

**Board Report**

File #: 2016-0268, **File Type:** Informational Report

Agenda Number: 35

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 14, 2016**

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE **State and Federal Report.**

DISCUSSION

**Executive Management Committee
Remarks Prepared By Raffi Haig Hamparian
Government Relations Director, Federal Affairs**

Chairman Ridley-Thomas and members of the Executive Management Committee, I am pleased to provide an update on a number of federal affairs impacting our agency. This report was prepared on April 1, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting.

Federal Grants For Fiscal Year 2016

Metro is pleased to be actively and aggressively pursuing a number of grants authorized by the FAST Act and/or backed by the Fiscal Year 2016 transportation appropriations bill adopted by the U.S. Congress late last year. Specifically, we will be seeking funding through the FASTLANES grant program - a new federal freight grant program. And as we have successfully done for many years, we will be working to secure funding for Metro projects through the TIGER Grant program.

Federal Appropriations For Fiscal Year 2017

Metro is working closely with members of the Los Angeles County Congressional Delegation to secure at least \$375 million in New Starts funding through the Fiscal Year 2017 appropriations process for our agency's New Starts projects. Specifically, we are seeking these funds in the Transportation, Housing and Urban Development appropriations bill that is being drafted and considered in both the U.S. House of Representatives and the U.S. Senate.

The Transportation Infrastructure and Innovation Act (TIFIA)

Metro is pleased that a major priority in our Board-approved Federal Legislative program was

adopted in the FAST Act with respect to the TIFIA program. Specifically, that the FAST Act now allows for Transit Oriented Development as an eligible expense for TIFIA loans. We are actively exploring how to benefit from this new provision. With respect to TIFIA - we are also working with the U.S. Department of Transportation to conclude a \$307 million TIFIA loan for section 2 of the Westside Purple Line Extension.

Local Hire:

We are continuing to work with the Obama Administration and Members of Congress, including Congresswomen Karen Bass and Grace Napolitano, to advance our Board-approved policy of reforming federal Local Hire rules. We are grateful to our Board of Directors for prioritizing this matter.

There are a number of other federal issues that will be developing on Capitol Hill and at the U.S. Department of Transportation during the month of April. I look forward to augmenting this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

**Executive Management Committee
Remarks Prepared By Michael Turner
DEO, Government Relations, State Affairs**

Chairman Ridley-Thomas and members of the Executive Management Committee, I am pleased to provide an update on a number of state affairs impacting our agency. This report was prepared on April 1, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting.

Amended Legislation and Upcoming Hearings in the California State Legislature

Senator Tony Mendoza (D-Artesia) recently amended SB 1362 (Mendoza), a bill regarding Metro Transit Security guards authority. The bill's amendments reflect negotiated terms that further define Metro Security Guards responsibilities with respect to training requirements and detention methods. Staff continues to monitor this bill through the legislative process and will update the Board at the April Executive Management Committee.

Assemblymember Richard Bloom (D- Santa Monica) recently amended AB 1964, a bill that would make changes to California's Low/Zero Emission Vehicle sticker program. In summary, this bill as amended would create a new sticker program for partial zero-emission vehicles. Cars that meet California's transitional zero emission vehicle requirements (the same requirement for the existing green sticker program) would qualify for the stickers and the stickers would be valid for three years after they are issued. This would allow the program to satiate the demand for, and expand access to, the stickers while rotating use of the stickers among the vehicle purchasers. Existing law states the Green Clean Air Vehicle decals allow a partial zero-emission vehicle with a single occupant to access the High Occupancy Vehicle lane. As of December 18, 2015, the maximum decal limit of 85,000 has been reached and the program is set to expire on January 1, 2019. The bill is scheduled for a hearing in the Assembly Transportation Committee on April 4th.

Metro's sponsored measure AB 2690 (Ridley-Thomas) which would mandate set asides for small and medium businesses in state and local procurements will be heard in the Assembly Local Government Committee on Wednesday April 6th.

California State Legislature Reviews the 2016 Draft High Speed Rail Business Plan

Following the February release of the 2016 CA High Speed Rail Business Plan, the State legislature will be holding a number of Committee oversight hearings to review the proposal over the coming weeks. The Assembly Transportation Committee, Chaired by Assemblymember Jim Frazier held a hearing on March 28th in Sacramento. A number of stakeholders provided comments regarding the draft plan and urged the legislature to define the priorities for the expansive transportation project and to continue to provide strict oversight of the High Speed Rail Authority and Plan. The Senate Transportation and Housing Committee along with the Senate Budget Subcommittee number 3 will hold a joint hearing on April 4th and the Assembly Budget Subcommittee on Transportation has scheduled a hearing on April 6th. Metro has been asked to participate at these hearings. We are working to finalize our comments on the proposed plan, and will be submitting those formally in the near future. The High Speed Rail Authority is expected to adopt a final plan in May of this year.

California Legislative Analyst's Office Issues a Review of the 2016 HSR Business Plan

The Legislative Analyst's Office (LAO) issued a review of the High Speed Rail business plan. Key findings in the LAO report highlight the need to clarify the sources of future funding as well as the need for the State legislature to continue providing oversight on the project. The LAO also asserts that more detailed information regarding the planned construction schedule and projected costs should be provided for an accurate review of the project.

California State Legislative Process Update

The State Legislature was on recess for one week. The Legislature is now back in session and is quickly moving bills through the policy committee process. The deadlines to get bills approved in policy committee is April 22nd for fiscal bills and May 6 for non-fiscal bills. The committees will be working to hear the thousands of bills that have been introduced. During this period spot bills have to be amended so that they can be considered so Metro staff have been tracking amendments to identify any issues that could affect the agency.

California State Auditor Releases Audit on Caltrans

The state auditor released an audit of Caltrans maintenance programs and this is expected to be discussed during the balance of the legislative session.

Key State Budget Issues

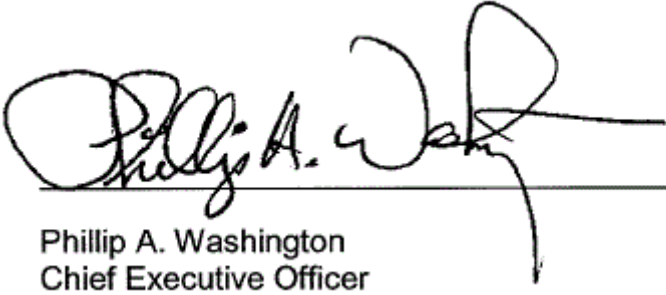
Additionally key budget issues will soon be in development and under review. There have been a number of bills relating to Cap and Trade Programs these bills are expected to work their way through the policy committee process and will be merged during the budget negotiations. It also appears that the High Speed Rail project and its funding will be under review and continued discussion.

ATTACHMENTS

Attachment A - April 2016 - Legislative Matrix

Prepared by: Michael Turner, DEO, Government Relations, (213) 922-2122
Raffi Hamparian, Director, Government Relations, (213) 922-3769

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer