



## Board Report

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### EXECUTIVE MANAGEMENT COMMITTEE JUNE 20, 2019

**SUBJECT: STATE AND FEDERAL REPORT**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE State and Federal Legislative Report.

#### **DISCUSSION**

#### **Executive Management Committee Remarks Prepared by Raffi Haig Hamparian Government Relations Senior Director, Federal Affairs**

Chair Kuehl and members of the Executive Management Committee, I am pleased to provide an update on a number of federal matters of interest to our agency. This report was prepared on June 4, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on June 20, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

#### **Reauthorization/Trump Infrastructure Plan**

The prospect of reaching an agreement on an infrastructure plan between Congress and the White House has diminished greatly in the last month - especially after the President walked out of a meeting with Congressional leaders that was intended to focus on how to fund such a package. Since that meeting fell apart, Congressional Members and staff are now working on what direction to move to keep the discussion alive. Metro continues to work with coalition partners and associations to pressure Congress to take action on a surface transportation bill. The current bill expires at the end of September 2020.

#### **Federal Budget for Fiscal Year 2020**

On the Congressional side, both House and Senate Appropriations Subcommittees have held hearings on the Administration's budget request. The House Appropriations Committee has approved their FY2020 bill and it is now awaiting consideration by the full House of Representatives.

The measure passed by the House Committee on Appropriations provides \$86.6 billion for the U.S. Department of Transportation and its programs and projects - a slight increase over Fiscal Year 2019

spending levels and \$3.7 billion above the President's Budget request.

We are encouraged that the bill adopted today includes \$1 billion for National Infrastructure Investment (BUILD/TIGER) Grants. Our agency has - in the past - been the recipient of numerous TIGER grants, including for the Willowbrook Rosa Parks Station and the Mobility in East LA initiative. The measure provides \$48.9 billion for the Federal Highway Administration, which is \$1.5 billion below the Fiscal Year 2019 spending level - but \$1.45 billion over the President's Budget request.

Funding for the Capital Investment Grant Program (New Starts) is robust in the bill - with ample funding for our agency's three transit projects with Full Funding Grant Agreements; \$100 million for the Westside Purple Line Extension Section 1, \$100 million for Westside Purple Line Extension Section 2 and \$100 million for the Downtown Regional Connector Transit Project. The bill includes enough CIG funding for the Full Funding Grant Agreement we expect to conclude later this year for the Westside Purple Line Extension Section 3 Project and also includes \$50 million for the Expedited Project Delivery Program - that is a Board-approved priority in our 2019 Federal Legislative Program.

One sticking point that may impede efforts to move a bill forward is the lack of a two-year budget agreement that allows for defense and non-defense budget caps to be set. Without this agreement, which expired this year, the House and Senate will use different top line numbers - making it difficult for negotiations to be favorably concluded on this and other appropriations bills.

### **Congressional Hearing - Rolling Stock Industrial Park Initiative**

Bolstered by the testimony provided by our CEO at a hearing chaired by the Chairman of the House Transportation and Infrastructure Committee (Congressman Peter DeFazio) last month - we are working with a diverse number of Members of Congress and their professional aides to advance our CEO's vision to create in Los Angeles County a one of a kind center for the manufacturing of rolling stock in the United States - as opposed to many facilities in the United States - where rolling stock is simply assembled - not manufactured. We look forward to keeping the Board fully apprised of our efforts in this regard.

### **INFRA and BUILD Grants for Fiscal Year 2019**

As we noted to Board members last month, Metro submitted two INFRA grant applications for the 57/60 Confluence Chokepoint project and the 105 ExpressLanes project. We have - as we always do - engaged a broad array of stakeholders to ensure that our grant applications have the best opportunity of being approved by the USDOT. We expect to see awards for this grant program in the coming months.

As was reported last month, the Notice of Funding Opportunity for the BUILD Grant Program was issued. Metro's planning department is reviewing projects that will compete best for this available funding.

### **Local Hire Pilot Program**

Consistent with our Legislative Program, Metro continues to actively support a change in federal law that will allow Local Hire programs to resume on federally funded projects.

## Conclusion

Chair Kuehl - I look forward to expanding on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

### **Executive Management Committee Remarks Prepared by Michael Turner Deputy Executive Officer, Government Relations**

Chair Kuehl and members of the Executive Management Committee, staff is pleased to provide an update on a number of state matters of interest to our agency. This report was prepared on June 4, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on June 20, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

## California State FY 2019-20 Budget Updates

The Budget Conference Committee continues to consider and come to agreement on the Senate and Assembly versions of their budget proposals for FY2019-20. In this process, a number of funding and policy issues are being considered for inclusion. Ultimately budget conference committees will agree upon budget provisions and will approve a final budget to be sent to the Governor for consideration by June 15, 2019. Staff are actively engaged in the following key issues. We will continue to keep the Board informed with respect to the proposals and will update the Board as the proposals take shape.

**Zero Emission Bus Funding** - The Assembly Budget proposal includes trailer bill language that allocates \$1.5 billion cap and trade funds for a number of programs, including Low Carbon Transportation and workforce development. The proposal includes provisional language that allocates \$27 million to workforce and development training to be funded through the Alternative and Renewable Fuel and Vehicle Technology Program. The budget proposal also includes an increase in funding for the state's Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). Metro has been successful in using HVIP funds towards the purchase of zero emission transit buses. The 2019 State Legislative Program Goals provide staff with the direction to support new and existing initiatives that complement the development and subsequent implementation of Metro's Zero-Emission Bus Strategic Plan.

