



Memorandum

AGENDA ITEM 8

DATE: January 17, 2024
TO: Transportation Authority Board
FROM: Amber Crabbe - Senior Public Policy Manager
SUBJECT: 2/11/25 Board Meeting: Approval of the 2025 State and Federal Advocacy Program

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <p>Approve the 2025 State and Federal Advocacy Program</p> <p>SUMMARY</p> <p>Every year, the Transportation Authority adopts high level goals and strategies to guide legislative strategy and advocacy while still providing the necessary flexibility to respond to specific bills and policies over the course of the legislative sessions. We developed the attached 2025 State and Federal Advocacy Program in coordination with local, regional, and statewide partners. It continues many themes from prior years and builds on them to address new opportunities and legislation currently being discussed at the federal, state, and regional level. This year, it focuses on protecting and securing transportation funding; engaging in potential authorization for a regional revenue measure; ensuring reasonable oversight of autonomous vehicles; and supporting the city’s equity, mobility, climate, and Vision Zero goals.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input type="checkbox"/> Fund Programming <input checked="" type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contract/Agreement <input type="checkbox"/> Other: _____
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BACKGROUND

The State and Federal Advocacy Program, adopted annually by the Transportation Authority Board, establishes a general framework to guide our legislative and funding advocacy efforts at the state and federal levels. Transportation Authority staff, and our advocacy consultants in Sacramento and Washington, D.C., will use this program to plan legislative strategies and communicate positions to the city’s state and federal legislative delegations, other



transportation agencies, and advocates, as well as to develop recommendations to bring to the Board, as appropriate.

The proposed 2025 State and Federal Advocacy Program reflects key principles gathered from our common positions with the San Francisco Municipal Transportation Agency (SFMTA), the Mayor's Office, other city agencies, transit operators serving San Francisco, other local transportation sales tax authorities around the state, and the Metropolitan Transportation Commission (MTC); as well as our understanding of the most pressing issues facing the city, the region, and our partner agencies. It is presented in the form of principles rather than specific bills or legislative initiatives to allow staff the necessary flexibility to respond to legislative proposals and policy concerns that may arise over the course of the session. Throughout the year, we will be reporting on the status of bills that are of significance to the Transportation Authority and developing recommendations for positions as appropriate.

DISCUSSION

Our 2025 State and Federal Advocacy Program continues many themes from prior years and builds on them to address new opportunities and legislation currently being discussed at the federal, state, and regional level. Highlights are below.

State Advocacy

Bay Area Transit Coordination and Regional Revenue Measure. In 2022, MTC began implementing the region's Transit Transformation Action Plan, which identifies actions to improve the connectivity and customer-facing features of Bay Area transit and actions for the region to pursue in the near-term. Over the past year, MTC has been conducting stakeholder engagement on a future regional revenue measure that would provide a stable source of ongoing transit operations funding as well as potential support for capital projects across all transportation modes. Specifically, MTC has been exploring several potential measure frameworks with varying revenue mechanisms, funding levels, geographic extents, eligible uses, and durations. Senators Wiener and Arreguin recently introduced Senate Bill (SB) 63, which is an intent bill that is anticipated to carry the language to authorize MTC to place a measure on the ballot no earlier than 2026. We have been working with MTC and SFMTA staff, as well as the Senator Wiener's staff directly, and engaging in conversations with other stakeholders (e.g. county transportation authorities, transit operators, labor, advocates) to provide feedback on possible measure frameworks to hopefully maximize benefit to San Francisco and avoid provisions that could disbenefit the city and its transit operators moving forward. At its February meeting, the MTC Commission will review polling results and discuss provisions for potential incorporation into SB 63. We will continue working with MTC and partners throughout 2025 on the development of the authorizing legislation and any subsequent measure framework.



