

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/28/2023

Staff Report No. 23-301

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:

Beverly Greene, 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 U.S. House of Representatives passed a bill on May 31 that increases the country's debt limit. The Senate subsequently approved the bill and soon thereafter President Biden signed it into law, thus averting a default on the nation's debt. The measure suspends the debt ceiling until January 1, 2025, providing the Treasury Department borrowing authority for two years before Congress would have to approve another debt limit increase. The bill does not touch programs from the Bipartisan Infrastructure Law, the Inflation Reduction Act, and others that are relevant to the infrastructure sector. Relevant highlights of the agreement are as follows:

- The bill provides enforceable spending caps for two fiscal years, FY24 and FY25.

- For FY24, the bill essentially cuts federal funding 1% below FY23 levels. FY25 funding would increase by only 1% over FY24.
- The bill provides 1% spending increases for FY26-FY29 (although Congress could waive these caps with a majority vote in the House and 60 votes in the Senate).
- The bill rescinds roughly \$28 billion in COVID-19 funding, but transit agencies and state and local government COVID funds were not included in the claw back.
- The agreement provides incentives for Congress to complete work on appropriations bills in FY24 and FY25 with strict timelines and automatic across-the-board spending cuts of 1% if the timelines are not met.

State Update

As we near the June 15 deadline for the legislature to pass a budget, transit operators and their allies continue to push for state funding to support transit operations. In coordination with the Metropolitan Transportation Commission (MTC), AC Transit crafted and submitted to the legislature a framework outlining “the actions and investment strategies that are underway and anticipated over the next decade to help transit agencies across the Bay Area survive an impending fiscal crisis, adapt to post-pandemic realities, grow ridership and successfully transition to a new, financially sustainable business model.” The framework, titled “Survive & Thrive: Roadmap to a Sustainable Business Model for Bay Area Public Transit,” is a living document and important step towards addressing concerns from policymakers about what actions are needed to ensure transit’s long-term survival. The full document is included as Attachment 1 and a summary table of actions and investment strategies is included as Attachment 2.

Friday, June 2nd was the “house of origin” deadline, meaning all bills introduced in the Senate or Assembly must be moved to the second house to remain active in the current legislative session. All bills that remain in their house of origin become 2-year bills and will not be considered until January 2024. As previously reported, AB 463 (Hart), which the District co-sponsored and which would have granted transit operators priority access to electricity, failed to advance out of the Assembly Appropriations Committee. Staff are working with the California Transit Association and Assemblymember Hart to determine whether regulatory action could achieve the same goal.

Adoption of Legislative Positions

As detailed in Attachment 5, staff recommends the Board adopt the following legislative positions.

SUPPORT: AB 557 (Hart) - Open meetings: local agencies: teleconferences. This bill eliminates the January 1, 2024, sunset date on provisions of law authorizing remote meetings during a proclaimed state of emergency. The changes in this bill are consistent with past practices used by the District during the pandemic state of emergency.

WATCH: SB 537 (Becker) - Open meetings: multijurisdictional, cross-county agencies: teleconferences. This bill authorizes an eligible legislative body- defined as a board, commission, or advisory body of a multijurisdictional, cross county, local agency with appointed members that is subject to the Brown Act- to teleconference their meetings without having to make publicly accessible each teleconference location under certain conditions and limitations. Additional restrictions were added to the bill in committee such that SB

537 would no longer apply to the District. As currently written the bill would not apply to the District. However, a “watch” position is consistent with the “watch” position the board adopted on SB 411 (Portantino). SB 537 and SB 411 are the only measures moving forward that would create new authority for remote participation by members of a legislative body.

SUPPORT: AB 617 (Newman) - Public contracts: progressive design-build: local and regional agencies. This bill authorizes transit agencies and regional transportation planning agencies (RTPAs) to utilize progressive design-build procurement method through January 1, 2029. Progressive design-build procurement is a new variation of design-build that utilizes a two-step process. In the first step, the local agency uses a best value process to select a design-build entity who completes preliminary plans and preconstruction services necessary to provide a cost estimate and final design proposal. The project then “progresses” to the second step, where the local agency and the design-build entity agree to a final design, project cost, and schedule. If an agreement cannot be reached the local agency and the design-build entity can part ways, but the local agency can still use the work acquired during the initial phase. SB 617 would provide the District with additional tools and flexibility to deliver capital projects; therefore, staff recommends a “support” position.

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. 22-466a: 2023 Federal and State Advocacy Programs

ATTACHMENTS:

1. Att. 1 - Bay Area Transit Roadmap to Sustainable Business Model
2. Att. 2 - Bay Area Transit Recovery Matrix
3. Att. 3 - Federal Update
4. Att. 4 - State Update
5. Att. 5 - State Matrix
6. Att. 6 - 2023 Federal Advocacy Program
7. Att. 7 - 2023 State Advocacy Program

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