



Board Report

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EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 20, 2022

**SUBJECT: STATE AND FEDERAL REPORT**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE January 2022 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 provide an update on several federal matters of interest to our agency. This report was prepared on December 20, 2021, and will be updated, as appropriate, at the Executive Management Committee meeting on January 20, 2022. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB\\_Attachments/January%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/January%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

There are three major 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.

**Infrastructure Investment and Jobs Act**

Metro is deeply appreciative to the House and Senate for passing the Infrastructure Investment and Jobs Act and to President Biden for signing this legislation into law (P.L.117-58) on November 15, 2021. The new law includes several Metro Board-approved priorities that we embedded in our agency's 2020 Federal Legislative Program. These priorities include, but are not limited to, reforming federal local hire rules, increasing funding for the Capital Investment Grant program, and dramatically increasing funding for bus and bus facility programs. As the U.S. Department of Transportation (USDOT) works to implement this new law - our agency is actively engaged in responding to Requests for Information from the Federal Transit Administration, the Federal Highway Administration, and other relevant federal agencies.

We are very pleased that the Biden-Harris Administration will be implementing most - if not all of

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these federal transportation programs and projects funded in the new infrastructure bill - in the context of their Justice40 initiative. The Justice40 initiative is a welcome step by the Biden-Harris Administration to ensure that at least 40% of all federal funding benefits disadvantaged communities. Metro has and will continue working with the Biden-Harris Administration on their implementation of their Justice40 initiative.

Late last year, our agency was pleased to be part of two press conferences highlighting the benefits the new Bi-Partisan Infrastructure Law will deliver to our agency. Congressman Adam Schiff held a press conference in Glendale on December 13, 2021, with the participation of our state and local officials - including State Senator Anthony Portantino, Assemblymember Laura Friedman and our CEO - who all touted the benefits of the new federal transportation law. Then, on December 17, 2021, Representative Karen Bass held a press conference on the Rail to Rail/River Active Transportation Corridor alignment - to discuss the new funding that will be brought to Los Angeles County as a result of the new federal transportation law. In addition to Representative Bass, the press conference featured the participation of Congresswoman Lucille Roybal-Allard, Metro Board Vice-Chair Ara Najarian, Los Angeles Mayor and Metro Director Eric Garcetti, California Secretary of Transportation David Kim, Los Angeles City Councilmembers Curren Price and Marqueece Harris-Dawson and Metro CEO Stephanie Wiggins.

We look forward to aggressively seeking funding made available by this new law - both programmatic and project based - as these funds are made available by the USDOT.

### **Build Back Better Bill**

As of the writing of this update, U.S. Senator Joe Manchin (D-WV) announced that he would not be supporting President Biden's Build Back Better bill. With an evenly divided Senate, this means that the legislation will not be able to move forward in its current form.

Metro had worked with key Senate stakeholders to ensure that language providing funding for fare-free and reduced-fare transit services was included in the Senate's Build Back Better Bill. It is our hope that a revised version of this legislation will be considered in the second session of the 117<sup>th</sup> Congress and that this revised bill will maintain the language which our agency - and specifically our Board Chair Hilda Solis - worked so hard to embed in the original Build Back Better reconciliation bill.

### **Fiscal Year 2022 Transportation Spending Bill**

On December 3, 2020, President Biden signed legislation into law the "Further Extending Government Funding Act" that extends federal spending through February 18, 2022. It is our hope that Congress comes to an agreement to pass legislation that will fund the federal government through the balance of the federal fiscal year (September 30, 2022). This action will ensure that the USDOT has the resources it needs to implement the programs and projects outlined in the recently adopted Infrastructure Investment and Jobs Act.

### **Congresswoman Lucille Roybal-Allard**

Metro extends its sincere appreciation to Congresswoman Lucille Roybal-Allard - a longtime champion of our pro-mobility agenda on Capitol Hill - who announced late last year that she will not

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be running for re-election in 2022. The Congresswoman, as a member of the powerful House Committee on Appropriations, has been a remarkably effective advocate for Metro as we have sought federal funding for our programs and projects. We are especially grateful to the Congresswoman for her strong and sustained leadership in securing a Full Funding Grant Agreement for the Metro Gold Line Eastside Extension - which was named after her father - a historic figure - who was the first Latino member of Congress elected in California in the 20th Century. At the appropriate time and at the appropriate venue - we look forward to honoring Congresswoman Roybal-Allard for her distinguished service in the U.S. House of Representatives.

### **Federal Issues - Equity Impact Analysis**

One key element of addressing equity in the county has been impaired by Senator Manchin's comments regarding BBB. If the bill does not pass or if a different version of the bill is negotiated without funding for free fares, then the agency would not be able to receive funding currently proposed in BBB. Our federal team will continue to aggressively advocate for the passage of legislation with this provision included.

