

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE  
NOVEMBER 17, 2022****SUBJECT: 2023 LEGISLATIVE PROGRAM****ACTION: APPROVE STAFF RECOMMENDATIONS****RECOMMENDATION**

CONSIDER:

- A. RECEIVING the State and Federal Legislative Report;
- B. ADOPTING the proposed 2023 Federal Legislative Program as outlined in Attachment A; and
- C. ADOPTING the proposed 2023 State Legislative Program as outlined in Attachment B.

**ISSUE**

On an annual basis, the Board of Directors adopts a legislative program for the upcoming state legislative and federal congressional sessions, which guides 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, 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. We will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

**BACKGROUND**

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 and Washington, DC. 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 Federal officials. The Legislative Program directs staff to monitor and engage in several legislative and advocacy efforts. The [Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB\\_Attachments/221031-](http://libraryarchives.metro.net/DB_Attachments/221031-)

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[November%202022%20-%20LA%20Metro%20Legislative%20Matrix.pdf](#), updated and presented to the Board monthly, highlights several bills of interest to the agency.

## **DISCUSSION**

A recap of legislative activities for the 2022 calendar year on the state and federal levels can be found below. The Federal and State Legislative goals, as outlined in attachments A and B, will inform the activities pursued by the Government Relations department for the upcoming calendar year. In addition to constant collaboration with the Board and other internal Metro departments, Government Relations will continue to ensure that our legislative priorities and efforts are also coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

### **Federal Recap**

In 2022, our agency continued to smartly and aggressively pursue our Board-approved federal legislative priorities in Washington, DC.

On November 15, 2021, President Biden signed the Bipartisan Infrastructure Law (P.L. 117-58). This historic legislation - overwhelmingly supported by the Los Angeles County Congressional Delegation - provides a record level of 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 Bipartisan Infrastructure Law significantly increased 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. Significantly, the bill also reformed federal Local Hire rules - permitting our agency to hire locally on projects funded in part or in whole by the Federal Government.

Our agency is grateful to the Biden-Harris Administration and the Los Angeles County Congressional Delegation - including our two U.S. Senators - for strongly backing the passage of the Bipartisan Infrastructure Law.

In addition to the Bipartisan Infrastructure Law, our agency was actively engaged with the Los Angeles Congressional Delegation as they considered the Inflation Reduction Act (P.L. 117-169) - which President Biden signed into law on August 16, 2022. This bill includes several key funding sources - including \$27 billion for the Greenhouse Gas Reduction Fund, and \$3 billion for the Neighborhood Access and Equity Grants, among other key provisions.

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 the Fiscal Year 2023 to fund the various federal agencies and programs. While the U.S. House of Representatives approved several annual appropriations bills - including the Transportation, Housing, and Urban Development Appropriations Bill - the U.S. Senate could not 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 16, 2022. 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 has worked hard in Washington, DC, to successfully advance our major transit capital projects through the Capital Investment Grant program. Staff has been engaged in advocacy with Congressional offices and the Biden-Harris Administration for each of these projects throughout 2022 - with an understanding that our number one priority project seeking a Full Funding Grant Agreement is the West Santa Ana Branch Transit Corridor Project. We are working to ensure this project secures either planning or design funding in the New Starts Report (Federal Fiscal Year 2024) that will be issued by the Federal Transit Administration early next year.

Through 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 continue 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 2023 Federal Legislative Plan is outlined in Attachment A.

### State Recap

During the 2022 State Legislative Session, the California Legislature and Governor Newsom primarily focused on continued economic recovery from the COVID-19 pandemic, inflation mitigation, high cost of living, and climate and housing issues. The legislature passed several proposals that focused on that state's climate change goals, transportation projects, workforce recovery, and funding to support efforts to end homelessness.

Metro staff continued to engage in the budget process by working with the LA County Delegation members to ensure that LA County would receive its proportionate share of transportation resources. Last December, Metro's Board of Directors issued the "Golden Opportunity Package" letter, outlining \$16.5 billion in transportation initiatives that would make a historic investment in mobility using the current budget surplus. These dollars would advance sustainability initiatives and create tens of thousands of jobs, support projects in preparation for the 2028 Olympics and Paralympic Games, and develop high-speed and commuter rail services. The Golden Opportunity Package became the centerpiece of Metro's budget advocacy throughout the budget process in 2022.

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We are pleased to report that many of these recommendations were ultimately incorporated into the final budget package. For example, the final budget includes the following:

- A record one-time General Fund investment of over \$3 billion for public transit statewide.
- Record investments in zero emission vehicle funding.
- Record one-time investments in Active Transportation
- Record investments in our port infrastructure.

