

# San Mateo County Transportation Authority

## 2025 Legislative Program

### Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transportation Authority (Agency) programs and services. They also have the potential to present serious challenges that threaten the Agency's ability to meet the county's most critical transportation demands.

The 2025 Legislative Program establishes the principles that will guide the Agency's legislative and regulatory advocacy efforts through the 2025 calendar year, including the first half of the 2025-26 State Legislative Session and first session of the 119<sup>th</sup> Congress.

The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Agency to respond swiftly and effectively to unanticipated developments. The program is in alignment with existing Board-adopted policies and procedures. Expansion of the program beyond those adopted policies and procedures would require Board approval.

### Objectives

The 2025 Legislative Program is organized to guide the Agency's actions and positions in support of three primary objectives:

- Maintain and enhance funding opportunities to support the Agency's projects, programs and services;
- Seek a regulatory environment that streamlines project delivery and maximizes the Agency's ability to meet transportation service demands; and
- Reinforce and expand programs that build and incentivize public transportation ridership, improve safe and quality transportation choices, and better incorporate Transportation Authority programs as well as SamTrans and other transit provider services with other agencies in the Bay Area.

### Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

- Budget and Transportation Funding Opportunities
- Transportation Projects Funding Requests and Needs
- Regulatory, Legislative, and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Board's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Board for consideration.

### **Advocacy Process**

Staff will indicate on each monthly legislative update to the Board recommended positions for pending bills or policy initiatives. Once the Board has an opportunity to review the recommended position, staff will communicate the position to the relevant entities (such as the bill author, relevant legislative committees, agencies, or stakeholders). If legislation falls outside of the scope of the Board's adopted Legislative Program, Board approval will be required prior to the Agency taking a position. In rare circumstances, should a position on a bill or legislation fall outside the scope of the Board's adopted Legislative Program and be needed in advance of a Board meeting, staff will confer with the Board Chair.

### **Public Engagement Strategies**

Staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2025 Legislative Program, including:

- Direct Engagement  
Engage policymakers directly, sponsor or support legislation, submit correspondence and provide public testimony that communicates and advances the Agency's legislative priorities and positions.
- Coalition-based Engagement  
Engage stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the Legislative Program.
- Media Engagement  
Build public awareness and communicate the Agency's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

The adopted legislative program will guide the Agency's legislative advocacy efforts until approval of the next program.

**State and Regional**

**Funding Opportunities and Challenges**

*Issue / Background*

**General Funding** Transit and transportation agencies continue to suffer from a loss of ridership and revenue as a result of the COVID-19 pandemic and widespread work from home policies. The TA provides funds to both SamTrans and Caltrain. SamTrans is fortunate to be a leader in ridership recovery at over 94% of pre-pandemic. SamTrans also has sources of local funding other agencies do not have. Caltrain is struggling to recover with ridership in the mid 45% of pre-pandemic levels. Additional funding is needed to mitigate the pandemic and work from home policies' impact on transit and transportation agencies.

The state significantly reduced its one-time General Fund investments in multimodal transportation infrastructure in FY 2023-24 and FY 2024-25, specifically for active transportation, highways to boulevards, and grade separation programs. While this one-time General Fund investment was laudable, the state has not traditionally supported transportation infrastructure outside of special funds, which are also insufficient to meet demand.

*Strategy*

- Advocate, along with coalitions, for additional resources to secure sustainable state funding for transit systems and work to ensure committed funds materialize in the FY 2025-26 State Budget.
- Support funding opportunities that will help Agency sponsored and/or funded projects move through the different stages of planning, environmental, and construction phases.
- Protect against the elimination or diversion of any state or regional funds that support the Agency's transportation needs.
- Support state funding allocation requests for investments that benefit the Agency's transportation programs, services, and projects the Agency is investing in.
- Work with project sponsors, the legislative delegation, regional agencies, transit systems, and transit associations to identify and advance opportunities for funding that would support the Agency's transportation priorities.
- Support full and timely allocation of the Agency's State Transportation Improvement Program (STIP) share.
- Monitor efforts to convert from the gas tax to a more sustainable, predictable, and environmentally responsible funding source for the County's local streets and roads, highways, transit systems, and active transportation networks.
- Future funding tools that convert or supplement the gas tax should continue to support existing multimodal state funding programs, including SB 1 competitive grant programs, and existing eligible uses.
- Support efforts to provide funding for the deployment of zero-emission transit vehicles and infrastructure.

