



## NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

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### **SUBJECT**

Federal and State Legislative Update

### **STAFF RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board receive the Federal Legislative update and the State Legislative Update and take action on legislation included on the Bill Matrix.

### **EXECUTIVE SUMMARY**

The attached memos from Platinum Advisors summarizes recent federal and state legislative activities respectively. The Bill Matrix outlines legislation of interest to the Agency, and staff is requesting that the Board take action on various bills.

### **FISCAL IMPACT**

None



## NAPA VALLEY TRANSPORTATION AUTHORITY

### Board Agenda Memo

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**TO:** Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Kate Miller, Executive Director  
(707) 259-8634 / Email: [kmiller@nvta.ca.gov](mailto:kmiller@nvta.ca.gov)  
**SUBJECT:** Federal and State Legislative Update

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#### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVRTA) Board receive the Federal Legislative update (Attachment 1), the State Legislative Update (Attachment 2) and take action on legislation included on the State Bill Matrix (Attachment 3).

#### **BACKGROUND**

##### **Federal Update:**

A budget resolution has been adopted by both the House and Senate, but it will require major reconciliation. The House hard-line Republicans are demanding cuts. The House Committee on Transportation and Infrastructure Committee must identify at least \$10 billion in cuts between FY 2025-2034 which is not consistent with the Senate committee on Commerce, Science, and Transportation's proposal that would increase the deficit up to \$20 billion in new spending.

DOT Secretary issued a letter to federal transportation funding recipients threatening to take away funding unless they adhere to honoring the constitution by not showing preferences to any particular group (Attachment 4). There is general consensus that the letter does not acknowledge existing federal laws and regulations that require adherence to Americans with Disabilities Act, Title 6 of the Civil Rights Act, and Disadvantaged Business Enterprise requirements, as examples. General consensus among Bay Area transportation agencies is to transaction business as usual pending direction from the State, who is likely to take the lead on clarifying the letter with the federal government and recommend any changes that may be necessary to reconcile these issues.

**State Update:**

The Governor's May budget revision is expected next week, and revenue estimates are expected to be over \$5 billion and as high as \$40 billion depending on the federal government funding levels. Staff will provide the board with a summary of the Governor's May Revise at the Board meeting.

Meanwhile, Cap and Trade discussions between the Governor and legislative leaders continue and it is expected that an extension will be agreed to prior to the end of the year.

Staff is requesting that the Board take action on legislation included on the Bill Matrix.

**ATTACHMENTS**

- 1) April 28, 2025 Federal Update (Platinum Advisors)
- 2) April 28, 2025 State Update (Platinum Advisors)
- 3) April 28, 2025 State Bill Matrix (Platinum Advisors)
- 4) Secretary Duffy Letter

## PLATINUM | ADVISORS

TO: Kate Miller, Executive Director  
Napa Valley Transit Authority

FROM: Jessica Aune, Platinum Advisors

RE: Napa Valley Transit Authority April 2025 Monthly Report

DATE: Monday, April 28, 2025

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### **State of Play and Congressional Update:**

This month, Congressional lawmakers adopted a compromise FY2025 budget resolution before departing for a two-week recess – unlocking the next phase of the reconciliation process, which allows the Senate to bypass the 60-vote filibuster. After delaying a floor vote on the initial Senate-passed measure, Speaker of the House Mike Johnson (R-LA) made a pledge to hardline conservatives that he would find a minimum of \$1.5 trillion in spending cuts in exchange for their support. The minimum cuts in the Senate instructions only amount to \$4 billion – a tactic intended to give Senators more leeway in identifying potential savings and a potential sticking point between the two chambers as the budget process continues.

Now that an identical budget resolution has been adopted by both the House and Senate, congressional Republicans will now begin the process of drafting their massive reconciliation bill. The next step for Speaker Johnson and Senate Majority Leader John Thune (R-SD) will be to resolve different instructions provided to each authorizing committee in both chambers.

Under the budget resolution, the House Committee on Transportation and Infrastructure must identify at least \$10 billion in cuts between FY 2025-2034, while the Senate Committee on Commerce, Science, and Transportation can increase the deficit up to \$20 billion in new spending.

There is a general consensus between the two chambers on what will be included in the final package, including a permanent extension of the 2017 tax cuts, new funding for border security and defense, and an increase in the debt limit. However, the remaining question is how much to reduce federal spending to offset any increase in the deficit as a result of extending expiring tax cuts and incorporating the President's proposals to eliminate taxes on tips, Social Security benefits, and overtime pay.

As part of the agreement struck with members of the House Freedom Caucus and other fiscal hawks who had expressed concerns with the budget resolution, President Trump

and Speaker Johnson committed to repeal portions of the Biden administration's trademark Inflation Reduction Act and make certain reforms to Medicaid coverage.

