# Summary of Metropolitan Mobility Authority Act

SB3937 (Villivalam)/HB5823 (Buckner)

Hundreds of thousands of riders use the public transit system every day in northeastern Illinois. The COVID pandemic had a devastating impact on transit ridership and finances. As a result, the transit system will face a significant budget shortfall, starting in late 2025 or early 2026 and growing annually. This will result in catastrophic service cuts if additional public funding is not provided.

Yet transit ridership in the region was flat or declining even before the pandemic, reflecting more serious and systemic problems, including transit service that has not been provided equitably, deteriorating bus speed and reliability, unaffordability, and other problems. The transit system requires major reform, from addressing gaps in transit board effectiveness and accountability to cooperation among the transit boards to making progress on long-stalled regional initiatives such as bus rapid transit.

As required by the Illinois General Assembly, a high-level roadmap on how to address funding and governance issues was provided by the <u>Plan of Action for Regional Transit</u> (PART), prepared by the Chicago Metropolitan Agency for Planning (CMAP). The PART report was approved by the Board of CMAP and the Metropolitan Planning Organization (MPO) for the Chicago metropolitan region. Legislation creating the Metropolitan Mobility Authority (MMA) was introduced on April 29, 2024 (<u>HB5823</u>) The MMA Act implements the PART report's governance Option #1 to create an "integrated regional agency." A companion appropriations bill (<u>HB5828</u>) creates a fund for a minimum of \$1.5B in annual transit operations revenues but does not yet identify specific revenue sources. The PART report's extensive discussion of revenue options will inform the selection of those revenue sources.

As discussed below, the MMA Act supersedes the Regional Transportation Authority Act (70 ILCS 3615), which covers the Regional Transportation Authority, the transit planning agency for the Chicago metropolitan region, and two of the region's transit agencies, and Pace, and the Metropolitan Transit Authority Act (70 ILCS 3605), which covers the Chicago Transit Authority. Metra, Pace, and CTA are called service boards; each has its own board of directors. While Metra and Pace are currently designated under the RTA Act as RTA operating divisions, the CTA is not. Metra and Pace, and the Metropolitan Transit Authority Act (), which covers the Chicago Transit Authority. Metra, Pace, and the Metropolitan Transit Authority Act (), which covers the Chicago Transit Authority. Metra, Pace, and CTA are called service boards; each has its own board of directors. While Metra and Pace are currently designated under the RTA Act as RTA operating divisions, the CTA is not. Metra and Pace are currently designated under the RTA Act as RTA operating divisions, the CTA is not.

The MMA Act is divided into eight Articles. Key features include:

## Article I: Background

This Article includes the legislative findings and purpose of the MMA Act, stressing the importance of a well-functioning public transit system to advance the economic, equity, and environmental goals of the metropolitan region. (Sec. 1.02). Section 1.03 contains the definitions of key terms used in the Act.

## Article II: Creation and Organization

Section 2.01 creates the MMA. It covers the same six-county region in the RTA Act. (Sec. 2.02). Section 2.04(a) establishes the MMA Board of Directors and identifies the appointing authorities that select the MMA Directors:

- Nineteen voting Directors:
  - 3 voting directors chosen by the Governor with the advice and consent of the General Assembly
  - 5 voting directors chosen by the Mayor of the City of Chicago with the advice and consent of City Council, one of whom must be the Commissioner of the Mayor's Office For People with Disabilities
  - 5 voting directors chosen by the President of the Cook County Board with the advice and consent of the Board
  - 5 voting directors, with one chosen by each of the chief executives of DuPage, Kane, Lake, McHenry, and Will Counties with the advice and consent of their Boards
  - 1 Chair chosen by the MMA Directors but not from among the Directors
- 6 non-voting Directors:
  - The Secretary of the Illinois Department of Transportation or designee;
  - The Chair of the Illinois Tollway or designee;
  - A representative of organized labor, selected by the Governor;
  - A representative from the business community in the metropolitan region, selected by the Board;
  - A representative from the disability community, selected by the Board
  - The Chair of the MMA Citizens Advisory Board.

