

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 3/26/2025

Staff Report No. 25-157

TO: AC Transit Board of Directors
FROM: Kathleen Kelly, Interim General Manager/Chief Executive Officer
SUBJECT: Monthly Legislative Report

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the Monthly Legislative Report and approving legislative positions.

Staff Contact:

Claudia Burgos, Interim Executive Director of External Affairs, Marketing and Communications

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 policymaker 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 Current Continuing Resolution (CR) expires Friday, March 14. As of the writing of this report, House Speaker Mike Johnson (R-LA) and President Trump are urging passage of a CR that would be for the full fiscal year, through September 30, which would freeze all funding levels at FY 2024 levels. Staff will report on updates to the legislation at the Board meeting.

State Update

The deadline to introduce legislation was February 21. While bills authored by committees continue to be introduced, at the close of the deadline 2,495 bills had been introduced. However, 871 of these measures are considered "spot bills" that do not contain substantive changes. These spot bills must be amended by March 17th, which means there will be another round of new bills to review.

Discussions regarding the FY 26 budget are underway in Sacramento. There is a legislative effort requesting \$2 billion be appropriated in the budget for transit operators statewide. Senator Jesse Arreguin is leading this effort in the Senate, where he was joined by Senator Josh Becker and Senator Catherine Blakespear in submitting a budget request letter. The letter is seeking \$2 billion over two years to help address operating shortfalls. On the Assembly side, Assemblymember Mark Gonzalez is leading the effort on an identical \$2 billion request. Assemblymember Gonzalez was joined by ten colleagues on his request letter; including Assemblymembers Buffy Wicks, Mia Bonta, and Liz Ortega.

Between March and May, subcommittees in both the Senate and Assembly will hold hearings on the proposed budget with a vote and report sent to the full budget committee of each house. Between late May and June 15, the budget committee of each house considers the subcommittees' reports and sends a revised budget bill to the floor for evaluation by the full body. The Governor then has between June 15 and July 1 to sign the budget bill into law.

The following legislative positions are offered for Board consideration:

AB 339 (Ortega) Local public employee organizations: notice requirements. **WATCH**. Similar to AB 2557 from last year, this bill would require a public agency to notify employee organizations at least 120 days before posting a request for proposals for services that are within the scope of services that can be performed by an employee organization.

AB 394 (Wilson) Crimes: public transportation providers. **SUPPORT**. This bill 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. In addition, AB 394 outlines a process whereby a person convicted of battery may be subject to a prohibition order for up to 18 months.

AB 1070 (Ward) Transit Districts: governing boards: compensation: nonvoting members. **WATCH**. This bill would require ALL transit governing board members to demonstrate that they use public transit in order to be compensated 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.

SB 63 (Wiener) San Francisco Bay area: local revenue measure: transportation funding. **WATCH**. This is a spot bill that includes intent language on placing a revenue measure on the ballot to fund Bay Area transit service.

SB71 (Wiener) California Environmental Quality Act: exemptions: transit projects. **SUPPORT**. This bill 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.

SB 239 (Arreguín) Open meetings: teleconferencing: subsidiary body. **SUPPORT.** 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.

SB 419 (Caballero) Hydrogen fuel. **SUPPORT.** This bill would, starting on January 1, 2026, exempt the state portion of sales tax from the purchase or use of hydrogen used as a transportation fuel. This exemption would not apply to locally imposed sales taxes.

SB 752 (Richardson) Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses. **SUPPORT.** 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.

Regional Update

The Metropolitan Transportation Commission, MTC, has completed its poll regarding the regional revenue measure. The poll results were presented to the MTC Commission during its February 26 meeting. Key Findings from the poll are as follows:

- Overall mood in the Bay Area is improving but affordability is still a widespread concern.
- There is significant desire for transit and transportation improvements.
- When thinking about transit, many mention funding challenges and safety issues. However, recent improvements are noted by many, especially in the Peninsula/South Bay.
- Support for the 1A and Variable rate measures exceeds a majority, but falls short of the two-thirds threshold, indicating the likely path for a transit measure would be via a citizen initiative.
- The hybrid measure with two taxes has weaker support.
- Overall framing and details of the measure do little to build support.
- Although there is interest in preventing cuts to transit, voters are simply hesitant to raise taxes and lack trust that more money is the solution.

Poll results on the initial vote are as follows:

- Scenario 1A (1/2 Cent Sales Tax in Four Counties)
 - 57% Yes and 43% No
- Hybrid Scenario (1/4 Cent Sales Tax + Parcel Tax in Nine Counties)
 - 51% Yes and 49% No
- Variable Scenario (1/2 Cent to 7/8 Cent Sales Tax in Four Counties)
 - 56% Yes and 44% No

In addition to accepting the poll results, on February 26, the Commission voted to adopt the following principles to guide MTC's advocacy on the regional revenue measure:

1. Measure Must be Passable
2. Measure Must Prevent Major Transit Service Cuts for Regional Operators
3. Measure Must Take Local Transportation Funding Needs into Consideration

4. Measure Must Advance Transit Transformation: Fund & Deliver Rider-Focused Improvements
5. Measure Must Ensure Fairness
6. Measure Must Include Meaningful Accountability Provisions

The full principles document is included as **Attachment 8** to this report.

ADVANTAGES/DISADVANTAGES:

Providing monthly updates to the Board ensures the Board is aware of pending legislation and the potential impact it may have on the District. The adoption of favorable legislation by policymakers helps further the District's goal of having strong public and policymaker support.

ALTERNATIVES ANALYSIS:

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

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 24-534a: Adopted 2025 Federal and State Advocacy Programs.

ATTACHMENTS:

1. Federal Update
2. State Update
3. State Matrix of Legislative Positions
4. 2025 Federal Advocacy Program
5. 2025 State Advocacy Program
6. Senator Arreguin Budget Request Letter
7. Coalition Support Letter - Budget Request
8. MTC Revenue Measure Principles

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Approved/Reviewed by:

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