

BILL: AB 1070 (Ward, D-San Diego)
Introduced February 21, 2025
Amended April 3, 2025

SUBJECT: AB 1070 which would impose new mandates on transit district board compensation and make changes to transit district board governance structures.

STATUS: Pending in the Assembly Local Government Committee and Assembly Transportation Committee

SUMMARY AS OF APRIL 9, 2025:

AB 1070 proposes significant modifications to the governance and operational standards of transit district boards throughout California. This includes changes to board member compensation requirements: members would only be eligible to receive compensation if they demonstrate personal use of the transit system they oversee, defined as either at least one hour or four trips per month.

Significantly, the bill introduces new membership requirements for all transit district boards. Specifically, it mandates the addition of two nonvoting members and four alternate nonvoting members to each board. These positions must be filled by individuals who are regular users of the transit service and by representatives from labor organizations that represent a plurality of the district's represented employees. The bill outlines appointment procedures and timelines and specifies that nonvoting members must be excluded from closed sessions involving labor, personnel, or legal matters, while retaining rights to participate in public meetings and receive board materials. These requirements would apply universally to all transit districts across the State, regardless of their existing governance structures, statutory formation, or local needs, thereby imposing a standardized model of board composition and eligibility criteria statewide.

EFFECTS ON ORANGE COUNTY:

The Orange County Transportation Authority (OCTA) Board of Directors (Board) is uniquely structured to reflect the consolidation of multiple transportation agencies within the county. This consolidation was carefully designed to streamline operations, reduce administrative duplication, and unify strategic planning for the region's transportation systems. If enacted, AB 1070 could override the legal framework that currently defines this structure, forcing a new model onto the agency that is inconsistent with how OCTA was originally formed and has functioned for decades. Because the legislation asserts authority over existing law, it would supersede the provisions that establish OCTA's current board composition and operational integration.

This change could trigger a major governance conflict by effectively severing the Orange County Transit District (OCTD) from OCTA, resulting in two separate boards—one newly required by the bill to govern OCTD and another continuing to oversee OCTA and its other consolidated functions. Such a split would unravel the efficiencies achieved through decades of regional consolidation and coordination, leading to confusion, duplication of efforts, and potentially conflicting policies. It would also create uncertainty

around jurisdiction, budgeting, and planning authority, threatening the effectiveness and stability of transportation services in Orange County.

The mandate to add nonvoting members from rider and labor groups, while intended to boost representation, overlaps with engagement practices already in place at OCTA. The agency conducts extensive public outreach, holds open board meetings, and maintains ongoing communication with employee organizations through formal labor processes. Additionally, the current Board already includes two members of the public, selected through a robust process designed to bring unique, non-elected perspectives to the table. This inclusive approach underscores OCTA's commitment to broad representation, making the bill's proposed additions redundant and misaligned with the agency's established governance model.

Moreover, the required monthly transit usage by Board members disregards the reality of Orange County's geography and transit coverage. While incentives for transit district board members to regularly use and experience the systems they govern are well intentioned, it is impractical to assume that all of them have convenient access to transit. Many Board members may not have practical opportunities to use it regularly. Imposing this condition on compensation risks excluding qualified individuals who bring vital expertise and leadership but may not be daily transit riders due to logistical, personal, or professional constraints. These roles are already demanding, and adding such a narrowly defined usage requirement could dissuade participation.

While AB 1070 aims to enhance accountability and representation, it would introduce structural changes that could disrupt the established governance model that supports OCTA's ability to operate as an integrated and regionally responsive agency. By imposing uniform requirements across all transit districts, the bill may unintentionally create administrative complexities and diminish the effectiveness of coordinated transit planning and leadership in Orange County.

This legislation is opposed by the California Transit Association and the Los Angeles County Metropolitan Transportation Authority. An OPPOSE position is consistent with OCTA's 2025-26 State Legislative Platform principles to "Oppose policies adversely affecting OCTA's ability to efficiently and effectively contract for goods and services, conduct business of the agency, and limit or transfer the risk of liability."

OCTA POSITION:

Staff recommends: OPPOSE

AMENDED IN ASSEMBLY APRIL 3, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1070

Introduced by Assembly Member Ward

February 20, 2025

An act to amend Section 99156 of, and to add Section 99156.5 to, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL’S DIGEST

AB 1070, as amended, Ward. Transit districts: governing boards: compensation: nonvoting members.

Existing law provides for the formation of various transit districts and specifies the duties and powers of their governing boards. Existing law authorizes a transit district to compensate a member of the governing board for attending a board meeting and for engaging in other district business, as provided.

This bill would prohibit a transit district from compensating a member of the governing board unless the member demonstrates personal use of the transit system, as specified. The bill would require the governing board of a transit district to include 2 nonvoting members and 4 alternate nonvoting members, as specified. *The bill would require nonvoting members and alternate nonvoting members to have certain rights and protections, including the right to attend and participate in all public meetings of the governing board, except as specified.* The bill would ~~authorize~~ *require* the chair of the governing board of a transit district to exclude these nonvoting members from meetings—~~discussing~~ *discussing, among other things*, negotiations with labor organizations. By expanding the duties of transit districts, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 99156 of the Public Utilities Code is
2 amended to read:

3 99156. (a) Notwithstanding any other law, a transit district
4 may provide compensation to a member of the governing board
5 of the district only for attendance at a meeting of the board or for
6 each day the member is engaged in other district business within
7 or without the district. A member who engages in district business
8 other than attendance at board meetings shall first obtain
9 authorization of the board for reimbursement of travel expenses
10 or other compensation before engaging in that business and shall
11 submit a report thereof to the board for all expenditures.