**Regional Rail Funding** - The Senate Budget proposal includes \$80 million in Public Transportation Account (PTA) funds for capital improvements along the Burbank-Anaheim Metrolink Corridor. This funding would go directly to Metrolink in support of their SCORE plan. The 2019 State Legislative Program Goals provide staff with the direction to advocate for additional state funding for enhanced commuter rail safety, grade separations and double tracking in Metrolink's service area.

**Trade Corridors Improvement Fund (TCIF)** - The Senate Budget proposal included a companion provision to allocate \$7.2 million funding from TCIF savings to short-line railroad projects pursuant to Senate Bill 498 (Hurtado). The Board formally voted to oppose SB 498 (Hurtado) at the Regular Board meeting held on May 23, 2019. Any proposal that would divert much needed freight funding

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away from Los Angeles County projects could be detrimental as we work with our regional partners to develop the County's Goods Movement Action Plan. Pursuant to Board direction, Metro staff worked to oppose SB 498 (Hurtado). Due to the strong advocacy and leadership of the coalition of opposition, the budget language will be amended to protect funding within our region and SB 498 will not be pursued. This action nullifies any impacts to ACE projects in LA County. When amendments are in print and upon concurrence with regional partners, staff will be communicating Metro's neutral position on the bill to the author and members of policy committees.

## Legislative Updates

**Tolling** - California Toll operators are proposing policy changes that would clarify certain provisions in statute related to Metro's operations of the ExpressLanes. These policy changes would seek to create stronger privacy protections for toll customer data, clarify provisions related to interoperability among toll operators, and improve certain aspects related to citations and toll collection. The 2019 State Legislative Program Goals provide staff with the direction to support legislation that enhances Metro's ability to enforce the ExpressLanes Board adopted toll policy. The Board has also directed staff, through the adoption of the 2019 State Legislative Program goals to support legislation that amends the CA Streets and Highways Code that impact Metro's interoperability with other California Toll agencies. Legislation will be introduced in the coming weeks to address these key policy changes.

**SB 277 (Beall)** - Senator Jim Beall has recently amended SB 277 to include provisions that would change how the state administers the Local Partnership Program. This program funds road maintenance, rehabilitation and other transportation improvement projects. In 2018, Metro received \$80 million in SB 1 funds through the competitive process of the Local Partnership Program for Soundwalls in La Canada-Flintridge and for the Metro Orange Line Improvements Project. SB 277 would shift program funding from a competitive and formula split to a majority formula allocation. Pursuant to the Board-adopted 2019 State Legislative program goals - staff will work to ensure that SB 1 funding for Los Angeles County is preserved.

**AB 752 (Gabriel)** - Assemblymember Jesse Gabriel has introduced AB 752, legislation that seeks to require that lactation rooms be made available for patrons at certain transit facilities throughout the state. Pursuant to Board direction, staff has worked with the author and the coalition of California Transit Association members to prepare amendments to the legislation to ensure for safety, security and minimal operational impacts. The bill has been approved by the Assembly and will now move to the Senate policy committees for consideration.

**AB 1560 (Friedman)** - Assemblymember Laura Friedman has recently amended AB 1560, legislation that seeks to clarify the definition of "bus rapid transit" and "major transit stop" in the statute that outlines the state's CEQA process and protections. Staff has worked with the author and bill supporters to provide technical feedback on the provisions outlined in the bill. Supporters of the bill seek to ensure that areas within Metro's Orange Line corridor are included in the City of Los Angeles' transit oriented development program. The bill was approved in the Assembly and will now be heard in the Senate Environmental Quality Committee. Staff will continue to monitor this legislation as it moves through the legislative process.

## State Legislative Delegation Update

A Special General Election to fill the vacant Senate District 33 seat was held on June 4, 2019. Long Beach Councilmember Lena Gonzalez was approved by 69 percent of voters to represent the 33<sup>rd</sup> District. The 33<sup>rd</sup> district seat was held open after Senator Ricardo Lara was elected as the California State Insurance Commissioner in November 2018. Staff will be welcoming Ms. Gonzalez as the newest Los Angeles County delegation member and will work closely with the member throughout the legislative session.

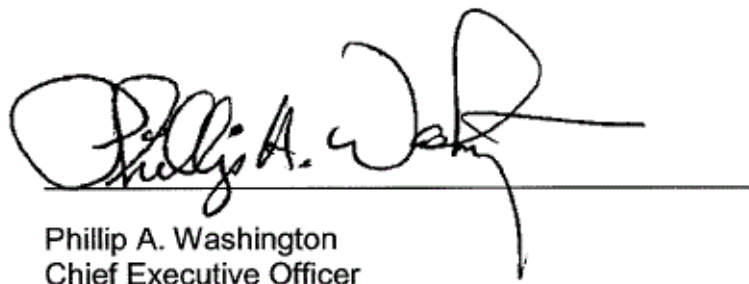
## Conclusion

This report will be expanded upon at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

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