While these are historic one-time investments, more work needs to be done. As we progress into next year's budget process, Government Relations remains engaged in discussions with transit agencies statewide and working with our local partners to advance ongoing support for reduce fare initiatives. Governor Newsom recommended funding for reduced fare programs in his January budget proposal, but this was ultimately not incorporated into the budget the legislature adopted. The following details the budget history more specifically.

In January, Governor Gavin Newsom released his budget proposal for the upcoming fiscal year as the state faced a large budget surplus. The budget focused on five critical areas of investment: the pandemic, the climate crisis, homelessness, cost of living, and safety. The Governor's proposal included \$9.1 billion in new transportation spending, including \$2 billion for statewide transit projects and \$1.25 billion for transit projects in southern California. Also proposed was \$750 million for active transportation, \$500 million for grade separations, and \$400 million for climate adaptation related to transportation. Additionally, included in the proposal was a \$4.2 billion allocation for the High-Speed Rail Project. These funds were separate from a large proposal to increase zero-emission vehicles, including 1,700 new zero-emission transit buses. Additionally, the Budget proposed \$2.3 billion for supply chain investments, including \$1.2 billion for port, freight, and goods movement infrastructure and \$1.1 billion for other areas, including ZEV equipment and infrastructure related to the supply chain.

Governor Newsom issued the May Revision to his January Budget proposal in early May. The May Revision highlighted that the total state surplus is over \$97 billion, but the discretionary portion of that budget is approximately \$47 billion. For transportation, the Revision continued many of the same proposals included in the January budget. The proposal also included an allocation of \$750 million to support fare free transit for three months. The budget further included increases in existing programs such as cap and trade and the State Transit Assistance Account.

On June 26, 2022, the Governor and legislative leadership announced a budget deal for the next fiscal year. This year, the budget process has been unique, as the state contended with a historic surplus totaling nearly \$100 billion. The final budget deal included a four-year, \$10.8 billion transportation package that represented the most significant 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 for improvements in San Diego, where the line is threatened by sea level rise. The total amount of

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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. Another \$4 billion in transit capital funding will be allocated via a population formula in the out years. 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.

In early October, the California State Transportation Agency (CalSTA) released the draft guidelines for Cycle 6 of the Transit and Intercity Rail Capital Program (TIRCP). The draft guidelines are available for public and legislative comment until November 7, 2022. Final guidelines and a call for projects are expected on November 15. Under the proposed guidelines, the allocations for this round of funding would be announced at the end of January.

The Governor's focus on transportation and infrastructure expanded in August of this year with his appointment of former Los Angeles mayor Antonio Villaraigosa as his infrastructure advisor. On Tuesday, October 25, Metro CEO Stephanie Wiggins attended a roundtable discussion on infrastructure investments with Villaraigosa as he toured the state to hear the voices of various stakeholders across California. Metro staff look forward to engaging with the Governor's new advisor as we explore and collaborate on ways to accelerate project delivery and contain costs on our major capital projects.

In the 2022 legislative session, our advocacy efforts also focused heavily on Board-directed State Legislative Program goals and several proposals that would have impacted Metro programs. Metro's 2022 State Legislative priorities focused on sponsoring bills that would allow Metro to exercise local business preferences in competitive low-bid contracting, allow Metro to utilize job order contracting, as well as continuing to advocate for increased transportation funding for Los Angeles County.

Metro successfully advocated for the passage of three sponsored and co-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 for its forward thinking and support of the measures. Staff would also like to note that the diligent staff support from the Diversity and Economic Opportunity Department, the Office of Equity and Race, County Counsel, and Program Management departments were integral to the success of the measures and coalition building efforts. The bills, which will become law on January 1, 2023, are summarized below:

- **Assembly Bill 2271:** Authored by Assemblymember Mike Gipson (D - Carson), this will allow Metro to exercise local small business enterprise (LSBE) preferences in competitive low-bid contracting. Specifically, local small businesses will now be eligible to receive a 5% reduction when bidding on contracts. Implementation of a small business local preference initiative is in addition to Metro's already-implemented Disadvantaged Business Enterprise (DBE), Small Business Enterprise/Disabled Veterans Business Enterprise (SBE/DVBE) programs, Medium-Size Business Enterprise (MSZ), and Small Business Prime (Set-Aside) programs. By boosting contracting opportunities for local businesses in LA County, this effort will continue to promote a stronger, more inclusive marketplace to best serve our communities and create more economic opportunities for those most in need. Metro currently has 2,238 SBE certified firms, of which 1,124 now have LSBE designations with

headquarters in Los Angeles County, that can take advantage of the new preference program.

