to talk a little bit about the legislative environment and how Politico Group has typically approached advocacy for our public sector clients.

I want to talk a little bit more detail about the NCTC draft platform that's before you today, that will guide the advocacy efforts that we'll be working on in conjunction with NCTC throughout the year.

This was really a collaborative effort between Politico Group and your NCTC staff. We tried to provide some statewide perspective on legislative trends that we've been seeing and policy issues that you might want to engage on. NCTC staff provided the local context on projects, priorities and existing positions that the county and others have taken on things. The draft does draw heavily from the Nevada County legislative platform. That was something we heard in the meeting, when you awarded our contract, was that there was a desire for a high level of coordination between NCTC and the county's legislative efforts.

But we also drew from the California Association of Councils of Government CALCOG, which represents a lot of transportation commissions, MPOs, and similar transit and transportation agencies from around the state. We also took a look at policy statements from RCRC and other groups. And so happy to answer any specific questions at the appropriate time about items that are included in the draft platform. But really this is meant, for us, to be a starting point for conversations.

We're still getting to know you, trying to figure out where you want to be on specific issues. We thought a good way of doing that was looking at some of these documents and having the interactive process with staff. But again, happy to answer questions if there's anything in particular that warrants further discussion.

We want to talk a little bit just to set the scene for this year's advocacy because the budget is going to be a huge part of that. The governor's budget was released to the legislature's constitutional deadline of January 10th, identifying a \$38 billion deficit. There's been a lot of discussion in the media about,

"Well, what really is the deficit?" The LAO did an analysis soon after that release and says, "If you calculated the deficit the same way that we do, it's actually \$58 billion dollars."

Initially, that was really an eye-popping difference. You have \$38 billion and \$68 billion over here. Much of that difference is really related to the treatment of how much funding K through 14 education is going to get. There's about \$15 billion that the LAO considers a budget cut and that the governor is saying "It's a baseline spending decision."

So, the real difference is just \$10 billion. \$58 billion deficit, the governor's perspective, \$68 billion from the LAO perspective. So at least we're living in kind of the same universe of how much money there's likely to be, although that's obviously an eye-popping number in terms of reductions. Looking at solutions for the budget, \$18.8 billion in reserves, revenues. I think it's only like \$400 million in revenues and borrowing \$11.9 billion in reductions and fund shifts and \$7.2 billion in the furrows and delays plus that \$15 billion baseline cut to K through 14 education.

From the perspective of transportation planning agencies, we actually got out in a much better space than I thought we would. I thought we'd be arguing a lot about that transit funding that's trying to help people avoid these upcoming fiscal cliffs, now that the federal aid has been exhausted. We're really just seeing some deferrals in that.

There were two allocations over two years, 2 billion dollars each. One of those has now been cut in half and spread over multiple years. So, if we look at the funding that's coming through NCTC to your transit agencies, the current year not affected, the following year, that money is now spread out over two years. We've been talking to your staff and trying to understand the implications of that. And then there was a little bit of a fund shift from general fund to greenhouse gas reduction funds, cap and trade for some of the other funding.

The Active Transportation Program saw a \$200 million reduction, it isn't going to affect current awards, they're going to push that into future years, so it's more like a deferral and then you'd have some additional fund shifts and reductions there.

The Infrastructure grant program, which does have a set aside for smaller counties, including Nevada County, is absorbing the \$200 million reduction.

But these are really the key items that we think, when looking at NCTC's priorities, are the ones that we want to focus on. And given the huge deficit, I don't think this is a bad starting place for where we're at in the budget process. Hearings on the budget just started yesterday. There'll be subcommittee hearings, 62 of them, in the assembly as we were reminded multiple times during the hearing.

The process is just kicking off. I think the issue that we're going to see is there's continued weakness in revenue receipts and so is this really a \$58 billion, \$68 billion deficit or are we going to see continued weakness and more cuts in May? In which case some of these funding sources that are going to go directly to NCTC could be on the table.

Kiana Valentine:

Thank you, Chris, I'll take over from here. Good morning, Commissioners. Kiana Valentine with Politico Group. Thanks, Chris for the great budget overview.

In addition to the fiscal clouds that we are seeing in Sacramento, we wanted to illuminate some of the political and legislative hot button issues and influences that we think we're going to have to navigate this year, and working with NCTC to be successful in delivering on its legislative state budget and administrative objectives and goals.

