



**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE  
OCTOBER 20, 2016**

**SUBJECT: STATE AND FEDERAL REPORT**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE **State and Federal Legislative Report.**

**DISCUSSION**

**Executive Management Committee  
Remarks Prepared By Raffi Haig Hamparian  
Government Relations Director, Federal Affairs**

Chairman Fasana and members of the Executive Management Committee, I am pleased to provide an update on a number of federal matters of interest to our agency. This report was prepared on October 6, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting on October 20, 2016.

**Federal Grants for Fiscal Year 2016**

As you are well aware Chairman Fasana, Metro celebrated the award of the largest TIGER Grant received in the State of California at the end of August. Following the award of \$15 million through the U.S. Department of Transportation's TIGER Grant program for the Rosecrans/Marquardt Grade Separation Project, Metro was awarded another grant in September through the Federal Transit Administration under the Bus and Bus Facilities Program in the amount of \$10.5 million. Similar to TIGER, this award was the largest award in the State of California. The Federal funding will be used to replace some of the last remaining diesel buses being used by contract services (Bus Routes 125, 128, 130, 205, 232, 607 and 625). Metro's grant request also included an innovative workforce development component.

Most recently, just yesterday in fact, we were notified that our agency will be receiving a \$2 million Transit Oriented Development Grant from the Federal Transit Administration for the West Santa Ana Branch project. This is welcome news.

We are very appreciative of the strong partnership and confidence that U.S. Department of

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Transportation has had and continues to have in our agency to delivery these and other critical federally funded projects.

Metro's Government Relations team will continue to actively seek Congressional support for our other grant applications which include an FTA Mobility on Demand Sandbox Program grant and an FHWA Advanced Transportation and Congestion Management Technology Grant. Both grants are expected to be announced in the near future.

### **Federal Appropriations for Fiscal Year 2017**

As Federal Fiscal Year 2016 came to a close on September 30th, Congress was unable to agree on passing a full year funding bill and instead approved a short term Continuing Resolution that will fund the Federal Government at Fiscal Year 2016 levels until December 9, 2016.

We will be working to make sure the final federal spending bill includes \$100 million for the Regional Connector, \$100 million for Purple Line Extension (Segment 1), and \$100 million for Purple Line Extension (Section 2).

### **Local Hire**

We are very pleased that our Board of Directors is circulating a letter calling on the Obama Administration - through the U.S. Department of Transportation - to make permanent their Local Hire Pilot Program.

At present, the U.S. Department of Transportation's (USDOT) Local Hire Pilot Program is slated to expire in March of 2017. Metro - through our America Fast Forward initiative - has been at the forefront of efforts to reform the USDOT's local hire rules. Specifically - in September of 2011 - our Board added the reforming of federal local hire rules to our existing America Fast Forward initiative. In November of 2013 Congresswoman Karen Bass introduced - after consulting with Metro - H.R. 3620 - The Local Hire Act. In December of 2014 - Congresswoman Bass was successful in embedding language in the Fiscal Year 2015 federal spending bill that permitted the use of local hire practices around the nation. The following year - in 2015 - the USDOT announced that they would be launching a Local Hire Pilot Program.

We look forward to securing a favorable reply to our Board's letter requesting that the Local Hire Pilot Program be made permanent.

### **Conclusion**

I look forward to expanding on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

This concludes my remarks before the committee. I would welcome the opportunity to answer any questions from you Mr. Chairman or from members of this committee.

### **Executive Management Committee**

**Remarks Prepared By Michael Turner  
Deputy Executive Officer Government Relations**

### **Conclusion of the 2015-16 Legislative Session**

As of the writing of this report the Governor has concluded acting on all bills passed by the Legislature. The following summarizes some of the key actions taken by the Governor.

#### AB 2710 (Frazier) Vetoed

As expected Governor Brown issued a veto notice on AB 2710 (Frazier). The legislation would have outlined provisions for federal freight funds to be allocated through the Trade Corridors Improvement Fund (TCIF) program. The Governor, in the accompanying, directed the Secretary of Transportation to continue to work with the CTC, author to ensure that these funds are allocated to high-priority trade projects.