<p><b>Cap-and-Trade Revenues</b> In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). The program has generated billions of dollars, particularly for high-speed rail, passenger rail and transit capital and operating needs. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 % of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process. In 2017, the legislature extended the program from 2020 to 2030. It is expected that the Legislature and the Governor may pursue an extension of the program in 2025.</p> <p>The programs require a certain percentage of funds be expended in state defined “equity priority communities” communities” (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.</p>	<ul style="list-style-type: none"> <li>● Support efforts to extend the Cap-and-Trade Program beyond 2030 and monitor any impacts to the current 2030 sunset date and extension conversations will have on upcoming Transit and Intercity Rail Capital Program (TIRCP) cycles and other transportation programs.</li> <li>● Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support projects the Agency is undertaking and/or investing in.</li> <li>● Support legislation and regional action that makes a broad array of the Agency’s emissions-reducing transportation projects, programs and services eligible for investment.</li> <li>● Protect existing cap-and-trade appropriations for transit operations, capital projects, and sustainable communities’ strategy implementation.</li> <li>● Support efforts to revise the State’s definition on “equity priority communities” to encompass a larger proportion of disadvantaged communities on the Peninsula.</li> </ul>
<p><b>Voter Thresholds</b> In November 2024, California voters considered Proposition 5 (a legislatively qualified initiative) which would have reduced the voter threshold to 55 percent for local bonds for affordable housing and public infrastructure.</p>	<ul style="list-style-type: none"> <li>● Support any additional efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special district or regional transportation agency to impose a special tax for transportation supported projects or programs. Monitor efforts to use the initiative process to place measures on the ballot with lower voter thresholds.</li> <li>● Monitor and potentially oppose any efforts to amend the State Constitution to increase the voter threshold required for the State or city, county, special district or regional transportation agency to impose a special tax for transportation projects or programs.</li> </ul>

<p><b>Other Local Funding Options</b> Local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives and projects that will support ridership recovery and growth through a variety of methods such as managed lanes and local ballot measures.</p> <p>In 2014, the Federal Aviation Administration (FAA) issued a rule called the “Policy and Procedures Concerning the Use of Airport Revenue, proceeds from Taxes on Aviation Fuel.” The rule would require that local taxes on aviation fuels must be spent on airports is contrary to states’ rights to control their general application sales tax measures. While the FAA has been directed to postpone enforcement by recent appropriation bills, the agency has found that California has not submitted documentation on the use of state and local aviation fuel tax receipts.</p>	<ul style="list-style-type: none"> <li>● Participate in state and regional efforts to establish authorizing legislation for a regional funding measure and ensure San Mateo County transit and transportation agencies receive equitable and sufficient operating and capital support.</li> <li>● Advocate for legislation that would create new local funding tools to support transportation infrastructure and services.</li> <li>● Support innovative local and regional funding options that will provide financial support for the Agency and sister agencies.</li> <li>● Support legislation that works to ensure revenues generated through express lane projects remain in the County of origin.</li> <li>● Advocate for funding sources that would assist transit agencies and other local jurisdictions in obtaining funds for sustainability initiatives including sea level rise mitigation that protects transportation, water conservation, waste reduction, long-term resource efficiency of facilities and equipment, and greenhouse gas reductions.</li> <li>● Support funding for workforce development, retention, and housing to attract and retain quality personnel.</li> <li>● Support efforts that allow for public private partnerships that benefit the implementation of capital projects, efficient operation of transit services, or enhanced access to a broad range of mobility options that reduce traffic congestion.</li> </ul>
<p><b>Transportation &amp; Housing Connection</b> Given the housing shortage crisis, there have been efforts at the state and regional levels to link housing and zoning with transportation funding.</p>	<ul style="list-style-type: none"> <li>● Evaluate state or regional efforts that directly link transportation funding to housing and enable higher density housing projects near transit stations.</li> <li>● Advocate for solutions that appropriately match decision making authority with funding (i.e. – an agency should not be financially penalized for decisions that are outside the authority of the agency).</li> <li>● Advocate for the Agency to be able to develop its property in the manner most beneficial to Agency needs and goals.</li> </ul>
<p><b>Transportation Projects</b></p>	
<p><b>General</b> Pre-pandemic, as the Bay Area’s population continued to grow, the region’s transportation infrastructure was strained. Although transit ridership remains far below pre-</p>	<ul style="list-style-type: none"> <li>● Work with state delegation members, as well as local, regional, and state coalitions to support state and federal funding requests for Agency projects and programs for our partner transit agencies, such as SamTrans and Caltrain projects, that provide</li> </ul>

