



Board Report

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EXECUTIVE MANAGEMENT COMMITTEE SEPTEMBER 17, 2020

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE September 2020 State and Federal Legislative Report.

DISCUSSION

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

Chair Garcetti 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 August 13, 2020 and will be updated, as appropriate, at the Executive Management Committee meeting on September 17, 2020. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/200904_September_2020_LA_Metro_Legislative_Matrix.pdf) [<http://libraryarchives.metro.net/DB_Attachments/200904_September_2020_LA_Metro_Legislative_Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/200904_September_2020_LA_Metro_Legislative_Matrix.pdf), which is updated monthly.

Federal Emergency Funding Package

Both chambers of Congress have recessed for their August district work period without reaching an agreement on another COVID-19 related emergency relief package. Leadership in the House and Senate are still negotiating during the recess to see if there is potential room for compromise. As a reminder, the House's HEROES Act provided \$15 billion for both Highways and Transit needs which was part of a total \$3 trillion package. The introduced Senate proposals included no funding for any state or local assistance. Metro will continue to advocate for direct funding to transit agencies that are in need of further assistance.

Surface Transportation Reauthorization

On June 4, 2020, Chair Peter DeFazio (D-OR) of the House Transportation and Infrastructure Committee introduced H.R. 7095 (Now H.R.2) - Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act. The five-year reauthorization bill would replace the FAST Act, which will expire on September 30, 2020. The INVEST in America Act contains many of

Metro's Board-approved federal priorities, such as a new freight funding program that is aimed at mega-projects. This new program brings back to life the Projects of National and Regional Significance grant program that was originally authorized under SAFETEA-LU. The bill streamlines the Federal Transit Administration's (FTA) Capital Investment Grant Program by speeding approval of projects that seek less than 60% federal funding. Also included in the proposed bill are changes to incentivize more domestic manufacturing of railcars and buses. Lastly, the bill invests in frontline transportation workforce training and brings back the Local Hire Pilot Program that Metro worked with the Obama Administration and Congresswoman Karen Bass to create. The Metro Board approved a SUPPORT position for the bill during the June Board Meeting and a letter from our CEO indicating the agency's support was sent to Chairman Peter DeFazio (D-OR) and the Los Angeles County Congressional Delegation.

The INVEST in America Act was incorporated into a larger infrastructure package - The Moving Forward Act - which passed through the House of Representatives and is awaiting action by the U.S. Senate. While the Senate Committee on Environment and Public Works has approved their highway portion of a five-year reauthorization bill, the other committees of jurisdiction have taken no action to complete their portions including transit and rail titles. The Senate and House schedules for the rest of the federal fiscal year appear to be limited on legislative workdays leading to speculation that a Continuing Resolution will be needed to keep transit and highway programs funded beyond September 30, 2020. Metro will continue to strongly advocate for a full reauthorization bill highlighting the cost of delays associated with uncertain federal funding levels.

Federal Fiscal Year 2021 Spending Bills

On July 14, 2020, the House Committee on Appropriations approved the FY21 Transportation - HUD Appropriations Bill which increases net discretionary funding for the U.S. Department of Transportation by 2.2%. The bill then also has another \$25 billion in emergency relief funding that includes line items such as \$5 billion for FTA's Capital Investment Grant program to assist new projects as well as under-construction projects with FFGA's that are being negatively impacted by the COVID-19 pandemic. The full House approved the THUD bill at the end of July before leaving Washington for August Recess.

The Senate has not started their FY21 Appropriations process due to the fact that agreements between Senate leadership could not be reached on a range of matters - including the top line funding figures. At present, it is unclear how the Senate will move forward with FY21 Appropriations bills. Given the low number of legislative workdays through October, Senate leadership will need to negotiate quickly in September to avoid a Continuing Resolution starting on October 1, 2020.

Local Hire Pilot Program

As mentioned, the House Committee on Transportation and Infrastructure recently introduced the INVEST in America Act. We are happy to share that the bill reflects the strong advocacy of our agency and Rep. Karen Bass (D-CA) and includes a mandate to bring back the Local Hire Pilot Program established during the Obama Administration. Congresswoman Bass has been a longtime champion of Metro's effort to enact federal local hiring reforms and we thank her and Chairman DeFazio for their decisive leadership on this issue.

Conclusion

Chair Garcetti - 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 Garcetti 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 September 1, 2020 and will be updated, as appropriate, at the Executive Management Committee meeting on September 17, 2020. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/200904_September_2020_LA_Metro_Legislative_Matrix.pdf) <http://libraryarchives.metro.net/DB_Attachments/200904_September_2020_LA_Metro_Legislative_Matrix.pdf>, which is updated monthly.

California State Legislative Process Update

The California State Legislature concluded its shortened legislative session on August 31, 2020. The Senate approved proxy voting in March in the event of an emergency and have also added sessions to be held on Saturdays. The Assembly voted on Monday, August 3, 2020 to allow for high-risk lawmakers to vote on bills without being present in the chamber via proxy. August 31, 2020 was the final the deadline to pass bills. Due to a confirmed COVID-19 case - most of the Senate Republicans participated in floor and committee sessions virtually and voted remotely. The bills that passed their respective concurrence votes by the August 31st deadline now move forward to the Governor for final approval and signature before September 30th.

