

**Board Report**

File #: 2022-0498, **File Type:** Informational Report**Agenda Number:** 20.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 18, 2022****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE August 2022 State and Federal Legislative Report.

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

Chair Najarian and members of the Executive Management Committee, I am pleased to provide an update on a number of key federal matters of interest to our agency. This report was prepared on July 27, 2022, and will be updated, as appropriate, at the Executive Management Committee meeting on August 18, 2022. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/220802%20-%20August%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/220802%20-%20August%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

Federal Appropriations Process

We are pleased that both the House and Senate are moving forward on their transportation spending measures for Fiscal Year 2023. Guided by our Board-approved Federal Legislative Program, we have been urging House and Senate appropriators to ensure that the spending measures for the coming federal fiscal year track the level of spending authorized through the Bipartisan Infrastructure Law signed into law by President Biden late last year.

Infrastructure Investment and Jobs Act

Thanks to the hard work of many Metro professional staff members - led by our Planning Department - Metro is continuing to submit a number of grant requests to the U.S. Department of Transportation. Earlier this year, our agency submitted a \$400 million federal grant request for the WSAB Transit Corridor Project and a \$45 million federal grant request for the I-105 ExpressLanes Project. In addition, we have also submitted a \$104 million federal grant request for electric buses and electric charging infrastructure operating out of Metro Divisions 9 and 18. We hope to receive a favorable response from the U.S. Department of Transportation on our grant requests in the coming months.

We appreciate the strong support members of the Los Angeles County Congressional Delegation have provided for our federal grant requests - along with strong support from our Metro Board members and key labor, business, and community groups across our county. As is our standard practice - we will continue to keep the Board closely informed as the Biden Administration moves forward on BIL related funding opportunities.

Congressional Competitiveness and Innovation Bills

Metro continues to work with a wide array of federal stakeholders to ensure that the conference committee considering the pending competitiveness and innovation bills in Congress can support our Center for Transportation Excellence initiative. On July 17, 2022, the U.S. Senate voted to approve their version of this measure by a margin of 64-33.

We are grateful to members of the Los Angeles County Congressional Delegation - including Congresswoman Grace Napolitano (D-CA) and U.S. Senator Alex Padilla (D-CA) among others - for backing our work to ensure that this measure - if signed into law by the President - can serve to support our Center for Transportation Excellence initiative to manufacture rolling stock (bus and rail) in Los Angeles County. Earlier this year, a group of Los Angeles delegation members led by Congresswoman Napolitano sent a letter to Congressional leadership expressing support for provisions in the bill that could provide significant federal funding opportunities for Metro to pursue in order to move the Center for Transportation Excellence forward.

Justice40 Initiative

As I emphasized previously, Metro continues to diligently track the Federal Transit Administration's ongoing work in updating their guidelines for the Capital Investment Grant (CIG) program - with a keen eye on including the aims of the Administration's Justice40 initiative. Metro believes many of our mobility enhancing projects - especially the West Santa Ana Branch Transit Corridor Project - will significantly benefit from having the CIG program modified to reflect the goals of the Justice40 initiative. More broadly, we are eagerly anticipating the Office of Management and Budget's release of guidance on the Justice40 initiative. Once that occurs - we will promptly inform the Board of how this guidance could enhance our ability to secure federal funds for our projects and programs.

Conclusion

Chair Najarian - I look forward to expanding on this report at the Executive Management Committee meeting slated for August 18, 2022, with any new developments that may occur over the next several weeks.

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

Chair Najarian 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 July 27, 2022, and will be updated, as appropriate, at the Executive Management Committee meeting on August 18, 2022. The status of relevant pending legislation is monitored on the [Metro Government](#)

[Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/220802%20-%20August%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/220802%20-%20August%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf), updated monthly.

State Budget Update

In late June, Governor Gavin Newsom announced that he had reached a deal with the Senate and Assembly leadership on a \$300-billion state budget for the next fiscal year. This year, the budget process has been unique, as the state has contended with a historic surplus totaling nearly \$100 billion.

The budget, which was passed by the state legislature and signed by the Governor, includes a four-year, \$10.8 billion transportation package and represents the largest investment of state dollars into transportation in the state's history. The transportation budget includes \$3.65 billion for transit investments this year, with \$4 billion in transit capital funding in subsequent years. Of this \$3.65 billion, \$1.8 billion is set aside for transit projects specifically in Southern California, administered through the Transit and Intercity Rail Capital Program. Of that amount, no less than \$900 million would be set aside for previously approved TIRCP projects that can leverage federal or local funds. Furthermore, of the \$3.65 billion, \$300 million is set aside for improvements to the Surfliner in San Diego where the line is threatened by sea level rise.

