

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/28/2025

Staff Report No. 25-160

TO: AC Transit Board of Directors
FROM: Salvador Llamas, 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, if necessary.

Staff Contact:

Claudia Burgos, Interim Executive Director of External Affairs, Marketing & 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

- On May 6th, the US Department of Transportation released 180 grants that have been signed off by the Trump administration, two District grants for a total of \$40.5 Million were included in that list of grants.
 - \$25.5 million in a FY 2023 LowNo Grant for the TEC; and
 - \$15 million in a FY 2024 LowNo grant for the ZEB Implementation project

On May 14, the Transportation, Housing and Urban Development Appropriations Subcommittee held a hearing on the FY 2026 budget for the Department of Transportation. Secretary Sean Duffy was the sole witness.

State Update

May Revise

On May 14, Governor Newsom released the May Revision to the January budget. The General Fund deficit is currently calculated at \$12 billion, and budget analysts warn it could swell to \$20 billion-plus once federal funding decisions and sluggish 2025-26 revenues are booked. The May Revision lays out about \$12 billion in corrective actions for 2025-26, split into Cost Reductions, Revenue Shifts & Borrowing, as well as Fund Shifts. **Attachment 2**, State Update, contains additional details regarding the May revise.

Legislation

The first major legislative deadline was May 2nd where all bills with a fiscal impact must be moved out of policy committees. The deadline for policy committees to hear all nonfiscal bills quickly followed on May 9th. The last day for policy committees to meet prior to June 9th is May 16th.

Once bills are filtered out by the Senate and Assembly Appropriations Committees, the house of origin deadline is June 6th. The Senate and Assembly Appropriations Committees are expected to take action on a very lengthy list of Suspense File items on May 23rd.

On May 7th and 8th President Shaw, Directors Walsh and McCalley along with District staff attended the California Transit Association's Spring Legislative Conference in Sacramento. While there, they conducted a series of visits with members of the AC Transit state legislative delegation and met with Assemblymembers Alex Lee and Buffy Wicks, Senator Jesse Arreguin, and staff from the offices of Senators Aisha Wahab, Tim Grayson and Assemblymember Liz Ortega. During the visits, policymakers and their staff were briefed on the status of the District's service levels, ridership recovery, financial outlook as well as the District's position on the \$2B ask from the state budget and SB 63.

The following legislative positions are offered for Board consideration:

SB 63 (Weiner/Arreguin), San Francisco Bay Area: Local Revenue Measure

SUPPORT AND SEEK AMENDMENTS. The Board took a WATCH position on SB 63 on March 14th. Since then, the bill was amended prior to being heard in the Senate Transportation Committee and work is advancing with the County Transportation Agencies in Alameda, Contra Costa and San Francisco Counties to develop a proposed expenditure plan. After a successful meeting with Senator Arreguin, staff now recommends the Board move from a watch position to a support and seek amendments position. Staff proposes working with the authors to seek amendments related to:

- Seeking an equitable allocation of funds and providing direction that the allocation of revenue should at a minimum proportionally address the operating deficit of each specified operator.
- Creating a distinct governing body that includes those MTC governing board members that represent the counties covered by the special district and include representatives from transit operators and the county transportation authorities.
- Protecting transit operators from the costs associated with mitigating the impacts identified in a Title VI review for programs or projects specified in the 2021 Bay Area Transit Transformation Action.
- Adding language building a stronger partnership between transit operators and MTC by codifying the Regional Network Management Council.
- Addressing issues of accountability with respect implementing SB 63

AB 1337 (Ward), Information Practices Act of 1977. **WATCH.** This bill requires each local agency in the state to comply with the Information Practices Act (IPA) and subjects more types of personal information to

regulation under the law.

SB 79 (Weiner), Local Government land: Public Transit Use. **WATCH.** 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. The bill was amended to apply only to parcels near rail service and bus rapid transit corridors.

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 Bills and Positions
4. 2025 Federal Advocacy Program
5. 2025 State Advocacy Program

Prepared by:

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Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer

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