- **Senate Bill 922:** Authored by Senator Scott Wiener (D - San Francisco), SB 922 was co-sponsored by Metro and will modify the statutory exemptions to the California Environmental Quality Act for clean transportation projects originally established by the Senator's 2020 legislation, SB 288. Without this bill, these exemptions would have expired on January 1st. Metro is working aggressively to deliver transit infrastructure projects to help Los Angeles County meet the transportation needs of the region's 10 million residents. Metro's growing network of bus rapid transit and active transportation projects will benefit from the statutory exemptions provided by SB 922. This bill will save critical time and money by extending statutory exemptions for projects that make streets safer for walking and bicycling while accelerating essential bus service in the public right-of-way. Additionally, with the enactment of the federal Bipartisan Infrastructure Investment and Jobs Act, such project streamlining will help California leverage new funding opportunities to support the state's economic recovery and curb greenhouse gas emissions.
- **Senate Bill 1161:** Authored by Senator Dave Min (D - Irvine), SB 1161 is an anti-harassment on transit bill co-sponsored by Metro and Stop AAPI Hate. SB 1161 will provide transit agencies around the state a crucial tool in the fight against street harassment by requiring the Mineta Transportation Institute at San Jose State University to develop a survey that agencies can use to collect data on harassment on their systems, which can then inform data-driven policies and programs to protect our riders.

Additionally, Metro sponsored a job order contracting bill. AB 2039 by Assemblymember Luz Rivas would have allowed Metro to utilize job order contracting as a project delivery method, similar to authority at other public agencies. Job order contracting provides a more efficient procurement process and will enable Metro to rapidly and efficiently address smaller construction projects at our properties. After enjoying broad support, the bill was pulled from consideration during a hearing in the Senate Transportation Committee in June, where it had been on the consent calendar. Metro understands that this decision was not due to the bill's merits. Staff will work to ensure that a measure authorizing job order contracting for Metro can proceed in the coming year.

Metro also formally supported AB 1919 by Assemblymember Chris Holden (D - Pasadena). This bill would have created the statewide Youth Transit Pass Pilot Program, including a flexible grant system that would distribute funds to transit agencies to implement youth transit pass programs. The bill would authorize grant funds to maintain an existing fare free program and/or partner with educational institutions. Though the bill passed the legislature, it was vetoed by the Governor due to not having any funds allocated to the measure in the budget process. Staff will continue to advocate for bills and programs in the 2023 legislative cycle that would support the implementation of a fareless system.

Metro's State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the Los Angeles County State Assembly and Senate delegation members in support of the Board-adopted Legislative program, Equity Platform, Customer Experience Plan, Zero-Emission Bus Plan, and LRTP goals. State advocacy efforts will continue to support Metro's Planning

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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, and Affordable Housing.

In addition to the above, staff will be working to address various other specific policy issues in the Legislative process, budget process, and various administrative processes in Sacramento (the entire 2023 State Legislative Program is outlined in Attachment B). These include but are not limited to the following:

- Sponsoring legislation to authorize Metro to use job-order contracting in 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 2023 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**

Adopting the 2023 State and Federal Legislative Program goals could positively impact moving policy forward that supports Metro's investments in Equity Focus Communities. 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 Board's adoption of the 2023 State and Federal Legislative Program Goals authorizes Metro's staff to engage directly with the state and federal legislature members who are responsible for setting policy and funding targets for the LA county region. Legislation sponsored and supported by Metro as outlined in the Goals creates greater investment opportunities, supports a better customer experience, and accelerates project delivery in all Equity Focus Communities in LA County.

Ensuring 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 regularly to assess equity impacts and strategically communicate Metro's commitment to equitable transportation 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.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Adopting the 2023 State and Federal Legislation Program supports Goal #4 in the Vision 2028 Strategic Plan goals, specifically Goal #4.2: Metro will help drive mobility agendas, discussions, and policies at the state, regional, and national levels.

### **NEXT STEPS**

Government Relations staff will continue to regularly sponsor 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 emphasize 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 several 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 members' relationships and experience in legislative matters.



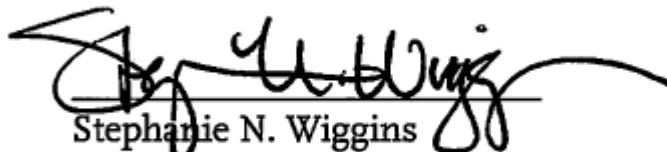
**ATTACHMENTS**

Attachment A - 2023 Federal Legislative Program

Attachment B - 2023 State Legislative Program

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