

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 16, 2021****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE September 2021 State and Federal Legislative Report.

DISCUSSION

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

Chair Solis and members of the Executive Management Committee, I am pleased to update several federal matters of interest to our agency. This report was prepared on August 26, 2021, and will be updated, as appropriate, at the Executive Management Committee meeting on September 16, 2021. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/2109019%20-%20September%202021%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/2109019%20-%20September%202021%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

There are two specific issues I would like to focus on today - mindful that there are many other issues at play with respect to our Board-approved federal legislative program.

Bipartisan Infrastructure Legislation - H.R. 3684, the *Infrastructure Investment and Jobs Act*

On August 10, 2021, the U.S. Senate voted 69-30 to pass bipartisan infrastructure legislation that includes the traditional 5-year surface transportation reauthorization, and \$548 billion in new funding to address a broad spectrum of infrastructure needs. This bill provides historic investments in roads, bridges, rail, transit, airports, ports and waterways. The bill would also help the nation rebuild its electric grid, upgrade broadband infrastructure, improve access to safe drinking water, deploy electric vehicles and buses, improve disaster resilience, and much more. Of particular interest to Metro, the bill significantly increases funding provided through key discretionary and formula grant programs such as Capital Investment Grants, Buses and Bus Facility Grants, Low or No Emission Bus Grants, State of Good Repair Grants, and Urbanized Area Formula Grants. On August 24, 2021, the U.S. House of Representatives advanced a rule that sets a hard deadline of September 27, 2021 for

consideration of the Senate-passed infrastructure bill.

Summary of the Infrastructure Investment and Jobs Act (H.R. 3684)

The infrastructure bill passed by the U.S. Senate this week includes the traditional 5-year surface transportation reauthorization with language taken from bills passed by Senate Environment and Public Works Committee (highways) and Commerce Committee (rail), and a draft from Senate Banking Committee (transit). A detailed section-by-section summary of the bill is attached. While the agreed upon numbers for transit are not as large as the House-passed INVEST in America Act, they are still significant increases. Unfortunately, despite our best efforts, the bill does not include dedicated funding for our fareless system initiatives or a pilot program(s) for fareless transit. The total cost of the bill is \$1.2 trillion over five years.

The following four elements of the bill are key priorities for the agency:

1. Capital Improvement Grants Expanded

The base text reauthorizes the CIG program at \$3 billion annually over 5 years. This is an increase of over \$700 million annually over FAST Act levels. While Congressional appropriations rarely keeps pace with the authorized level - annual appropriations tend to reflect amounts required by projects with FFGAs or projects about to receive FFGAs - the appropriations title of this bill provides CIG an additional \$8 billion - \$1.6b annually - including \$880m/year for New Starts projects.

2. Traditional Transit Funding Programs Increased

Our key sources of federal formula funding are increased under this bill. We rely on 5307 and 5311 formula funds and both of these are increased in the bipartisan bill. Federal Aid Highway programs are also seeing an increase in the key formula programs.

3. Key Grant Programs Receiving Funding

- RAISE Grants - \$1.5 billion annually - Formerly Build and TIGER grants.
- CRISI - Increased to \$2 billion annually
- Section 130 Grade Separation program - Increased to \$1.6 billion annually
- EV charging - \$1 billion annually
- Transit Infrastructure Grants - \$2.05 billion annually (for low-no buses/SOGR)
- Passenger Rail Grants - \$36b total (\$24b for NE corridor; remaining \$12b in partnership grants for intercity rail, including high speed rail)

4. Future Bundling

The base text establishes a new program to allow project sponsors to simultaneously move multiple projects through the CIG pipeline. This new bundling approach - which is also being tried with approvals of rural roads - will replace the "Program of Interrelated Projects" program which the FTA failed to implement. Metro looks forward to working with the FTA to explore their commitment to standing up this program after enactment.

Overall Funding Amounts in the Infrastructure Package

The bill includes approximately \$548 billion in new infrastructure spending. Almost all new transportation spending in the bill - about \$184 billion - is provided over 5 years which would coincide with the length of the surface reauthorization. This number includes:

- Roads, bridges, and major projects - \$110 billion
- Passenger and freight rail - \$66 billion
- Public transit - \$39 billion
- Airports - \$25 billion
- Ports and waterways - \$17 billion
- Electric vehicles - \$15 billion
- Road safety - \$11 billion
- Reconnecting communities - \$1 billion

Subtotal, Transportation Infrastructure **\$284 billion**

- Power infrastructure - \$73 billion
- Broadband - \$65 billion
- Water infrastructure (including lead pipes) - \$55 billion
- Resiliency and western water storage - \$50 billion
- Environmental remediation - \$21 billion

Subtotal, Other Core Infrastructure **\$264 billion**

Total, Spending Provisions **\$548 billion**

Build Back Better Budget

The House and Senate both recently passed a budget resolution that sets the framework for a \$3.5 trillion budget reconciliation bill that will include Build Back Better priorities not included in the Senate-passed infrastructure bill. The framework for reconciliation legislation includes instructions for committees to establish universal preschool for 3- and 4-year-olds; enhance child care and elder care for working families; make community college tuition-free for two years; expand child tax credits; add hearing, dental, and vision coverage to Medicare; lower the price of prescription drugs; lower carbon emissions and transition much of the U.S. power grid to clean energy sources; invest in affordable housing; provide a pathway to citizenship for immigrant families and workers; and more.

Metro staff is continuing to advocate for inclusion of Board-approved Federal priorities as part of the broader reconciliation package, and we will continue to keep the Board apprised of new developments.

Equity Platform Analysis

The Bipartisan Infrastructure Legislation significantly increases funding provided through key discretionary and formula grant programs such as Capital Investment Grants, Buses and Bus Facility Grants, Low or No Emission Bus Grants, State of Good Repair Grants, and Urbanized Area Formula Grants. The Build Back Better Budget is also projected to lower carbon emissions and transition much of the U.S. power grid to clean energy sources. Both will help all communities across our

region that utilize our services, especially those that rely on transit to get to essential work, and helps in environmental remediation, making the largest investment in addressing the legacy pollution that harms the public health of primarily low-income communities and neighborhoods of color. It is also predicted to create good-paying union jobs and advance economic and environmental justice in our region and around the country.

Conclusion

Congressional consideration of both legislative packages is dynamic and evolving. While House leadership has indicated a desire to vote on the bipartisan infrastructure package and the reconciliation legislation at the same time, the path to consensus on final passage of both bills remains unclear. We will continue to keep the Board apprised as both pieces of legislation move forward.

Chair Solis - 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 Solis 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 August 31, 2021 and will be updated, as appropriate, at the Executive Management Committee meeting on September 16, 2021. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/2109019%20-%20September%202021%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/2109019%20-%20September%202021%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

State Budget Negotiations

Metro continues to communicate our priorities for the state budget, as negotiations in the legislature continue in advance of an October 10th deadline. State budget discussions are on-going - and are set to conclude at the end of the legislative session - September 10th. Budget bills that have gone into effect require the legislature to act no later than October 10th to ensure that any funds do not revert back to the general fund. Outstanding is finalizing the FY22 state transportation budget. The Assembly Budget Sub-Committee No. 3 is set to meet in the last week of the legislative session to discuss the state's transportation budget details.

Metro has continued to advocate for Metro's overall state budget priorities, including funding for transit capital projects, funding to address homelessness on the system, funding for a fareless transit demonstration, and increased funding for zero emission buses. Metro has also communicated direct support of funding directly for fareless transit and the Foothill Gold Line project, the West Santa Ana Branch project, and the Inglewood Transit Connector.

Also outstanding are negotiations regarding the Governor's proposal for \$4.2 billion in High-Speed Rail Funding. Separate from these negotiations, staff has communicated Metro's priority for finalizing the funding agreement for the Prop 1A bookend funding for the Link Union Station Phase A by the fall of 2021. The funding agreement for the first round of bookend funding needs to be finalized before any additional money is allocated to the HSR project.

State Funding - Equity Impact Analysis

After the final budget details are released, staff will do an analysis of the potential financial and equity impacts. If significant state funding for the fareless transit demonstration is approved and allocated, this would directly benefit students, families, and low-income commuters in LA County. Increasing access to low-cost or free transit would provide an indirect economic stimulus to communities that participate in a future pilot program.

Update on Sponsored Legislation

The last day for any bills to be passed by the legislature during the first year of the 2021-2022 legislative session is Friday, September 10. October 10th is the last day for the Governor to take action on legislation by signature or veto.

SB 44, authored by Senator Ben Allen, would authorize a shortened CEQA litigation process for major transformative transit projects in Los Angeles county, was passed through the Assembly Appropriations Committee on August 26, 2021. Staff continue to work closely with key legislative members to ensure that Metro's board-adopted priority transit projects are able to utilize this new authorization to expedite the CEQA litigation process and accelerate transit project delivery for Metro's Four Pillar projects. The bill is awaiting a hearing by the full Assembly. The bill was recently amended to provide greater clarification on projects that may enter the CEQA process prior to a potential January 1, 2022 enactment date and to clarify potential impacts to the trial courts.

The Senate Judiciary Committee passed Metro-sponsored bus lane enforcement bill AB 917 by Assemblymember Bloom. The bill is awaiting a vote by the full Senate. Staff will continue to work to ensure that the final bill allows Metro to partner with cities in LA county to enforce parking violations on new and existing bus lane corridors to improve bus speeds and overall reliability of the transit system. The bill received a broad spectrum of support from transit and local municipalities - over 15 agencies testified in support of the measure.

Assembly Bill 811, authored by Assemblymember Luz Rivas, which would clarify certain provisions of Metro's procurement statute is pending approval from the full Senate. Staff is working with the author to finalize further refinements to the bill language to ensure that the statute will provide time and potential cost savings on future Metro procurement actions.

Sponsored Bills - Equity Impact Analysis

Staff finds that AB 917 (Bloom) will provide direct benefits to essential workers and communities by improving bus speeds and shortening the transit times for riders on heavily used bus corridors

around LA County (and the state). The bill would provide a statewide authorization to develop and implement bus lane enforcement programs to improve transit statewide. Metro's bus riders on average report incomes of less than \$19,000 per year and a majority do not own a personal vehicle. Staff finds that one vehicle parked illegally in a bus only lane during posted operational hours could delay up to 5,000 riders in one hour. An effective bus lane enforcement program in Los Angeles county would provide immediate improvements overall to Metro's bus speeds and operations. Improving bus speeds along bus lane corridors is also a priority of the Vision 2028 and Customer Experience Plan goals.

Recent California Transportation Commission Actions

The California Transportation Commission last met on August 18th and 19th, 2021. The Commission approved a resolution to support the Climate Action Plan for Transportation Infrastructure (CAPTI). This plan aims to outline strategies that the state can implement to combat climate change, address equity, expand active transportation, improve public health and reduce congestion. This framework would help to decide how state funds are invested in the future.

The CTC meeting also included a discussion on the status of zero-emission fleet conversion for heavy duty truck industry. Staff is working across a coalition of partners to engage in the discussion statewide and ensure that Metro's Board priorities are incorporated into any final policy decisions regarding funding for zero- and near-zero emission vehicles and freight corridors.

Metro also received approval for future consideration of funding on the Eastbound SR-91/Atlantic Ave. to Cherry Ave. and the I-105 ExpressLanes projects. Freight improvements for the Fenix Terminal Railyard Expansion and Modernization was approved for Trade Corridor Enhancement Program (TCEP) funding. Metro also received approval for an allocation of \$25 million for the NextGen bus program.

LA County Delegation Engagement

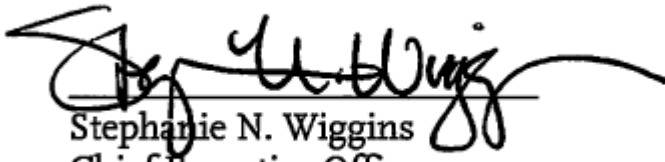
Metro Government Relations staff continues to host virtual legislative roundtable briefings to update newly elected and re-elected state and federal offices on the status of key Metro projects and programs and the agency response to COVID-19. Historically, these briefings are held in-person, in order 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.

Conclusion

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

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