



Board Report

File #: 2024-1031, File Type: Federal Legislation / State Legislation (Position)

Agenda Number:

REVISED
REGULAR BOARD MEETING
DECEMBER 5, 2024

SUBJECT: 2025 LEGISLATIVE PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. RECEIVING the State and Federal Legislative Report;
- B. ADOPTING the proposed 2025 Federal Legislative Program as outlined in Attachment A; and
- C. ADOPTING the proposed 2025 State Legislative Program as outlined in Attachment B.

HAHN AMENDMENT: Include in Attachment B, Goal 2, support for a Transportation Bond.

ISSUE

On an annual basis, the Board adopts a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro’s authority and the transportation interests of Los Angeles County. Pursuant to the goals outlined in the Long-Range Transportation Plan (LRTP), Equity Platform, and other Board directives, staff will continue to evaluate and consider long-term strategic advocacy and legislative goals for the agency as outlined in the plan. Staff will continue to work with the implementing departments within Metro to develop the broader objectives and will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

BACKGROUND

The role of the legislative program is to clearly define Metro’s goals and objectives by securing necessary legislative authority, program funding, and regulatory actions needed at the state and federal levels. The program provides policy direction to our advocacy activities in Sacramento and Washington, DC. To achieve these important goals, Government Relations staff will implement a long

-term legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California, and Federal officials. The Legislative Program directs staff to monitor and engage in several legislative and advocacy efforts. The [Government Relations Legislative Matrix](https://libraryarchives.metro.net/DB_Attachments/241126%20-%20November%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf) <https://libraryarchives.metro.net/DB_Attachments/241126%20-%20November%202024%20-%20LA%20Metro%20Legislative%20Matrix.pdf>, updated and presented to the Board monthly, highlights several bills of interest to the agency.

DISCUSSION

A recap of legislative activities for the 2024 calendar year on the state and federal levels can be found below. The Federal and State Legislative goals, as outlined in attachments A and B, will inform the activities pursued by the Government Relations department for the upcoming calendar year. Looking forward to next year, the State is expected to continue to see volatility in its revenues. In addition, there will be significant discussion relative to the future of the State's Cap & Trade program. Metro will be working very closely with the LA County legislative delegation and the Newsom Administration to ensure that the structure of this program continues to support our region. For the State to make significant progress in reducing greenhouse gas emissions, it will be important to ensure that investments are made where those emissions are highest, and in the areas that have the highest concentration of disadvantaged communities. Investing in Los Angeles County provides the greatest opportunity to make this impact. Staff have included a specific goal in the legislative program to guide this effort.

In addition to constant collaboration with the Board and other internal Metro departments, Government Relations will continue to ensure that our legislative priorities and efforts are also coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

Federal Recap

In 2024, the agency was guided by the Board-approved Federal Legislative Program in Washington, DC.

As previously noted, the Bipartisan Infrastructure Law (BIL) (P.L. 117-58) signed into law by President Biden in November of 2021 significantly increased funding provided through key discretionary and formula grant programs such as Capital Investment Grants, Buses and Bus Facility Grants, Low or No Emission Bus Grants, State of Good Repair Grants, and Urbanized Area Formula Grants. Importantly, the bill also reformed federal Local Hire rules - permitting our agency to hire locally on projects funded in part or in whole by the Federal Government. Metro is deeply appreciative to the Biden-Harris Administration and the Los Angeles County Congressional Delegation for strongly backing the passage of the BIL.

Metro achieved several important successes in partnership with the Federal Government in calendar year 2024.

