

**Board Report**

File #: 2020-0020, **File Type:** Informational Report**Agenda Number:** 37.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 16, 2020****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE State and Federal Legislative Report.

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

Chair Butts and members of the Executive Management Committee, I am pleased to provide an update on several federal matters of interest to our agency. This report was prepared on December 31, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on January 16, 2020. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#) http://libraryarchives.metro.net/DB_Attachments/191224_January2020_LA%20Metro%20Legislative%20Matrix.pdf, which is updated monthly.

National Defense Authorization Act for Fiscal Year 2020

Earlier this month, U.S. House and Senate negotiated the National Defense Authorization Act (NDAA) for Fiscal Year 2020, which was signed into law by the President on December 20, 2019. The final language in the NDAA conference report mirrors legislation authored by Senator Cornyn (R-TX) and Congressman Rouda (D-CA) that was introduced earlier this year with respect to the use of federal funds to procure rolling stock from China. One significant exception to the language adopted in the NDAA conference agreement is the addition of a 2- year delay before the federal funding ban and penalties are implemented - except for the Washington Metropolitan Area Transportation Authority (WMATA) which is immediately subject to the federal ban on purchasing rolling stock from firms based in China. WMATA is currently in the final stages of awarding a contract for new railcars and the region's House and Senate delegations have previously voiced opposition to awarding a contract to CRRC. The final NDAA conference agreement, that is now law, includes language to exempt any previously executed contracts, therefore, Metro's contracts for BYD buses as well as Metro's contract with CRRC for railcars will not be directly impacted by this legislation. Metro's

government relations team have and will continue to follow this matter closely and keep the Board apprised of any developments related to this matter.

Fiscal Year 2020 Spending Bill

Earlier this month, Congress finalized its work on their Fiscal Year 2020 spending bills - which were signed into law by the President on December 20, 2019. The spending bill passed by Congress included \$86.2 billion in budgetary resources for the U.S. Department of Transportation, which is \$3.3 billion above the President's budget request. The House Committee of Appropriations has highlighted a number of key provisions in the transportation portion of this spending bill:

\$1 billion for National Infrastructure Investments (TIGER/BUILD), \$100 million above the 2019 enacted level and equal to the President's budget request. The bill ensures parity between urban and rural awards.

- \$49.3 billion for the Federal Highway Administration, \$12.6 million above the 2019 enacted level and \$2.1 billion above the President's budget request.
 - \$2.2 billion for discretionary Highway Infrastructure Programs, \$1.1 billion below the 2019 enacted level and \$1.9 billion above the President's budget request.
 - \$1.15 billion for a risk-based bridge rehabilitation and reconstruction program.
- 2.8 billion for the Federal Railroad Administration, \$80 million below the 2019 enacted level and \$701 million above the President's budget request.
 - \$325 million for Consolidated Rail Infrastructure and Safety Improvements, \$70 million above the 2019 enacted level and \$5 million below the President's budget request.
 - \$200 million for Federal-State Partnership for State of Good Repair, \$200 million below the 2019 enacted level. The President's budget request proposed eliminating this program.
 - \$2 billion for Amtrak, \$58.4 million above the 2019 enacted level and \$1.1 billion above the President's budget request.
- \$12.9 billion for the Federal Transit Administration, \$503 million below the 2019 enacted level and \$494 million above the President's budget request.
 - \$2 billion for Capital Investment Grants, \$575 million below the 2019 enacted level and \$473 million above the President's budget request.

- \$510 million for Transit Infrastructure Grants, \$190 million below the 2019 enacted level and \$10 million above the President's budget request. This amount includes \$75 million for low- and no-emission buses, and \$8.5 million for areas of persistent poverty.
- \$225 million for the Port Infrastructure Development Program, \$67.7 million below the 2019 enacted level. The President's budget request did not include funding for this program.

Metro's government relations team will continue to keep the Board apprised as Congress considers their Fiscal Year 2021 spending bills next year.

Local Hire Pilot Program

Earlier this year, the Board adopted a support position for the Build Local, Hire Local Act - introduced by Congresswoman Karen Bass (D-CA) and U.S. Senator Kirsten Gillibrand that would permit local hiring practices on federally funded transportation projects.

