Los Angeles County Metropolitan Transportation Authority One Gateway Plaza 3rd Floor Board Room Los Angeles, CA



Board Report

File #: 2024-0209, File Type: Informational Report

Agenda Number:

EXECUTIVE MANAGEMENT COMMITTEE APRIL 18, 2024

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE April 2024 State and Federal Legislative Report.

DISCUSSION

Executive Management Committee Remarks Prepared by Raffi Haig Hamparian Government Relations, Deputy Executive Officer: Federal Affairs

Chair Bass and members of the Executive Management Committee, I am pleased to provide an update on several key federal matters of interest to our agency. This report was prepared on March 22, 2024, and will be updated, as appropriate, at the Executive Management Committee meeting on April 18, 2024. The status of relevant pending legislation is monitored on the <u>Metro Government</u> <u>Relations Legislative Matrix http://libraryarchives.metro.net/DB Attachments/240412%20-% 20April%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf>, updated monthly.</u>

Federal Government: Funding Bill Status

Last month, President Biden signed into law the Consolidated Appropriations Act (H.R. 4366) on March 9, 2024. This measure included spending for federal transportation programs for the balance of Federal Fiscal Year 2024.

With the passage of this measure, Metro can expect to receive the following funding for several of our transit capital projects, including \$478 million for the Westside Purple Line Extension Section 3, \$165 million for the Westside Purple Line Extension Section 2 Project and \$66.9 million for the East San Fernando Valley Transit Corridor Project.

The passage of this spending measure will also guarantee that our agency will also receive funding from several federal formula programs that deliver more than \$600 million to our agency on an annual basis.

White House Budget for Fiscal Year 2025

Last month, the White House issued their Fiscal Year 2025 Budget which proposed that Congress provide funding that would permit the Federal Transit Administration (FTA) to allocate \$315.7 million for Metro's Westside Purple Line Extension (WPLE) Section 3. This funding recommendation would serve to close out, consistent with the dollar amounts outlined in the Full Funding Grant Agreements between FTA and Metro, the federal commitment of over \$3.7 billion for the three sections of the WPLE. Federal support through the FTA's Capital Investment Grant (CIG) Program for the WPLE Section 3 amounted to \$1.3 billion, which is similar to the CIG funding provided for WPLE Sections 1 and 2 that are now fully allocated (\$1.25 billion and \$1.19 billion, respectively). In addition, the Federal Government provided significant Transportation Infrastructure Finance and Innovation Act low-interest loans for WPLE Section 1 (\$856 million) and WPLE Section 2 (\$307 million).

Metro will be working closely with the Los Angeles County Congressional Delegation to ensure that Congress appropriates funding in the Fiscal Year 2025 Transportation, Housing and Urban Development spending bill that will permit the FTA to conclude their final allocation of CIG funds for the WPLE Project.

Los Angeles County Congressional Delegation

As is our standard practice, our Government Relations team remains in close contact with professional staffers working for members of the Los Angeles County Congressional Delegation to ensure the free and accurate flow of information on Metro related projects and initiatives. The communication includes staff members operating out of Capitol Hill offices in Washington, DC and congressional aides working out of the respective district offices maintained by members of the Los Angeles County Congressional Delegation.

Over the past month, we have interacted with a variety of congressional offices, providing timely and accurate information on Metro projects in their respective districts.

Transit Operator Safety

As we have emphasized on a regular basis, Metro is working with the Los Angeles County Congressional Delegation to enhance transit operator safety. The Urban Institute (based on data from the National Transit Database) has issued a report that transit operator assaults tripled from 2008 to 2022. Given this sobering fact, we will continue to keep the Board apprised of our work on this important matter, including specific actions we are able to take in partnership with members of the Los Angeles County Congressional District.

U.S. Department of Transportation/2028 Olympic and Paralympic Games

Metro was pleased that our Reconnecting Communities grant, submitted along with a long list of partners, was favorably considered by the U.S. Department of Transportation (USDOT) last month. The total federal grant award was in the amount of \$139 million.

Working with a broad array of partners and key stakeholders, we look forward to expanding and enhancing our work with USDOT in the coming months.