1. In March of 2024, the agency secured \$139 million through the U.S. Department of Transportation's Reconnecting Communities and Neighborhoods (RCN) Grant Program for our application entitled - Removing Barriers by Creating Legacy - A Multimodal Approach for LA County. These funds, in part, will support Metro's goal to provide world-class mobility for the upcoming 2028 Olympic and Paralympic Games.
2. On July 9, 2024, the agency secured a \$77.5 million Low or No Emissions grant from the Federal Transit Administration that will be used to purchase dozens of battery electric buses and install new chargers at Metro Bus Division 7 in West Hollywood. This grant also included a workforce development component and secured strong support from members of the Los Angeles County Congressional Delegation.
3. In July of 2024, because of the agency's direct advocacy, the U.S. Senate's Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development included \$200 million to enhance mobility plans for the upcoming 2028 Olympic and Paralympic Games in their Fiscal Year 2025 Transportation, Housing and Urban Development spending bill. Staff are working with stakeholders in the House and Senate to ensure these funds remain in the final transportation spending measure signed into law by the President.
4. On September 6, 2024, the agency concluded a Full Funding Grant Agreement in the amount of \$893 million for the East San Fernando Valley Light Rail Transit Project. Metro's Government Relations team had worked for years with key federal stakeholders, including U.S. Senator Alex Padilla and Congressman Tony Cardenas, to ensure this project could move forward with significant support from the U.S. Department of Transportation.
5. In July of 2024, Metro was pleased to coordinate a visit by Secretary of Transportation Pete Buttigieg, who held a series of highly successful events and site visits with our agency. At a major event at Exposition Park and later at Metro Bus Division 13, Secretary Buttigieg and our Chair Janice Hahn - along with other Board members - highlighted a series of federal investments provided to our agency in the last several months. The following day Secretary Buttigieg and Director Solis had the opportunity to visit the site of the Humphries Bridge Crossing Project (which received a \$9.7 million RCN Grant) - which Metro will be building in partnership with Caltrans and Los Angeles County Department of Public Works.
6. On September 17 and 18, 2024, Metro worked with Board Chair Hahn as she led a delegation of officials from the Gateway Council of Governments on an ambitious trip to Washington, DC to advocate for the Southeast Gateway Line. Specifically, Chair Hahn's trip focused on ensuring that the Southeast Gateway Line - Metro's top priority for the Federal Transit Administration's Capital Investment Grant Program - is included in the FTA's Fiscal Year 2026 New Starts Report. The delegation held high-level meetings with White House infrastructure officials, with senior aides for Secretary Pete Buttigieg at the U.S. Department of Transportation, and with federal elected officials including U.S. Senator Alex Padilla (D-CA), U.S. Senator Laphonza Butler (D-CA), U.S. Senator Brian Schatz (D-HI), and Congressmembers Adam Schiff (D-CA) and Robert Garcia (D-CA). Participants in the delegation also had an opportunity to discuss the status of the Southeast Gateway Line with senior professional aides for both the House Transportation and Infrastructure Committee and the Senate Banking, Housing and Urban Affairs Committee - both of which have jurisdiction

over transit related matters in Congress.

7. Throughout the year, the CEO also hosted visits by senior federal officials, including FTA Deputy Administrator Veronica Vanterpool, Federal Railroad Administrator Amit Bose, Build America Bureau Executive Director Dr. Morteza Farajian, among others, to learn more about the agency's responsible use of federal funds to enhance mobility across Los Angeles County.

On another important federal matter, Metro staff continued to be actively engaged in a dialogue with the U.S. Department of Transportation as they continue to embed the Justice40 Initiative in their many grant programs, with the goal of delivering 40 percent of the benefits from federal investments to disadvantaged communities across the United States.

Metro looks forward to working closely with the incoming 119th Congress and the next Administration to leverage our local funding to advance transit, highway, and other effective mobility projects across Los Angeles County - in addition to building support to secure major federal funding for mobility initiatives related to the upcoming 2028 Olympic and Paralympic Games. The complete 2025 Federal Legislative Plan is outlined in Attachment A.

State Recap

During the 2024 State Legislative Session, the California Legislature and Governor Newsom were primarily focused on homelessness, education, housing, as well as climate and infrastructure issues. The legislature passed a number of proposals that focused on that state's climate change goals, transportation projects, workforce recovery, and funding to support efforts to end homelessness. The Legislature also held its second Extraordinary Session of the two-year cycle, regarding oil and gas pricing. The following summarizes the 2024 legislative session and Metro's advocacy efforts surrounding the budget and legislation relevant to Metro's projects and programs.

State Budget

Metro staff continued to engage in the budget process through working with members of the LA County Delegation in order to ensure that LA County would receive its proportionate share of transportation resources.

In January, Governor Gavin Newsom released his budget proposal for the upcoming fiscal year as the State faced a projected \$37.9 billion budget deficit. This deficit number differed from the recent LAO-projected \$68 billion deficit over three fiscal years. To close this projected deficit, the Governor proposed tapping \$13 billion from the State's reserve funds, reducing spending by \$8.5 billion, and implementing funding delays and shifts.

The Governor's initial proposal included maintaining \$13.6 billion of the \$13.8 billion in transportation spending from the 2022 Budget Act. The reduction was primarily the result of a proposed \$200 million cut to the Active Transportation Program. The Governor also proposed a delay of \$1 billion of formula TIRCP funds to fiscal year 2025-26 while keeping \$1 billion for this program in 2024-25. Additionally, the budget proposal included delays in funding for competitive TIRCP cycles to align with expenditure schedules and shifting certain transportation funds from the general fund to the Greenhouse Gas Reduction Fund. There were no programmatic impacts to either of these two proposals. There was also no proposed change to the \$1.1 billion for the Zero Emission Transit Capital Program.

