

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/25/2025

Staff Report No. 25-159

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 the recommended 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

Late last month, White House released its Department of Transportation (DOT) budget request for FY26. For DOT overall, the Administration is requesting \$111.3 billion, which is on top of \$35.8 billion in FY26 advance appropriations from the Infrastructure Investment and Jobs Act (IIJA). That would bring DOT's total budgetary resources to \$147.1 billion - a 1.6 percent increase compared to FY 2025. The budget requests \$17.0 billion for the Federal Transit Administration (FTA), which would be supplemented by \$4.25 billion in advanced appropriations from the IIJA. This an increase of 1.9 percent over FY 2025. The President's proposed budget is subject to change by Congress and another long-term Continuing Resolution (CR) is likely to be adopted later this year.

State Update

State Budget: Governor Newsom released his May Revision to the January budget on May 14th. As expected, the state's fiscal outlook has deteriorated, and the state is currently facing a \$12 billion deficit. However, budget analysts warn it could swell to \$20 billion-plus once federal funding decisions and sluggish 2025-26 revenues are booked.

A focal point in the Governor's May Revision is his proposal to extend and rebrand the cap & trade program to now be called cap & invest. The Governor's proposal would extend the cap & invest program 15 years from 2030 to 2045. The May Revision also proposed to allocate a fixed \$1 billion annually in auction revenue to the high-speed rail project, and more controversially directs \$1.5 billion annually to cover Cal Fire operations. The Cal Fire amount would grow to \$1.9 billion over the next few years. Adding pressure to negotiate on overhauling the cap & invest allocations, the May Revision proposes to eliminate funding for the formula and discretionary allocations. This includes funding for programs such as the Low Carbon Transit Operations Program, Transit & Intercity Rail Capital Program, and funding for zero emission drayage trucks.

While the Governor's Office has stated its intent to fund transit, it is clear the Administration wants a significant overhaul on how cap & invest funds are allocated, and they are leaving it to the legislature to fight for transit funding. The May Revision marks the beginning of a long summer of negotiations on a new cap & invest allocation plan.

Staff recommends an **Oppose** position on **AB 1337** (Ward) Information Practices Act of 1977. This bill requires each local agency in the state to comply with the Information Practices Act (IPA) and subjects the IPA to more types of personal information to regulation under the law.

The IPA governs the collection, maintenance, and disclosure of personal information by California state agencies. The statute was passed in 1977 and has largely remained unchanged. The IPA does not currently apply to local agencies. AB 1337 would require all local agencies to comply with the IPA and expands the definition of "personal information" in the IPA to mirror the more comprehensive definition included in the California Consumer Privacy Act, which governs collection and disclosure of personal data by private companies. The cost to comply with the requirements in AB 1337 could be significant.

Regional Transportation Revenue Measure Update

On June 2nd, SB 63 was passed out of the Senate on a 28-10 vote. The bill now heads to the Assembly, as of the writing of this report, the bill has not yet been referred to a committee. Following the Board's May 28 Board meeting during which a position of support and seek amendments position was taken, the attached letter was submitted to Senators Weiner and Arreguin and forwarded to members of the AC Transit State delegation.

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 Bill Matrix
4. 2025 Federal Advocacy Program
5. 2025 State Advocacy Program
6. SB 63 Letter to Support and Seek Amendments

Prepared by:

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

Approved/Reviewed by:

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