<p>pandemic levels for some Bay Area agencies, all agencies are working to bring riders back to transit. In addition, the demand for housing with easy access to public transit continues to grow.</p>	<p>complementary services for the Agency and local jurisdictions that sponsor projects the Agency invests in.</p> <ul style="list-style-type: none"> <li>• Support efforts of local jurisdictions, SamTrans and Caltrain to complete critical infrastructure projects.</li> <li>• Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for equitable transportation and mobility in the Bay Area.</li> </ul>
<p><b>101 Managed Lanes and Multimodal Projects</b>  There are several managed and express lanes projects in San Mateo County including the 101 Express Lanes from the San Mateo/Santa Clara County line to I-380 in South San Francisco (Phase 1); North of 380 to San Francisco (Phase 2); and the 101/92 Interchange Area Improvement and Direct Connector projects. Phase 1 is currently operational, and Phase 2 began environmental efforts in 2021 with a draft EIR expected to be available for public comment in 2025. The 101/92 Area Improvement project is construction-ready and the Direct Connect project started environmental efforts in 2024. The Agency also funds several multimodal projects across the County.</p>	<ul style="list-style-type: none"> <li>• Support policies and projects aimed at improving safety and encouraging the use of multimodal transportation throughout San Mateo County.</li> <li>• Advocate for a regulatory and legislative environment that supports the efficient delivery of funded and approved managed and express lane projects.</li> <li>• Support funding opportunities that will help Agency sponsored and/or funded projects move through the different stages of planning, environmental, and construction phases.</li> <li>• Support policies that will allow for effective public private partnerships.</li> <li>• Participate in future workshops held by the California Transportation Commission to ensure eligibility for all projects.</li> <li>• Support funding and regulations that complement the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) adopted 101 equity program.</li> </ul>
<p><b>Transit-Oriented Development (TOD)/ First and Last Mile</b> First and last mile projects, as well as TODs, are an important part of the broad transportation ecosystem that will help support robust ridership in the corridor.</p>	<ul style="list-style-type: none"> <li>• Support efforts to provide people with easy and convenient options to travel to and from major transit centers to their destination.</li> <li>• Support the development of new, innovative, and equitable first and last mile options.</li> <li>• Support increased funding opportunities for first and last mile projects.</li> <li>• Support transit-oriented development policies that promote collaboration with transit agencies to maximize the benefit of the TOD.</li> </ul>
<p><b>Grade Separations</b> are an important safety and quality of life feature for the cities in San Mateo County. These projects improve safety for people walking, rolling, biking, riding transit and driving</p>	<ul style="list-style-type: none"> <li>• Advocate for the preservation of previously awarded funding as well as additional funding and policies to support grade separation projects.</li> </ul>

<p>when crossing the railroad, and help to relieve congestion on local streets. With the average grade separation costs continuing to grow, there remains limited federal, state and local resources to help finance these projects.</p> <p>The FY 2024-25 state budget cut \$300 million from one-time General Fund investments into grade separation programs and projects, with direction to the executive branch to come up with a funding plan to fully restore these cuts.</p>	
<p><b>Transportation Demand Management (TDM)</b> TDM is the application of strategies and policies to reduce travel demand of single-occupancy vehicles or to redistribute this demand in space or time.</p>	<ul style="list-style-type: none"> <li>• Support policies that encourage the use of TDM and efforts that provide more TDM tools and funding opportunities.</li> </ul>
<p>Legislative, Regulatory and Administrative Issues</p>	
<p><b>General</b> Every year, lawmakers pursue a variety of legislation or regulatory actions that could affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, there are opportunities to reform or update existing regulations to address potential burdens on transportation agencies without affecting regulatory goals. Recently, there have been calls for a more coordinated and streamlined transit system in the Bay Area.</p> <p>The Agency is moving forward with sponsoring multiple projects and funding small- and large-scale projects sponsored by local jurisdictions. Each of</p>	<ul style="list-style-type: none"> <li>• Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the Agency, and facilitate the conversion of general-purpose lanes to toll lanes.</li> <li>• Advocate for a regulatory and legislative environment that supports the efficient delivery of projects. Work towards the elimination of any unjustified, outdated and/or overly burdensome regulations or restrictions on the Agency’s ability to protect, retain, and develop Agency owned property, and conduct efficient transportation operations, administration, planning, and project delivery efforts.</li> <li>• Engage with MTC, the Legislature, and stakeholders on policies related to regional coordination.</li> <li>• Ensure that new requirements impacting transit agencies support improved connections with other transit system and don’t result in tradeoffs that have unintended consequences for key transit riders and stakeholders.</li> </ul>