12 (b) A transit district shall not provide compensation to a member
13 of the governing board of the district unless the member
14 demonstrates, through evidence or attestation recorded by the clerk
15 of the board, personal use of the transit system for at least one hour
16 or for four trips during the month for which the member seeks
17 compensation.

18 SEC. 2. Section 99156.5 is added to the Public Utilities Code,
19 to read:

20 99156.5. (a) Notwithstanding any other law, the governing
21 board of a transit district shall include two nonvoting members
22 and four alternate nonvoting members, as follows:

23 (1) The first nonvoting member shall be a user of mass transit
24 services provided by the transit district and shall be recommended
25 for appointment by a transit advisory council representing transit
26 users. There shall be two nonvoting alternates to the first nonvoting
27 member as follows:

1 (A) The first nonvoting alternate to the nonvoting member
2 described in paragraph (1) shall be a user of mass transit services
3 provided by the transit district and shall be recommended for
4 appointment by a commuter council associated with a major transit
5 service in the state.

6 (B) The second nonvoting alternate to the nonvoting member
7 described in paragraph (1) shall be a user of mass transit services
8 provided by the transit district and shall be recommended for
9 appointment by a commuter council associated with a transit
10 service, other than the transit service described in subparagraph
11 (A), that is under the transit district's jurisdiction.

12 (2) The second nonvoting member shall be recommended for
13 appointment by the labor organization ~~representing the majority~~
14 ~~of the employees of a major transit system in the state. that~~
15 *represents a plurality of represented employees within the transit*
16 *district.* There shall be two nonvoting alternates to the second
17 nonvoting member as follows:

18 (A) The first nonvoting alternate to the nonvoting member
19 described in paragraph (2) shall be recommended for appointment
20 by the labor organization ~~representing the majority of employees~~
21 ~~of a major transit system in the state. that represents a plurality~~
22 *of represented employees within the transit district.*

23 (B) The second nonvoting alternate to the nonvoting member
24 described in paragraph (2) shall be recommended for appointment
25 by the labor organization ~~representing the majority of employees~~
26 ~~of a major transit system in the state. that represents a plurality~~
27 *of represented employees within the transit district.*

28 ~~(C) The nonvoting members described in this paragraph shall~~
29 ~~be recommended for appointment by labor organizations~~
30 ~~representing employees of different transit systems.~~

31 *(b) Nonvoting members and alternate nonvoting members shall*
32 *be appointed according to the following procedures:*

33 *(1) The chair of the governing board shall appoint the nonvoting*
34 *members and alternate nonvoting members from the*
35 *recommendations provided by the respective organizations within*
36 *31 days of receiving the recommendations.*

37 *(2) If the chair does not receive recommendations within 31*
38 *days of a request or vacancy, the governing board may appoint*
39 *qualified individuals to these positions by majority vote.*

1 (3) *If the chair determines that a recommended individual does*
2 *not meet the qualifications specified in this section, the chair shall*
3 *request a new recommendation from the respective organization.*

4 (4) *Appointments shall be made at a regular meeting of the*
5 *governing board and shall be recorded in the minutes of that*
6 *meeting.*

7 (c) *The nonvoting members and alternate nonvoting members*
8 *shall have the following rights and protections:*

9 (1) *The right to attend and participate in all public meetings of*
10 *the governing board except as provided in subdivision (d).*

11 (2) *The right to receive all meeting materials provided to voting*
12 *members of the governing board.*

13 (3) *The right to place items on the agenda related to transit*
14 *service and labor matters, subject to the same procedures*
15 *applicable to voting members.*

16 (4) *Protection from retaliation for their participation and*
17 *statements made during board meetings.*

18 ~~(b)~~

19 (d) (1) *The chair of the governing board of a transit district*
20 ~~*may shall exclude the a nonvoting-members member and any*~~
21 ~~*corresponding alternate nonvoting-members member from any*~~
22 ~~*portion of a meeting of the governing board or a committee that*~~
23 ~~*discusses negotiations with labor organizations. if the portion of*~~
24 ~~*the meeting discusses any of the following:*~~

25 (A) *Negotiations with labor organizations.*

26 (B) *Personnel matters specifically related to individual*
27 *employees.*

28 (C) *Confidential legal matters where attorney-client privilege*
29 *applies.*

30 (2) *When a nonvoting member is excluded from a meeting*
31 *pursuant to this subdivision, any corresponding alternate nonvoting*
32 *member shall also be excluded.*

33 SEC. 3. *If the Commission on State Mandates determines that*
34 *this act contains costs mandated by the state, reimbursement to*
35 *local agencies and school districts for those costs shall be made*
36 *pursuant to Part 7 (commencing with Section 17500) of Division*
37 *4 of Title 2 of the Government Code.*

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