

STAFF REPORT

SUBJECT: Regional Transportation Revenue Measure (SB1031) Board Position

FROM: Christy Wegener, Executive Director
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DATE: May 6, 2024

Action Requested

Staff requests the Board adopt an *oppose unless amended* position on SB 1031 (Weiner).

Background

On March 18, Senators Scott Weiner (D–San Francisco) and Aisha Wahab (D-Fremont) introduced a co-sponsored bill, SB 1031. This replacement bill is being led by Senator Wiener and replaces SB 925 (Weiner), which was sponsored by MTC, and SB 397 (Wahab), and includes MTC’s regional transportation measure enabling legislation among numerous other matters related to transit accountability and reform. On April 12, the MTC Legislative Committee adopted a set of proposed amendments to SB1031, many of which were included in the amendments that were released in print on April 17. The amended bill language includes the following provisions:

- Authorizes MTC to place a measure on the ballot for all nine counties or a subset for the Nov. 2026 ballot or later;
- Returns 70% of the new revenue to the source county within a distribution formula/framework, and conditions new funding for transit agencies based on compliance with stronger Regional Network Management rules and ridership;
- Gives MTC control over any new funds raised in the future measure, and increases MTC’s authority over existing funding resources such as Transportation Development Act funds;
- Requires a study of the consolidation and coordination of the Bay Area transit operators to be complete by January 1, 2026, and then requires CalSTA to submit study recommendations to the State Legislature by January 1, 2027. There is no identified funding source for this study, but the bill establishes a fund to receive funding (donations or otherwise) to pay for the study.

The bill was heard in the Senate Transportation Committee on April 23 and in the Senate Revenue and Tax Committee on April 24. During the Senate Transportation Committee, prior to the bill being heard, the author presented a terms sheet listing new amendments they intended to make to the Bill.

Discussion

LAVTA supports the stated goals of this legislation which envisions a world class transportation network that meets the diverse needs of Bay Area residents, combats climate change, and has a meaningful impact on reducing vehicle miles travelled. LAVTA also supports advancing enabling legislation to allow Bay Area voters the opportunity to weigh-in on generating new revenues to support and expand transit in the Bay Area.

In recommending a position for SB1031, staff consulted with the East Bay Coalition and LAVTA's State Advocacy teams, Bay Area transit agency leaders, and the approved 2024 LAVTA Legislative Program (Attachment 1). Using the 2024 Legislative Program as a guide, staff is recommending an *oppose unless amended* position because of the following reasons:

- 1) The 2024 Legislative Program states that LAVTA should oppose efforts to mandate consolidation of East Bay Small Operators, or LAVTA with any other entity, and oppose development of any consolidation plans that do not meaningfully involve and account for all potentially impacted stakeholders, including transit workers represented by existing collective bargaining arrangements.
 - SB1031 as amended somewhat softens and better clarifies the intent to study coordination in addition to consolidation; it now requires consultation with labor and transit experts. However, it still requires a consolidation and coordination study to be complete regardless of a regional measure passing and requires recommendations to be delivered to the State Legislature. It is unclear what new amendments may be forthcoming.
- 2) The 2024 Legislative Program identifies that LAVTA should support efforts of the Metropolitan Transportation Commission (MTC) to maximize the proportion and flexibility of federal and statewide funding sources allocated to the Bay Area and to small operators; LAVTA will monitor and engage with MTC and other transit operators as necessary concerning any use of valuable state transit funding normally allocated to operate service to fund implementation of a regional Transit Network Manager or similar function.
 - SB1031 as amended gives MTC new authority over existing statewide funding sources, including TDA, with the ability to enact new requirements over the funding, reducing the flexibility of those funds and potentially reducing the amount of funding available to small operators. Based on the terms discussed at the 4/23 Senate Transportation Committee hearing, it seems that the TDA may be taken off the table; however, it is unclear what specific language may be included in the next round of amendments.
- 3) The 2024 Legislative Program states that LAVTA should partner with other East Bay Small Operators and potential affected stakeholders to monitor, support, oppose, or seek amendments as may be necessary and desirable in the development of authorizing

legislation for a future regional transportation revenue measure to be put before Bay Area voters.

- LAVTA is working hand in hand with the East Bay Small Operator Coalition on monitoring and responding to this important legislation regarding a future regional measure.

Staff presented the recommended *oppose unless amended* position on SB1031 to the LAVTA Finance and Administration Committee on April 24. During the Committee meeting, Committee members discussed the bill and provided feedback, and advanced staff's recommendation to the Board. If approved by the Board, staff will prepare a letter to be sent to the Chair of the Senate Appropriations Committee; the bill should be heard in the Senate Appropriations Committee on May 13.

Fiscal Impact

There is no fiscal impact associated with adopting a position on SB1031.

Recommendation

The Finance and Administration Committee recommends the Board adopt an *oppose unless amended* position on SB1031.

