



Board Report

File #: 2021-0694, **File Type:** Federal Legislation / State Legislation (Position)

Agenda Number: 34.

EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 18, 2021

SUBJECT: 2022 LEGISLATIVE PROGRAM

ACTION: APPROVE STAFF RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING the State and Federal Legislative Report;
- B. ADOPTING the proposed 2022 Federal Legislative Program as outlined in Attachment A; and
- C. ADOPTING the proposed 2022 State Legislative Program as outlined in Attachment B.

ISSUE

The Board of Directors adopts, on an annual basis, a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County. Pursuant to the goals outlined in the Long-Range Transportation Plan (LRTP), Equity Platform, Vision 2028 Plan, and other board directives, we will continue to evaluate and consider long term strategic advocacy and legislative goals for the agency as outlined in the plan. We will continue to work with the implementing departments within Metro to develop the broader objectives and will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

DISCUSSION

Policy Implications

The role of the legislative program is to clearly define Metro's goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. The program provides policy direction to our advocacy activities in Sacramento, C.A. and Washington, D.C. To achieve these important goals, Government Relations staff will implement a long-term legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California and with Federal officials. The Legislative Program directs staff to monitor and engage in a number of legislative and advocacy efforts. The [Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/211105-November%202021%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/211105-November%202021%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated and

presented to the Board monthly, highlights a number of bills of interest to the agency.

Federal Recap

In 2021, our agency continued to aggressively pursue our Board-approved federal legislative priorities in Washington, DC. Federal transportation programs continued to be administered under the latest surface transportation authorization bill, the Fixing America's Surface Transportation Act (FAST Act), which was signed into law on December 4, 2015 and has since been extended by the 117th Congress.

Congress is considering the Infrastructure Investment and Jobs Act (IIJA), which not only reauthorizes federal surface transportation programs at much higher funding levels for the next five years, but includes an additional \$548 billion in new funding to address a broad spectrum of infrastructure needs. IIJA provides historic investments in roads, bridges, rail, transit, airports, ports and waterways while helping 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. In the coming weeks and months, Metro staff will be actively engaged with the Biden-Harris Administration to ensure the agency's interests are represented as they begin to administer discretionary funds, develop new programs established through IIJA, and issue policy guidance.

Moving in parallel to the IIJA legislation has been a comprehensive budget reconciliation bill, referred to as the Build Back Better Act, which would fund a number of social spending priorities not included in the "hard infrastructure" IIJA bill. We are pleased to report that, with support from the Board and Chair Solis in particular, the bill currently includes \$10 billion in grants to support the provision of fare-free and reduced-fare transit, new transit routes, expansion of service areas, and improved frequency on existing routes. The bill also includes \$10 billion for high-speed rail. As of this writing, Congressional Democrats have agreed to a legislative framework amounting to approximately \$1.75 trillion, though final details of the bill are still being negotiated. Staff will continue to engage with stakeholders in Washington, DC to ensure Metro-supported provisions remain in the final legislation.

The annual appropriations process in Washington, DC continues to be the subject of disagreement, and again Congress missed its annual September 30 deadline to pass a budget for Fiscal Year 2022 to fund the various federal agencies and programs. While the U.S. House of Representatives approved nearly all its 12 annual appropriations bills - including the Transportation, Housing, and Urban Development Appropriations Bill - the U.S. Senate was unable to approve any of their annual appropriations bills. As of the writing of this report, the Federal Government is operating on a Continuing Resolution through December 3, 2021. Metro continues to work closely with our Los Angeles County Congressional Delegation to advocate for the priorities included in the House and Senate Appropriations bills that would benefit our agency.

Lastly, Metro is working hard in Washington, DC to successfully advance our major transit capital

projects through the Capital Investment Grant program. Staff has been engaged in preliminary advocacy with Congressional offices and the Biden-Harris Administration for each of these projects throughout 2021, and we will initiate much more active engagement upon submission of each of these projects to the Federal Transit Administration. With regard to the Westside Purple Line Extension, we successfully advocated for \$100 million in annual appropriations for each of the project's three operating segments in Fiscal Year 2021 and anticipate the same level of investment in Fiscal Year 2022. In 2022, Metro will continue to aggressively prioritize and strongly advocate for our transit projects to receive funding through the Capital Investment Grant Program.

Through all of our efforts in Washington, DC, Metro continues to incorporate equity as a central component of our work. Metro staff has been engaged in an active dialogue with the Biden-Harris administration as they begin to roll out their Justice40 Initiative, with the goal of delivering 40 percent of the benefits from federal investments to disadvantaged communities across the United States.

Metro will continue to work closely with the Administration, the U.S. Department of Transportation and Congress to leverage our local funding to advance transit, highway, and other effective mobility projects across Los Angeles County. The complete 2022 Federal Legislative Plan is outlined in Attachment A.

State Recap

During the 2021 State Legislative Session, the California Legislature and Governor Newsom were primarily focused on recovery from the ongoing COVID-19 pandemic and responding to wildfires. To respond to the rapidly changing nature of the pandemic, the Legislature continued to operate on a modified basis, reducing the number of measures each Assemblymember and Senator could carry, and severely limiting in-person attendance at hearings, while allowing the public and witnesses to provide virtual testimony. The legislature passed a number of proposals that focused on that state's climate change goals, transportation projects, workforce recovery, and funding to support efforts to end homelessness.