Cap-and-Trade Extension. California's cap-and-trade program is a key element of California's strategy to reduce greenhouse gas (GHG) emissions which auctions permits to major producers of GHG. Revenues are committed through an expenditure plan where 65% is dedicated to established spending categories and 35% is identified annually through the state budget. Of the transportation-related committed funding categories, 25% of total cap-and-trade revenue is dedicated for California High-Speed Rail (HSR), 10% is dedicated to transit capital projects, and 5% is dedicated to transit operations.

It is a major legislative priority this year to extend the cap-and-trade program past 2030 and potentially include bonding authority. While the current cap-and-trade program doesn't expire until 2030, extension is necessary now in part because the Transit Intercity Rail Capital Program (TIRCP) has already pre-committed most funding through 2030. This means the program doesn't have capacity to provide grants for San Francisco projects that were anticipating future awards (e.g. The Portal, SFMTA and BART capital priorities). Extending cap-and-trade, and revisiting the expenditure plan, could also provide an opportunity to increase the amount of funding for transit operations to help address transit operator budget shortfalls in the near term.

The Legislature and the Governor have signaled their intent to pursue an extension of cap-and-trade in 2025. This effort is likely to garner significant discussion, engagement, and advocacy from those currently receiving funding (transportation interests and those from other funded sectors), as well as advocates within and outside these ecosystems. We are working collaboratively with partners across the region and the state to advocate maintaining, or ideally increasing, the amount of funding going to transit programs in the expenditure plan.

Transportation Funding. In his January budget, Governor Gavin Newsom announced an anticipated budget surplus of \$16.5 million due to stronger than expected performance of the economy. However, the budget estimate in his May Revise is likely to change significantly given the recent wildfires in Southern California. The current budget proposal would maintain planned transportation spending, including the \$5.1 billion state transit package that was included in the FY 2023/24 state budget. MTC has committed \$445 million of the formula share it receives to help with transit operator budget shortfalls, the bulk of which is programmed to SFMTA and BART. We will join other public sector representatives and advocates in ensuring that legislators and the Governor understand the critical need to maintain and potentially increase transportation funding in the budget. We will also continue seeking state "bridge" funding for transit operations to help address the anticipated transit operator financial shortfalls past FY 2025/26, until new revenues are available.

The Portal and California HSR. The Portal's funding plan assumes a \$1 billion state share of the \$7.5 billion project cost through a combination of TIRCP and other state funds. As noted above, cap-and-trade extension is key to securing a future TIRCP grant, which TJPA is seeking to cover the bulk of that need. The remainder would require funding from another state



source, potentially as a designated “bookend” project of the California HSR project. Cap-and-trade extension would also establish ongoing funding for that project, the bulk of which would be used to support the segment under construction in the near term. However, there is past precedent for committing a portion of new funding to support the delivery of joint benefit projects that will support future HSR implementation on the north and south segments. We will advocate for the HSR project to contribute to the construction of its eventual terminus, as well as seek other possible state resources.

Emerging Mobility. With respect to our advocacy around transportation technology and emerging mobility, we anticipate a focus on autonomous vehicles. In partnership with the SFMTA, we will continue to advocate for policies that balance their benefits and impacts; ensure safety, equity, and accessibility; and secure local access to data to provide transparency to inform local planning and regulation. We will also participate in Department of Motor Vehicles and California Public Utilities Commission autonomous vehicle regulatory efforts. Additionally, we will seek opportunities to advance the adoption of electric vehicles and other e-mobility (e.g. e-bikes), focusing on incentives for low income residents and communities.

Climate Goals. We will work to support legislation that advances San Francisco’s Climate Action Plan (2021). This includes supporting SFMTA’s and other transit operators’ efforts to secure state and federal funding as they work to transition their fleets to clean vehicles, consistent with the state’s Innovative Clean Transit rule that requires public transit bus fleets to be 100% zero-emissions by 2040.

Federal Advocacy

Given the new Administration and Congress, we anticipate a significant shift in our 2025 advocacy from seeking new opportunities to advance San Francisco’s priorities to defending existing funding and fighting for policies that support our agency’s goals.