Authorizing committees in both chambers will begin holding mark-ups on the budget resolution instructions over the next several weeks. Once each congressional committee completes its work, their provisions will be sent over to the House and Senate Budget Committees to be compiled into a single reconciliation package. While the White House is urging lawmakers to pass their final legislative measure by Memorial Day, Senate Republicans have set their sights on an August deadline.

### **Duffy Issues Warning on Withholding Funds Over DEI Policies**

Along with a [letter](#) sent to recipients of federal transportation funding, Department of Transportation (DOT) Secretary Sean Duffy [spoke on Fox News](#) to warn that if local and state governments "can't comply with federal law," then they shouldn't expect their applications for federal grant programs to be approved. Secretary Duffy also signaled that certain states and local governments could be subject to an audit on compliance with various Executive Orders and agency memorandum on DEI policies and immigration enforcement.

### **Withholding of Federal Funds to Municipalities Blocked by Judges**

This month, a federal judge issued a temporary injunction against a funding freeze for a group of local governments with "sanctuary" policies for undocumented immigrants. In February, coalition of 16 cities and counties, including the city of San Francisco, filed a lawsuit against an Executive Order that would rescind federal funds for local governments that don't comply with federal immigration enforcement. In his decision, the judge wrote that withholding funding causes local governments "irreparable injury in the form of budgetary uncertainty, deprivation of constitutional rights, and [undermines] trust between the cities and counties and the communities they serve."

### **Trump Officials Consider Easing Auto Tariffs**

The Trump administration is [considering](#) whether to reduce certain tariffs targeting the auto industry. One measure would spare automobiles and parts already subject to tariffs from facing additional duties from levies on steel and aluminum imports. Another option would fully exempt auto parts that comply with USMCA. However, when asked if he was considering changes to auto tariffs, President Trump said he wasn't - while also suggesting he might even increase levies on the Canadian auto sector.

### **FEMA Considers Natural Disaster Assistance Eligibility Reform**

According to [recent reporting](#), the Federal Emergency Management Agency (FEMA) is considering a slate of policy recommendations that could reduce the number of emergency declarations approved by the president, as well as limit the amount of federal

assistance available for cities and states affected by natural disasters. Notably, the memorandum, which was submitted to the White House Office of Management and Budget (OMB) proposes raising the threshold for states to qualify for public assistance and reducing the share of recovery costs paid for by the federal government.

Most recently, FEMA has publicly [rescinded](#) federal funding programs deemed as “wasteful” and “politicized” by new agency leaders. This includes the Building Resilient Infrastructure and Communities (BRIC) program, which provides federal support for hazard-reduction projects. Napa County was awarded a BRIC grant in 2024.

### **California Waivers Barred From Congressional Review**

This month, the US Senate Parliamentarian Elizabeth MacDonough ruled that California emissions waivers approved by the Biden administration aren’t subject to the Congressional Review Act. The decision reinforces a finding from the Government Accountability Office that three Clean Air Act waivers, which allow California to regulate motor vehicle emissions more strictly than the federal government, aren’t technically rules and therefore can’t be struck down by Congress.

House Republican lawmakers had previously introduced three Congressional Review Act disapproval resolutions aimed at overturning the Biden administration’s approval of California’s vehicle emissions mandates, including the Advanced Clean Cars II regulation, the Advanced Clean Trucks regulation, and the Omnibus Low-NOx Emissions rule.

### **FTA Pick Molinaro Approved by Senate Committee**

President Trump’s nominee to serve as the Federal Transit Administration (FTA) administrator, former Congressman Marc Molinaro, was confirmed by the Senate Banking Committee. His nomination was approved 20-4, with a handful of Democrats voting against Molinaro over opposition to the Trump administration’s efforts to reduce the scope of the federal government. At his confirmation hearing, Molinaro, when asked about potential funding freezes, said he would advocate for the disbursement of authorized and obligated funds.

### **Pending Legislation of Interest**

[H.R.81](#) — **To prohibit the imposition of mask mandates on public transportation.**

Sponsor: Biggs, Andy [Rep.-R-AZ-5]

Introduced: 01/03/2025

[H.R.502](#) — **To ensure the rural surface transportation grant program is accessible to rural areas, and for other purposes.**

Sponsor: Finstad, Brad [Rep.-R-MN-1]

Introduced: 01/16/2025

**[H.R.546](#) — To direct the Attorney General to establish a grant program for civilian traffic violation enforcement.**

Sponsor: Torres, Ritchie [Rep.-D-NY-15]

Introduced: 01/16/2025

**[S.161](#) — A bill to require the Secretary of Transportation to issue rules relating to the testing procedures used under the New Car Assessment Program of the National Highway Traffic Safety Administration, and for other purposes.**

Sponsor: Fischer, Deb [Sen.-R-NE]

Introduced: 01/21/2025

**[S.191](#) — A bill to require the Secretary of Transportation to modify certain regulations relating to the requirements for commercial driver's license testing and commercial learner's permit holders, and for other purposes.**

Sponsor: Lummis, Cynthia M. [Sen.-R-WY]

