

MTC Transit Coordination Authority & Recommended Changes to Accelerate Implementation of Transformation Action Plan and other Rider-Focused Improvements (Draft)

	Topic & Summary	Current Statute	Recommended Changes
1	<p>Overall Transit Coordination</p> <p>Requires operators to participate in Regional Transit Coordinating Council and comply with various MTC standards. Applies only to those operators that receive BART sales tax revenue (which, in addition to BART, includes bus operators connecting to BART)</p>	<p><i>No funds shall be allocated to an entity pursuant to Section 29142.2, after January 1, 1978, unless, as determined by the Metropolitan Transportation Commission, the transit operator:</i></p> <p><i>(a) Is a participating member of a regional transit coordinating council which the commission shall establish to better coordinate routes, schedules, fares, and transfers among the San Francisco Bay area transit operators and to explore potential advantages of joint ventures in areas such as marketing, maintenance, and purchasing. The commission shall be a member of the council....</i></p> <p><i>(b) Has complied with standards established by the commission pursuant to Section 66517.5 of the Government Code. (See Item 3)</i></p> <p><u>(Public Utilities Code (PUC) 29142.4)</u></p>	<p>Build on this statute to establish MTC as the Regional Transit Network Manager and codify the new Regional Network Management Council as the regional transit coordinating council.</p> <p>Align the standards operators must follow with the rider-focused accountability provisions staff has proposed related to new state transit funding under SB 125 (includes active participation in council and advancement of Transformation Action Plan initiatives, fare policy and integration pilots, mapping & wayfinding, accessibility, schedule coordination and General Transit Feed Specification (GTFS) standards.)</p>

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			<p>Include appropriate safeguards to protect transit agencies' financial obligations.</p> <p>Strengthen the funding linkage so that it applies to additional transit funds distributed by MTC, including State Transit Assistance and new regional revenue measure funds, similar to Government Code 66517.5 (See Item 3).</p>
2	<p>Fares & Schedules</p> <p>Requires MTC to adopt rules related to fares, schedules and transfers between operators</p> <p>Funding Tie</p> <p>Compliance with MTC rules and regulations developed based on this statute is a condition of an operator receiving</p>	<p><i>The commission, in coordination with the Regional Transit Coordinating Council...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.</i></p> <p><i>(Government Code 66516)</i></p> <p><i>Where there are two or more operators within its area of jurisdiction, the transportation planning</i></p>	<p>Add complementary language applicable to all transit operators providing service in the Bay Area requiring that they comply with Commission policy related to fares, schedules and transfers. This would remove ambiguity about whether operators are required to comply. Under current law the burden is simply on MTC to require that they do so but the only tool at MTC's disposal is the threat of withholding funds.</p>

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	population-based and revenue-based STA funding from MTC (See Item 6)	<i>agency... shall adopt, not later than July 1, 1980, rules and regulations to provide for transfers between the public transportation services of the operators so that such services will be coordinated. (PUC 99282.5)</i>	
3	<p>Service Objectives, Efficiency & Effectiveness</p> <p>Performance Measures & Data Requirements</p> <p>Requires MTC to develop various performance measures</p>	<p><i>The commission shall develop regional transit service objectives, develop performance measures of efficiency and effectiveness, specify uniform data requirements to assess public transit service benefits and costs and formulate procedures for establishing regional transportation priorities in the allocation of funds for transportation purposes. The commission shall also establish and maintain standards relating to:</i></p> <p><i>(a) A standardized reporting and accounting system under which public transit operators shall make quarterly reports to the commission on their revenues</i></p>	<p>No changes recommended at this time.</p> <p>Review MTC policies to make any necessary updates related to oversight and reporting, consistent with the statute.</p>