Section 2.04(b) gives appointing authorities in the metropolitan region the ability to select Directors from anywhere in the metropolitan region, removing the geographic and other limits on director eligibility in the RTA and MTA Acts. Section 2.04(c) gives non-voting Directors the same rights to access MMA Board materials and to participate in MMA Board meetings as voting Directors.

Section 2.05(c) establishes expansive experience requirements for MMA Directors with the goal of assembling a set of diverse and talented Directors. Section 2.06 shifts Directors from a sub-regional, parochial approach to decision making by requiring MMA Directors to make their decisions based on their assessment of the best interests of the metropolitan region as a whole.

Section 2.10(b) eliminates the current supermajority voting requirements found in the RTA Act. Elimination of the supermajority requirement will encourage Directors to work across geographic boundaries to build working majorities.

Section 2.12 creates an MMA Citizen Advisory Board. To help ensure that citizens have a direct conduit to the MMA Board, the Chair of the Citizen Advisory Board will sit on the MMA Board as a non-voting Director. (Section 2.04(a)).

## Article III: Transition

The MMA Act directs the MMA Board to establish a Transition Committee to implement the transition from today's fragmented status quo to an integrated regional transportation agency—the MMA. (Section 3.01(a)). A subset of Directors will serve on the Transition Committee. They will devote substantial additional time and effort on top of their regular Director duties, overseeing a staff Integration Management Office charged with addressing the details of the new agency's responsibilities. Directors who serve on the Transition Committee are eligible for higher compensation for their extra time investment. The Chair of the MMA Board will serve as the Acting CEO of the MMA until a permanent CEO is selected. (Section 2.07(d)). The MMA Act establishes a four-year timeline from the effective date of the Act for implementation of key elements of the transition (Section 3.01(c)):

- All seats on MMA Board filled; Transition Committee in operation (Year 1 after effective date)
- Integration Management Office organized and operational (Year 2)
- Permanent MMA CEO selected and final Transition Plan approved (Year 3)
- Transfer of all functions and responsibilities to the MMA completed (Year 4)

The MMA Act directs the consolidation of RTA, CTA, Metra, and Pace (the consolidated entities) into the MMA. (Section 3.02). The MMA will assume the employees, assets, rights, and obligations of the consolidated entities. The MMA will assume and observe all applicable collective bargaining and other agreements between the consolidated entities and their employees. (Section 3.03(c)). Similarly, the MMA will assume all pension obligations of the consolidated entities and covered employees will retain all of their accumulated rights. (Section 3.03(d)).

## Article IV: Powers

Article IV outlines the scope and limits of the MMA's authority and echoes similar provisions in the RTA and MTA Acts. Section 4.01 establishes the MMA as the agency principally responsible for planning, programming, and operating public transportation in the metropolitan region. Section 4.02 lists standard powers vested in public transit agencies, such as the power to sue and be sued, acquire and dispose of property, and issue bonds. Section 4.03 authorizes the MMA to purchase public transportation services. Section 4.05 makes the MMA responsible for setting fares and establishing a regionally coordinated and consolidated fare system. Section 4.05(e) requires the MMA to assess the need to make fare adjustments at least once every two years and section 4.05(f) requires the MMA to establish income-based reduced fare and fare capping programs.

Section 4.06 continues the RTA's existing authority to "provide for special lanes for exclusive or special use by public transportation vehicles with regard to any roads...in the metropolitan region." The MMA Act adds a provision (20 ILCS 2705/2705-594 on pg. 268 of the MMA Act) directing IDOT District One to establish an Office of Public Transportation Support whose purpose is to "optimize the operation of public transportation vehicles and the delivery of public transportation services" on highways under IDOT's jurisdiction, which include many city streets. The Act directs the MMA to accelerate the implementation of bus rapid transit throughout the metropolitan region. (Section 4.07).

