

STAFF REPORT

SUBJECT: Regional Transportation Revenue Measure (SB 1031) Update

FROM: Christy Wegener, Executive Director

DATE: June 3, 2024

Action Requested

None – this is an informational update.

Background

On May 6, the LAVTA Board adopted an *oppose unless amended* position on SB 1031 and directed staff to work with the bill’s authors as well as the Metropolitan Transportation Commission (MTC) on potential amendments. The Board also directed staff to return to the Board with updates on the bill’s progress and amendments at subsequent Board meetings. Following the Board meeting, on May 15 staff finalized the LAVTA position letter (Attachment 1).

Discussion

Since the May Board meeting, the bill has been amended several times. Following the May Board meeting, on May 13, the bill was amended to include the terms from the Senate Transportation Committee, including:

- 1) Consolidation study – now refers to “consolidation or enhanced coordination, or both” throughout.
- 2) Limits conditioning of transit funds to STA (excluding LTF) and future Regional Measure Funds.
- 3) Establishes 30-year term limit for taxes.
- 4) Includes intent language for \$1.5 billion revenue goal.
- 5) Sunsets MTC tax authority on January 1, 2041.
- 6) Limits authority to increase sales tax up to ½ cent.
- 7) Limits bonding authority to capital improvements financed by the revenues retained by the Commission.

On May 16, the bill was passed out of the Senate Appropriations Committee with the following amendments:

- 1) Requires MTC to develop an expenditure plan.
- 2) Delays placement of the regional measure on the ballot for northern counties until 2028.
- 3) Makes other specified changes.

On Friday, May 24, SB 1031 passed the Senate 26-10 after significant floor debate. The bill is now in the Assembly awaiting referral to policy committees.

Looking ahead, staff are anticipating SB1031 will be referred to the Transportation and Revenue and Taxation Committees in the Assembly as it was in the Senate. Assuming it passes those committees, it will go to the Assembly Appropriations Committee where it will be placed in the Suspense File. If it passes out of the Suspense File, it will head to the Assembly Floor. If it is amended at all in the Assembly, which is likely as the authors have indicated a willingness to continue to work on the measure, then it will have to go back to the Senate for that house to concur in the amendments. It is likely that, should it go back to the Senate, it will get re-referred to one or both of the Senate policy committees for review of its final version before a Senate Floor vote would send it to the Governor for his signature.

Fiscal Impact

There is no fiscal impact associated with this update.

Recommendation

None – this is an informational item.

Attachments

1. May 15, 2024 - LAVTA *Oppose Unless Amended* Letter



May 15, 2024

The Honorable Anna M. Caballero
Chair, Senate Appropriations Committee
State Capitol, Room 412
Sacramento, CA 95814

**Re: SB 1031 (Wiener and Wahab) San Francisco Bay Area: Local Revenue Measure (As Amended 5.13.2024)
Oppose Unless Amended – Livermore Amador Valley Transit Authority (LAVTA)**

Dear Senator Caballero,

On behalf of the Livermore Amador Valley Transit Authority (LAVTA), I write to express our organization's respectful opposition to SB 1031 (Wiener and Wahab), unless the bill is amended to address concerns we have with the current text.

LAVTA was established in 1985 as a Joint Powers Authority to provide fixed-route bus and later complementary ADA paratransit in Eastern Alameda County, including the cities of Dublin, Pleasanton, and Livermore. Situated in the eastern gateway to the San Francisco Bay Area known as the Tri-Valley, LAVTA serves a critical role in connecting people to regional rail agencies BART and ACE, as well as serving the local transportation needs of those who travel within our service area. Our mission is to provide equal access to a variety of safe, affordable, and reliable public transportation choices, increasing the mobility and improving the quality of life of those who live or work in and visit the Tri-Valley area. LAVTA accomplishes this by balancing resources to provide effective timed connections to regional transit with quality service that is both attractive to local users and cost-effective for taxpayers. LAVTA is keenly aware of the needs of the communities we serve and on a daily basis we ensure that routes, schedules, and fares meet the needs of those communities, especially for older adults and youth. Our responsiveness to our communities' needs has enabled LAVTA to retain 87% of our pre-pandemic ridership as of March 2024, while operating at 90% of pre-pandemic service levels.

