



March 26, 2025

To: James Corless, Executive Director, Sacramento Area Council of Governments

From: Chris Lee, Partner, Politico Group
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Re: **March State Advocacy Report & Legislative and Administrative Update**

Politico Group is pleased to provide the following report to the Sacramento Area Council of Governments on recent advocacy activities, as well as legislative and administrative updates.

March Advocacy Activities

In March, Politico Group worked with SACOG to begin review of 2025 legislation, including multiple bills with implications for sustainable communities strategies, which are listed below. Legislative policy committees have started to hear bills, with the Assembly Transportation Committee holding its first bill hearing on March 24 and the Senate Transportation Committee meeting the following day. Legislators face late-March deadlines in both houses to amend their non-substantive spot bills before they can be heard in the policy committees, so additional bills of interest to SACOG may emerge over the last week of March and first week of April.

The Assembly and Senate Transportation committees met for a joint informational hearing in early March, where they examined the role of California's gasoline excise tax in funding transportation and started to examine how California can continue to address its state and local infrastructure as transportation fuel consumption continues to decrease. A summary of the hearing, which included testimony from SACOG, is included in the report below.

The Governor's Administration has also been busy since last month's report, with the release of the updated Climate Action Plan for Transportation Infrastructure (CAPTI 2.0) and the California Transportation Commission's working draft State and Local Transportation System Needs Assessment, both on February 28. Details of these reports are included below.

Legislative Updates

Sustainable Communities Strategy Legislation

The Legislature has introduced several bills with implications for SACOG's regional planning work under the regional transportation plan/sustainable communities strategy (RTP/SCS). Senator Cabaldon (D-Yolo) has also indicated to stakeholders that he intends to advance legislation to modernize SB 375 and sustainable communities strategies. In follow-up discussions with his staff, Politico Group shared key concerns and priorities for SACOG in any SB 375 reform measure. While the Senator has introduced SB 486, which makes narrow changes to the SCS and housing element, as described below, it is unclear whether he will incorporate broader changes into that bill or other legislative vehicles.

- **AB 902 (Schultz): Transportation planning and programming: barriers to wildlife movement.** This bill would require an RTP/SCS adopted or revised after January 1, 2028 to identify and analyze wildlife connectivity areas and consider the impacts of development and the barriers caused by transportation infrastructure and development to wildlife and habitat connectivity. The bill also includes specific new requirements related to wildlife crossings for individual projects funded by a regional transportation agency. AB 902 is referred to the Assembly Transportation and Local Government committees.
- **AB 1275 (Elhawary): Regional housing needs: regional transportation plan.** This bill would move up the date for the Department of Housing and Community Development (HCD) to provide the Council of Governments (COG) its regional housing needs determination by one year and give HCD additional authority to determine that a COG's methodology for allocation the regional housing needs does not further the statutory requirements of the Regional Housing Needs Assessment law. In such cases, the bill would require the COG to make changes in consultation with HCD, including "the weighting of the sustainable communities strategy development pattern in the methodology." AB 1275 is referred to the Assembly Housing and Community Development and Local Government committees.
- **SB 486 (Cabaldon): Regional housing: public postsecondary education changes in enrollment.** This bill requires the RTP/SCS to consider changes in enrollment levels at institutions of public higher education, excluding enrollment of non-resident students, when identifying areas of the region that can accommodate needed housing growth. The bill also requires the same measures to be reflected in the regional housing needs determination and for private and public higher education institutions to provide related data to COGs. SB 486 is referred to the Senate Housing and Environmental Quality committees.

Informational Hearing on Declining Gas Tax Revenues

The Assembly Transportation Committee and Senate Transportation Committee met on Monday, March 3 for a [joint informational hearing](#) intended to be the first in a series this year to explore the future of transportation funding. The hearing focused on the status of transportation funding and the anticipated loss of fuel tax revenue due to an increase in fuel-efficiency of gas-powered cars and the transportation to zero-emission vehicles (ZEVs). Panelists included representatives from the Legislative Analyst's Office, academia, the California Transportation Commission (CTC), and regional and local government.

The overarching message was that without legislative intervention, state transportation revenues will decline by approximately \$31 billion over the next 10 years based on CTC projections. This will cause multimodal transportation programs to shrink, and Californians will see fewer projects to increase safety, improve the condition of infrastructure, support the economy, and add more mobility options.

While the hearing was not intended to delve into possible solutions, committee members emphasized their concerns with the increasing inequity of transportation taxes and fees as drivers shift to zero emission vehicles and expressed a desire for solutions where all motorists would pay their "fair-share" regardless of the type of vehicle they drive.

Assembly Transportation Chair Wilson has introduced [AB 1421](#) with the intention of starting a multi-year conversation about how we fund our transportation system. The legislation currently extends the authorization of the Road User Charge Technical Advisory Committee and may serve as a vehicle for a replacement or supplementary funding mechanisms for the gas tax as conversations in the Legislature continue.

Senate Local Government Committee Holds Hearing on Public Meetings

Modernizing the Brown Act and providing flexibility for local legislative bodies to meet using teleconferencing technology were a major topic of discussion during [a hearing of the Senate Local Government Committee](#) on March 19. Entitled “Meeting the Moment: Strengthening Community Voices in Local Government Meetings,” the hearing included testimony from local government officials who highlighted how remote meeting technology adopted during the pandemic increased access to and participation in their respective meetings.

The hearing was held against the backdrop of multiple Brown-Act related bills under consideration in the current legislative session. Senator Jesse Arreguín, who is authoring [SB 239](#) related to advisory bodies and remote participation, asked the local government witnesses about their greatest hurdles utilizing current remote meeting laws. The officials answered that limitations on the number of times an individual can use “just cause” flexibilities for remote participation as well as difficulties surrounding in-person quorum requirements were the most significant implementation issue.

Representatives of newspaper publishers, taxpayer groups, and civil liberties advocates pushed back strongly against the idea of weakening requirements for an in-person quorum in a publicly accessible physical meeting space when Brown Act bodies use teleconferencing technology. Other witnesses stressed the need for local agencies to use multiple communication channels to reach their constituents, including through media outlets targeted at non-English speaking communities.

Reflecting this complex debate, Senate Local Government Committee Chair, María Elena Durazo (D-Los Angeles) has introduced her own bill, [SB 707](#), which includes provisions governing remote meetings for Brown Act legislative bodies and advisory committees. The bill would extend “just cause” remote meeting flexibilities, while maintaining requirements for in-person quorums. The bill would also create new requirements to translate agendas into languages spoken by at least 20% of the county’s population and for city councils and county boards of supervisors to make additional accommodation for remote public comment, meeting video streaming, and language interpretation services.

SB 707 and SB 239 are both referred to the Senate Local Government Committee. If approved by the Assembly, [AB 259](#) by Blanca Rubio (D-Downey), which simply extends the sunset date for “just cause” remote participation by members of Brown Act bodies, would also be heard by the Senate Local Government Committee.

Administration Updates

Climate Action Plan for Transportation Infrastructure 2.0 Released

After several months of stakeholder listening sessions in the fall of 2024 and incorporating public comment on earlier drafts, the California State Transportation Agency (CalSTA) released on the [Climate Action Plan for Transportation Infrastructure \(CAPTI\) 2.0](#) on February 28. CAPTI 2.0 includes four new strategies and 14

new key actions for how the state invests discretionary transportation funding to further reduce energy demand from the transportation sector.

CAPTI 2.0 recognizes that significant progress has already been made – California now generates 1/5 the amount of greenhouse gas (GHG) emissions across the CAPTI portfolio of funding programs than compared to investments made in prior years – yet the report argues that more needs to be done to meet the state’s climate goals.

Numerous transportation stakeholders raised concerns with proposals to codify the current CAPTI principles and require that projects funded under the Solutions for Congested Corridors Program (SCCP) be VMT neutral. The updated plan backed away from the “codification” recommendation. While CAPTI 2.0 continues to focus on the reduction of vehicle miles traveled (VMT) as the key metric for reducing GHG emissions from the transportation sector, it defers to the California Transportation Commission to incorporate VMT neutrality goals across the entire Solutions for Congested Corridors Program and the Trade Corridor Enhancement Program, rather than proposing further limits on the eligibility of individual projects.

