

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 7/24/2024

Staff Report No. 24-391

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, 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, Director of Legislative Affairs & Community Relations

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 August Recess begins August 2nd and will run through September 9th. During this recess, neither the House nor the Senate will be in session, and no legislation will move on the floor and committees largely will not be meeting. During this time, staff are working to organize meetings with members of our federal delegation and tours of our facilities.

The new fiscal year starts on October 1st, which means all twelve appropriations bills must be law, and if not, a continuing resolution must be passed or the government will shut down. It is expected that Congress will pass a short-term continuing resolution to keep the government running until they can reach an agreement. A long-term agreement most likely will not be struck until after the election, when members know the configuration

of the next Congress and are no longer afraid of negatively influencing the upcoming election.

State Update

Governor Newsom and Legislative leaders reached an agreement on next year's budget prior to the July 1st deadline. The final agreement closes a budget shortfall of nearly \$47 billion for the 2024-25 fiscal year, in addition to the \$30 billion gap forecast for the 2025-26 fiscal year. Importantly, the FY 2025 budget preserves the \$5.1 billion for public transit that the District and transit advocates worked to secure and protect.

- \$4 billion for TIRCP funding will be appropriated as follows:
 - \$2 billion in FY 2023-24
 - \$1 billion in FY 2024-25
 - \$1 billion is approved for appropriation in FY 2025-26
- \$1.1 billion for the Zero-Emission Transit Capital Program appropriated as follows:
 - \$190 million in FY 2023-24
 - \$220 million in FY 2024-25
 - \$230 million is approved for appropriation in FY 2026-27
 - \$460 million is approved for appropriation in FY 2027-28

The California Supreme Court has removed the *Taxpayer Protection & Government Accountability Act* from the November ballot. The initiative aimed to make it more difficult to raise taxes by requiring legislative approval and increasing the voter threshold for special taxes at the local level to two-thirds from a simple majority. It also proposed restricting administrative agencies' abilities to levy fees and reclassifying some fees as taxes, thereby limiting local government and agencies' fiscal autonomy. It was retroactive as well.

The court ruled that the measure constituted a revision of the constitution, which requires a more rigorous process than an amendment. The Board acted to formally oppose the initiative in March 2023.

Staff recommends the Board adopt a WATCH position on Assembly Constitutional Amendment (ACA) 10, which amends ACA 1, slated for the November ballot. ACA 1 originally proposed to lower the voter threshold for property tax increases, parcel taxes, and sales taxes to 55% if the funds are used for affordable housing and infrastructure projects. This includes capital improvements to transit and streets and highways. The Board voted to support ACA 1 on April 26, 2023. ACA 10 amends ACA 1 so that the 55% threshold now only applies to bond measures. ACA 1, as amended, will be on the ballot in November. A WATCH position is recommended although at the time this report was submitted the Senate was expected to adopt and finalize the amendments to ACA 1.

Regional Measure Update

Following the decision by the authors and sponsors of SB 1031, to pull the bill from advancing this year, MTC has established a Transportation Revenue Measure Select Committee made up of MTC Commissioners, stakeholders and advocates as well as a Transportation Revenue Measure Executive Group made up of Transit agency general managers and congestion management agency directors, GM Hursh is a member of the executive group. Both groups met for this first time at the end of June, they will meet approximately 5 times with a goal of approving a framework for a new measure by October. The meeting timeline of the select committee is included as attachment 6.

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:

The Board can opt to not take a position on ACA 10 or alternatively can take a support or oppose position. Staff recommends a watch position at this time as this bill continues to unfold.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 23-420a: Adopted 2024 Federal and State Advocacy Programs

ATTACHMENTS:

1. Att. 1 - Federal Update
2. Att. 2 - State Update
3. Att. 3 - Matrix of State Legislation
4. Att. 4 - 2024 Federal Advocacy Program
5. Att. 5 - 2024 State Advocacy Program
6. Att. 6 - Timeline for Select Committee Meetings

Prepared by:

Steven C. Jones, External Affairs Representative

Approved/Reviewed by:

Claudia Burgos, Director of Legislative Affairs & Community Relations