The MMA Act retains the employee, collective bargaining, and disadvantaged business enterprise protections found today in the RTA Act. (Sections 4.13 - 4.20). It authorizes the MMA to pursue R&D and innovation, establish a City-Suburban Mobility Innovations Program, protect the environment, provide incentives for transit-supportive development, and coordinate with other regional planning authorities. (Sections 4.21-4.29). The Act directs the MMA to establish a transit ambassador program to increase orderliness and customer perception of safety using unarmed staff, enforce traffic laws that are designed to protect the quality and safety of public transportation operations, and take other steps to enhance safety and security on the public transportation system. (Sections 4.30-4.34).

## Article V: Accountability

Article V of the MMA Act carries forward many provisions of the RTA Act with respect to the preparation of plans, budgets, capital programs, and reports and adds a variety of measures designed to make MMA Directors, and the MMA itself, more accountable:

- Provides a process through which the public may apply for or nominate Directors and provides the public an opportunity to review and comment on MMA Directors nominated by the appointing authorities before those appointments are finalized. (Section 5.01).
- Requires quarterly reporting of usage of the public transportation system by MMA Directors and authorizes the Board to establish system usage requirements for MMA Directors, employees, and contractors (Section 5.02) and Board meeting attendance requirements (Section 5.03).
- Authorizes the MMA to tie executive compensation to improved performance on key user-focused metrics like safety and reliability. (Section 5.04).
- Requires a transparent prioritization process for capital projects (5.08)
- Directs the MMA to develop and use Service Standards to determine the location, mode, frequency, and other relevant characteristics of public transportation in the metropolitan region. Directs the MMA to establish and report on performance measures to inform the public about the extent to which the service provided meets the Service Standards (Section 5.11).
- Authorizes the MMA to appoint an MMA Inspector General, who will supplement the oversight provided by the Executive Inspector General. (Section 5.13).
- Requires regular performance audits by the Auditor General that are timed so that the Auditor General's findings can inform the MMA's Strategic Plans. (Section 5.15).

### **Article VI: Finances**

The MMA Act makes two major changes to the Finance provisions in the current RTA Act. First, the Act eliminates the fixed statutory formulas allocating public monies among the service boards. Such fixed formulas are unnecessary when the MMA absorbs the service boards (CTA, Metra, Pace) and makes them MMA operating divisions. Instead of rigid statutory formulas, the MMA will use the Service Standards to allocate available resources most effectively. Second, the MMA Act eliminates the fare box recovery ratio requirement. That requirement was riddled with exceptions and forced the transit agencies to manage to a farebox recovery ratio rather than focus on rolling out transit service how and where it is most needed.

Section 6.01(b) designates the MMA as the primary agency in the metropolitan region for applying for public transportation grants.

### Article VII: Office of Transit-Supportive Development

Article VII recognizes that for public transportation to thrive, residential and commercial development must be designed to generate supportive levels of transit users. Likewise, transit service and facilities like train stations should be used as catalysts for residential and commercial development. Section 7.03 thus establishes an Office of Transit-Oriented Development and a Transit-Supportive Development Fund. The Office and the Fund will be used to facilitate transit-supportive development in jurisdictions that actively plan to accommodate transit-supportive development.

#### Article VIII: Miscellaneous

Much of the MMA Act consists of amendments to a variety of State laws to implement the transition from the RTA and the three service boards to the integrated regional transportation system contemplated by the Act. Most of these changes are cosmetic, e.g., swapping "MMA" for "RTA" in these laws. One of these amendments does add the MMA Chair to the Board of the Illinois Toll Highway Authority as a non-voting member. This complements the addition of the Tollway's Chair as a non-voting member of the MMA Board. Both changes are designed to deepen the existing cooperation between the Tollway and public transportation agencies in the metropolitan region.

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