

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 19, 2023****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE January 2023 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 January 3, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on January 19, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/230104%20January%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/230104%20January%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

This report is squarely focused on four subjects - the federal appropriations process, the continuing implementation of the Bipartisan Infrastructure Law, the CHIPS bill, Justice40, and the newly convened 118th Congress.

Federal Appropriations Process

On December 29, 2022, President Biden signed into law a \$1.7 trillion omnibus spending package - that funds the Federal Government for the balance of the Federal Fiscal Year 2023 (September 30, 2023). The massive spending bill includes robust funding for the U.S. Department of Transportation and provides funding for transportation earmarks which were reintroduced by Congress several years ago. Importantly for our agency, the bill includes full funding for several federal transportation programs - consistent with the Bipartisan Infrastructure Law signed by President Biden in November of 2021.

The bill includes over \$4 billion for the Capital Investment Grant Program (including advanced

appropriations), allowing the Federal Transit Administration to fund our projects with Full Funding Grant Agreements. With respect to earmarks, the bill includes \$10 million for the West Santa Ana Branch Transit Corridor Project, \$5 million for the Pasadena to North Hollywood BRT Project, \$4 million for the Rail to River Project, \$2.5 million for the SEED School/Transit Plaza, and \$2 million for the Vermont Transit Corridor Project. Metro deeply appreciates the Los Angeles County Congressional Delegation for advancing key elements of our Board-approved 2022 Federal Legislative Program in the omnibus spending bill signed into law by President Biden.

Bipartisan Infrastructure Law

As I emphasized previously to the Board - thanks to the hard work of many Metro professional staff members - led by our Planning Department and the TIGER team established by our CEO - Metro is continuing to submit a number of grant requests with the U.S. Department of Transportation. We have a number of pending federal grant requests - including 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. As the Board was made aware last year, our agency successfully secured a \$104 million federal grant request for electric buses and electric charging infrastructure operating out of Metro Divisions 9 and 18. We hope to continue to receive favorable responses from the U.S. Department of Transportation on our grant requests in the coming months. In this regard - 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.

Congressional Competitiveness and Innovation Bills

Metro is pleased that President Biden signed into law the CHIPS bill last year - which may benefit our Center for Transportation Excellence initiative. Specifically, we are appreciative of the work of Congresswoman Grace Napolitano (D-CA) and U.S. Senator Alex Padilla (D-CA), among others - for backing our agency's effort to ensure that this measure - in its final form - could serve to support our Center for Transportation Excellence initiative to manufacture rolling stock in Los Angeles County.

Justice40 Initiative

Metro is in close contact with the Federal Transit Administration and the Office of the Secretary of Transportation with respect to their ongoing work to update their guidelines for the Capital Investment Grant (CIG) program - with a keen eye on including the aims of the Biden Administration's Justice40 initiative. Metro believes many of our mobility-enhancing projects - including the West Santa Ana Branch Transit Corridor Project - would significantly benefit from having the CIG program modified to reflect the goals of the Justice40 initiative. I look forward to keeping Board members apprised of our

continuing efforts on this important matter.

118th Congress

As of the writing of this federal update, the U.S. House of Representatives was set to begin the fourth round of voting to select the Speaker of the House for the 118th Congress. A number of key committees will be led by new Members of Congress - including Congressman Sam Graves (R-MO), who is set to lead the House Committee on Transportation and Infrastructure, and Congresswoman Kay Granger (R-TX), who will be the Chair of the House Committee on Appropriations. In the Senate, U.S. Senator Patty Murray (D-WA) will be heading the Senate Committee on the Appropriations, U.S. Senator Sherrod Brown (D-OH) will continue to lead the Senate Banking Committee, and Senator Tom Carper (D-DE) will continue to serve as Chair of the Senate Environment and Public Works Committee.

