

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 7/23/2025

Staff Report No. 25-385

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.

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

The Senate has passed on a 51-50 vote, the "One Big, Beautiful Bill Act" which is also expected to be approved by the House.

Transportation Provisions in the Final Bill

- Provides \$625 million to FEMA for FIFA safety and security, as well as \$1 billion for the 2028 Olympics.
- Provides \$12.5 billion to the FAA for modernization of the air traffic control system, allocated to the following programs:
 - \$4.8 billion to replace telecommunications infrastructure.
 - \$3 billion to replace radar systems.

- \$1.9 billion to construct a new air route traffic control center, which would incorporate three existing ones.
- \$1 billion to consolidate terminal radar approach control facilities.
- Repeals the FAA Alternative Fuel and Low-Emission Aviation Technology program.
- Repeals the FHWA Neighborhood Access and Equity Grant Program and the Low-Carbon Transportation Materials Grants Program and rescinds unobligated balances of these programs.
- Eliminates the maximum \$7,500 tax credit for individuals to purchase certain new electric and hybrid vehicles after Sept. 30, 2025. It is currently set to expire in 2033.
- Eliminates civil penalties for car manufacturers that do not comply with Corporate Average Fuel Economy standards.

Provisions Not in the Final Bill

- The Senate bill does not include the House proposal for States to collect an annual fee on electric vehicles (\$250) and hybrid vehicles (\$100).
 - A fee of this type is expected to be included in the upcoming surface transportation reauthorization.

On Sunday, June 29, staff attended the Legislative Committee meeting of the American Public Transportation Association (APTA) which was held during the annual rail conference in San Francisco. A main item on the agenda was a package of draft recommendations for the Surface Transportation Authorization. Included in the policy recommendations is an item related to the composition of Metropolitan Planning Organizations (MPOs). Staff has supported Director Young who has been working with APTA staff and other transit operators to include two key policy provisions:

1. Ensure that public transit agencies have a voting seat(s) on the Board of an MPO.
2. Require the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) to jointly establish an appeal process for MPO actions that procedurally violate Federal law or regulations.

APTA has also proposed eliminating the bus fleet spare ratio limitation. The final recommendations for the Surface Transportation Authorization are expected to be adopted during the APTA Transform conference which will be held in Boston in September.

Congresswoman Lateefa Simon has introduced the “Transit Ambassador and Public Safety Enhancement Act” which would allow 5307 formula grant funding to be used for operating costs for transit ambassadors. Staff recommends a **Support** position on this bill.

State Budget Update

Since the passage of a skeletal budget bill, SB 101, on June 13, the Governor and legislative leadership held a number of closed-door sessions to negotiate the final budget. Governor Newsom issued a press release on June 27 stating he has signed all the budget bills sent to his office; however, his signature on the state budget was contingent on the legislature approving either AB 130 or AB 131 on June 30. AB 131 was approved by the legislature and establishes the next round of funding for the Homeless Housing, Assistance, and Prevention (HHAP) program. In particular, the bill incorporates most of the provisions in SB 607 (Wiener) that would exempt many housing projects from CEQA. Two key transit funding provisions of the budget are:

- Includes budget bill language to provide up to \$750 million in loans for specified Bay Area transit operators, which includes BART, Muni, Caltrain and AC Transit. The budget bill language includes provisions stating the loans are contingent on passage of a trailer bill specifying the terms and structure of these loans. In addition, the budget bill language makes these loans contingent on the passage of legislation authorizing a regional measure to support the long-term financial stability of the transit operators.
- The agreement includes a commitment to restore \$1.1 billion in funds for transit projects. The source of this funding is primarily cap & invest auction revenue. The details of this agreement will be included in a future trailer bill on the extension and allocation of the cap & invest program.

State Legislation Update

The District's sponsored legislation, AB 1141 (Lee) related to transit district law, has been approved by the Senate Appropriations Committee and now moves to the full Senate floor for a vote.

Staff recommend a **Support** position on SB 827 (Gonzalez/Arreguin) Local agency officials: training. SB 827 makes changes to existing ethics training requirements for local officials including, adding any department head or similar administrative office to the list of local officials that must complete ethics training, requiring all local agency officials that commence their service on or after January 1, 2026, to receive training no later than six months from their first day of service, requiring local agencies to publish certain records on their websites, and requiring certain local agency officials to receive at least two hours of fiscal and financial training at least once every two years.

Staff recommend an **Oppose unless amended** position on SB 707 (Durazo) Open meetings: meeting and teleconference requirements. SB 707 would, until January 1, 2030, require an eligible legislative body, as defined, to comply with additional meeting requirements, including that, except under limited circumstances, all open and public meetings include an opportunity for members of the public to attend via a 2-way telephonic service or a 2-way audiovisual platform, and that the eligible legislative body take specified actions to encourage residents to participate in public meetings. The bill has been amended multiple times since its introduction, most recently on July 7. The California Special Districts Association has taken an oppose and seek amendments position and the California Municipal Clerks Association has expressed concerns with the bill.

Some of the areas of concern involve: 1) the requirement to translate into any language meetings upon request; 2) the translation of every Board agenda into three languages (English, Spanish and Chinese) and to post these agendas at the meeting location and on the website which will require modifications to the District's existing public meetings page; 3) the requirement to permit third parties to post agendas at District offices; and 4) the requirement to develop an outreach plan to engage groups that traditionally do not participate in meetings. The changes will create additional costs for the District as a result of modifications to the website, a potential uptick in the need for interpreter services and increased workload.

If this legislation is enacted, it will be effective January 1st, which does not allow sufficient time to implement the changes, develop and/or modify existing board policy, and integrate into existing board meeting processes and protocols. There are also changes that may apply to subsidiary bodies and other Brown Act committees that staff is still reviewing.

It does appear that the additional requirements placed on public entities is burdensome while the benefits to the public appear limited. If the District were to support the bill, staff recommends doing so only if the bill is amended to allow for sufficient time to implement the changes.

Regional Measure Update

On July 7, the California Assembly Committee on Transportation held a hearing on several transportation-related bills, including SB 63. Senator Scott Wiener emphasized the urgent need for sustainable public transit funding, and the state's historical underfunding of public transit. Emily Loper from the Bay Area Council and Julie Kirschbaum from SFMTA testified in support of the bill. There were no witnesses in opposition to the bill. The bill received broad support from local governments, transit agencies, advocacy groups, labor unions, and business coalitions. Although the current proposal centers on a sales tax, labor groups, specifically the Bay Area Forward coalition, expressed interest in exploring a gross receipts tax. Ongoing negotiations with San Mateo and Santa Clara counties, as well as labor organizations, were noted. Amendments to SB 63 in the Assembly Transportation Committee analysis modify the Transit Transformation Action Plan allocation from up to 10 percent to up to 5 percent, and small East Bay bus operators, WestCAT, County Connection, LAVTA, Tri-Delta Transit, Union City Transit and SF Bay Ferry/WETA have been added to the legislation to be eligible for transit operations funding. The committee ultimately advanced the bill on a 11-4 vote, the bill now moves to the Assembly Committee on Revenue and Taxation. In advance of the hearing, the General Manager submitted a position letter to Assemblymember Lori Wilson, chair of the committee. The letter is included as Attachment 6.

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. Bill Matrix
4. 2025 Federal Advocacy Program
5. 2025 State Advocacy Program
6. Letter to Assemblymember Lori Wilson
7. Transit Ambassador and Public Safety Enhancement Act

Prepared by:

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

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer

Aimee L. Steele, General Counsel/Chief Legal Officer

Linda A. Nemeroff, Board Administrative Officer/District Secretary