We remain committed to working with Congress to reform current local hire prohibitions set by the Federal Government.

Conclusion

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

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

Chair Butts and members of the Executive Management Committee, I am pleased to provide an update on a number of state matters of interest to our agency. This report was prepared on December 31, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on January 16, 2020. Status of relevant pending legislation is monitored on the [Metro Government <http://libraryarchives.metro.net/DB_Attachments/191224_January2020_LA%20Metro%20Legislative%20Matrix.pdf> Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/191224_January2020_LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

California State Legislative Process Update

The California State Legislature will reconvene on January 6, 2020. 2020-21 is the second year of the two-year legislative session. Staff will bring any relevant legislation that is advanced, to the Board for consideration of an appropriate position. Staff will also review all bills daily that are introduced during the Legislative Session for impacts to the agency. Our process include reviewing all introduced bills, identifying potential impacts to the agency, working with agency staff to review proposals and then bringing bills to the Board for consideration of a position.

Governor's Budget Proposal

The State Budget must be submitted to the Governor for consideration by January 10, 2020. The

Legislative Analyst's Office publishes its Fiscal Outlook report each year in preparation for the upcoming budget action by the Administration and Legislature. The fall 2019 report highlights that the Legislature will have a \$7 billion surplus available to allocate in 2020-21. The state's reserves balance is estimated to reach \$18.3 billion by the end of 2021. Economists project that the California economy will continue to grow at a slower pace than previous years. Overall, the LAO suggests the California state budget is in good condition to fund the current budget commitments and to pay down outstanding debt. The LAO also advises the Legislature, in preparing its upcoming budget, to be cautious about allocating the surplus funds to allow for any slower revenue projections or dips in the economy.

State Discretionary Grant Updates

Project applications for the Transit and Intercity Rail Capital Program are due on January 16, 2020 with awards planned in April 2020. Metro submitted three applications totaling over \$275 million for consideration to fund the purchase of zero emission buses and charging infrastructure, Metrolink capital improvements and Green Line/Crenshaw Line light rail capacity improvements. Staff will keep the Board apprised on the State funding opportunities as they become available to support Metro's aggressive 28 by 2028 and Measure M goals.

State Legislative Program Goal Implementation

Staff will be working to address a variety of other specific policy issues during the upcoming legislative session, budget process as well as in various administrative processes in Sacramento pursuant to the Board approved 2020 State Legislative Program. A number of legislative proposals that will be moving forward as potential Metro-sponsored legislation includes:

- Expanding Metro's authority to install forward-facing cameras on its bus fleet to enforce bus-only lanes;
- Clarifying the process by which CEQA is implemented with respect to Metro's transit and affordable housing development projects;
- Exploring how Enhanced Infrastructure Financing District authorization and other value capture strategies can be leveraged as a funding tool for Metro's projects; and
- Exploring new financial incentives, including the expansion of the welfare exemption to facilitate the development of affordable housing around transit.

Metro will continue to partner with other agencies and coalitions in supporting legislation related to:

- (SB 664 - Allen) Clarifying statutes related to Metro's Express Lanes program implementation and tolling authority; and
- Implementation of AB 5 (Gonzalez) and ensuring that Access Services and the taxicab industry are not adversely impacted.

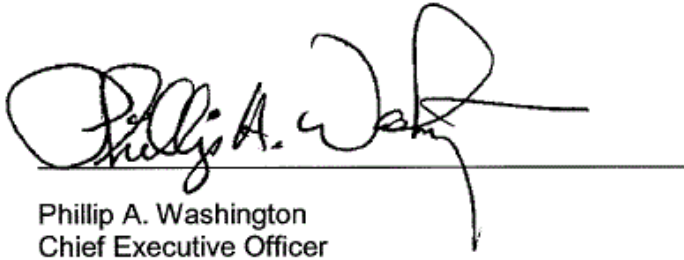
Conclusion

Staff will expand on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

Prepared by: Michael Turner, DEO, Government Relations, (213) 922-2122

Raffi Hamparian, Senior Director, Government Relations, (213) 922-3769

Reviewed by: Yvette Rapose, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer