

**Board Report**

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**REGULAR BOARD MEETING
MAY 23, 2024****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE May 2024 State and Federal Legislative Report.

DISCUSSION**Remarks Prepared by Raffi Haig Hamparian
Government Relations, Deputy Executive Officer: Federal Affairs**

Chair Bass and members of the Board, I am pleased to provide an update on several key federal matters of interest to our agency. This report was prepared on April 18, 2024, and will be updated, as appropriate, at the Regular Board Meeting on May 23, 2024. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/240516%20-%20May%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](https://libraryarchives.metro.net/DB_Attachments/240516%20-%20May%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf), updated monthly.

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 regularly, 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 fact, we will keep the Board apprised of our work on this important matter, including specific actions we can take in partnership with members of the Los Angeles County Congressional District.

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

Metro is pleased that we are working with a broad array of partners - consistent with the Board motion offered by Director Solis and adopted by the Board - to secure strong financial support for our agency's efforts related to the 2028 Olympic and Paralympic Games. We look forward to replicating the success our agency enjoyed - by working with a diverse number of stakeholders - concerning our Reconnecting Communities grant application.

Federal Transportation Grants

Metro is currently working in partnership with the Los Angeles County Department of Public Works, the Orange County Transportation Authority, Metrolink, and the City of Anaheim in relation to the Environmental Protection Agency's (EPA) Climate Pollution Reduction Grant (CPRG) Program. This funding is available through the Inflation Reduction Act. We look forward to the EPA favorably reviewing our CPRG application in the coming months.

Metro is also advancing a major funding request through the Federal Transit Administration's Buses and Bus Facilities and Low or No Emissions Grant Program. We look forward to aggressively pursuing a request for Zero Emission Buses and accompanying equipment needed to operate these new vehicles. Our grant request also includes a strong workforce development component.

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

OMB - Updated Guidance

Mindful of the consequential OMB actions being made this week, Metro is proud that we were the first transit agency in the nation to adopt a PLA with national targeted hiring goals for federally funded projects with FTA approval. Metro's Board approved the PLA and Construction Careers Policy (CCP) of Directors on January 26, 2012. Subsequently, Metro's Board of Directors acted to renew the PLA and CCP on January 26, 2017 and negotiated with the Los Angeles/Orange County Building Construction Trades Council to help facilitate the timely completion of transit projects across Los Angeles County. Metro's PLA and CCP have been successfully implemented since 2012 on nearly 60 Metro projects. This has resulted in over \$559 million in wages paid to targeted workers and over \$104 million in wages paid to disadvantaged individuals. Additionally, since May 2021, Metro has applied a Pilot Local Hire Initiative to over 10 PLA/CCP construction projects, resulting in over \$78 million of wages paid to local targeted workers and over \$18 million in wages paid to disadvantaged individuals of Los Angeles County.

As Metro adopts a permanent "local hire" program, Metro's PLA and CCP Local Hire efforts will be permanent on federal and state-funded construction projects.

Metro is pleased to have worked with a variety of key stakeholders, including Jobs to Move America

and the Los Angeles/Orange Counties Building & Construction Trades Council, to advance the reforms made in the OMB's 2024 Revisions of their Uniform Guidance. With the full support of Metro's Board of Directors, our agency has worked together with these key organizations and other institutions and stakeholders across Los Angeles County to advance the reforms being implemented by the OMB.

CIG/Justice40

Metro is closely tracking the FTA's work to update its Capital Investment Grant (CIG Program. We intend to provide input to the FTA to encourage them to embed the goals of the Justice40 initiative into the CIG Program's guidance. Our actions with respect to the CIG Program and Justice40 are outlined in our Board-approved 2024 Federal Legislative Program.

Last month, the Office of Management and Budget (OMB) - the largest office within the Executive Office of the President of the United States - released the 2024 Revisions of their Uniform Guidance document. As noted by the OMB, "this updated guidance represents a significant milestone in the management of Federal funds and is the product of extensive engagement with many stakeholders throughout the grants community."

Notably for our agency, the 2024 Revisions of the Uniform Guidance that OMB released today serve to clarify that the Code of Federal Regulations (CFR) Part 200 does not prohibit recipients and subrecipients from using Project Labor Agreements (PLA) or similar forms of pre-hire collective bargaining agreements. Likewise, the document confirms that the CFR Part 200 does not prohibit "requiring commitments or goals to hire people residing in high-poverty areas, disadvantaged communities as defined by the Justice40 Initiative or high-unemployment census tracts within a region no smaller than the county where a federally funded construction project is located, provided that a recipient or subrecipient may not prohibit interstate hiring." The OMB also moved to remove the federal prohibition on using geographic hiring preferences - popularly known as the practice of "local hire." Metro worked with our current Chair, Los Angeles Mayor Karen Bass, for many years to reform federal local hiring regulations. As a member of Congress, Chair Bass authored and championed the Local Hire Act, a decisive piece of legislation that bolsters efforts by our agency and others around the nation to reform federal local hire rules.