A couple of unknown factors I think that are still a little too early to understand how this will influence it, but we have new leadership in both the Assembly and the Senate. The assembly speaker Robert Rivas from the Central Coast took over in July of last year, but we did not see his changes to committee

chairpersonships and membership until this year. And so how that plays out and impacts the policy issues we care about remains to be seen.

I will say in the transportation space, Assembly member Lori Wilson from the Contra Costa area replaced assembly member Laura Friedman from Los Angeles and we think will bring a bit more of a moderate voice to the Assembly Transportation Committee as we discuss multimodal investments, the role of the state highway system and how we provide for our communities and so forth.

This will also be his first time leading the assembly caucus through a full budget cycle and the first time many of the state assembly members will have to close an actual budget deficit. We saw those over the past few years, but then they got sort of papered over with federal Covid money and all of a sudden really steep increases in unexpected tax revenue. This is a true budget deficit situation, so that will be interesting to see how this plays out.

And in the Senate, Tony Atkins from San Diego is stepping down, I think the second week of February, and former county supervisor from Sonoma County and Senator Mike McGuire will be taking over. Unlike the Assembly, that transition is going to be a little bit more congenial. The transition in the Assembly over the last year was contentious, so we don't anticipate too many changes in terms of his leadership roster and potential changes to committee chairpersonships. So, we'll see what happens in the next couple of weeks there.

It is the second year of a two-year session. We are already off and running. Bills that were introduced in the 2023 session that were still in their house of origin had deadlines of basically next Wednesday to get through the first house. And so, there's been a lot of activity. I think because it's an election year, we are seeing some measures, that would otherwise maybe get through the legislature, being held back. Nothing of note really in the transportation space. I'll say some public safety measures that were pretty progressive in nature did not make it out of committee last week in some of the other policy areas. So, I think the election politics will have an interesting effect in Sacramento.

I will just note that transportation as a solution to the state's climate change dilemma will remain at the top of the agenda, despite leadership changes and despite committee chairpersonships, the administration and legislature overall are interested in reducing greenhouse gas emissions from the transportation sector. So, these are issues we are well versed on and really enjoy working on and getting our hands dirty. Looking forward to it.

There's also going to be a lot of activity at the administrative level, primarily the California Transportation Commission, whom, as you know, sets guidelines and makes grant awards and funding allocations for a lot of competitive grant programs that NCTC competes for.

Most of them are funded through SB 1, although some of them are mixed with federal funding and pre-existing transportation dollars. But similar to the budget process, I think last year when we updated guidelines there were 43 CTC workshops. And so, we anticipate a very busy calendar updating guidelines for the Trade Corridor Enhancement Program, Active Transportation Program, Solutions for Congested Corridors Program and Local Partnership Program. Also, the State Highway Operations and Protection Program, the State Highway Maintenance Program.

These guidelines, I think for the first time ever, are going to become controversial. You may have read in the media some attention that was brought to the YOLO IAE Managed Lanes Project and allegations of misuse of SHOPP funds. What's the appropriate role of SHOPP funds in conjunction with capital dollars to deliver projects. We have some perspectives on that. Lots of cost savings opportunities and a role for capacity projects in the state of California still. But that's going to come to a head and neck guidelines process, so that'll be very interesting. We are getting ready to attend, just later this afternoon, an Interregional Transportation Improvement and State Transportation Improvement Program workshop, where once again, the climate transportation debate is going to come to a head, but there is some funding for NCTC on the State Route 49 projects. I think everything, knock on wood, looks good.

And then lastly, I just wanted to spend a little bit of time sharing with you how Chris and I and our firm Politico Group approaches advocacy. Chris and I have worked together now 15 years, both here at Politico Group. I've been with the firm five years, Chris is going on a year and a half. But before that, we were in service to the California State Association of Counties. Chris worked for Yolo County before that. I've had a smattering of other jobs in the state bureaucracy, but I'll just say our roots were in local and regional government. It's the issues that we care about the most. And so, we're just really excited to be working with you all. And it's that time at CSAC where I think for those of you involved in that organization, understood that it was our relationships and our ability to deliver quality data, and become a source of reliable information that allowed us to build really good working relationships with the decision makers and the policy makers in the state capital.