Introduced: 01/22/2025

**[H.R.623](#) — To direct the Secretary of Transportation to modify certain regulations relating to the requirements for commercial driver's license testing and commercial learner's permit holders, and for other purposes.**

Sponsor: LaHood, Darin [Rep.-R-IL-16]

Introduced: 01/22/2025

**[H.R.732](#) — Disaster Recovery Efficiency Act**

Sponsor: Jacobs, Sara [Rep.-D-CA-51]

Introduced: 01/24/2025

**[H.R.1166](#) — Decoupling from Foreign Adversarial Battery Dependence Act**

Sponsor: Rep. Gimenez, Carlos A. [R-FL-28]

Introduced: 02/10/2025

**[H.R.1513](#) — Unplug the Electric Vehicle Charging Stations Program Act**

Sponsor: Wied, Tony [Rep.-R-WI-8]

Introduced: 02/21/2025

**[H.R.1659](#) — Truck Parking Safety Improvement Act**

Sponsor: Bost, Mike [Rep.-R-IL-12]

Introduced: 02/27/2025

**[H.R.1892](#) — Wireless Electric Vehicle Charging Grant Program Act of 2025**

Sponsor: Stevens, Haley M. [Rep.-D-MI-11]

Introduced: 03/05/2025

[H.R.2088](#) — **To direct the Secretary of Transportation, in coordination with the Secretary of Housing and Urban Development, to establish a thriving communities grant program.**

Sponsor: Torres, Norma J. [Rep.-D-CA-35]

Introduced: 03/11/2025

[S.996](#) — **A bill to amend the Clean Air Act to prevent the elimination of the sale of motor vehicles with internal combustion engines, and for other purposes.**

Sponsor: Sen. Mullin, Markwayne [R-OK]

Introduced: 03/12/2025

[H.R.2166](#) — **To amend title 23, United States Code, with respect to vehicle weight limitations for certain logging vehicles, and for other purposes.**

Sponsor: Wied, Tony [Rep.-R-WI-8]

Introduced: 03/14/2025

[H.R.2348](#) — **To direct the Secretary of Transportation to produce and distribute a national public safety messaging campaign, and for other purposes.**

Sponsor: Stauber, Pete [Rep.-R-MN-8]

Introduced: 03/25/2025

[H.R.2819](#) — **To prohibit the Administrator of the Federal Motor Carrier Safety Administration from issuing a rule or regulation requiring certain vehicles to be equipped with speed limiting devices.**

Sponsor: Brecheen, Josh [Rep.-R-OK-2]

Introduced: 04/10/2025

[H.R.2992](#) — **To amend title 23, United States Code, and the Infrastructure Investment and Jobs Act with respect to vehicle roadside crashes, work zone safety, and for other purposes.**

Sponsor: Carter, Troy A. [Rep.-D-LA-2]

Introduced: 04/24/2025

## **Executive Branch**

### **Department of Transportation (DOT)**

DOT [announced](#) that it had signed its first federal grant agreement under the Bridge Investment Program (BIP). The \$175 million grant was awarded to the South Carolina Department of Transportation for the replacement of bridges along a major East Coast freight artery. Notably, the DOT's announcement emphasizes that DOT is working "to address an unprecedented backlog of roughly 3,200 unobligated grants inherited from the



previous administration.” The Bridge Investment Program was established by the Infrastructure Investment and Jobs Act of 2021.

DOT [announced](#) that the Federal Railroad Administration (FRA) and Amtrak had agreed to a revised scope for a planned rehabilitation of a bridge located along one of the busiest sections of the Northeast Corridor. The estimated savings from the revised plan total up to \$140 million. The revised scope for rehabilitation removes “unnecessary aesthetic costs like enhanced lighting and defer some rehab work where structural elements still have a useful life.” This announcement signals DOT's priorities related to identifying potential savings in federally funded projects. Similar actions were taken on two rail projects in [New York City](#) and [Texas](#).

DOT [announced](#) the fiscal year (FY) 2025 Notice of Funding Opportunity (NOFO) for the Safe Streets and Roads for All (SS4A) program. The deadline for applications is June 26, 2025. The NOFO removes language related to climate justice and equity that had been included in previous fiscal years.

### **Federal Highway Administration (FHWA)**

FHWA [published](#) a [final rule](#) repealing a Biden-era greenhouse gas measurement regulation that required metropolitan planning organizations and state DOTs to measure and report greenhouse gas emissions from transportation projects. The now-rescinded rule also established declining carbon dioxide targets and report on progress toward achieving those targets. In 2024, a district judge in Texas ruled that DOT lacked the legal authority to enact the rule.

### **National Highway Traffic Safety Administration (NHTSA)**

NHTSA [released](#) an updated Automated Vehicle (AV) Framework as part of the DOT's new transportation innovation agenda. The AV framework has three principles: prioritize the safety of ongoing AV operations on public roads; unleash innovation by removing unnecessary regulatory barriers, and enable commercial deployment of AVs to enhance safety and mobility for the American public.