The 2021 budget process operated under vastly different conditions to the uncertainty that overshadowed the 2020 process. In January, the Governor's budget proposal assumed a \$34 billion budget resiliency, that included reserves as well as a surplus. The May Revision included changes to the Governor's budget that reflected an unprecedented budget surplus, amid improving economic conditions. The May Revision included an \$11 billion investment in the state's transportation system, including \$1 billion for projects specifically tied to the 2028 Olympic and Paralympic games in Los Angeles.

Metro staff continued to engage in the budget process through working with members of the LA County Delegation in order to ensure that LA County would receive its proportionate share of transportation resources. In May, Metro issued a budget letter to the state legislature, outlining the agency's major budget priorities. These priorities included funding for capital projects, boosting zero-emission vehicle programs, supporting programs that help the unhoused, building sound walls in equity focus communities, and allocating funds to support a fareless transit system for low-income riders and students.

In early September, members of the Los Angeles County Senate and Assembly delegation issued a letter to the Budget Chairs specifically requesting a significant allocation of budget surplus funds for transit capital projects in LA County. However, negotiations with respect to the transportation budget and particularly the High-Speed Rail project stalled, and the end of session passed without the legislature passing a transportation-specific budget. Following this, Speaker Anthony Rendon (D-Lakewood) and Chair of the Assembly Transportation Committee Laura Friedman (D-Glendale) issued a joint letter to the Governor, expressing their desire to continue negotiations, and urged an additional \$3 billion for LA County transit projects, in addition to the \$1 billion from the Governor's May Revision. Budget negotiations will resume in January, and Metro will continue to engage with the legislature to ensure that the County receives proportionate funding.

There was a deadline of October 10, 2021 for the legislature to decide on a budget deal that would be outlined in state law; however, a transportation budget was not agreed upon by the end of the session. The Governor's proposal also included a significant amount of potential new funding for the High-Speed Rail project - \$4.2 billion. Without a final agreement - the funds proposed in the Governor's proposal reverted to the General Fund. There will be an opportunity to act to secure those funds in the coming months. Staff is actively advocating for funding to support a number of Metro's priorities as directed by the Board.

Funding that Metro would receive in a future state transportation budget package would be allocated to Metro projects that bring transportation equity to communities, improve air quality, reduce vehicle miles travelled and increase transit ridership. In 2021, the state considered a package that included:

- \$1 billion Olympics readiness transit funding
- \$1 billion in Transit and Intercity Rail Capital Funding
- \$500 million Active Transportation Program Funding
- \$500 million for Grade Separations and Intercity Rail Improvements
- High Speed Rail Funding

In the 2021 legislative session, our advocacy efforts also focused heavily on Board-directed State Legislative Program goals, as well as several proposals that would have impacted Metro programs. Metro's 2021 State Legislative priorities focused on sponsoring bills that would create the authority to use photo enforcement of parking violations in bus-only lanes, make it easier for Metro to use alternative project delivery methods, and streamline the CEQA judicial review process for Metro's Pillar Projects, as well as continue to advocate for increased transportation funding for Los Angeles County.

Metro was successful in advocating for the passage of three sponsored measures. The advocacy efforts around each bill included stakeholder support and collaboration that helped to advance each measure. Staff would like to acknowledge the Board in its forward thinking and support of the measures. Staff would also like to note that the diligent staff support from the Countywide Planning, Office of Extraordinary Innovation, County Counsel, Operations, Human Capital & Development departments was integral to the success of the measures and coalition building efforts. The bills are summarized below:

- **Senate Bill 44 (Allen)** - Will streamline the CEQA judicial review process for certain environmental leadership transit projects. The law will take effect on January 1st, 2022.
- **Assembly Bill 811 (L. Rivas)** - Will clarify an existing statute that allows LA Metro to expedite projects using alternative delivery methodologies. The law will take effect on January 1st, 2022.
- **Assembly Bill 917 (Bloom)** - Will allow transit agencies statewide to install front-facing cameras on buses to capture parking violations in transit-only lanes. The law will take effect on January 1st, 2022.

Below is a summary of the major legislation relevant to Metro's work that moved through the legislative process this year.

- **SB 671 (Gonzalez)** - Will require the California Transportation Commission and related state agencies to develop a statewide Clean Freight Corridor Efficiency Assessment and incorporate recommendations from the Assessment into their programs for freight infrastructure. This bill was formally supported by the Board. The law will take effect on January 1st, 2022.
- **AB 43 (Friedman)** - Will allow Caltrans and local jurisdictions greater flexibility to set lower speed limits on local streets, based on Vision Zero recommendations. This bill was formally supported by the Board. The law will take effect on January 1st, 2022.
- **AB 550 (Chiu)** - This bill would have established a Speed Safety System Pilot Program and was formally supported by the Board as a Vision Zero measure. The bill was held in the Assembly Appropriations Committee in May.
- **SB 17 (Pan)** - Would establish a statewide Office of Racial Equity and was formally supported by the Board. The bill was held in the Assembly Appropriations Committee in August.

