



***TPA Presentation to:
Transbay Joint Powers
Authority***

Board of Directors

January 13, 2022

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General Overview

- 2022 is the Second Year of the 2-year Legislative Cycle
- Legislature returned from Interim Recess on January 3, 2022
- Governor introduced his January Budget Proposal on January 10, 2022
- Legislature's top focus will be on COVID response, housing and homelessness, climate, and how to spend another budget surplus
- Musical Chairs in both Houses of the Legislature. There are currently 4 vacant Assembly seats and Redistricting will pit some incumbents against others in 2022 elections
- New "Swing-Space" as Capitol Annex is remodeled



Budget Forecast

Per the Governor's 2022 Budget Presentation, there is a \$45.7 billion operating surplus, of which \$20.6 billion will be available for discretionary use

The windfall is fueled, like last year, with tax revenue and federal funds.

Budget Forecast continued

- The Governor's proposed budget is largely focused on addressing **“California's five existential threats”** which include addressing the **COVID-19 crisis, investments in climate resiliency, the rising cost of living, homelessness, and public safety.**
- The proposed early action portions of the budget include \$1.4 billion in emergency appropriations to address the ongoing COVID-19 crisis.

Governor's Transportation Proposal

The Governor's transportation proposal can be **broken down into three parts. First, the infrastructure package includes:**

- \$4.2 billion from Prop 1A for the High-Speed Rail Authority to advance the project in the Central Valley of eventual service between Merced and Bakersfield.
- \$3.75 billion General Fund for transit and rail projects (\$1.25 billion specifically set aside for Southern California projects, \$500 million for grade separations), to be administered through CalSTA's Transit and Intercity Rail Capital Program (TIRCP).
- \$500 million for Active Transportation Projects
- \$400 million for state and local climate adaptation projects that support climate resiliency and reduce risks from climate impacts
- \$150 million to establish the Reconnecting Communities: Highways to Boulevards Pilot Program, converting underutilized highways into multi-modal corridors mirroring the new federal program of the same name.
- \$100 million for bicycle and pedestrian safety projects, allocated through the Highway Safety Improvement Program, to reduce severe injuries and fatalities of vulnerable road users.

Governor's Transportation Proposal continued

The second part of the Governor's infrastructure proposal is \$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.

Governor's Transportation Proposal continued

The third part of the proposal includes a \$6.1 billion investment in zero-emission vehicles and infrastructure including:

- \$1.5 billion from Proposition 98 funding to support school transportation programs, including advancing electric school buses.
- \$1.1 billion for zero-emission trucks, buses, and off-road equipment and fueling infrastructure.
- \$935 million to add 1,000 zero-emission short-haul (drayage) trucks and 1,700 zero-emission transit buses.
- \$900 million to expand ZEV infrastructure access in low-income neighborhoods and \$256 million for low-income consumer purchases.
- \$419 million to support sustainable community-based transportation equity projects that increase access to zero-emission mobility in low-income communities.
- \$400 million to enable port electrification.
- \$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.

Governor's Transportation Proposal continued

The Governor is proposing that the state forgo adjusting the gas tax for inflation as prescribed by SB 1 (Beall, 2017).

This would reduce transportation funding in the coming year by an estimated \$523 million (half from state programs and half from the local streets and roads diversion).

It is unclear whether this would result in any reduction in fuel prices but could lead to a similar reduction in transportation funding every year going forward.

Ongoing Efforts

TPA and TJPA Leadership have had several briefings and maintained ongoing communication with the Governor's Administration, Transportation Committees, SF Legislative Delegation, and other Bay Area Stakeholders.

Next Steps

1. Transportation Budget Trailer Bill
2. Funding opportunities, such as the TIRCP program and others
3. Legislative efforts, including introductory briefings for new Executive Director and progress on DTX
4. Regional efforts, including tours