# PLATINUM | ADVISORS

April 28, 2025

TO: Kate Miller, Executive Director  
Napa Valley Transportation Authority

FR: Steve Wallauch  
Platinum Advisors

**RE: Legislative Update**

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**Fiscal Outlook:** Although residents of Los Angeles County are allowed to defer filing their state income taxes until October of this year, the income tax receipts for April hit the revenue target for the month. As of April 24<sup>th</sup>, a total of \$17.35 billion has been received by the state. The January revenue forecast for April is \$17.37 billion. This is a strong showing to date, but with the stock market turmoil the expectation is that the May Revise will significantly downgrade revenue projections resulting in a budget deficit.

Through the end of March revenues are tracking \$4-5 billion ahead of the January estimates. This small buffer will be critical as stock prices slide and the U.S. Dollar is devalued, and the possibility of a recession on the horizon. The state will have little capacity to backfill federal cuts or augment state programs above the Governor's January budget. Assembly Speaker Robert Rivas has stated in news articles that the budget adopted in June will likely need to be altered before the end of session, or later this fall as federal funding cuts become known.

**Select Committees on Cost:** Assembly Speaker Rivas announced four new select committees charged with examining the cost of living in California. Select committees do not hear or act on legislation, but the result of the informational hearings by these committees do result in future legislative proposals.

Speaker Rivas stated, *"Middle-class families earning \$125,000 a year are struggling to afford rent, childcare, and groceries. That's not sustainable. People across the state — working full-time and doing everything right — are still falling behind. When the middle class is squeezed this hard, our entire future is at risk."* To examine how to address this challenge the Speaker has created the following Select Committees:

- **Select Committee on Child Care Costs:** Assemblymember Cecilia Aguiar-Curry will chair this Select Committee. **The goal is** to focus on how to maximize existing programs and make zero-to-3 childcare universally accessible and affordable for California families.
- **Select Committee on CalFresh Enrollment and Nutrition:** *This committee will be co-chaired by Assemblymembers Mia Bonta and LaShae Sharp-Collins.* The

committee will focus on boosting CalFresh enrollment, improving access to fresh food, and ensuring every family can afford to eat with dignity.

- *Select Committee on Housing Finance and Affordability:* This committee will be co-chaired by Assemblymembers Anamarie Ávila-Farías and John Harabedian. This select committee will explore creative financing solutions to accelerate affordable housing production.
- *Select Committee on Transportation Costs and Impact of the Low Carbon Fuel Standard:* Assemblymembers Lori Wilson and David Alvarez will co-chair this committee. This select committee will look at whether the Low Carbon Fuel Standard is still delivering for California families as currently designed and administered.

**Cap & Trade:** Governor Newsom along with Speaker Rivas and Senate Pro Tem McGuire have publicly pledged to extend the cap & trade program this year. The urgency to extend the program is needed to provide greater legal protections for the program in light of the Trump Administration's pledge to examine how to block state and local laws that are viewed as impeding energy independence. An extension would also boost participation in the auction which has been waning. Governor Newsom did not specify whether it would be a simple extension of the sunset date or if the plan would overhaul how funds are allocated. He stated the details will be shared in the coming weeks, which points to the details likely being included in the May Revision.

### ***Legislation:***

**AB 1070 (Ward):** The author pulled AB 1070 from the Assembly Local Government Committee hearing on April 23<sup>rd</sup>. This makes it unlikely that this measure will move forward this year. AB 1070 proposed to require all transit districts created in state statute to add two non-voting members to their governing boards, as well as require all governing board members to demonstrate that they use the transit system in order to receive compensation for serving on the board.

**AB 1250 (Papan):** AB 1250 was gutted and amended on April 10<sup>th</sup>. As amended the bill would prohibit starting on January 1, 2027, a transit operator from requiring an individual who is eligible for paratransit services and whose condition is not expected to improve from having to recertify their eligibility. In addition, the bill would require temporary eligibility to be valid for 180 days or until the date indicated by the person's medical professional, and it would prohibit renewal of temporary eligibility more than 6 consecutive times.

While there are no known transit operators that oppose the intent of this legislation, concerns have been raised regarding the need to maintain the accuracy of paratransit user data base. Requiring periodic recertification is one way to keep databases up to date. Discussions are underway with the author to address this concern.

**SB 79 (Wiener):** SB 79 was approved by the Senate Housing Committee over the objections of the chair, Senator Aisha Wahab. The bill will be heard next by the Senate Local Government Committee. The intent of SB 79 is to promote housing and mixed-use development projects near transit services, particularly on parcels owned or controlled by a transit operator. SB 79 also includes provisions that expand the definition of “agency’s use” within the Surplus Lands Act to include land leased to support public transit operations. The bill also exempts from CEQA any public or private residential, commercial, or mixed-used project located entirely or principally on land a public transit agency owns.