Federal Transportation Grants

In addition to the Olympics-related Reconnecting Communities Grant awarded to our agency by the USDOT, Metro was pleased to secure a second grant from this program for the Humphrey's Avenue Crossing Project. This grant submitted in partnership with CALTRANS and the County of Los Angeles, was in the amount of \$9.9 million.

Last month we were also pleased to secure a USDOT Smart Grant in the amount of \$2 million for our Rail Crossing Optimization initiative.

With respect to other federal grant programs, Metro looks forward to submitting an application, in the near future, for the FTA's Bus and Bus Facilities and Low-No Emissions Grant Programs.

Likewise, we remain engaged with the Environmental Protection Agency (EPA), which is making grant opportunities, like the Climate Pollution Reduction Grants (CPRG), available through the Inflation Reduction Act. We look forward to the EPA favorably reviewing our CPRG application in the coming months.

As we always do with our federal grant requests, we will work closely with LA County Congressional Delegation members to solicit their support for our pending and future grant applications.

Conclusion:

Chair Bass and committee members, I look forward to expanding on this report at the Executive Management Committee meeting slated for April 18, 2024, with any new developments that may occur over the next several weeks.

Executive Management Committee Remarks Prepared by Madeleine Moore Government Relations, Deputy Executive Officer

Chair Bass and members of the Executive Management Committee, I am pleased to provide an update on several state matters of interest to our agency. This report was prepared on March 22, 2024, and will be updated, as appropriate, at the Executive Management Committee meeting on April 18, 2024. The status of relevant pending legislation is monitored monthly on the <u>Metro Government</u> <u>Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/240412%20-%</u> 20April%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf>.

Budget Update

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On Thursday, March 14, Senate President pro Tempore Mike McGuire and Senate Budget and Fiscal Review Committee Chair Scott Wiener released a plan by Senate Democrats to take early action on the state budget, aiming to reduce the projected budget shortfall. The "Shrink the Shortfall" plan, which would reduce the budget gap by over \$17 billion, concurs with the Governor's January budget proposal about the Transit and Intercity Rail Capital Program (TIRCP) funding. The Shrink the Shortfall plan would delay by one year \$1 billion of the remaining \$2 billion from the previous two years' budget agreement, with minimal programmatic impact.

On Wednesday, March 20, Governor Gavin Newsom released a statement saying that he, pro Tem McGuire, and Speaker of the Assembly Robert Rivas had agreed to early action on the budget, an agreement worth \$12 to \$18 billion, to address the shortfall. Details of the early action agreement are expected to be released before the April 18 Executive Management Committee date, and Metro staff will have an update for the Board at that time.

The Senate and Assembly Budget Subcommittees continue to meet to discuss specific items in the Governor's budget proposal, and Metro has been providing comment at these hearings through our Sacramento representatives, advocating for maintaining the level of transportation funding agreed to in the past two years by the Legislature and Governor. The next major milestone in the budget process will occur in May with the release of the Governor's May Revision, which considers actual state revenues. Metro will stay engaged with the process until and after then, with regular communication and a visit to Sacramento to advocate for maintaining the proposed spending levels from SB 125.

Legislative Update

Throughout March, bills in the Senate and Assembly have begun to be amended, many from their previous spot or intent form. These bills include Metro's sponsored ethics-related legislation, AB 3123, by Assemblymember Reggie Jones-Sawyer (D - Los Angeles). AB 3123 is currently awaiting referral to one or more policy committees, and staff will have a more complete update on this sponsored legislation at the time of the Executive Management Committee.

Additionally, AB 761 by Assemblymember Laura Friedman (D - Glendale), a Metro-supported measure, awaits its next committee hearing. AB 761 would extend the available EIFD tax increment period from 45 years to 75 years for districts intended to fund zero-emission LA Metro transit projects with federal financing through Transportation Infrastructure Finance and Innovation Act (TIFIA) loans. As this and other bills continue to be amended and move through the legislative process, Government Relations may bring specific bills to the Board for consideration.

State Equity Analysis

Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento to address any equity issues in proposed bills and the budget process.

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

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Madeleine Moore, Deputy Executive Officer, Government Relations, (213) 922-4604 Raffi Hamparian, Deputy Executive Officer, Government Relations, (213) 922-3769

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

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Chief Executive Officer