Additionally, now that the IIJA has passed the opportunity to further address equity become focused on the implementation of IIJA in Los Angeles County. Our CEO has directed the creation of a TIGER team to implement IIJA. Government Relations will remain engaged in that effort and will continue to coordinate with Office of Equity and Race on those efforts.

### **Conclusion**

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 December 20, 2021, and will be updated, as appropriate, at the Executive Management Committee meeting on January 20, 2021. The status of relevant pending legislation is monitored on the Metro Government Relations Legislative Matrix, updated monthly.

### **State Budget**

In late November, the California Legislative Analyst's Office released a report detailing their fiscal outlook for the 2022-2023 budget. The Office estimates that the State will have another budget surplus next year, totaling \$31 billion to allocate in the 2022-2023 budget cycle. This includes an estimated \$14 billion that the State must allocate in order to meet the constitutional requirements under the State Appropriations Limit (SAL). The State could choose to use these funds required by the SAL to reduce taxes or issue tax rebates, or to spend on areas such as infrastructure. The anticipated surplus also includes \$3.3 billion planned for transportation in 2021-2022, but which

reverted to the General Fund in October after no budget deal was reached.

Almost all of the anticipated surplus is as a result of higher income, business, and sales tax revenues, reflecting robust economic activity in the state. In the 12-month period ending in September, tax collections grew at an annual rate of 30%, representing the fastest growth in at least four decades. Federal COVID relief dollars also continue to have an impact on the State's budget condition. Finally, the LAO also cautions that this forecast could change if revenues come in above or below what is anticipated, with a range of \$10 to \$60 billion in potential surplus. Metro staff continue to monitor the projected state surplus as advocacy around the budget continues.

On December 10<sup>th</sup>, Metro's Board of Directors transmitted [a letter <http://libraryarchives.metro.net/DB\\_Attachments/220110Budget%20State%20Surplus%20Ltr%2012-8-21%20-%20Signatures.pdf>](http://libraryarchives.metro.net/DB_Attachments/220110Budget%20State%20Surplus%20Ltr%2012-8-21%20-%20Signatures.pdf) to the LA County State Legislative Delegation regarding the state budget and the opportunities afforded by such a large surplus. Consistent with the Board-approved state legislative program, the Board letter urges the State to allocate at least \$16.5 billion to transportation infrastructure in the upcoming budget, as part of a proposed Golden Opportunity Package for LA County. This proposal includes \$10 billion for transit capital projects, \$2.5 billion for projects related to the 2028 Olympics, \$500 million for active transportation, as well as money for improvements to the customer experience, zero-emission buses, and goods movement infrastructure. Staff are working with a coalition of local stakeholders to seek broader support for the Golden Opportunity Package. So far, a number of COGs (Councils of Government) have joined in support of the Golden Opportunity Package.

On January 10<sup>th</sup>, 2022, the Governor will release his budget proposal for the next fiscal year. Metro staff will be able to present a summary and analysis of this budget proposal at the Executive Management Committee on January 20<sup>th</sup>.

## State Budget - Equity Impact Analysis

After the Governor's budget proposal is released, staff will do an analysis of the potential financial and equity impacts. Metro anticipates the January budget proposal to have an impact on equity with respect to not only the transportation sector, but housing, homelessness, and economic development as the state focuses on recovering from the pandemic. Details of these potential impacts will be discussed at the Executive Management Committee.

## Sponsored Legislation

The state legislature will start the second year of their legislative session on January 3<sup>rd</sup>, 2022. In the first two months of the legislative session, hundreds of bills will be introduced in both the Assembly and Senate. Government Relations monitors all newly introduced legislation for bills that may impact Metro's projects and programs, and funding. Additionally, Metro staff are starting to identify authors for a board-approved bill that would authorize Metro to use job order contracting.

## Project Briefings and Statewide Coordination

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. These legislative roundtable 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.

Finally, Metro looks forward to working with the California Secretary of Transportation on the implementation of the Infrastructure Investment and Jobs Act, and continues to work with coalition partners around the state, including the California Transit Association and Mobility 21, on major upcoming legislative issues.

### **State Equity Analysis**

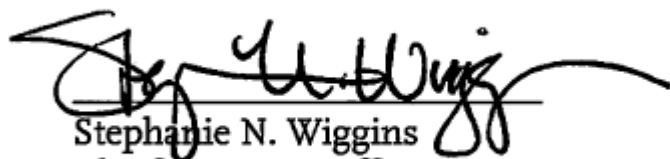
As the legislative session progresses, staff will work with the Office of Equity and Race to support legislation that would further the goals identified in the state legislative program. Staff are already in discussion with bill sponsors on a number of potential measures and we will update the Board as those proposals develop.

### **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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