Conclusion

Chair Najarian - I look forward to expanding on this report at the Executive Management Committee meeting slated for January 19, 2023, 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 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 December 29, 2022, and will be updated, as appropriate, at the Executive Management Committee meeting on January 19, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/230104%20January%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/230104%20January%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

State Legislative Session Updates

The first year of the 2023-2024 State Legislative session commenced on December 5th, 2022, with an organizing session and swearing in of new members. The Government Relations team is working to coordinate welcome briefings for the new Senators and Assemblymembers in Los Angeles County, who include Senator Caroline Menjivar in the San Fernando Valley, Senator Lola Smallwood-Cuevas in Central LA, and Senator Janet Nguyen, who represents a small portion of the Gateway Cities subregion. New Assemblymembers in LA County include Assemblymembers Juan Carrillo and Pilar Schiavo in the North County, Assemblymember Rick Chavez Zbur representing the Westside, and Assemblymembers Blanca Pacheco and Josh Lowenthal in the Gateway Cities.

The December 5th session also allowed members to introduce the first bills of the 2023-2024 legislative session. Of note are AB 6 and AB 7, introduced by Assemblymember Laura Friedman (D - Glendale). AB 6 seeks to conform transportation spending to state climate goals. AB 7 would eliminate single occupancy vehicle freeway capacity projects, allowing only transit capacity projects, active transportation projects, and projects that add safety or reduce congestion. These bills are both currently in spot bill form, with language stating the intent of the legislation only, though the intent is similar to two bills from Assemblymember Friedman that did not pass last year. AB 6 and AB 7, along with the other bills introduced during the first session pertaining to transportation, can be found in the Legislative Matrix linked above.

State Budget Updates

On November 16th, 2022, the Legislative Analyst's Office (LAO) released its yearly fiscal outlook ahead of the Governor's budget proposal in January. The goal of releasing the fiscal outlook is to inform the Legislature's process as it works with the Governor to develop the next budget. After a year when a historic surplus resulted in significant investments in the state budget, including transportation, the LAO is now projecting a \$25 billion deficit for the upcoming fiscal year. This deficit is primarily attributable to lower revenue estimates, which are predicted to remain below projections for several years. The Office stressed that these revenue estimates do not reflect a recession scenario. If one were to occur, revenues could be \$30 - \$50 billion below the current revenue outlook.

As a result of these projections, the LAO recommends that the Legislature begin to plan the 2023-2024 budget without using current general budget reserves. The next step in the process will occur on January 10th, 2023, with the Governor's budget proposal. Government Relations will review this proposal and provide an update to the Board during the Executive Management Committee on January 19th.

TIRCP Cycle 6

On November 15th, 2022, the California State Transportation Agency (CalSTA) released the Cycle 6 Transit and Intercity Rail Capital Program (TIRCP) guidelines and a call for projects. Available funding in Cycle 6 of the TIRCP includes \$3.63 billion in General Fund dollars, as well as \$350 million from the General Fund for High Priority Grade Crossing Improvement and Separation projects. Of this funding, \$1.83 billion is specifically set aside for projects in Southern California, with at least \$900 million allocated to projects that have previously received TIRCP grants.

Preliminary information submittal for existing projects was due on December 6th, 2022, with awards for these existing projects expected to be announced by January 31st, 2023. Consistent with Board direction, Metro submitted the East San Fernando Valley Light Rail Project, the Foothill L Line (Gold) Extension Project, and the West Santa Ana Branch Project for funding consideration. Awards for new projects and high-priority grade separations, whose applications are due on February 10th, 2023, are expected by April 24th of the same year.

State Funding and Legislation - Equity Impact Analysis

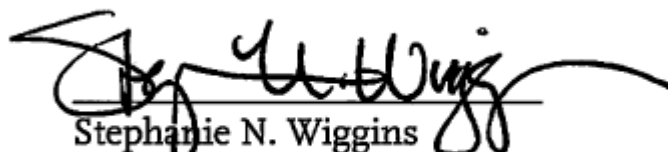
In the upcoming legislative session, staff will provide an analysis of the potential financial and equity impacts of a transportation budget. Additionally, ensuring that Metro's advocacy efforts are effective and equitable requires regular assessment of equity impacts for specific measures and proposals. Staff will continue to work with partners in the Office of Civil Rights, Racial Equity, and Inclusion regularly to strategically communicate Metro's commitment to equitable transportation decision-making in our advocacy efforts.

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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