



March 10, 2017

TO: Members, San Joaquin Valley Policy Council
FROM: Gus Khouri, Principal
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RE: 2017 VALLEY VOICE TRIP SUMMARY AND RECOMMENDATIONS

On March 1, 30 members of the eight-county San Joaquin Valley Policy Council (SJVPC) traveled to Sacramento to participate in the 7th Annual Valley Voice Trip. The all-day event featured meetings with key transportation officials, staff and Central Valley legislative delegation members. The following is summary of the meetings and information exchanged between our group and list of guests.

Given the dire need to acquire state funding for the Valley's transportation priorities, the itinerary for the day was constructed to allow the group to hear from the Brown Administration, namely California State Transportation Agency Secretary Brian Kelly, as well as Senator Jim Beall (D-San Jose), Senate Transportation and Housing Committee Chief Consultant, Randy Chinn, and Assembly Transportation Committee Chief Consultant, Janet Dawson, about their respective funding proposals (Governor's \$4.3 billion trailer bill, and the \$6 billion package proposed in AB 1 and SB 1). The group was informed that the Governor, Speaker and Senate President pro Tempore are working together to reconcile the differences among the three proposals in order to allow the legislature to react to just one proposal. All three leaders have set April 6th as the date to reach an agreement on a deal. The significance of this date is that it is the first day of the Spring Recess and the perspective is that other budget matters would dominate the legislature's attention upon reconvening on April 17, given that the body is Constitutionally required to submit a budget to Governor by June 15.

The SJVPC expressed its support for the various proposals but asked that each be amended to consider the restoration of critical funding for the State Transportation Improvement Program (STIP), particularly the \$754 million in cuts made to the 2016 cycle, since the STIP represents the only state source of flexible funding to address local priorities such as congestion management along highways (such as Highway 99), local streets and roads, public transportation, and bicycle and pedestrian programs. With Merced and Stanislaus approving local sales tax measures, and six of the eight counties having such measures, the importance of the program was highlighted as an

opportunity to leverage local funds and maintain a state and local partnership to address our transportation infrastructure. The group also requested that each proposal be amended to contain language to augment the commuter and intercity rail pot made available in SB 1, from the current \$40 million that has been proposed to \$400 million, and be divided evenly amongst commuter and intercity rail (\$200 million for each provider). Secretary Kelly suggested that while the Governor would restore funding for the STIP, he has a concern that most counties do not receive an adequate amount of county shares to fully address regional needs and therefore pointed the group's attention to the creation of a \$250 million program that is designed to help facilitate goods movement and congestion management in trade corridors.

As a result, the Governor is not proposing to allow the STIP to be adjusted, even for inflation, because of the desire to fund the new program, which he believes would address the Valley's priority of addressing goods movement. Senator Beall and committee staff suggested that the legislature's package was larger because of the Governor's stated \$6 billion shortfall on deferred maintenance and the need to acquire as much as possible given the limited appetite to revisit the issue in the near future. Senator Beall was open to augmenting the commuter and intercity rail pot but was not sure how that would occur. Issues relating to environmental streamlining were also discussed. The SJVPC was asked to submit letters of support for the various proposals.

After gaining an understanding of the various proposals and related negotiations, the group assembled for lunch and met with members of the Fix it First Coalition, namely Self-Help Counties Coalition (SHCC) Executive Director, Keith Dunn, and California State Laborers Legislative Advocate, Joe Cruz, in order to discuss the efforts of the Third House and prospects for a deal coming together. Both speakers expressed cautious optimism at an agreement coming to fruition and hoped that the most recent storms, which compromised the integrity of Oroville Dam, and several bridges and highways across the state, would compel legislators to action.

Our afternoon focused on meeting with the Valley's legislative delegation and gauging their willingness to support a transportation funding package. Meetings were conducted with Assembly Members Vince Fong (R-Kern), Heath Flora (R-San Joaquin, Stanislaus), Adam Gray (D-Merced, Stanislaus), Devon Mathis (R-Tulare), Jim Patterson (R-Fresno, Tulare), and Senator Andy Vidak (R-Fresno, Kern, Kings, Tulare). The group also met with Senator Galgiani's Deputy Chief of Staff, Reichel Everhart. Assembly Member Fong discussed his authorship of AB 496, which proposes to redirect existing General Fund revenues (sales tax and insurance on vehicles) to transportation (4% of all resources). The rationale for the proposal as well as those made by Republican members (most deferred to Fong) suggested that we do not have a resource problem but rather a spending problem. Democrats are hesitant however to consider any proposal that results in an impact on the General Fund because when competing against other priorities such as education or health and human service programs, transportation loses. Assembly Member Patterson highlighted the need to partner with the private sector in order to delivery project on time and on or under budget. The group also discussed our desire to acquire additional funding to assist with