Transportation Funding and Appropriations. The 2021 approval of the federal Bipartisan Infrastructure Law included a five-year reauthorization of the federal transportation bill through October 2026. However, there are opportunities for lawmakers to delay, redirect, or reprioritize funding. We will focus on maintaining funding consistent with the current transportation bill, including for the Federal Transportation Administration’s Capital Investment Grant program, from which The Portal is expecting to receive \$3.4 billion once its Full Funding Grant Agreement is approved. We will also be working with MTC, SFMTA, and other interested parties on the development of future surface transportation reauthorization legislation, which kicked off in 2024.

Autonomous Vehicles. In December, the National Highway Transportation Safety Administration released a voluntary framework for autonomous vehicles that would set up a review and reporting standard for cars operating on public roads, with a goal of improving



public transparency related to their safety and oversight as the technology rapidly evolves. While this is a promising development, we anticipate the incoming Administration may pursue a different direction, with initial indications that it may seek to relax current reporting requirements. We will continue to engage with policymakers on this topic, in an effort not just to protect existing reporting requirements, but to advocate for future regulations that set clear goals; perform data-driven research to evaluate the public benefits and impacts of these services; and mandate access to critical data for local and regional governments to ensure their safety, equity, and accessibility.

CAC POSITION

The CAC will consider this item at its January 22, 2025, meeting.

FINANCIAL IMPACT

The recommended action does not have an impact on the adopted Fiscal Year 2024/25 budget.

SUPPLEMENTAL MATERIALS

Attachment 1 - Draft 2025 State and Federal Advocacy Program

Attachment 1

San Francisco County Transportation Authority
Draft 2025 State and Federal Advocacy Program

STATE		
Area	Goal	Strategy
1. Funding	a. Secure new revenue and financing measures for transportation	<ul style="list-style-type: none"> • Work with Senator Wiener in partnership with the Metropolitan Transportation Commission (MTC), local agencies, and other interested parties to advance San Francisco’s priorities in the development of legislation to authorize the placement of a regional transportation funding measure on a future ballot, including oversight and accountability provisions with safeguards to protect core transit services. • Support San Francisco-serving transit operators seeking authorization to pursue transportation revenue measures in their service areas as complements or back-up plans for a regional measure • Strengthen SFCTA’s ability/flexibility to seek voter-approved ballot measures. • With regional and state partners, seek additional ‘bridge’ funding to address transit operators’ anticipated operating shortfalls due to effects from the COVID-19 pandemic and slower-than-expected ridership and revenue recovery, until new revenues are available • Monitor and potentially support efforts to establish other new transportation revenue mechanisms or to otherwise raise additional funds dedicated to transportation. (See also 1.c. below)

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San Francisco County Transportation Authority
Draft 2025 State and Federal Advocacy Program

	<p>b. Secure and extend cap-and-trade revenues for transportation</p>	<ul style="list-style-type: none">• Extend the state cap-and-trade program past 2030 to, among other things, increase the availability of funding for the Transit and Intercity Rail Capital Program (TIRCP) and other current spending programs. Extending the cap-and-trade program past 2030 is critical for TJPA to secure a multi-year state funding commitment to The Portal and an extension could also include bonding authority. SFMTA also needs future TIRCP funding to advance priority projects. An extension of cap-and-trade could also serve as a potential source of new ongoing funding for transit operations.• Maintain or increase cap and trade funding for current transportation programs (e.g., transit operations, electric vehicle (EV) buses and infrastructure, transit expansion) and seek discretionary grants for San Francisco priorities (The Portal, SFMTA train control and facilities, Embarcadero Seawall).
	<p>c. Protect transportation funding</p>	<ul style="list-style-type: none">• Maintain transit funding at levels promised in the \$5.1 billion state transit package that was included in the Fiscal Year (FY) 2023/24 state budget. MTC’s funding commitment of its formula distribution includes \$445 million of its share of these funds to help with transit operating shortfalls. Restore Active Transportation Program funding that was cut in the FY 2023/24 budget.• Advocate against the elimination or redirection of other funds or authority to seek voter support for funds dedicated to transportation (e.g., High-Speed Rail funds, protect ability to pursue Citizens Initiatives revenue).