The goal is to not only promote housing near transit but also create a mechanism for these development projects to generate revenue for transit operators. The size and density of these development projects depends on the type of transit service located within ¼ mile of the project site.

**SB 569 (Blakespear):** The bill would allow Caltrans to establish a dedicated liaison to facilitate the removal of homeless encampments on Caltrans’ right-of-way and authorizes Caltrans to negotiate specified terms for Delegated Maintenance Agreements (DMA) with local jurisdictions. The DMA is a contract entered into by Caltrans and a local government, in which both work together to reduce and remove homeless encampments within Caltrans’ jurisdiction. This would allow local governments, under an executed DMA, to utilize local policies and procedures to streamline encampment abatement, as well as streamlining the permit process.

# PLATINUM | ADVISORS

April 28, 2025

ATTACHMENT 3  
NVTB Board Item 10.6  
May 21, 2025

**TABLE 1: BOARD ACTION ITEMS**

	Subject	Status	Recommended Position
<b><u>AB 1250</u></b> <b><u>(Papan D)</u></b> Transit operators: paratransit: recertification of eligibility.	AB 1250 was gutted and amended on April 10 <sup>th</sup> . As amended the bill would prohibit starting on January 1, 2027, a transit operator from requiring an individual who is eligible for paratransit services and whose condition is not expected to improve from having to recertify their eligibility. In addition, the bill would require temporary eligibility to be valid for 180 days or until the date indicated by the person's medical professional, and it would prohibit renewal of temporary eligibility more than 6 consecutive times.	Assembly Transp.	Watch
<b><u>SB 79</u></b> <b><u>(Wiener D)</u></b> Local government land: public transit use: housing development: transit-oriented development.	<p>SB 79 was approved by the Senate Housing Committee over the objections of the chair, Senator Aisha Wahab. The bill will be heard next by the Senate Local Government Committee.</p> <p>The intent of SB 79 is to promote housing and mixed-use development projects near transit services, particularly on parcels owned or controlled by a transit operator. SB 79 also includes provisions that expand the definition of "agency's use" within the Surplus Lands Act to include land leased to support public transit operations. The bill also exempts from CEQA any public or private residential, commercial, or mixed-used project located entirely or principally on land a public transit agency owns.</p>	Senate Local Gov.	Watch

	Subject	Status	Recommended Position
<b><u>SB 569</u></b> <b>(Blakespear D)</b> Department of Transportation: homeless encampments.	The bill would allow Caltrans to establish a dedicated liaison to facilitate the removal of homeless encampments on Caltrans' right-of-way and authorizes Caltrans to negotiate specified terms for Delegated Maintenance Agreements (DMA) with local jurisdictions. The DMA is a contract entered into by Caltrans and a local government, in which both work together to reduce and remove homeless encampments within Caltrans' jurisdiction. This would allow local governments, under an executed DMA, to utilize local policies and procedures to streamline encampment abatement, as well as streamlining the permit process.	Senate Appr.	Support

**TABLE 2: BOARD ADOPTED POSITIONS**

	Subject	Status	Position
<b><u>AB 259</u></b> <b>(Rubio, Blanca D)</b> Open meetings: local agencies: teleconferences.	AB 259 was amended to extend the sunset date to January 1, 2030, rather than repealing the existing January 1, 2026, sunset. This bill would extend the existing authority allowing members of a legislative body to participate remotely if specific conditions are met.	ASSEMBLY FLOOR	Watch
<b><u>AB 394</u></b> <b>(Wilson D)</b> Crimes: public transportation providers.	This measure would expand existing law regarding battery of a transit operator or transit passenger to also include an employee or contractor of a public transit provider.  AB 394 was amended to delete the process whereby a person convicted of battery may be subject to a prohibition order for up to 18 months. However, the amendments allow for a district-wide restraining order to be imposed.	ASSEMBLY APPR	Support
<b><u>AB 697</u></b> <b>(Wilson D)</b> Protected species: authorized take: State Route 37 improvements.	AB 697 authorizes select State Route 37 corridor projects to be evaluated under California Endangered Species Act (CESA) – which allows an incidental take permit so long as impacts to the species are fully mitigated, among other requirements. The bill also applies to the conservation standards and	Assembly Water, Parks & Wildlife  Hearing set for April 29th	Support