Attachments

1. 2024 Legislative Program

FEDERAL	
Goal or Principle	Strategy
1) Protect Existing and Enhance Future Transportation Funding Sources	Advocate that Congress appropriate full amounts authorized by law for FY 2024-25, and that these vital funds are provided expeditiously to transit agencies for use on transit capital projects and operations. Support maximizing funding levels for discretionary programs such as the Bus and Bus Facilities and Low or No Emission grant programs, and advocate for program policies and funding eligibilities that support LAVTA’s key capital funding needs and priorities.
	Participate in development of a reauthorization platform for the Infrastructure Investment and Jobs Act (IIJA) that prioritizes maintaining funding for existing transit and flexible highway formulas (that can fund transit) at levels approved under the IIJA, including ensuring California operators do not see cuts in programs that were funded through advance appropriations. Support advocacy partners’ efforts to refine priorities related to funding for transit modernization and expansion and policy revisions needed to ensure operators are able to expend federal funds efficiently and effectively.
	Support efforts spearheaded by the California Transit Association to monitor ongoing issue that Bay Area federal transit grants may be withheld because of a 2021 U.S. Department of Labor interpretation that state pension law known as “PEPRA” may impede federally guaranteed transit union collective bargaining rights. If necessary, seek a legislative solution.
2) Enhance public transit’s role in addressing climate change and air quality issues	Advocate for federal legislation and program implementation that prioritizes public transit’s role in addressing climate change, supports transit agencies transitioning to zero-emission fleets, and advances research into alternative-fuel technologies such as clean/renewable hydrogen. Actively engage in local and statewide efforts to implement the Department of Energy’s Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) Hydrogen Hub initiative in California to accelerate renewable hydrogen projects and necessary support infrastructure through public/private partnerships.
	Work with the Federal Transit Administration or, if necessary, Congress to ensure flexibility in the application of FTA’s spare ratio requirements to zero-emission transit buses and to address temporary reductions in transit service.
3) Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	Expand legislative and policy partnerships in Washington, D.C., in particular coordinating on advocacy activities as appropriate with other East Bay Small Operators and other public transit agencies operating in LAVTA’s service area, including Valley Link.
	Support federal policies that enable technological innovations to improve safety and mobility, including connected and automated vehicle (CV/AV) deployment, and mobility on demand.

STATE	
Goal or Principle	Strategy
1) Protect Current and Enhance Future Transportation Funding Sources	Advocate for FY 2024-25 state budget that avoids, minimizes, or offsets cuts in the State’s investment in public transportation, including honoring prior-year budget agreements, and continue to advocate for additional statutory, administrative, and funding relief for public transit in response to the impending “fiscal cliff” and other continuing impacts of the COVID-19 pandemic.
	Engage with the California State Transportation Agency Transit Transformation Task Force, and monitor development of any new legislation to update the Transportation Development Act and related statutes concerning public transportation revenues and associated requirements.
	Ensure any new legislation and regulations do not create new unfunded mandates on transit agencies.
	Identify and pursue strategies to help transit operators reduce costs associated with converting their bus fleets to zero-emission in order to meet the state’s Innovative Clean Transit rule, including additional dedicated funding from the state Greenhouse Gas Reduction Fund (GGRF) or other sources.
2) Enhance Operating Conditions to Support Safety and Performance Goals	Monitor and support as appropriate the California Transit Association’s efforts to address driver and passenger safety and security concerns identified statewide related to inappropriate behavior on transit vehicles and at stations.
	Support efforts to enhance transit industry workforce recruitment and training efforts.
3) Enhance Public Transit’s Role in Addressing Climate Change and Air Quality Issues	Monitor implementation activities and new legislation related to the California Air Resources Board’s (ARB) Innovative Clean Transit regulation related to Zero Emission Bus (ZEB) purchase and deployment requirements, and advocate for programs and incentives to minimize undue burdens on transit agencies transitioning to ZEB technology.
4) Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	Oppose efforts to mandate consolidation of East Bay Small Operators, or LAVTA with any other entity, and oppose development of any consolidation plans that do not meaningfully involve and account for all potentially impacted stakeholders, including transit workers represented by existing collective bargaining arrangements.

REGIONAL/LOCAL	
Goal or Principle	Strategy
1) Protect Existing and Enhance Future Transportation Funding Sources	Support efforts of the Metropolitan Transportation Commission (MTC) to maximize the proportion and flexibility of federal and statewide funding sources allocated to the Bay Area and to small operators. Monitor and engage with MTC and other transit operators as necessary concerning any use of valuable state transit funding normally allocated to operate service to fund implementation of a regional Transit Network Manager or similar function.
	Partner with other East Bay Small Operators and potential affected stakeholders to monitor, support, oppose, or seek amendments as may be necessary and desirable in the development of authorizing legislation for a future regional transportation revenue measure to be put before Bay Area voters.
2) Enhance Operating Conditions to Support Safety and Performance Goals	Advocate for improvements to the local and regional street networks that enhance transit operating speed and reliability.
	Improve roadway safety for all users and support proposals to increase enforcement of traffic laws protecting pedestrians and bicyclists.
3) Leverage Support from and with Partners to Promote Mobility, Improve Service Productivity, and Enhance Regional Leadership	Monitor and support as appropriate implementation of the Metropolitan Transportation Commission’s Blue Ribbon Transit Recovery Task Force recommendations, including new initiatives aimed at promoting a more “seamless” regional transit system and enhancing its resiliency through initiatives such as fare coordination/integration and transit network management.
	Continue to develop innovative partnerships with private transportation providers including taxi and transportation network companies to connect more people in the Tri-Valley to public transit.
	Support other members of the Cooperating Area Transit Systems group (suburban transit operators in Eastern Alameda County and Contra Costa County), if appropriate, and work together on regional programs and initiatives of mutual interest.
	Work with local businesses to support efforts to encourage transit use among their employees, and with local housing developers and entities to encourage transit use among residents.