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	<p>d. Modify evaluation criteria and distribution formulas for state transportation funds and regulations</p>	<ul style="list-style-type: none"> • Advocate to modify the state definition of disadvantaged communities (e.g., CalEnviroScreen) to better align with MTC’s Equity Priority Communities. • Oppose unfunded mandates and seek cost recovery for state requirements (e.g., autonomous vehicle (AV) permitting, transit zero emission requirements). • Advocate to use factors in formula distribution calculations that better tie transportation funding to the true demands placed on the system, such as daytime population or transit usage rather than centerline roadway miles.
	<p>e. Streamline and improve state grant program administration (e.g., cap-and-trade, Active Transportation Program, Transportation Fund for Clean Air)</p>	<ul style="list-style-type: none"> • Advocate for efficient, clear, relevant, streamlined, and flexible grant administration processes (e.g., consolidating state grant program calls for projects). • Advocate for a stronger role for regional and local governments in prioritizing projects for funding (e.g., support policies and programs that link land use/housing to transportation, incentivizing and rewarding jurisdictions that pursue Transit Oriented Developments).
<p>2. High-Speed Rail (HSR)</p>	<p>a. Strengthen state commitment to a blended HSR and electrified Caltrain system from San Francisco to San Jose</p>	<ul style="list-style-type: none"> • Work with partner agencies to advance the HSR project, oppose redirection of existing funds, and advocate that the HSR early investment projects are implemented in a manner consistent with the northern California Memorandum of Understanding to develop a blended system, including achieving level boarding at all shared Caltrain/High Speed Rail facilities. • Advocate for the California High-Speed Rail Authority to commit funding for The Portal and other efforts that advance the northern California segment (e.g., geotechnical studies).

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<p>3. Policy Initiatives</p>	<p>a. Ensure the implementation of emerging mobility innovations (e.g., Transportation Network Companies (TNCs), scooters, autonomous vehicles) is consistent with new mobility principles</p>	<ul style="list-style-type: none">• Support the development of legislative and regulatory proposals that ensure the transparency of data, an ability to enforce compliance with driver statutes, and incremental permitting procedures to ensure the safety, operational efficiency, and effective deployment of AV services. Seek inclusion of local jurisdictions in the decision-making process for testing and deployment.• Continue efforts to ensure emerging mobility is regulated and deployed in a way that balances benefits and impacts and ensures safety, equity, and accessibility.• Advance recommendations from the CalSTA Transforming Transportation Advisory Committee.• Advocate for updated state regulations and state traffic codes, as appropriate, and compliance with these, to ensure the safety, operational efficiency, climate benefits, and effective deployment of emerging mobility.• Continue to support efforts to develop and implement requirements for Transportation Network Companies' (TNCs') greenhouse gas emissions and accessibility (e.g., California Air Resources Board's (CARB's) Clean Mile Standard). Improve the transparency and integrity of California Public Utility Commission's (CPUC's) TNC data.• Seek cost recovery fees for addressing new mobility (e.g., AVs) regulatory and policy activities in state rulemakings and hearings.
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	<p>b. Advance San Francisco's Vision Zero goals and improve safety</p>	<ul style="list-style-type: none"> • Support development of next-generation Vision Zero policy and work with local partners to identify and secure funding for San Francisco’s Vision Zero projects. • Support efforts to improve safety for all road users, including supporting bills that advance best practices in safe roadway and vehicle design. Protect against bills that would have negative safety impacts. • Advocate for incremental, performance-based safety framework to be developed for AV permitting and certification, including VMT reporting requirements to facilitate rate-based analyses.
	<p>c. Support the delivery of infrastructure on Treasure Island/ Yerba Buena Island and the Treasure Island Mobility Management Agency’s (TIMMA) work for sustainable mobility on Treasure Island</p>	<ul style="list-style-type: none"> • Advocate for funding for the YBI Multi-use Path (e.g., Solutions for Congested Corridors Program, federal grant programs) • Seek funding and advance toll policy development for implementation of the Treasure Island Transportation Improvement Program.
	<p>d. Improve reliability and efficiency of San Francisco’s roadway network, transit network, and other transportation demand management (TDM) strategies</p>	<ul style="list-style-type: none"> • Consider supporting new legislation that promotes innovative TDM strategies such mandating an employer-provided transit pass program as part of an updated regional Commuter Benefits Program ordinance, which also could support transit operations to help with forecasted financial shortfalls. • Continue to monitor and, as appropriate, provide input into the State Roadway Pricing Working Group, other working groups regarding roadway pricing strategies, and the state Road Charge Collection Pilot (Senate Bill 339 (Wiener)). • Support MTC’s efforts to improve compliance with occupancy requirements in High Occupancy Vehicle lanes.