Statewide Multimodal Transportation Needs Assessment Released

The California Transportation Commission (CTC) released a much-anticipated “Working Draft” of the [SB 1121 State and Local Transportation Needs Assessment](#) in February. The goal of the report is to identify California’s transportation funding needs as compared to available revenues through 2035. Key findings from the report include:

- The total multimodal transportation funding needs over the next 10 years are estimated to be approximately \$757.5 billion. Approximately 13% of the identified needs are associated with state highways, 32% with local streets and roads, and 46% with transit and rail.
- Projected statewide 10-year transportation revenues are approximately \$572 billion, but this amount is anticipated to decline by \$31 billion over the decade (to \$541 billion) due to increasing shares of fuel-efficient and zero-emission vehicles on the road.
- The projected 10-year revenue shortfall is approximately \$216.4 billion. In comparison, the 2011 Statewide Transportation System Needs Assessment identified an annual system preservation, management, and expansion cost of \$536.2 billion, a revenue of \$242.0 billion, and a shortfall of \$294 billion.

The report explored policy recommendations to help the Legislature and Administration understand trade-offs among future revenue options. Scenarios ranged from doing nothing, to increasing current fuel tax rates, to full implementation of a pay-by-the-mile road user charging (a “road charge”) across all vehicle types. The report concluded that the phased-in implementation of a road charge, beginning with zero emission vehicles, was the optimal path forward. This scenario would help stop the loss of funding in the near-term due to the transition to ZEVs while also giving the state time to address potential challenges with a road charge system before expanding it to all passenger vehicles.

SB 695 Report: Select State Highway System Outcomes Released

Caltrans released the inaugural [Select State Highway System Project Outcomes Report](#) in accordance with SB 695 (Gonzalez, 2023). The report summarizes select project level outcomes involving the State Highway System (SHS) from all funding sources for the fiscal years 2018-19 through 2022-23. The report also includes a listing of all planned or pending projects that are planned, in design, or under construction on the SHS.

The report notes that over 5,100 projects were completed in the SHS during the study period. The average project on the SHS takes 9 years from planning to construction and as such, which is important to keep in mind when reviewing the data as many of the projects reported on were started prior to major state policy changes, including implementation of SB 743 (Steinberg, 2013) and the Climate Action Plan for Transportation Infrastructure (CAPTI). Key takeaways from the report are provided below, but the full report is worth reading (only 27 pages if you exclude the list of current or planned projects).

- For the 5-year reporting period, a total of approximately 550 lane miles were added to the SHS. This represents a growth rate of the system of approximately 0.2% annually, which is about half the national growth rate during this same period.
- Most new lanes added to the SHS were general purpose lanes and high occupancy vehicles lanes. These two lane usage types account for just under 60% of all new lanes added to the SHS.
- Lane addition concentrations were seen in rapidly growing areas of California. The Inland Empire has seen the most lane additions to support the rapid growth of housing and freight centers that have placed additional demands on the SHS.
- About half of all counties in California now have their own local transportation tax measures in place to improve transportation in the region. In some cases, these regional measures identify specific highway system improvements to reduce congestion.
- Approximately 77 miles of new or reconstructed sidewalks were reported in projects and 160 miles of new bikeways were added to the SHS.
- A total of 306 business and 317 homes were relocated in conjunction with 13 projects over the reporting period. These 13 projects reflect policies that were prevalent at the time that planning was undertaken.

The report goes on to state that evidence of recent policy shifts is already visible in GHG plans and programs. For example, planned investments in climate adaptation, resilience, and bicycle and pedestrian infrastructure have increased and are well-documented in the State Highway System Management Plan. Caltrans anticipates that by 2030, approximately half of the reported projects are expected to reflect these policy changes and shifts in investment strategies. The next SB 695 report is due January 1, 2026 for 2023-24.

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