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		<p><i>and expenditures and submit their annual proposed and adopted budgets for comment and evaluation.</i></p> <p><i>The system shall be consistent with the uniform system of accounts and records adopted by the State Controller pursuant to Section 99243 of the Public Utilities Code.</i></p> <p><i>(b) Maintenance of established levels of local support for public transit system operations.</i></p> <p><i>(c) Operating efficiency and cost control.</i></p> <p><i>(Government Code 66517.5)</i></p>	
4	<p>Transit Agency Efficiency Improvements/ Consolidation</p> <p>Funding Tie</p> <p>Compliance with this provision is a condition of an operator receiving STA</p>	<p><i>The commission may do the following: (a) In consultation with the regional transit coordinating council, identify those functions performed by individual public transit systems that could be consolidated to improve the efficiency of regional transit service, and recommend that those functions be consolidated and performed through inter-operator agreements or as services contracted to a single entity. Government Code 66516.5</i></p>	<p>No changes recommended at this time. This statute provides a statutory basis for the Commission to direct staff to examine opportunities for functional or organizational consolidation of transit agencies.</p>

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5	<p>funding from MTC (See Item 6)</p> <p>Improving Transit Service Coordination Identifying the core regional transit network and opportunities to improve coordination</p> <p>Funding Tie Compliance with MTC recommendations from this provision is a condition of an operator receiving STA funding from MTC (See Item 6)</p>	<p><i>The commission may do the following... (b) Improve service coordination and effectiveness in those transit corridors identified as transit corridors of regional significance by the commission in consultation with the regional transit coordinating council by recommending improvements in those corridors, including, but not limited to, reduction of duplicative service and institution of coordinated service across public transit system boundaries. Government Code 66516.5</i></p>	<p>None. Similar to Item 4, this statute provides a statutory basis for the Commission to direct staff to examine opportunities for service changes to improve coordination and efficiency.</p>

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6	<p>STA Funding</p> <p>In allocating funds for population based or revenue-based STA funding, MTC shall apply eligibility standards: (1) an operator may receive its funds only if it has implemented productivity improvements. The amount withheld is proportionate to the degree of inefficiency; (2) operators must comply with the rules MTC sets related to fares, schedules and revenue-sharing among operators. (3) funds withheld for inefficiency reasons must</p>	<p><i>(a) In allocating funds for operating purposes pursuant to Sections 99313 and 99314, the Metropolitan Transportation Commission shall apply the following eligibility standards to the operators within the region subject to its jurisdiction:</i></p> <p><i>(1) An operator is not eligible for its full allocation under this section unless the operator has been found to have made reasonable effort in implementing productivity improvements pursuant to Section 99244. In determining whether a reasonable effort has been made, the Metropolitan Transportation Commission shall give consideration to whether the operator would qualify for funding under Section 99314.6. The amount of funds allocated shall be reduced in an amount that the Metropolitan Transportation Commission deems proportionate to the failure of the operator to implement the recommended improvements. The Metropolitan Transportation Commission shall adopt rules and regulations, in cooperation with the affected</i></p>	<p>Conform to any newly adopted standards consistent with #1.</p>

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	<p>be reserved for 2 years for that operator but if the operator is still out of compliance, then those funds and funds not allocated due to (2) may be reassigned for purposes of improving coordination or to any operator whose operating costs are rising below inflation.</p>	<p><i>operators, governing the allocation of any funds withheld under this paragraph, subject to paragraphs (2) and (3).</i></p> <p><i>(2) Notwithstanding paragraph (1), an operator shall not receive any funds pursuant to Section 99313 or 99314 unless it has complied with the applicable rules, regulations, and recommendations adopted by the Metropolitan Transportation Commission pursuant to Sections 66516 and 66516.5 of the Government Code.</i></p> <p><i>(3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the Metropolitan Transportation Commission for reallocation to that operator for two years following the year of ineligibility. With respect to the funds withheld from an operator pursuant to paragraph (1), the Metropolitan Transportation Commission shall reallocate those funds to the operator if the operator complies with that paragraph within two years. Funds not reallocated to the operator, and</i></p>	

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		<p><i>funds withheld pursuant to paragraph (2), shall be allocated to any eligible operator within the region subject to the jurisdiction of the Metropolitan Transportation Commission for the purpose of improving coordination among the operators, or to any operator whose increase in total operating cost per revenue vehicle hour is less than the increase in the Consumer Price Index. Funds allocated for these purposes are exempt from subdivision (a).</i></p> <p><i>(b) For purposes of this section, “operating cost,” “revenue vehicle hour,” and “Consumer Price Index” have the same meaning as defined in Section 99314.6.</i></p> <p><i>(PUC 99314.7)</i></p>	