	Subject	Status	Position
<b><u>AB 697</u></b> (cont.)	other permitting thresholds required by SB 147 (2023), which authorizes CDFW to issue fully protected species take permits under CESA for certain categories of transportation, renewable energy, and water infrastructure projects.		
<b><u>AB 954</u></b> <b>(Bennett D)</b> State transportation improvement program: bicycle highway pilot program.	This bill would require Caltrans to prepare a proposal for the development, including the selection of sites for a pilot program establishing branded networks of bicycle highways that are numbered and signed within 2 of California's major metropolitan areas. The bill would require the department, on or before January 1, 2030, to include the proposal in the draft ITIP and would require the department to perform all other actions necessary for the pilot program to be programmed in the STIP.	Assembly APPR	Watch
<b><u>AB 1014</u></b> <b>(Rogers D)</b> Traffic safety: speed limits.	AB 1014 would expand existing law that allows cities and counties to reduce a speed limit below the 85 <sup>th</sup> percentile speed survey to also include Caltrans and the highways operated by the state.	Assembly Appr.	Watch
<b><u>AB 1070</u></b> <b>(Ward D)</b> Transit districts: governing boards: compensation: nonvoting members	<p>Assemblymember Ward pulled AB 1070 from the Assembly Local Government Committee agenda. This will result in the bill becoming a two-year bill.</p> <p>This proposal would require ALL governing board members of "transit district" to demonstrate that they use public transit in order to receive compensation for serving on the transit board. In addition, the bill would require the addition of 2 non-voting members to governing boards. The seats would be reserved for a representative of transit user groups, and a seat represented by the labor organization representing the majority of employees. Both non-voting members would have two alternates each. The nonvoting members may be excluded from any discussions regarding labor negotiations</p>	Assembly Loc Gov.	Watch

	Subject	Status	Position
<b><u>AB 1207</u></b> <b>(Irwin D)</b> Climate change: market-based compliance mechanism.	AB 1207 is the Assembly's vehicle for reauthorizing the cap & trade auction program. The bill was amended to contain minor changes in order to meet the spot bill deadline, but the bills content remains nonsubstantive.	Assembly Nat. Res.	Watch
<b><u>AB 1268</u></b> <b>(Macedo R)</b> Motor Vehicle Fuel Tax Law: adjustment suspension.	AB 1268 would authorize the Governor to suspend the annual inflation adjustment to the motor vehicle fuel tax upon making a determination that increasing the rate would impose an undue burden on low-income and middle-class families. The bill would require the Governor to notify the Legislature of an intent to suspend the rate adjustment on or before January 10, and would require the Department of Finance to submit to the Legislature a proposal by January 10 that would maintain the same level of funding for transportation purposes as would have been generated had the scheduled adjustment not been suspended.	Assembly Transp.	Oppose
<b><u>AB 1340</u></b> <b>(Wicks D)</b> Metropolitan Transportation Commission: duties	AB 1340 was amended to allow Transportation Network Company (TNC) drivers the right to form, join, and participate in the activities of TNC driver organizations of their own choosing.	Assembly Transp.	Watch
<b><u>SB 63</u></b> <b>(Wiener D)</b> San Francisco Bay area: local revenue measure: transportation funding.	<p>SB 63 would authorize a 10- to 15-year regional public transportation operations sales tax measure on the November 2026 ballot in the Counties of Alameda, Contra Costa, and San Francisco, with the option for the Counties of San Mateo and Santa Clara to be added.</p> <p>The Senate Transportation and the Revenue &amp; Taxation Committee approved SB 63. Amendments were taken in both committees, but those amendments are not in print yet. The amendments include the following changes:</p> <ul style="list-style-type: none"> <li>• Strike language relating to the Transit Operations Financial Responsibility and Implementation Plan.</li> </ul>	Senate Appr.	Watch



	Subject	Status	Position
<b><u>SB 63</u></b> (cont.)	<ul style="list-style-type: none"> <li>Clarify that the provisions of the title only apply to the counties identified in the creation of the Transportation Revenue Measure District.</li> <li>Direct MTC to report to the Legislature by March 31, 2026 on its forecast of the impacts to ridership on AC Transit, BART, Caltrain, and Muni from planned transportation projects and strategies included in its adopted regional transportation plan, with an emphasis on rail connectivity projects that may increase ridership, reduce operating costs, or help with enhanced mobility.</li> <li>Adds a legislative finding and declaration that “the San Francisco Bay Area also needs to prioritize increasing ridership to ensure the region’s transit network is sustainable.”</li> </ul>		
<b><u>SB 71</u></b> <b>(Wiener D)</b> California Environmental Quality Act: exemptions: transit projects.	<p>SB 71 is pending in the Senate Appropriations Committee.</p> <p>SB 71 would repeal the sunset date on existing law that exempts certain transit, bicycle, and pedestrian projects from CEQA. In addition to making additional clarifying changes, SB 71 would add to the list of exemptions a transit comprehensive operational analysis, transit route readjustment, or other transit agency route addition, elimination, or modification. The bill defines a transit comprehensive plan to include a plan that redesigns or modifies a transit operator’s or local agency’s public transit service network, including the routing of fixed route and micro transit services</p>	Senate Appr.	Support
<b><u>SB 239</u></b> <b>(Arreguín D)</b> Open meetings: teleconferencing: subsidiary body.	<p>This bill would allow certain types of advisory or subsidiary bodies to meet using remote/teleconference participation if specified conditions are met. SB 239 would not apply to a subsidiary body that has subject matter jurisdiction over police oversight, elections, or budgets.</p> <p>SB 239 was amended in the Senate Local Government Committee to include a sunset date of January 1, 2030.</p>	Senate Jud.	Watch