<p>these types of projects face different regulatory and funding hurdles.</p>	<ul style="list-style-type: none"> <li>• Work with the Administration to ensure guidance considers impacts on transit operations and the ability to meet transit rider mobility needs.</li> <li>• Support efforts that assist the Agency in its efforts to recruit and retain employees.</li> <li>• Advocate for a regulatory and legislative environment that helps with the efficient delivery of projects.</li> </ul>
<p><b>California Environmental Quality Act (CEQA)</b>  San Mateo County has experienced an acceleration of frequent impacts on its infrastructure due to climate change. Existing law provides a series of statutory exemptions for transit and active transportation projects under CEQA through 2030. In 2023, the legislature enacted a comprehensive package to shorten the administrative and judicial review process and agencies are beginning to take advantage of the new statutes.</p> <p>The Legislature continues to explore how to accelerate the delivery of infrastructure projects through permit streamlining and other regulatory and statutory changes.</p>	<ul style="list-style-type: none"> <li>• Monitor the implementation and opportunities related to CEQA and permit streamlining to expedite project delivery, particularly for climate resilient projects.</li> </ul>
<p><b>Sustainable Communities Strategies Implementation</b> In conjunction with AB 32 and SB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2017, regional authorities in the Bay Area approved the update to Plan Bay Area. The most recent Plan Bay Area 2050 was adopted in 2021 and MTC is</p>	<ul style="list-style-type: none"> <li>• Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on the Agency’s transportation services associated with the implementation of SB 375 and Plan Bay Area.</li> <li>• Ensure any planning, development, or policy proposals are consistent with the Agency’s policies and planning.</li> <li>• Support efforts to prioritize San Mateo County projects in Plan Bay Area.</li> </ul>



<p>currently working on an update to Plan Bay Area 2050+.</p>	
<p><b>Climate Action Plan for Transportation Infrastructure (CAPTI)</b> In 2021 the California State Transportation Agency (CalSTA) adopted the Climate Action Plan for Transportation Infrastructure (CAPTI), which details how the state recommends investing billions of discretionary transportation dollars annually to aggressively combat and adapt to climate change while supporting public health, safety and equity. CalSTA is in the middle of a public process to gather stakeholder feedback on new or revised action ideas and other updates to CAPTI. A final updated CAPTI is anticipated in late 2024.</p>	<ul style="list-style-type: none"> <li>• Work to ensure state and federal funds are made available to achieve the transportation and transit goals outlined in CAPTI.</li> <li>• Engage in the State’s effort to address the transit-specific goals outlined in the executive orders.</li> <li>• Protect transportation agencies and projects from any negative impacts stemming from the executive orders (e.g. additional mandates without funding, changes to funding guidelines that might disadvantage transit projects or highway projects that facilitate multimodal options).</li> <li>• Work to ensure state regulations related to the reduction of greenhouse gas emissions (GHG) and the implementation of CAPTI align with the goals of The Agency.</li> </ul>
<p><b>Brown Act</b> In response to the COVID-19 pandemic, Governor Newsom issued emergency orders that included suspending many of the Brown Act requirements for remote participation in public meetings, such as requiring teleconference locations to be disclosed, and making all teleconference locations open and accessible to the public. Multiple bills addressed the Brown Act in the last legislative session that aimed to incorporate the ability to meet remotely with conditions into Brown Act meetings moving forward. All Brown Act meetings must now be held in person with some modest accommodations for those who cannot attend.</p>	<ul style="list-style-type: none"> <li>• Evaluate legislation that makes additional changes to the Brown Act.</li> <li>• Support changes that would do one or more of the following: <ul style="list-style-type: none"> <li>○ Provide flexibility for Board and citizens advisory/oversight committee members to participate in meetings remotely, particularly for regional entities.</li> <li>○ Maximize equitable access to remote participation in meetings.</li> <li>○ Protect the privacy of individuals cared for by Board/committee members.</li> <li>○ Increase participation in public meetings.</li> </ul> </li> </ul>

**Federal**

**Funding Opportunities and Challenges**

*Issue / Background*

*Strategy*

**Federal Appropriations** Transit and transportation agencies continue to suffer from a loss of ridership and revenue as a result of the COVID-19 pandemic and widespread work from home policies. The TA provides funds to both SamTrans and Caltrain. SamTrans is fortunate to be a leader in ridership recovery at over 94% pre-pandemic. SamTrans also has sources of local funding other agencies do not have. Caltrain is struggling to recover with ridership in the mid 45% of pre-pandemic. Additional funding is needed to mitigate the pandemic and work from home policies' impact on transit agencies.