Remarks Prepared by Madeleine Moore Government Relations, Deputy Executive Officer: State Affairs

Chair Bass and members of the Board, I am pleased to provide an update on several state matters of interest to our agency. This report was prepared on April 19, 2024, and will be updated, as appropriate, at the Regular Board Meeting on May 23, 2024. The status of relevant pending legislation is monitored monthly on the [Metro Government Relations Legislative Matrix](https://libraryarchives.metro.net/DB_Attachments/240516%20-%20May%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf).
<https://libraryarchives.metro.net/DB_Attachments/240516%20-%20May%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf>

Budget Update

In early April, Governor Gavin Newsom, Senate pro Tem Mike McGuire, and Speaker Robert Rivas

announced a \$17 billion agreement on early actions to reduce the existing budget shortfall significantly.

The agreement includes several components to reduce the shortfall, including \$3.6 billion in reductions, primarily from one-time funding, along with \$5.2 in revenue and borrowing, \$3.4 billion in shifts from the general fund to other state funds, and \$5.2 in delays and deferrals. Consistent with the Governor's January budget proposal and the Senate's recent "Shrink the Shortfall" plan, the impact on transportation comes primarily in the proposal to delay \$1 billion in Transit and Intercity Rail Capital Program funding from the 24-25 fiscal year to the 25-26 fiscal year, while preserving an additional \$1 billion in previously-agreed-upon general fund TIRCP money for this year. AB 106, which includes part of this early budget deal, was signed by the Governor on Monday, April 15.

On Thursday, April 18, Metro CEO Stephanie Wiggins issued a letter to the Senate and Assembly leadership outlining Metro's budget priorities for this legislative session. The letter thanked the Governor and Legislature for their actions this year to preserve the critical transportation funding agreed to in the past two budget years and asks that the Legislature maintain that funding, which is crucial to transit projects in Los Angeles County and around the state.

The next step in the budget process will occur in early May, with the release of the Governor's May Revision to his January budget. The May Revision considers actual revenues from this tax season and will be released in the second week of May.

Legislative Update

The legislature continues to hold initial policy committee hearings before the April 26 deadline for those committees to hear and report on fiscal bills introduced in their initial houses. The deadline for passing nonfiscal bills is May 3rd.

Metro has one sponsored piece of legislation this year. On Monday, April 15, the Assembly Transportation Committee, chaired by Assemblymember Lori Wilson (D - Suisun City), heard and subsequently passed AB 3123 on a vote of 11-2. AB 3123, a Metro-sponsored bill by Assemblymember Reggie Jones-Sawyer (D - Los Angeles), would ensure that ethics laws that govern elected officials statewide apply equally to LA Metro's Board of Directors by repealing an outdated statute that currently only applies to those Board Members. Additionally, AB 3123 makes important changes to Metro's lobbyist registration statute, aligning reporting requirements, standards, and prohibitions with similar agencies throughout the state. AB 3123 also would codify Metro's Ethics Department's specific authority and mandate its independence. The bill will be heard in the Assembly Elections Committee on Wednesday, April 24, and staff will have a full update at the time of this full Board Meeting.

TIRCP Cycle 7

On Thursday, April 18, Metro submitted a comment letter on the TIRCP Cycle 7 Guidelines. The TIRCP is the major State transit capital funding program, and one of its primary sources is cap and trade funding. CalSTA routinely updates the guidelines for the program, and that process is underway in Cycle 7. Metro's comment letter addresses a key issue in the guidelines: a restriction on providing

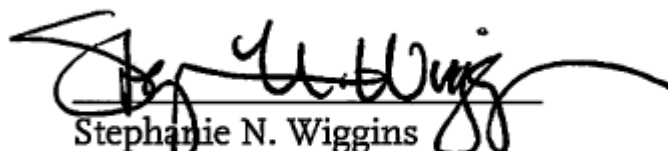
funding to a project segment if it has already received funding. Our letter addresses suggested changes to the program that would ensure key projects such as the Southeast Gateway Line can continue to receive TIRCP funds. Specifically, Metro is asking CalSTA to acknowledge the tremendous benefits that will be realized by providing the additional funding needed to complete previously awarded projects that will significantly reduce vehicle miles traveled, congestion, and GHG emissions by completing a critical link in the existing transit system resulting in increased considerably transit ridership. Metro is working with other agencies in California to advance these changes, and we will also work with our Board to advocate the inclusion of these changes in this round of the TIRCP guidelines.

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.

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