

## Summary of Regional Network Management Components of SB 1031 (Wiener/Wahab)

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### Background

Given the importance of accelerating Transit Transformation across the region in order to increase ridership, reduce operating deficits and improve overall public opinion about Bay Area public transit – *critical to the success of a future ballot measure that will provide significant resources to help fund public transit* – the Commission’s January 2024 action on the regional measure authorizing legislation specified that the bill should include provisions to strengthen MTC’s role as a Network Manager effective upon enactment. The memo below summarizes SB 1031 Network Management provisions relative to existing law and current MTC practice.

### SB 1031 and Linkage to Current Law

Section 5 of SB 1031 seeks to do this by directly stating that MTC “shall be responsible for implementing a seamless transit rider experience across region” and revising an *existing* statute related to MTC’s role with respect to transit coordination. Specifically, Government Code 66516 current requires that MTC:

*“shall adopt rules and regulations to promote the coordination of fares and schedules for all public transit systems within its jurisdiction. The commission shall require every system to enter into a joint fare revenue sharing agreement with connecting systems consistent with the commission’s rules and regulations.”*

SB 1031 rearranges some of these provisions and expands the list to include all priority items from the Transit Transformation Action Plan:

1. Fares, including fare payment and fare integration
2. Schedules
3. Mapping and wayfinding
4. Real-time transit information
5. Other customer-facing operating policies that would benefit from a regional approach

### Goals & Outcomes of Network Management

The bill states the Legislature’s intent that the central goal of the “rules and regulations” referenced above shall be “increasing transit ridership by improving the customer experience of riding public transit in the San Francisco Bay area and creating a seamless experience across all public transit agencies providing service in the commission’s jurisdiction.” Following the spirit of the outcome-focused Transit Transformation Action Plan, the bill further species the outcomes the Legislature intends the Commission to implement and sustain:

- (1) A common fare payment system for public transit agencies in the region.*
- (2) A universal regional transit pass that is valid on all public transit agencies in the region.*
- (3) An integrated transit fare structure with common definitions for adults, youth, seniors, persons with disabilities, and other categories of riders.*
- (4) A common fare transfer policy that strives to eliminate any extra fare for using more than one transit system on a single journey.*
- (5) Integrated mapping, signage, and real-time schedule information that makes transit in the region easy to navigate and convenient for both new and existing riders.*
- (6) Transit services in the region that are equitably planned and integrally managed as a unified, efficient, and reliable network, including interagency transfer policies and coordinating schedules at stops or station areas serving more than one public transit agency.*
- (7) Transit services for older adults, people with disabilities, and those with lower incomes that are coordinated efficiently throughout the region.*
- (8) Resources are invested to provide for the comfort and safety of transit riders.*
- (9) The transit network in the region uses its existing resources more efficiently and secures new, dedicated revenue to meet its capital and operating needs.*

### Compliance with Transit Coordination Rules/Fund Conditioning – Current Law & Proposed Changes

Under current law ([Public Utilities Code 99314.7](#)) a Bay Area operator is only eligible for State Transit Assistance funds if it complies with Government Code 66516 – MTC’s transit coordination rules and regulations – which are formalized in Resolution 3866 - MTC’s Transit Coordination Implementation Plan.

MTC through Resolution 3866 additionally conditions Transportation Development Act (TDA) funds and other regional transportation funds on coordination compliance, with a caveat that MTC may only condition the funding “to the extent permitted by statute.” Consistent with the Commission’s direction to strengthen MTC’s existing transit coordination authority, the bill clears up any ambiguity as to the extent of MTC’s fund conditioning authority outlined in Resolution 3866 and aligns the rules and regulations with the policies included in the Transit Transformation Action Plan.

To provide greater clarity about the linkage between MTC’s Transit Coordination “rules and regulations” (Government Code Section 66516) and an operator’s eligibility for STA funding, the bill incorporates a cross reference PUC Code Section 99314.7 as shown in (b) (1) below.

The bill further strengthens operator accountability and MTC Network Management authority by linking compliance with Government Code 66516 to eligibility for TDA funds and SB 1031-authorized regional transportation measure funds. This is an evolution relative to current law that strengthens accountability by conditioning TDA funding on operator compliance with Transit Coordination requirements and extending conditioning to new regional revenue measure funds.

These SB 1031 changes read as follows:

*(b) Notwithstanding any other law, each public transit agency within the region shall comply with the commission’s rules and regulations adopted pursuant to subdivision (a) as a condition of receiving any of the following funds:*

*(1) Any funds allocated pursuant to Sections 99313 and 99314 of the Public Utilities Code, consistent with **Section 99314.7** of the Public Utilities Code. [State Transit Assistance Funds]*

*(2) Any funds allocated from a local transportation fund administered pursuant to Article 3 (commencing with Section 99230) of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code, consistent with subdivision (b) of Section 99270.5 of the Public Utilities Code. [Transportation Development Act Funds]*

In summary, SB 1031 strengthens MTC's Network Management authority as follows:

- 1) Expands the list of items MTC must include in its Transit Coordination rules as shown above (modified #1, 3-5)
- 2) Makes STA eligibility conditioned on this broader list (notably Resolution 3866 already encompasses more than "fares and schedules")
- 3) Conditions TDA funding on compliance with Government Code 66516 - an expansion of the current conditioning related to compliance with MTC's "Productivity Improvement Program" (Resolution 4630) but already referenced in Resolution 3866.