	Subject	Status	Position
<b><u>SB 445</u></b> <b>(Wiener D)</b> Sustainable Transportation Project Permits and Cooperative Agreements.	SB 445 would establish a process to accelerate the permitting and construction of “sustainable transportation project,” which generally includes any transit, bike, or pedestrian project. In addition, for “large sustainable transportation projects,” the bill establishes a process and timeline for entering into a cooperative agreement. A large sustainable transportation project is a transit, bike or pedestrian project with a cost exceeding \$12 million.	Senate Appr.	Watch
<b><u>SB 696</u></b> <b>(Alvarado-Gil R)</b> Sales and Use Tax Law: exemptions: firefighting equipment.	AB 696 would exempt from the sales & use tax law the purchase of firefighting equipment, including vehicles. While other exemptions only apply to the state portion of the sales tax, this bill would also exempt the application of local Bradely-Burns sales tax and locally imposed sales taxes.	Senate Rev. & Tax	Watch
<b><u>SB 752</u></b> <b>(Richardson D)</b> Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.	This bill would extend by two years the sunset date on the existing state sales tax exemption on the purchase of zero emission transit buses. The current exemption is set to expire on January 1, 2026. This bill would push it back to January 1, 2028	Senate Rev & Tax	Support
<b><u>SB 840</u></b> <b>(Limón D)</b> Greenhouse gases: market-based compliance mechanism.	SB 840 is the Senate bill that will be used to advance the Senate’s proposal on extending the Cap & Trade auction program.  As currently drafted, the bill merely requires the LAO to continue to provide an annual report on the economic impacts and benefits of the GHG reduction targets.	Senate Enviro. Quality	Watch



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, DC 20590

April 24, 2025

To All Recipients of U.S. Department of Transportation Funding:

The U.S. Department of Transportation (Department or DOT) distributes substantial Federal financial assistance for thousands of projects, programs, and activities operated or initiated by diverse entities, including but not limited to State and local governments. The Department administers this Federal financial assistance to support the development and maintenance of the Nation's transportation infrastructure, pursuant to statutory authority and in accordance with binding contractual agreements in the form of Federal financial assistance agreements, usually grants, cooperative agreements, and loans. Accordingly, I write to clarify and reaffirm pertinent legal requirements, to outline the Department's expectations, and to provide a reminder of your responsibilities and the consequences of noncompliance with Federal law and the terms of your financial assistance agreements. It is the policy of the Department to award and to continue to provide Federal financial assistance only to those recipients who comply with their legal obligations.

As recipients of such DOT funds, you have entered into legally enforceable agreements with the United States Government and are obligated to comply fully with all applicable Federal laws and regulations. These laws and regulations include the United States Constitution, Federal statutes, applicable rules, and public policy requirements, including, among others, those protecting free speech and religious liberty and those prohibiting discrimination and enforcing controls on illegal immigration. As Secretary of Transportation, I am responsible for ensuring recipients of DOT financial assistance are aware of and comply with all applicable legal obligations.

The Equal Protection principles of the Constitution prohibit State and Federal governmental entities from discriminating on the basis of protected characteristics, including race. Indeed, as the Supreme Court declared in *Students for Fair Admission, Inc. v. Harvard (SFFA)*, 600 U.S. 181, 206 (2023), "[t]he clear and central purpose of the Fourteenth Amendment was to eliminate all official state sources of invidious racial discrimination in the States." The Court further noted that "[o]ne of the principal reasons race is treated as a forbidden classification is that it demeans the dignity and worth of a person to be judged by ancestry instead of by his or her own merit and essential qualities." *Id.* at 220. In ruling that race-based admissions programs at universities violated the Equal Protection Clause, the Court made clear that discrimination based on race is, has been, and will continue to be unlawful, except in rare circumstances. *Id.* at 220-21. Similarly, sex-based classifications violate the Equal Protection Clause absent "exceedingly persuasive" justification. *See United States v. Virginia*, 518 U.S. 515, 533 (1996).



These constitutional principles are reinforced by the Civil Rights Act of 1964, which prohibits discrimination based on protected characteristics in the Federal funding and employment contexts in Title VI (42 U.S.C. § 2000d *et seq.*) and Title VII (42 U.S.C. § 2000e-2), as well as the applicable non-discrimination clauses in the Federal Aid Highway Act of 1973 (23 U.S.C. §§ 140 and 324 *et seq.*), the Airport and Airway Improvement Act of 1982, (49 U.S.C. § 47123), and Title IX of the Education Amendments of 1972, as amended (20 U.S.C. § 1681 *et seq.*).

Based on binding Supreme Court precedent and these Federal laws, DOT is prohibited from discriminating based on race, color, national origin, sex, or religion in any of its programs or activities. Moreover, because DOT may not establish, induce, or endorse prohibited discrimination indirectly,<sup>1</sup> it must ensure that discrimination based on race, color, national origin, sex, or religion does not exist in the programs or activities it funds or financially assists.

