

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 10/27/2021

Staff Report No. 21-496

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Monthly Legislative Report

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving the Monthly Legislative Report.

STRATEGIC IMPORTANCE:

Goal - Strong Public and Policymaker Support
Initiative - Financial Efficiency and Revenue Maximization

The Monthly Legislative Report helps the District track state, regional and federal legislation to ensure alignment with the District's Strategic Plan and the specific goal of having strong public and policy maker support. Policy decisions at all levels of government can positively or negatively affect District operations and revenues and as such, are important to track and influence as needed.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

Federal Update

The U.S. House of Representatives was scheduled to vote on the \$1.2 trillion *Infrastructure Investment & Jobs Act* (IIJA) on Thursday, September 30. That vote has been delayed indefinitely as negotiations continue. If approved, the infrastructure package would provide \$106.9 billion for public transit over five years and deliver at least \$9.5 billion to California's transit agencies. However, the outcome of the vote remains uncertain as leaders of the House Congressional Progressive Caucus have stated that a majority of their 100-member caucus still plans to oppose passage of the infrastructure bill without a firm commitment on the \$3.5 trillion reconciliation (aka, "human infrastructure" or "Build Back Better") bill.

The surface transportation programs (i.e., the FAST Act), which are included as part of the IIJA, expired on September 30. Fortunately, Congress was able to find common ground on this front and approved a 30-day extension.

At the time of writing there is no indication when the IIJA and reconciliation bills will be considered. It is also

not known what the final amount of the reconciliation bill will be, though reports have cited figures hovering around \$2 trillion. The transportation provisions currently in the reconciliation bill include:

- \$10 billion to enhance transit mobility to affordable housing and for low-income individuals and residents of disadvantaged or persistent poverty communities.
- \$4 billion for reduction of carbon pollution in the surface transportation sector, \$3 billion of which is available for non-state entities, including metropolitan planning organizations, transit agencies, and other local project sponsors.
- \$4 billion to support neighborhood equity, safety, and affordable transportation access, including reconnecting communities divided by existing infrastructure barriers.
- \$6 billion to advance local surface transportation projects (also earmark placeholder).
- \$1 billion to support projects that develop, demonstrate, or apply low-emission technologies or produce, transport, blend, or store sustainable aviation fuels.

It is expected that these amounts will be significantly reduced, although it is not known by how much.

The reconciliation bill currently includes \$80 billion in workforce development funds, however, it is not known whether transit agencies would be eligible recipients.

On September 30, the President signed a Continuing Resolution (CR) to avert a government shutdown. The CR will fund the government at current levels through December 3, allowing Congress time to advance the appropriations bills to support Fiscal Year 2022 federal government operations.

Finally, last month the Federal Transit Administration (FTA) released a Notice of Funding Opportunity (NOFO) for \$2.2 billion in American Rescue Plan Act (ARP) funding for transit operators requiring additional financial assistance for COVID-19 recovery. This pot of funding is in addition to the ARP formula funds apportioned in spring 2021. MTC is coordinating with the FTA to ensure operators are eligible and can compete within the \$2.2 billion additional assistance program.

State Update

The legislature adjourned session for the year and is not scheduled to return to the Capitol until January 3, 2022. The Governor had until October 10th to sign or veto all bills sent to his desk. The Governor signed several bills into law that were supported by the Board, as noted in Attachment 3 - State Matrix.

Notably, the legislature and administration failed to reach an agreement on high-speed rail funding and other transportation infrastructure investments this year. This means that about \$4.2 billion in general fund dollars that were proposed for transportation programs this year will revert to the general fund. Negotiations continue, however, and the hope is that legislation for supplemental transportation funding will be approved in January 2022, and that it may include additional funds benefitting public transit.

Lastly, California is expected to beat budget projections again this fiscal year by anywhere from \$5 billion to \$25 billion. Approximately 60 percent of any extra funds are constitutionally obligated to go toward schools, debt repayment and reserves, among other things. Therefore, “only” about 40 percent of additional money can be considered true surplus that can go toward any state program. Nonetheless, this outlook is a positive development given our ongoing efforts to secure funds for District priorities.

Updates on key legislation:

1. AB 917 (Bloom): allow California transit agencies to use cameras to deter illegal parking in transit-only lanes and at transit stops. The Governor signed AB 917 into law on October 8.

2. AB 784 (Quirk): modernize existing Transit District Law. The Governor signed AB 784 into law on September 22.

AB 455 (Wicks): Dedicated transit lanes on the Bay Bridge. AB 455 became a two-year bill during the 2021 legislative session. Staff will continue to work with the Assembly Member and our transportation partners to advance this bill in the 2022 legislative session.

ADVANTAGES/DISADVANTAGES:

This report is provided to inform the Board of monthly legislative activities. Ensuring favorable legislation is adopted by policymakers helps further the District's goal of having strong public and policymaker support.

ALTERNATIVES ANALYSIS:

There were no alternatives considered as this report provides an update of monthly legislative activities.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 20-412a: 2021 Federal and State Legislative Advocacy Programs

Staff Report No. 20-048a: Proposed Amendments to Transit District Law

ATTACHMENTS:

1. Att. 1 - Federal Update
2. Att. 2 - State Update
3. Att. 3 - State Matrix
4. Att. 4 - Federal Advocacy Program
5. Att. 5 - State Advocacy Program

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