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Agenda Number: 34.

EXECUTIVE MANAGEMENT COMMITTEE MAY 16, 2019

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 Senior Director, Federal Affairs**

Chair Kuehl 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 May 1, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on May 16, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

Reauthorization/Trump Infrastructure Plan

Congressional leaders continue to talk about the prospect of passing an infrastructure investment package as well as the need for Congress to begin to start the process for crafting the next surface transportation authorization bill. At the time of writing this report, Speaker Pelosi and Leader Schumer met with the President to outline the framework of an infrastructure package. The Congressional Leaders reported that an agreement on a \$2 trillion package was reached. The group is scheduled to meet again to talk about the most important aspect to any plan - a pay for. The current bill that authorizes all transportation programs expires at the end of September 2020.

Metro Government Relations continues to be engaged with Congressional offices as the process develops. Additionally, we distributed a number of draft issue fact sheets for use by our Board of Directors to advocate for an infrastructure package at the federal level. We remain available to update our Board of Directors with the latest information that will reflect changing dynamics as the prospects of an infrastructure bill advances in Washington, DC.

Federal Budget for Fiscal Year 2020

Last month, the White House released its Fiscal Year 2020 budget request to Congress that included a 18% cut to discretionary transportation programs that are funded outside of the Highway Trust Fund. The budget request did support a small amount of funding (\$500M) available for new transit rail projects that are in the Capital Investment Grant pipeline. Lastly, the White House did request an increase in funding for the INFRA and BUILD grant programs - an additional \$1 billion for INFRA and \$250 million for BUILD above FY18 levels.

On the Congressional side, both House and Senate Appropriations Subcommittees have held hearings on the Administration's budget request. By the end of May, it is likely that a mark-up for the bill will be scheduled. One sticking point that will impede the Committees' ability to move a bill beyond mark-up is the lack of a two-year budget agreement that allows for defense and non-defense budget caps to be set. Without this agreement, which expired this year, the House and Senate will use different top line numbers making it very hard for negotiations to happen on final passage of any appropriations bill.

INFRA and BUILD Grants for Fiscal Year 2019

As we noted to Board members last month, Metro submitted two INFRA grant applications for the 57/60 Confluence Chokepoint project and the 105 ExpressLanes project

We have - as we always do - engaged a broad array of stakeholders to ensure that our grant applications have the best opportunity of being approved by the USDOT. We don't expect to see the award for this grant until later in the summer.

As was reported last month, the Notice of Funding Opportunity for the BUILD Grant Program was issued. Metro's planning department is reviewing projects that will compete best for this available funding.

Local Hire Pilot Program

Consistent with our Legislative Program, Metro continues to actively support a change in federal law that will allow Local Hire programs to resume on federally funded projects.

Conclusion

Chair Kuehl - I look forward to expanding on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

**Executive Management Committee
Remarks Prepared By Michael Turner
Deputy Executive Officer, Government Relations**

Chair Kuehl 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 May 1, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on May 16, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

State Legislative Process Update

May 31, 2019 marks the deadline for each house to approve and move legislation to the next house for consideration. Thousands of spot bills were amended in the first year of the legislative session and new provisions are being developed and amended through the policy committee review process. Bills with fiscal impacts are being heard in Appropriations Committees in each respective house. May 17, 2019 will be the final day in which each house will dispense of hundreds of bills that have fiscal impacts to the state's budgets. A number of bills that Metro has positioned on will be up for consideration in Appropriations Committees in the coming weeks, and staff will continue to communicate the Board's positions on these measures.

Governor Newsom May Revision

Governor Newsom will issue his May Revision to the State's annual budget on May 10, 2019. We do not anticipate major changes to the budget. In the May Revision, an updated budget will be presented for approval, with new revenue projections based on the health of the state's and nation's economy. With the state's implementation of the Wayfair, Inc. decision, we expect that additional revenue from online sales will be highlighted in the report. Ongoing discussions regarding funding for the State's High Speed Rail project, housing needs and transportation infrastructure investments will continue.

High Speed Rail Update

Metro has been invited to participate in an upcoming Assembly Committee on Transportation oversight hearing on the High Speed Rail Project in Sacramento, CA. Staff will testify in the hearing in support of the High Speed Rail project and to reiterate our support for the State's commitment to fund "book end" connectivity projects in Southern California, including upgrades to Los Angeles' historic Union Station.

California Transportation Commission

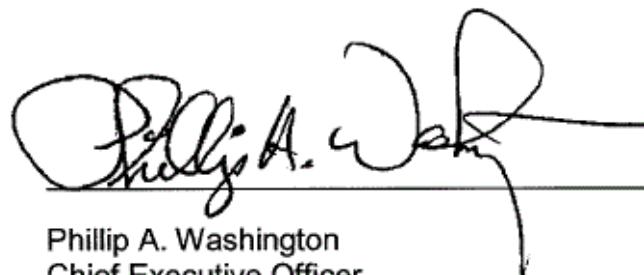
The California Transportation Commission (CTC) will hold its regular meeting on May 15-16, 2019 in San Diego, CA. Commissioners will consider a number of items related to Metro's programming. Also, of note, staff will likely consider the impacts of proposed legislation on the State's Active Transportation Program. The agenda for the meeting has not been posted as of the drafting of this report.

Conclusion

Chair Kuehl - I look forward to expanding on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

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A handwritten signature in black ink, appearing to read "Phillip A. Washington". The signature is fluid and cursive, with a large, stylized 'P' at the beginning.

Phillip A. Washington
Chief Executive Officer