The Agency is moving forward with sponsoring projects and funding small- and large-scale projects sponsored by local jurisdictions. Each of these types of projects face different regulatory and funding hurdles.

Every year, Congress adopts appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the funding for federal agencies to spend money during the upcoming fiscal year for the programs they administer.

- Work with the Agency's federal delegation to secure potential funding through congressionally designated funding requests (earmarks) for the Agency's project priorities and for projects the Agency invests in.
- Work with project sponsors, the federal delegation, regional agencies, transit systems, and associations to identify and advance opportunities for funding that would support the Agency's transportation priorities.
- Protect against the elimination or diversion of any Federal funds that support the Agency's transportation needs.
- Support federal funding allocation requests for investments that benefit the Agency's transportation programs, services, and projects the Agency is investing in.
- Advocate for new funding programs or modifications to existing programs to better address the Agency's specific needs.
- Work with local and regional coalitions to support requests for funding from discretionary programs.
- Communicate frequently with the Agency's federal delegation, key appropriators and Administration officials on the needs or concerns of pending appropriations bills and federal grant programs.

<p><b>Tax and Finance</b> Congress considers legislation that governs tax and finance issues that impact transit agencies.</p> <p>Next year, Congress will have to consider major tax legislation to address the sunset of the Tax Cuts and Jobs Act of 2017 (TCJA) bill. This effort could present an opportunity to address things like restoring the federal transit benefits or identifying additional revenue to help cover the transit fiscal cliff. This would be the vehicle if legislation is considered to address the solvency issues of the Highway Trust Fund.</p>	<ul style="list-style-type: none"> <li>• Support efforts to ensure tax provisions that benefit the Agency’s priorities are included in any tax or finance proposal.</li> <li>• Protect against the elimination or diversion of any tax policies that support the Agency’s transportation needs.</li> <li>• Identify issues of importance addressed in the tax code. This would include possible restoration of the federal transit benefit, alternative fuel tax credits, and other Agency priorities.</li> </ul>
<b>Transportation Projects</b>	
<p><b>General</b> Support Agency projects and the efforts of partnering agencies to obtain federal funding for transit and transportation projects the Agency is involved in.</p>	<ul style="list-style-type: none"> <li>• Work to support state and federal funding requests for Agency projects and programs for our partner transit agencies, such as SamTrans and Caltrain projects, that provide complementary services for the Agency and local jurisdictions that sponsor projects the Agency invests in.</li> <li>• Support the allocation of federal funding to advance implementation of transportation projects in San Mateo County.</li> </ul>
<p><b>Grade Separations</b> are an important safety and quality of life feature for the cities in San Mateo County. These projects improve safety for people walking, biking, rolling, and driving when crossing the railroad, and help to relieve congestion on local our streets. While the IJJA authorized additional funding for Grade Separation projects, the average grade separation costs continue to and there remains limited resources available to help advance these projects.</p>	<ul style="list-style-type: none"> <li>• Advocate for the preservation of previously awarded funding for grade separation projects.</li> <li>• Advocate for additional funding and policies to support grade separation projects and to prioritize and fund San Mateo County projects.</li> </ul>
<p><b>101 Managed Lanes and Multimodal Projects</b> There are several managed and express lanes projects in San Mateo County including the 101</p>	<ul style="list-style-type: none"> <li>• Advocate for a regulatory and legislative environment that supports the efficient delivery of funded and approved managed and express lane projects.</li> </ul>