The total amount of funding for Southern California under this proposal would be just over \$2.1 billion. A total of \$1.495 billion is set aside for projects in Northern California, with a similar \$900 million being set aside for projects that meet the same leveraging criteria. The \$4 billion in transit capital funding in the out years will be allocated via a population formula. The funding provided in the trailer bill will allow Metro to make progress on its transit capital projects, including the pillar projects approved by the Board.

Also included is \$1.2 billion over two years for freight-related infrastructure at and around the state's ports, \$1 billion for active transportation projects, and \$350 million for grade separation projects. Additionally, included is \$4.2 billion for the California high-speed rail project. The Governor and the Legislature also reached an agreement on inflation-relief measures. A proposal originated by the Governor's office to provide checks to vehicle owners was replaced with a means-tested rebate to most Californians regardless of car ownership.

Metro expects the California State Transportation Agency to begin the process of allocating the first \$1.8 billion in the coming months. This is expected to occur through two processes; one for the \$900 million for projects that meet leveraging criteria and the second through a regular TIRCP process. The first step in this process will be a guidelines review process conducted by the California State Transportation Agency.

Update on Sponsored Bills

The Senate and Assembly Transportation Committees conducted their last policy committee hearings in late June. The committees heard and subsequently passed two of three of Metro's sponsored bills. The other measure, AB 2039 (Rivas), which would authorize Metro to use job order contracting, was pulled from consideration in the Senate Transportation Committee.

On June 27, SB 1161 by Senator Min (D - Irvine) passed the Assembly Transportation Committee on a vote of 14-0. SB 1161 is co-sponsored by Metro and Stop AAPI Hate. It would require the ten largest transit agencies in the state to conduct research and develop data-driven initiatives to help prevent street harassment on public transit. This bill will now advance to the Assembly Appropriations Committee.

Metro's local small business reference legislation, AB 2271 by Assemblymember Mike Gipson (D - Carson), was heard and passed in the Senate Transportation Committee on June 28. The bill will now go to the floor for a full Senate vote. This bill implements the Board-approved changes to our business assistance programs to allow us to exercise a local preference.

AB 2039 by Assemblymember Luz Rivas (D - San Fernando Valley) was originally proposed for consent approval in the Senate Transportation Committee on June 28. The bill was pulled from consideration during the hearing. Metro understands that this is not due to the merits of the bill itself and is currently working with the author and leadership in the Senate to ensure that a measure authorizing job order contracting for Metro can proceed this year.

State Equity Analysis

Metro is sponsoring two bills this year that directly impact equity. SB 1161 by Senator Min aims to tackle street harassment on public transit, an issue that disproportionately affects women, people of color, and the LGBTQ+ community. Comments, gestures, and slurs experienced by vulnerable communities can dissuade them from using public transit, to the detriment of both the rider and the transportation system as a whole.

Additionally, AB 2271 by Assemblymember Gipson would allow Metro to exercise local preferences in competitive low-bid contracting. Local small businesses contribute tax dollars to local governments, provide long-term benefits for a variety of populations, and employ approximately one-third of California's workers. By boosting contracting opportunities for local businesses in LA County, this effort would continue to promote a more inclusive marketplace to best serve our communities and create more economic opportunities for those most in need.

Finally, the state budget surplus provides an opportunity for California to invest in equitable transportation infrastructure. The \$3.65 billion set aside for transit investments will be crucial for funding capital projects in LA County. The process to allocate the first round of these investments is expected to begin in the coming months, and Metro is poised to take advantage of this investment through our grant application process and equity toolkit.

Conclusion

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

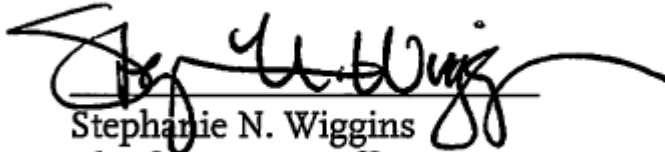
Prepared by: Michael Turner, EO, Government Relations, (213) 922-2122

File #: 2022-0498, **File Type:** Informational Report

Agenda Number: 20.

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

Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950



Stephanie N. Wiggins
Chief Executive Officer