#### AB 1889 (Mullin) Signed into Law

The Governor also signed AB 1889 (Mullin), a Metro Board supported bill, into law. This bill clarifies language that secures funding for the “bookend” projects for the High Speed Rail project.

#### AB 620 (Hernandez) Signed into Law

Governor Brown also signed AB 620 (Hernandez) into law. The bill requires that Metro report to the legislature on outreach efforts to increase participation in the ExpressLanes Low Income Assistance Plan program in 2018. Metro Board of Directors opposed the original form of the bill that would have made substantial changes to the administration of the ExpressLanes program. The final version of the bill was amended to remove those provisions that would have negatively impacted program operations.

### **Major Greenhouse Gas Emissions Reduction Legislation Passes**

At the end of session the Legislature passed and the Governor also signed a series of bills advancing the state’s GHG reductions programs. These include the following:

- SB 32 (Pavley) which extends the state’s basic GHG law and requires further emission reductions in that period.
- AB 197 (Garcia) which reforms the California Air Resources Board and implements additional legislative oversight.
- AB 1550 (Gomez) which restructures the requirements for allocating funds to disadvantaged communities.
- SB 824 (Beall) which will allow local agencies more flexibility in managing the cap and trade funds.
- AB 1613 (Committee on Budget) amends the Budget Act of 2016 to make

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appropriations to GHG reduction programs, GGRF, including TIRCP, Sustainable Communities, Strategic Growth Council and other sustainability programs.

### **Assemblymember Chris Holden Holds Oversight Hearing at Metro**

The Assembly Select Committee on Regional Transportation and Interconnectivity Solutions conducted an oversight hearing titled "Funding Transportation: Meeting the Challenge" on September 29th. Assemblymember Chris Holden who Chairs the Assembly Select Committee on Regional Transportation and Interconnectivity Solutions invited state government officials and a number of other members discussed timely transportation funding and policy issues for the state.

### **Potential Special Session on Transportation Funding**

Legislative leadership in Sacramento continues to explore the possibility of acting in special session on a transportation funding proposal by the end of the year. While no date is scheduled for a vote the Chairmen of both policy committees are continuing discussions on their joint proposal and exploring the possibility of securing a two-thirds vote in each house. Metro's advocacy team is actively briefing key offices on our priorities to support a robust funding package that aggressively addresses Metro's key priorities.

### **The Legislative Analyst's Office issues The 2016-17 Budget: California Spending Plan**

Each year, the Legislative Analyst's Office (LAO) publishes the California Spending Plan, a summary of the State's budget. This report highlights the evolution of the 2016-17 Budget Act from its January proposal, May revision and other major budget actions approved during 2016. The LAO finds that General Fund spending is up 6 percent from 2015-16 at \$122.5 billion with the State's reserve balance at \$8.5 billion as included in the June 2016 Budget package.

The Governor approved increases in spending for affordable housing, university funding, public safety, and Proposition 98. The LAO report makes mention of the Governor's special legislative session being unsuccessful in passing a comprehensive package to increase transportation funding. For transportation, the Governor and legislature approved \$15.5 billion in spending for transportation programs, a decrease of 3 percent from 2015-16 spending. The budget package was revised in August to include provisions that are outlined in Assembly Bill 1613 and Senate Bill 838, which detailed how state funds and cap-and-trade funds will be apportioned to transportation programs throughout the state.

### **Conclusion**

We will expand on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

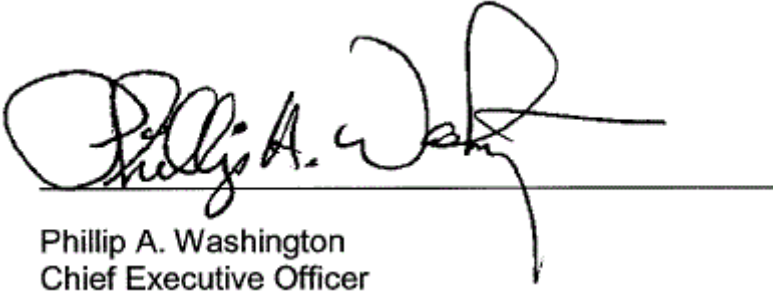
We welcome the opportunity to answer any questions from Mr. Chairman or from members of this committee.

### **ATTACHMENTS**

Attachment A - October 2016 - Legislative Matrix

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