

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 5/24/2023

Staff Report No. 23-281

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 approve legislative positions.

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

Staff succeeded in securing letters from all members of our federal delegation supporting the District's application for \$25.6 million in grant funding from the FY23 Low or No Emission Grant Program and Bus & Bus Facilities Grant Program. This funding would modernize the Training & Education Center and support the purchase of 25 new zero-emission buses. Awards are expected to be announced in June.

On April 20, the House Transportation, Housing, and Urban Development Appropriations Subcommittee held a hearing on the Department of Transportation's budget proposal for FY 2024. Secretary Buttigieg stressed the problems that spending cuts proposed in House Republicans' debt limit bill would create for transportation programs. That bill, which was approved by the House on April 25, and which seeks to raise the debt limit, slash spending, and roll back key pieces of President Biden's agenda, is dead on arrival in the Democratic-led

Senate. Debt limit negotiations are ongoing. An extended impasse could trigger a deep recession and cause significant damage to the economy.

State Update

The push to secure state transit operations funding is in full swing. On April 25, the California Transit Association (CTA) released a new budget request letter which calls for the state to invest \$5.15 billion over the next five years (toward a \$6 billion statewide need) to address pandemic-induced transit operating deficits. This budget request was developed by CTA's Transit Operations Funding Subcommittee, on which District staff participate. A copy of the letter is included as Attachment 1 and the \$5.15 billion budget request is summarized below.

- **\$1.35 billion - Direct all diesel sales tax revenue to transit operations starting in 2023-24 through 2027-28.** This would result in an increase of \$213 million in 2023-24, and about \$284 million each year thereafter.
- **\$2.5 billion - Direct discretionary greenhouse gas auction revenue to public transit operations.** It is estimated that this year's auction will exceed projections by \$800 million. This proposal directs \$500 million annually to public transit starting in FYs 2023-24 through 2027-28.
- **\$300 million - In the 2026-27 and 2027-28 fiscal years, convert \$300 million in Transit & Intercity Rail Capital funds to operating funds.**
- **Up to \$1 billion - Flex transit capital funding for transit operations.** The proposal urges the Governor and Legislature to maintain the \$4 billion in capital funding pledged for FYs 2023-24 and 2024-25, as included in the current budget, and allow agencies to "flex" up to 25% of their share for transit operations.

The CTA budget request was coupled with an aggressive media push and outreach to key decision makers in Sacramento. On April 26 Senator Scott Weiner led a press conference in Sacramento calling on the legislature to fund public transportation. And on April 27, CTA testified at a key Senate Budget Subcommittee in support of the funding proposal. Staff offered comments in support of the CTA proposal at the hearing and are actively engaging the District's state legislators to help secure operations funding in next year's budget.

The District's sponsored legislation, AB 463 (Hart), which would grant transit agencies uninterrupted access to electricity during power grid disruptions, advanced out of the Assembly Appropriations Committee on April 26. It will next be considered on the Assembly floor and, if approved, scheduled for committee hearings in the Senate.

Adoption of Legislative Positions

As detailed in Attachment 4, staff recommends the Board adopt the following legislative positions.

SUPPORT: AB 241 (Reyes) - Clean Transportation Program: Air Quality Improvement Program: funding. AB 241 extends, from January 1, 2024, to January 1, 2035, the sunset date on the collection of various fees that are used to fund a variety of medium and heavy-duty zero emission vehicle programs. AB 241 would also require that half of the Clean Transportation Program funds be used for projects that directly benefit disadvantaged and low-income communities, including investments in public transportation infrastructure and zero emission transit. A support position is consistent the District's legislative priorities of promoting equity and securing funding to support the transition to zero emissions.

WATCH: AB 316 (Aguiar-Curry and Friedman) - Autonomous vehicles. This bill would prohibit the operation of an autonomous vehicle with a gross vehicle weight of 10,001 pounds or more on public roads for testing purposes, transporting goods, or transporting passengers *unless a human safety operator is physically present at the time of operation*. Said “human safety operator” means a person operating an autonomous vehicle or vehicle equipped with autonomous technology who is trained in operating and shutting off the vehicle. Similar to AB 96, this bill would apply to the operation of any large autonomous vehicles on California roads without an operator in the vehicle. A watch position is consistent with prior actions by the Board to monitor AB 96.

SUPPORT: SB 532 (Weiner) - Ballot measures: local taxes. SB 532 would permit a local jurisdiction submitting a local ballot measure that imposes or increases a tax with more than one rate, or authorizes the issuance of bonds, to choose how specific information will appear on the ballot label. The intent of SB 532 is to expand transparency for local tax measures by providing the option to include key financial measures in the voter information guide, while amending ballot label requirements that have proven problematic or even impossible for tiered tax rates and bond issuances. The improved financial disclosures created by SB 532 will help voters better understand the potential financial impacts of a proposed bond or tiered tax measure.

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 - California Transit Association’s April Budget Request Letter
2. Att. 2 - Federal Update
3. Att. 3 - State Update
4. Att. 4 - State Matrix
5. Att. 5 - 2023 Federal Advocacy Program
6. Att. 6 - 2023 State Advocacy Program

Prepared by:

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Approved/Reviewed by:

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