First, LAVTA commends the authors and sponsors of the bill for their collaborative spirit and sincere desire to improve transit operations and infrastructure in the Bay Area. LAVTA supports efforts to increase transit funding for all Bay Area transit agencies, especially those facing a near-term fiscal cliff. Additionally, we feel it is important to acknowledge the improvements in the bill since its inception, through several past and anticipated amendments such as the return to source provisions and softening of the language around transit operator consolidation.

We have reviewed the bill's amendments that were released on May 13; while progress on has been made on the bill's language, this is still not a bill we can support at this time.

Specifically, we have two primary concerns that need to be addressed in order for us to consider supporting this effort. First, LAVTA's adopted legislative platform unequivocally opposes any legislation which forces consolidation. LAVTA's service portfolio and policies demonstrate a level of coordination that is unmatched by others in the Bay Area. LAVTA, in partnership with three small East Bay bus operators, implemented integrated fares and passes in the early 2000's; most recently, our systems combined our paratransit service areas to demonstrate the benefits of a one-seat-ride paratransit service pilot. Our board is open to learning more about additional areas where coordinated services or programs may lead to improved efficiencies and services without risking the loss of pursuing local priorities. If the challenges to consolidation are resolvable, and funding parity was assured, LAVTA could be supportive of some sort of mutually agreed upon, long-term strategy to realize improved mobility solutions. Being forced to consolidate by an outside entity without any understanding of the coordination LAVTA already employs is unsupportable at this time.

Second, LAVTA has some broad concerns related to the expenditure of revenues from any potential funding measure. While the existing measure includes a plan for "returning to source" a large portion of collected revenues, a broad, countywide return does not ensure that all individual operators within the county will benefit from the additional resources. The current framework includes an allocation of funding to transit operators based on ridership or miles provided, but it is unclear whether that allocation is for *each* small operator or is meant to be one allocation to be sub-allocated to all small operators in the county.

To address these concerns and enable the LAVTA Board of Directors to consider revising their position to support, we seek these specific amendments:

- 1) Revision of all consolidation and/or enhanced coordination language to authorize the study only after the successful passage of a revenue measure, documentation of existing coordinated services and programs, consideration of potential consolidation and/or enhanced coordination study without the requirement for submission of a report of recommendations, and with the clear declaration of legislative intent to identify potential steps toward implementation of recommendations only with agencies that mutually agree upon the action.
- 2) Development of a specific expenditure plan that ensures all transit operators in the region receive an equitable share of any "return to source" revenues, and that none of the new revenues are used to supplant existing commitments. The expenditure plan as currently written would credit significant funds to BART as "return to source" for Alameda County, potentially leaving very little for LAVTA and other transit operators in Alameda County.
- 3) Clarifying language that *each* small operator would receive a specific allocation of funds equal to not less than five million dollars (\$5,000,000) annually (or a comparably equitable prorated share) if they provide less than 3,000,000 unlinked passenger trips per year.

LAVTA is facing a significant funding gap of up to \$100M for the infrastructure associated with the implementation of the zero-emissions bus transition mandate, including the funds for a new operations and maintenance facility to support the conversion to hydrogen fuel-cell electric buses.

Thank you for your consideration of our concerns. LAVTA looks forward to working with the authors' offices and relevant stakeholders to make this a regional measure that we can all get behind.

Sincerely,



Christy Wegener
Executive Director

Cc: Senator Scott Wiener
Senator Aisha Wahab
Senator Steve Glazer
Assembly Member Rebecca Bauer-Kahan
Assembly Member Liz Ortega
Members, Senate Appropriations Committee