<p>Express Lanes from the San Mateo/Santa Clara County line to I-380 in South San Francisco (Phase 1); North of 380 to San Francisco (Phase 2); and the 101/92 Interchange Area Improvement and Direct Connector projects. Phase 1 is currently operational, and Phase 2 began environmental efforts in 2021 with a draft EIR expected to be available for public comment in 2025. The 101/92 Area Improvement project is construction ready and the Direct Connect project started environmental efforts in 2024.</p>	<ul style="list-style-type: none"> <li>• Support policies and projects aimed at improving safety and encouraging the use of multimodal transportation.</li> <li>• Support funding opportunities that will help the project move through the different stages of planning, environmental, and construction phases.</li> <li>• Support policies that will allow for effective public private partnerships.</li> </ul>
<p><b>Legislative, Regulatory and Administrative Issues</b></p>	
<p><b>General</b> Every year lawmakers pursue legislation or regulatory action that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, there are opportunities to reform or update existing regulations to address potential burdens on transportation agencies without affecting regulatory goals.</p>	<ul style="list-style-type: none"> <li>• Advocate for a regulatory and legislative environment that supports the efficient delivery of projects. Work towards the elimination of any unjustified, outdated and/or overly burdensome regulations or restrictions on the Agency’s ability to protect and develop Agency owned property, and conduct efficient transportation operations, administration, planning, and project delivery efforts.</li> <li>• Advocate for the inclusion of programs and policies in the next Surface Transportation Reauthorization that are beneficial to the Agency’s funding and regulatory goals.</li> <li>• Support opportunities to remove barriers to, and improve the ability to conduct, safe and efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the Agency and the projects it sponsors and/or funds.</li> <li>• Oppose efforts to impose unjustified and/or overly burdensome regulations or restrictions on the Agency’s ability to conduct efficient transportation operations, administration, planning and project delivery efforts.</li> <li>• Support efforts that assist the Agency in its efforts to recruit and retain employees.</li> </ul>
<p><b>Infrastructure Investment and Jobs Act Implementation (IIJA)</b> In November 2021, Congress approved, and the President signed into law the IIJA, which includes \$550 billion in new</p>	<ul style="list-style-type: none"> <li>• Support efforts to seek federal funds through IIJA for Agency projects and plans.</li> <li>• Monitor and review guidance and rulemaking proposals affecting IIJA implementation and other transportation issues.</li> </ul>

<p>funding, and \$1.2 trillion in total, for infrastructure investment, including for roads and bridges, rail systems, bus systems, drinking water and clean water, the electric grid, and other programs. MTC estimates that the Bay Area will receive at least \$3.4 billion in formula fundings from the IJA.</p> <p>The IJA will expire in 2026. The base text was a surface transportation reauthorization, providing obligation authority out of the Highway Trust Fund to fund federal transportation programs. This portion of the bill will need to be re-authorized, and those discussions will begin in the next session of Congress. It is very unclear at this point if the additional appropriations provided by the IJA – appropriated funding on top of the authorized programs - will continue.</p>	<ul style="list-style-type: none"> <li>• Collaborate with local, regional, state and national transportation advocacy groups to coordinate funding advocacy and comments and advocacy efforts that support regulations that maximize benefits for transportation programs, services and users.</li> <li>• Identify IJA programs that worked for the Agency and advocate for their reauthorization. Seek to modify programs with recommendations to make them more viable options for Agency priorities.</li> </ul>
<p><b>Inflation Reduction Act (IRA)</b> With the passage of the IRA, federal agencies are moving forward on implementing the new tax and climate law. While focusing mainly on energy production, tax, and healthcare, the IRA provides some funding for low-emission transportation technologies. The majority of the \$394 billion in energy and climate funding is in the form of tax credits—with an estimated \$216 billion worth of tax credits.</p>	<ul style="list-style-type: none"> <li>• Monitor closely and take action as needed during Administration implementation of provisions that may have a significant impact on transit / transportation projects and programs.</li> <li>• Advocate for funding for the Agency’s projects and needs.</li> <li>• Maintain clear Agency priorities, both in terms of projects and policy.</li> </ul>

<p><b>FAA Rule</b> In 2014, the Federal Aviation Administration’s (FAA) issued a rule called the “Policy and Procedures Concerning the Use of Airport Revenue, proceeds from Taxes on Aviation Fuel.” The rule would require that local taxes on aviation fuels must be spent on airports is contrary to states’ rights to control their general application sales tax measures. While the FAA has been directed to postpone enforcement by recent appropriation bills, the agency has found that California has not submitted documentation on the use of state and local aviation fuel tax receipts.</p> <p>This effort will need to be revisited during consideration of next year’s tax bill.</p>	<ul style="list-style-type: none"><li>• Support efforts to protect the ability of local and state governments to determine how general sales tax measures are allocated.</li><li>• Continue to advocate for report language in the annual appropriations bills and support legislative changes that would permanently clarify the issue during consideration of next year’s tax bill.</li><li>• Support the State of California in its efforts to respond and address FAA’s requests.</li></ul>
---	---