meetings our air quality goals, and environmental streamlining. Assembly Member Gray stated that he is assessing the proposals and is working with leadership to ensure that there is a product that addresses the Valley's priorities (goods movement, intercity rail) while mitigating the impact to low-income families. He also highlighted his legislation on water that he wanted the SJVPC to support.

The day concluded with a meeting with staff from the Governor's Cabinet to discuss issues involving CalEnviroscreen and the need to maintain funding to address disadvantaged communities.

Assessment of Valley Voice Trip

Khouri Consulting has had the pleasure of coordinating activities for the Valley Voice for the past four years, and working with the group for the past seven. As part of our engagement, it was requested that we provide an assessment of the trip and recommendations for next year.

In constructing the itinerary for the event, the focus has always been to schedule meetings with at least one delegation member for each county while also allowing time for meetings with other key officials primarily on transportation, but occasionally on water issues. The shift from a two-day event to one-day makes it more challenging and important to run meetings efficiently to get through a packed agenda (we're not suggesting that we go back). Chair Rudy Mendoza did a fantastic job of keeping the conversation moving and allowing speakers to touch on the relevant subject matter in our legislative platform with each speaker. Here are some suggestions that the group may want to consider to maximize its experience and impact:

- 1. Greater Participation.** We appreciate the time commitment by those that travel to Sacramento for the trip. While we have traditionally selected speakers for each issue area, the flow of a meeting tends to work best when other engage and share their perspective. It is great to appoint someone to kick off the conversation, but even better to have others join in the discussion. A great example of this was the meeting with Senator Beall where various people chimed in with impacts to their county due to the lack of funding. It increases the comfort level of those that participate and makes things more tangible to everyone involved and, hopefully, more enjoyable. We would encourage others to speak where appropriate.
- 2. Streamlining The Legislative Platform.** It was evident during the speaker selection process that some of the elected officials were not entirely comfortable with the technical nature of some of the legislative items, particularly on air quality and NEPA. In our estimation, the main focus of the visit this year should have been to compel legislative leaders to act on a transportation funding package that addresses the Valley's needs, and assisting with its passage. Staff does a fantastic job with producing materials and the content, but we are happy to lend our services to help craft the legislative platform or overall message.

3. **Have An Ask.** For some items such as AB 28, Intercity Passenger Rail, and Cap and Trade, the “ask” was well defined. On other items such as Categorical Exclusion for Projects of Limited Federal Assistance or Air Quality Regulation Funding, it was not clear what we wanted members to do. They seemed more like an information item. Ideally, having a draft letter to ask them to sign onto would make the inclusion of the item and discussion more beneficial.
4. **Follow Up, Accountability, and Maintaining A Presence.** It is impressive that all eight counties choose to work collaboratively to highlight the needs of the Valley. While the trip does leave an impression on our delegation, it is only a one-day event. Who follows up assisting your delegation to effectively represent your interests? On requests to sign and distribute letters? To testify in committee? To work with other legislators, coalitions, or regions to achieve your goals? The lack of a sustained presence in Sacramento puts the Valley at a considerable disadvantage to other regions. Other regions, such as the Bay Area and Los Angeles, have a pronounced presence because they maintain a line of communication with their delegation, keeping them accountable and engaged, to leverage policy and fiscal decisions to their advantage. Plenty of opportunities exist for the Valley to parlay its considerable influence, such as the current discussions on a transportation funding package. Our delegation cannot be effective however without proper representation.

Gus Khouri has been involved in every major transportation funding or policy proposal for nearly the past 20 years and has delivered billions of dollars for clients because of the trust and experience that has been cultivated over that time. We consult or lobby for 16 regional transportation planning agencies and, as demonstrated through our annual coordination of the Valley Voice Trip, enjoy access to key decision makers on transportation and water issues. We would be happy to discuss an opportunity to represent the group on a full-time basis so that the SJVPC can fully leverage its influence and realize its goals in improving the quality of life for valley residents.