



Alameda-Contra Costa Transit District
Manager

Michael Hursh, General

July 21, 2022

The Hon. Josh Becker
California State Senate
1021 O Street, Suite 7250
Sacramento, CA 95814

RE: LETTER OF CONCERN – SB 917: Seamless Transit Transformation Act

Dear Senator Becker,

As one of the largest transit operators in the Bay Area, we, at AC Transit, continue to support efforts underway to improve all aspects of the transit experience and grow ridership in the region. I appreciate the bill amendments to date and look forward to continuing our discussions with your staff to further refine the bill. As a follow up to the productive meeting with your staff earlier this week, I submit this letter to express AC Transit's ongoing concerns with SB 917, the *Seamless Transit Transformation Act* but we are hopeful we can work through the remaining items prior to the upcoming Assembly Appropriations hearing on August 3rd.

While AC Transit supports the intent and goals of the legislation, there remain areas of concern that still need to be addressed. The most significant concern is the fiscal impact SB 917 will have if **new** funding sources are not identified and secured to implement the various elements of the legislation.

Based on the conversation earlier this week, we look forward to working with your staff to address the following remaining concerns:

1. **Transit agencies deemed out of compliance would be ineligible to receive a portion of state transit assistance funds.** Any loss of funding could degrade transit service across the region and ultimately do harm to the people who rely on public transit, many of whom are considered vulnerable due to their economic status, age, ethnicity and/or a disability. While SB 917 currently provides the governing boards the authority to "consider" a new integrated fare program, it is unclear if the compliance requirements in the bill would still apply if the governing board raises concerns and/or rejects the proposal. We request amendments that specify that transit agencies will not face the withholding of STA funds should the transit agency board exercise its fare setting authority by voting not to participate in the integrated transit fare structure or its pilots as defined in the bill.

2. **It's not clear where the funding will come from to implement many of the bill's provisions.** The state's FY 22-23 budget does not include funding for SB 917. We are deeply concerned that funds originally intended for other transit-related priorities could be redirected to implement SB 917. Many transit agencies face operating deficits in the near future. Diverting existing fund sources to implement SB 917 will compound the fiscal impacts, which could result in reduced service levels and/or layoffs.
3. **SB 917 would undermine the authority of transit agency governing boards.** As currently written, the proposed integrated transit fare structure requires a governing board's "consideration," not its approval. SB 917 specifies that the initial integrated fare structure must be "considered" by the transit governing boards, while the bill requires any future amendments are subject to approval by the transit governing boards – all plans should be subject to approval by the governing boards. Language indicating that the governing board simply "consider" this provision undermines the authority of transit agency boards to carry out its fiduciary responsibilities.
4. **There remain several unanswered questions about equity studies required by federal law,** including whether they should be done on a regional scale or locally. Transit agencies, as recipients of federal funds, are mandated by Title VI of the *Civil Rights Act of 1964* to conduct an equity analysis whenever they contemplate fare or service changes. These mandated studies ensure any fare or service changes do not discriminate against or disproportionately impact historically marginalized communities.
5. **Additionally, a number of additional amendments were provided via email last week,** including a clearer definition of the composition of the RTCC and other clarifying changes throughout the bill.

Transit agencies continue to struggle with the effects of the pandemic. Decreases in ridership means lower revenues from the farebox. At the same time, costs are increasing. For example, the diesel for buses has risen approximately 40% over the last year and continues to increase. Mounting operating expenses are compounded by inflation and the end of federal emergency funds. As a result, transit agencies are facing fiscal cliffs that could devastate their budgets, resulting in reduced service and layoffs.

I sincerely appreciate the time and energy that you and your staff have invested in this effort. However, as an agency, we continue to have significant concerns about how this bill could impact our essential public service. We are committed to helping to improve transit service in the Bay Area but not at the expense of our agency, our finances or the people we serve.

Thank you for your consideration.

Sincerely,



Michael Hursh
General Manager
AC Transit