Metro staff were also regularly engaged in discussions around bills for public employers that would have impacted our workforce and operations. The list below outlines some of the bills that Metro monitored through the legislative process and provided technical feedback to the author.

- **AB 361 (R. Rivas)** - Will allow state and local agencies, including Metro, to meet remotely during certain declared states of emergency, including the current one related to the COVID-19 pandemic. This codified an Executive Order signed by Governor Newsom that expired on September 30, 2021. The bill included an urgency clause and took effect on October 1, 2021.
- **SB 674 (Durazo)** - Would create a new statewide requirement for workforce development on certain transportation contracts. A coalition convened by the California Transit Association is working to ensure that the bill aligns with workforce development programs and transit agencies statewide, staff is engaged in discussions to support the provisions of Metro's WIN-LA and procurement programs that could be affected. The bill was converted into a two-year

bill and will be brought back in the next year.

An additional priority for Metro's ongoing advocacy efforts includes the need to provide certainty and stability to our power supply as we work to meet the agency's ambitious Zero-emission Bus Plan. Most recently, staff has worked to clarify Metro's Essential Use Designation to ensure power supply in the event of a major event or power shutoff. Next year, staff will work to engage the California Public Utilities Commission (CPUC) on these issues and will continue to ensure that statewide policy decisions do not hinder the final plans for the Zero-emission Bus Plan roll out.

Metro's State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation, in support of the Board-adopted Legislative program, Equity Platform, Vision 2028, Customer Experience Plan, Zero-Emission Bus Plan and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC. Staff will also engage in discussions and advocate for state policies and funding opportunities as the Board approves directives to implement new initiatives that would address Metro's goals to implement the Equity Platform, Fareless System Initiative, Better Bus, and Affordable Housing.

In addition to the above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (the entire 2022 State Legislative Program is outlined in Attachment B). These include but are not limited to:

- Advocating for \$1 billion in Olympics readiness funding for Metro's program of infrastructure improvements;
- Sponsoring legislation to authorize Metro to use job-order contracting in procurements;
- Explore and potentially sponsor legislation that would streamline and increase small business participation in Metro's procurements;
- Supporting legislative changes that would enhance Metro's TAP implementation and smart card system to allow for ease of access for determining eligibility for low-income riders;
- Explore and potentially sponsor legislation that would clarify provisions of state law that impact Metro's real property transactions and ground leasing for TOC developments, affordable housing and other uses.
- Working with the California Public Utilities Commission and the California Air Resources Board to advance Metro's Zero Emission Bus Program;
- Working with the Gubernatorial Administration and key leadership in ensuring that the Governor's Executive Orders on Sustainability align with Metro's plans; and
- Supporting the allocation of cap and trade funds to Los Angeles County.

With Board approval, the 2022 State and Federal Legislative advocacy platform goals will guide Metro staff as we work with leadership in Sacramento and Washington, DC to advance the priorities outlined by the Board and CEO to secure policy reforms and funding for the agency.

EQUITY PLATFORM

Outlining Metro's policy priorities to leadership in Sacramento and Washington, DC is an important tool in creating equitable transportation and economic outcomes for riders of the diverse communities of Los Angeles county. The adoption of the 2022 State and Federal Legislative Program goals could have a positive impact in moving policy forward that supports more equitable investments and services throughout LA County.

Ensuring that Metro's advocacy efforts are effective and equitable requires regular assessment of equity impacts for specific measures and proposals. Staff will continue to work with partners in the Office of Civil Rights, Racial Equity, and Inclusion on a regular basis to strategically communicate Metro's commitment to equitable transportation decision-making in our advocacy efforts.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not have an impact on safety.

FINANCIAL IMPACT

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

ALTERNATIVES CONSIDERED

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

NEXT STEPS

Government Relations staff will continue to regularly sponsor (virtual) briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees and with officials in the Biden-Harris Administration. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills. Metro looks forward to being an active stakeholder as the Administration moves to implement the Infrastructure Investment and Jobs Act.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the Governor, Caltrans Director, California Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep

in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to engage in strategic advocacy and legislative efforts related to a number of transportation issues and inform the Board of those efforts. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

Government Relations will continue to ensure that our legislative priorities and efforts are coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R and Measure M projects as well as leverage Measure R and Measure M funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The second year of the 2021-2022 State Legislative Session will commence on January 3rd, 2022. The U.S. House of Representatives and U.S. Senate are currently in session.

ATTACHMENTS

Attachment A - 2022 Federal Legislative Program

Attachment B - 2022 State Legislative Program

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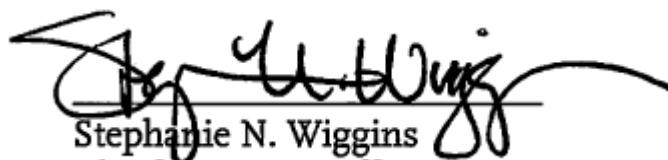
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