

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 8/7/2024

Staff Report No. 24-422

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Monthly Legislative Report

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the monthly legislative report.

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

On July 9, the District was notified that it will receive \$15 million from the Federal Low or No Emission grant program to buy new hydrogen fuel cell buses to replace older diesel buses and expand existing hydrogen fueling facilities. The grant will also fund a new workforce development program, which will help train staff on zero-emission bus technologies and improve service and reliability while also improving air quality. Accompanying the District's grant application were 25 letters of support from members of the District's federal delegation, state elected officials, business organizations and community-based organizations.

On July 10, the full House Appropriations Committee approved the FY 2025 Transportation, Housing and Urban Development bill. The bill provides a discretionary total of \$25.1 billion to the Department of

Transportation, which is \$1.856 billion below the FY 2024 enacted level and \$336 million below the President's budget request. On July 25, the full Senate Appropriations Committee is scheduled to debate and vote on its version of the FY 2025 Transportation, Housing and Urban Development bill.

State Update

July 3 marked the start of Summer Recess. The legislature will be on summer break until August 5 when they return for the final month of session, which must end by midnight on August 31. The key deadline facing the legislature when they return is the fiscal committee deadline on August 16. The Appropriations Committees in both houses are expected to act on Suspense File items on August 15.

As expected with the final budget agreement reached, the freeze on \$1.9 billion in the Transit and Intercity Rail Capital Program (TIRCP) formula funds has been lifted. These funds were planned to be allocated in April, but the Department of Finance halted this allocation pending negotiations on addressing the \$47 billion budget deficit. In addition to the release of these funds, the 2024-25 budget includes the allocation of \$1 billion in TIRCP formula funds. CalSTA has also released a call for projects to award \$900 million in TIRCP competitive funds. The deadline to submit proposals for the competitive funds is July 23, with the award announcement planned for late October. The District is actively working on a \$75 million TIRCP application to support our zero-emission transition.

Regional Transportation Measure Update

The Transportation Revenue Measure Executive Group, comprised of the nine-county Bay Area transit agencies and county transportation authorities, convened at MTC headquarters on July 22. The group discussed the most recent information on transit operational shortfalls, potential revenues from a regional ballot measure, and the metrics to include in determining a formula for distributing revenue generated from a tax measure. The conversation centered around two presentations by MTC staff on funding transit operations to determine what the funding needs are in the short-term and long-term for transit agencies to continue to operate post-pandemic. The shared sentiment was that the Bay Area economy needs transit to thrive.

In the first presentation, MTC staff introduced the sales tax option as the most politically feasible option, with the vehicle miles traveled fee option as the least politically feasible. A second presentation by MTC staff discussed methods to measure county benefits from transit investments and how to allocate funds to counties and transit agencies. A majority of the transit operators agreed that there should be a variety of metrics to determine how funds are disbursed, not only one single metric, and that the distributions to agencies should be transparent. The group asked that the MTC provide short-term and long-term funding options, fiscal cliff projections, and transit improvement funding over a 20-30-year period or the projected length of the tax measure. MTC will come back in August with a few scenarios. The revenue measure select committee is scheduled to meet on July 29.

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:

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

PRIOR RELEVANT BOARD ACTION/POLICIES:

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

ATTACHMENTS:

1. Federal Update
2. State Update
3. Matrix of State Legislation
4. 2024 Federal Advocacy Program
5. 2024 State Advocacy Program

Prepared by:

Claudia Burgos, Director of Legislative Affairs & Community Relations

Approved/Reviewed by:

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Shayna van Hoften, Interim General Counsel/Chief Legal Officer