California Legislature Considers Worker's Compensation Legislation

There is an effort underway by a number of legislators to pass legislation that adds additional Family Medical Leave and protections for employees affected by COVID-19. Staff will continue to follow developments regarding the legislation and evaluate impacts to Metro. Bills that will move forward to the Governor for final approval and signature are:

- AB 3216 (Karla) - which would clarify provisions related to the re-hiring and retention of employees of certain industries (airports/hotels/etc) that were laid off due to the COVID-19 state of emergency.
- SB 1159 (Hill) - which would define new provisions for injury or death related to COVID-19.
- AB 685 (Reyes) - which would create new OSHA provisions for providing notice to employees with possible exposure to COVID-19.

- SB 1383 (Jackson) - which would add new employer requirements regarding unpaid leave and would amend the California Family Rights Act (CFRA) to require employers in the state to provide unpaid leave.

AB 196 (Gonzalez) which would create a “conclusive presumption” that COVID-19 infection or injury arose in the course of employment for all “essential workers” as designated by the Governor failed passage. AB 664 (Cooper) which would create specified provisions for first-responders failed passage.

California State Legislative Updates on CEQA Bills

Two key CEQA streamlining proposals were approved by the Assembly on August 30th, and passed in a final concurrence vote on the Senate Floor on August 31st. Senate Bill 757 (Allen/Atkins), a Metro-sponsored measure, and Senate Bill 288 (Wiener) now move to the Governor for signature. SB 757 (Atkins/Allen) is the first CEQA streamlining legislation of its kind for public transit, and could grant the AB 900 (2011) shortened CEQA litigation period to key environmental leadership transit projects, including the Four Pillar Projects. This legislation will grant certainty in the legal process which will help to meet the aggressive Twenty-Eight by 2028 schedule, prevent significant delays and cost increases. SB 288 (Wiener) includes provisions to expand statutory CEQA exemptions for key active transportation, bus rapid transit and other capital projects. Staff will convey the Board’s strong support for SB 288 and request the Governor’s signature.

Unfortunately, Senate Bill 995 (Atkins), a bill that would have extended the sunset provision for the AB 900 process, did not meet the legislative deadline for Senate concurrence. The bill was approved in a last-minute vote (at 11:58 pm on August 31st) of the Assembly, however it did not make it back to the Senate before the midnight deadline for a concurrence vote. This bill was co-joined to Metro’s SB 757 (Allen/Atkins) measure. Because SB 995 (Atkins) has now failed to meet the legislative deadline, SB 757, even if it is signed into law, would not be able to be enacted. Staff will continue to work with the members of the legislature and leadership to find additional ways to expedite the pillar projects.

August Cap and Trade Auction Brings in \$474 Million in State Revenues Ahead of State Projections

This week, the California Air Resources Board (CARB) released a summary of the results from the latest cap-and-trade auction, which was held for this quarter on August 18th. California will receive

approximately \$474 million in revenue from this quarter's auction. This is substantially higher than May's revenues and out-performed the revenue assumptions, which only brought in \$25 million for the state. However, this is lower than last year's August auction, which netted approximately \$700 million. The Legislative Analyst's Office has noted that they expect uncertainly and fluctuations in auction revenue through the next fiscal year, as auction results are tied to market activity. The state's cap and trade program provides funding for a number of SB 1 grant programs, including the Transit and Intercity Rail Capital Program and the Low Carbon Transit Operations Program, and Metro staff will continue to closely monitor how the quarterly auction proceeds impact grant funding for Metro's projects.

LA County Delegation Engagement

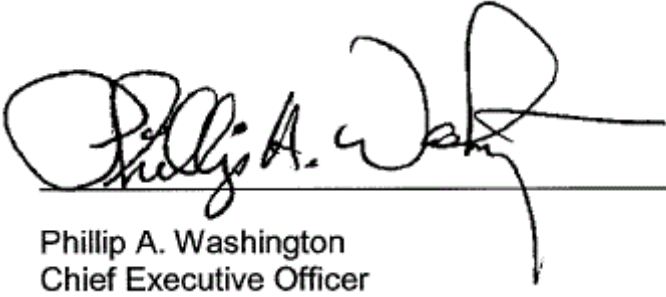
Metro Government Relations staff held a briefing in August, in order to update local, state, and federal offices on the status of key Metro projects and programs and the agency response to COVID-19. Staff briefed the offices on the CEO's Call to Action item that was presented to the Board of Directors in May and associated updates to Metro's budget impacts. Historically, these briefings are held in-person, seasonally, in order to have both an opportunity to brief staff from elected offices, as well as to hear comments and concerns directly from their constituents. Due to current measures in place statewide and nationwide - Government Relations staff has moved to a virtual model - hosting the updates via an online video meeting platform. These briefings, as well as district-specific briefings, will continue on a regular basis to ensure that the members of the LA delegation have access to Metro's most up-to-date project and program information on a regular basis.

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) 418-3154



Phillip A. Washington
Chief Executive Officer