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	<p>e. Advance the adoption and integration of e-mobility in a manner consistent with other city priorities</p>	<ul style="list-style-type: none">• Advocate for electric vehicle (EV) legislation that is equitable, consistent with San Francisco’s other mobility policies (e.g., transit-first) and that supports San Francisco’s deployment of EV infrastructure (e.g., curbside charging, installing EV chargers in multi-family dwellings).• Support funding opportunities for EV infrastructure planning, promotion, and deployment. This includes expanding eligibility of existing or new state funds to help transit operators meet the state’s Innovative Clean Transit rule that requires public transit bus fleets to be 100% zero-emission by 2040.• Support incentives for e-bike adoption, focusing funding on low income residents and communities.
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	<p>f. Advance legislative and administrative actions in support of other policy goals (e.g., equity, climate)</p>	<ul style="list-style-type: none">• Support efforts to advance a more affordable, connected public transit system in the Bay Area with integrated and/or discounted transit fares to benefit both low-income transit riders and attract new riders to the system, informed by the Bay Area’s Transit Transformation Action Plan, provided a sustainable fund source is identified. Monitor and, as relevant, comment on proceedings of CalSTA’s Transit Transformation Task Force.• Work with state and local partners to advance and update at the regulatory level the implementation of the California State Transportation Agency’s (CalSTA’s) Climate Action Plan for Transportation Infrastructure (CAPTI), which seeks to align state investments with policies to reduce greenhouse gas emissions, reduce vehicle miles traveled, and provide clean transportation options.• Support funding programs and policies that facilitate implementation of San Francisco’s Hazards and Climate Resilience Plan, Sea Level Vulnerability and Consequences Assessment, and Climate Action Plan. This includes engaging in any legislative effort to guide state expenditure on climate resiliency and adaptation projects.• Consider supporting the development of environmental review streamlining for projects that support San Francisco’s greenhouse gas emission reduction goals (e.g., transit, walking and biking, transit-oriented development on publicly owned property near transit).• With other County Transportation Agencies (CTAs), work to modernize Congestion Management Program regulations to support key policies and reinforce CTAs’ role in state, regional, and local transportation planning, congestion management, and funding.• Support the Metropolitan Transportation Commission’s effort to modernize statutes and requirements for the development of the region’s Sustainable Communities Strategy (i.e., Plan Bay Area).
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Draft 2025 State and Federal Advocacy Program

FEDERAL		
Area	Goal	Strategy
1. Transportation Funding	a. Sustain or increase federal transportation funding, including through the Fiscal Year 2026 appropriations process and future surface transportation reauthorization legislation	<ul style="list-style-type: none"> • Advocate for federal transportation spending at levels authorized in the Bipartisan Infrastructure Law, including funding for the Federal Transit Administration’s Capital Investment Grant program (i.e., New Starts, Small Starts, and Core Capacity programs). • Advocate for the continuation of Inflation Reduction Act transportation programs and funding, including those related to low-emission transportation technologies. • Oppose efforts to reduce or redirect transportation funding from California and from the nation as a whole. • Secure directed funding (i.e., earmarks) for San Francisco’s priority transportation projects. • Support innovative approaches to transportation and equity challenges such as congestion management, public transit affordability programs, technology demonstrations, and alternative project delivery methods.
	b. Secure funding for transit operations.	<ul style="list-style-type: none"> • Advocate for funding for transit operators and additional flexibility for federal formula funding programs to sustain services that are critical to economic recovery and disproportionately provide mobility for low income, minority, and transit dependent persons. • Lead effort to codify roadway pricing revenue’s usage for transit operations.
	c. Secure federal approvals for San Francisco’s project priorities	<ul style="list-style-type: none"> • Continue to advocate for the approval of a Full Funding Grant Agreement for the Transbay Joint Powers Authority’s anticipated Capital Investment Grant (CIG) funding application for The Portal (also known as Downtown Rail Extension). • Support SFMTA funding priorities such as facility and zero-emission bus investments.

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<p>2. Transportation Policy Initiatives</p>	<p>a. Advance autonomous vehicle (AV) regulations and policy that improve safety and facilitate local evaluation of their performance</p>	<ul style="list-style-type: none"> • Advocate to maintain and improve current federal AV deployment and reporting requirements and secure the ability of jurisdictions to appropriately oversee their safe operation. Ensure the availability of collected data. • Continue to engage in and support efforts to develop a national policy framework for AV testing, deployment, and regulation to ensure their safe, efficient, and effective deployment. • Partner with state and local governments to advocate for research that supports evidence-based regulations to inform AV policy and regulation.
	<p>b. Address the impacts of emerging mobility and technology services (e.g., artificial intelligence) and ensure their safety, equity, and accessibility</p>	<ul style="list-style-type: none"> • Contribute to the development of regulatory and pilot programs that balance their benefits and impacts on climate, safety, equity, accessibility, and data security, provide for state and local regulation, and secure access to critical data. • Support new federal funding for pilot programs that include a robust analysis of outcomes to inform future investment and regulation.
	<p>c. Advance regulatory actions and policies in support of other city and regional policy goals</p>	<ul style="list-style-type: none"> • Support or prevent the discontinuation of equitable policies to achieve greenhouse gas emissions reduction goals and to shift travel to affordable low-carbon modes, consistent with San Francisco’s Climate Action Plan. • Monitor other potential regulation activities (e.g., mobile applications, privacy protection) that would impact San Francisco’s range of transportation services. • Support or prevent the discontinuation of policies and funding programs that advance San Francisco’s climate adaptation and resiliency priorities, such as the Embarcadero Seawall.

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San Francisco County Transportation Authority
Draft 2025 State and Federal Advocacy Program

STATE AND FEDERAL (Project Delivery and Administration)		
Area	Goal	Strategy
1. Project Delivery	a. Expand use of innovative strategies for efficient delivery of transportation infrastructure	<ul style="list-style-type: none">• Advocate for additional opportunities to use alternative delivery methods to manage risk and improve implementation of transportation infrastructure projects.• Advocate for retention and expansion of innovative financing programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA), as well as additional flexibility.• Support efforts to increase the efficiency of Caltrans and the Federal Highway Administration in reviewing and approving project documents and permits.
2. General Administration	a. Ensure efficient and effective Transportation Authority and TIMMA operations	<ul style="list-style-type: none">• Advocate for the streamlining of administrative requirements.• Oppose legislation and regulations that constrain the Transportation Authority's and TIMMA's ability to contract for goods and services and conduct business efficiently and effectively. Support legislation and regulations that positively affect our effectiveness and limit or transfer our risk of liability.