These same principles apply to recipients of Federal financial assistance from DOT, as both a matter of Federal law and by virtue of contractual provisions governing receipt of DOT funding. Accordingly, DOT recipients are prohibited from engaging in discriminatory actions in their own policies, programs, and activities, including in administering contracts, and their employment practices.

Whether or not described in neutral terms, any policy, program, or activity that is premised on a prohibited classification, including discriminatory policies or practices designed to achieve so-called “diversity, equity, and inclusion,” or “DEI,” goals, presumptively violates Federal law. Recipients of DOT financial assistance must ensure that the personnel practices (including hiring, promotions, and terminations) within their organizations are merit-based and do not discriminate based on prohibited categories. Recipients are also precluded from allocating money received under DOT awards—such as through contracts or the provision of other benefits—based on suspect classifications. Any discriminatory actions in your policies, programs, and activities based on prohibited categories constitute a clear violation of Federal law and the terms of your grant agreements.

In addition, your legal obligations require cooperation generally with Federal authorities in the enforcement of Federal law, including cooperating with and not impeding U.S. Immigration and Customs Enforcement (ICE) and other Federal offices and components of the Department of Homeland Security in the enforcement of Federal immigration law. DOT has noted reported instances where some recipients of Federal financial assistance have declined to cooperate with ICE investigations, have issued driver’s licenses to individuals present in the United States in violation of Federal immigration law, or have otherwise acted in a manner that impedes Federal law enforcement. Such actions undermine Federal sovereignty in the enforcement of immigration law, compromise the safety and security of the transportation systems supported by DOT

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<sup>1</sup> See *SFFA*, 600 U.S. at 230; *Norwood v. Harrison*, 413 U.S. 455, 465 (1973).



financial assistance, and prioritize illegal aliens over the safety and welfare of the American people whose Federal taxes fund DOT's financial assistance programs.

Under the Constitution, Federal law is "the supreme Law of the Land." U.S. Const. Art. VI. That means that where Federal and State legal requirements conflict, States and State entities must follow Federal law. Declining to cooperate with the enforcement of Federal immigration law or otherwise taking action intended to shield illegal aliens from ICE detection contravenes Federal law and may give rise to civil and criminal liability. *See* 8 U.S.C. § 1324 and 8 U.S.C. § 1373. Accordingly, DOT expects its recipients to comply with Federal law enforcement directives and to cooperate with Federal officials in the enforcement of Federal immigration law. The Department also expects its recipients to ensure that the Federal financial assistance they receive from DOT is provided only to subrecipients, businesses, or service providers that are U.S. Citizens or U.S. Nationals and Lawful Permanent Residents (LPRs) or legal entities allowed to do business in the U.S. and which do not employ illegal aliens.

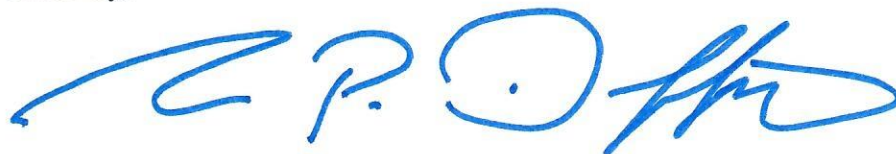
This letter provides notice of the Department's existing interpretation of Federal law. The Department will vigorously enforce the law on equal terms as to all its recipients and intends to take appropriate measures to assess their compliance based on the interpretation of Federal law set forth in this letter. Adherence to your legal obligations is a prerequisite for receipt of DOT financial assistance. Noncompliance with applicable Federal laws, or failure to cooperate generally with Federal authorities in the enforcement of Federal law, will jeopardize your continued receipt of Federal financial assistance from DOT and could lead to a loss of Federal funding from DOT.

The Department retains authority, pursuant to its oversight responsibilities and the terms of your agreements, to initiate enforcement actions, such as comprehensive audits and possible recovery of funds expended in a manner contrary to the terms of the funding agreement. DOT may also terminate funding in response to substantiated breaches of the terms of the agreement, or if DOT determines that continued funding is no longer in the public interest. These steps, within DOT's discretion, are intended to ensure accountability and protect the integrity of Federal programs.

To assist grant recipients in meeting their legal obligations, DOT offers technical guidance and support through its program offices. Should you require clarification regarding your obligations, you are encouraged to contact your designated DOT representative promptly. Proactive engagement is strongly advised to prevent inadvertent noncompliance.

DOT remains committed to advancing a transportation system that serves the public interest efficiently and unleashes economic prosperity and a superior quality of life for American families. This mission depends upon your strict adherence to the legal framework governing our partnership, and I trust you will take all necessary steps to comply with Federal law and satisfy your legal obligations.

Sincerely,

A handwritten signature in blue ink, appearing to read "S.P. Duffy". The signature is stylized with a large, sweeping initial "S" and a circular "P" followed by "Duffy".

Sean P. Duffy