We really like focusing on fostering relationships, connecting you all directly. Obviously, you have your own relationships with your elected officials, but bringing that together with additional touch points and fostering relationships as a key approach to advocacy, developing and working with coalitions, League of Cities, CSAC, the Transit Association. None of us are successful in a vacuum and we certainly rely on each other in Sacramento to build coalitions and successfully deliver on our goals.

We have found it so valuable to tell your story in a way that helps the state see how you can help it achieve its goals. So much of the time I find there's focus on, oh, there's a capacity project in Nevada County. They just want to build highways and expand and grow and that's all they're about. But it's really missing all the investments in transit. You're making all the investments to try to deliver livable communities for your residents to build housing, so there are affordable options for the people that live in Nevada County. When we are able to compile that information in a compelling narrative, all of a sudden that is the narrative and it's not just a specific project. And so, we look forward to digging into that with you all and NCTC staff as well. Thanks for the time. I know we went a little bit long, but really appreciate it. Thank you.

Commissioner:

An excellent report and I'm excited to be working with you guys. That's wonderful.

Discussion on Broadband

Chris Lee:

I think for a regional transportation planning agency, one of the things we've been super engaged on with some of our other clients is just the ability for you to continue to have virtual attendance at meetings. You have a very large county, you've got people who have to drive really long distance to come to an advisory committee meeting or something of the nature. And so, looking at the actual VMT impacts of not being able to attend a court appearance or attend a committee meeting of NCTC or do a doctor's visit through online means, is a way I think to wrap the broadband investments and the need for that sort of thing into transportation.

Kiana Valentine:

I would just add to that, I think with the state's effort to build the statewide Broadband Middle Mile Initiative, whatever the MMBI stands for these days. Which is one area of the budget where the governor did put new money because of cost escalations of the project to make sure to deliver that network. This is putting a pin in it for Chris and I to work with NCTC staff to talk more about what the county and the commission has done to engage in the broadband funding effort. But there's a lot of money out there that we could potentially leverage and try to bring back to the county to support the Broadband Middle Mile project. And then the last mile effort, which allows for transportation to demand management, remote attendance of parents, all the multiple benefits.

## Discussion on Recreation Infrastructure

Chris Lee:

We pulled that particular provision from the 2023 Nevada County key legislative position. As I understood it when I was reading it, we're still trying to get acquainted with your priorities locally. Is that having alternatives to people coming to the tourist destinations up around Truckee, near the Tahoe Basin as a way to say, can we get more people on the train? Can we get people on the buses? What are the ways that we can work to do transportation demand management other than having everybody come up with a car? So again, this was our effort at trying to synthesize a lot of different information and anticipate where you are. We're not particularly wedded to any of these items. We're just trying to get the conversation started on the issues that we know are important in the counties.

## Discussion on ballot measure to limit how local agencies can raise taxes

Kiana Valentine:

I was at a meeting yesterday where I saw some polling on how that initiative is faring with voters right now. And I will tell you at this point in time, I don't see that ballot initiative making the November ballot. So right now, my strategy is just hope it continues to pull really bad with voters. That being said, if it were to qualify, there is a huge contingent and coalition ready to launch an opposition that includes a lot of powerful forces in Sacramento, not the least of which are public labor unions, teachers, business groups. Believe it or not, that measure sort of is a double-edged sword for them.

Chris Lee:

I would just add that CSAC and the League of Cities are both in opposition to that for those measures. There's also an attention to global government. I think when we were drafting this, we never know how, tax issues are obviously very controversial. The idea I think here with the platform is to put things in where we think there's a high level of consensus and then you have the delegated authority to quickly respond via your staff. But for items that are maybe more controversial, whether it's with the public or with the governing board, those items would probably typically go through a process. So, it wasn't meant to exclude and say that's not an issue, but those are typically hot button issues and sometimes might warrant a higher level of engagement before you consider, for instance, a position or an opinion on a ballot measure.

Mike Woodman:

Based on the comments from the commission we should have one other priority in here with focus on supporting expansion of passenger rail to Truckee, Reno, supporting those efforts. I recommend approving the platform with the amendment to also mention State Route 20 in the first bullet on safety and evacuation egress. We can add some clarifying language in the transportation demand management for the transportation linkage and reducing VMT and allowing remote work and those type of things, and then add the bullet on supporting the expansion of passenger rail to Truckee, Reno.

Resolution 24-01 was passed unanimously by the commission.