In early April, Governor Gavin Newsom, Senate President pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas announced a \$17 billion agreement on early actions to significantly reduce the existing budget shortfall, ahead of the May Revision and final budget deliberations in June.

On April 18, CEO Wiggins issued a letter to leadership in the Senate and Assembly, outlining Metro's budget priorities for the legislative session. The letter thanked the Governor and Legislature for their actions so far 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 so crucial to transit projects in Los Angeles County and around the state. In late April, the California Department of Finance directed agency secretaries and department heads to freeze spending as was authorized under the early action budget agreement between Gov. Gavin Newsom and legislative leaders. This action froze SB 125 TIRCP funding that was passed in last year's budget and was due to be sent to Metro by April 30th.

On May 10, Governor Newsom released the May Revision to his budget proposal for the upcoming fiscal year. The May Revision included budgetary impacts to many areas of State government. Overall, the Revision includes the following in budget solutions: \$4.2 billion in reserves, \$3 billion in efficiencies, \$15.2 billion in reductions, \$14.9 billion in pauses and shifts, and \$7.5 billion in revenues and borrowing. For transportation, the impacts primarily come from fund shifts for the Transit and Intercity Rail Capital Program, along with cuts to the Active Transportation Program. The May Revision maintains the formula TIRCP (\$4 billion) and the Zero Emission Transit Capital Program (\$1.1 billion) funding levels. The Revision shifts \$555.1 million from General Fund to the Greenhouse Gas Reduction Fund above what was proposed in the Governor's Budget, for a total of \$1.3 billion in proposed fund transit shifts. These fund shifts are not expected to have any programmatic impact.

Reductions to transportation were more limited. The May Revision reduced \$148 million not used for awarded projects from the competitive Transit and Intercity Rail Capital Program. The Revision also included an additional \$400 million in Active Transportation Program reductions, for a total of \$600 million over the next few fiscal years.

In mid-June, Governor Newsom, Senate President pro Tempore Mike McGuire, and Assembly Speaker Robert Rivas announced a three-party agreement on the state budget for the 24-25 fiscal year. This agreement was contained in AB 108 and SB 108, with an additional series of trailer bills, including a transportation trailer bill, SB 173.

Crucially, the budget deal maintained \$5.1 billion for public transit capital projects and operations from last year's budget, while adopting the appropriation schedule from the two-party agreement between the Senate and Assembly earlier this year. The appropriation schedule for this transit funding is as follows:

\$4 billion for the formula-based Transit and Intercity Rail Capital Program (TIRCP) funding appropriated as follows:

- \$2 billion is appropriated in Fiscal Year 2023-24
- \$1 billion is appropriated in Fiscal Year 2024-25
- \$1 billion is approved for appropriation in Fiscal Year 2025-26

\$1.1 billion for the formula-based Zero-Emission Transit Capital Program appropriated as follows:

- \$190 million is appropriated in Fiscal Year 2023-24
- \$220 million is appropriated in Fiscal Year 2024-25
- \$230 million is approved for appropriation in Fiscal Year 2026-27
- \$460 million is approved for appropriation in Fiscal Year 2027-28

Governor Newsom signed the final budget deal in late June. The budget deal also rejected cuts to the Active Transportation Program and provided \$260 million for the Regional Early Action Planning (REAP 2.0) program. Finally, while the Safety Grade Separations Program was originally proposed to be cut by \$350 million, the deal partially restored this funding, for a total allocation of \$150 million.

In July, the California State Transportation Agency (CalSTA) released the first allocation of SB 125 (2023) funding, totaling over \$1.9 billion to regional transportation planning agencies statewide. These funds were due to be disbursed in April, prior to the Department of Finance funding freeze. With the recent passage of the state budget, this freeze was lifted.

Metro's full SB 125 allocation package includes funding for the A Line (Gold) Foothill Extension Project, the Southeast Gateway Line Project, and zero emission bus and charging infrastructure. The authorization in July meant that Metro received a disbursement of \$498.65 million in Transit and Intercity Rail Capital Program funding for the Foothill Extension Project. Additionally, Metro received \$119.49 million in Zero Emission Transit Capital Program funding for buses and charging infrastructure. Additional funding from the allocation package will be dispersed according to the existing funding schedule, starting this fiscal year.

Metro's budget advocacy this year helped secure continued funding for the SB 125 program, and Government Relations plans to continue to advocate to protect the last allocations of this funding so that they are included in future budget deals.

Transit and Intercity Rail Capital Program Cycle 7

In October, the CalSTA announced the Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 grants for transit projects. Metro was named the recipient of \$231 million in TIRCP funds for the Southeast Gateway Line Project. This investment represents an important infusion of funds to the project that will allow us to leverage additional funding in order to bring a much-needed rail link to the Gateway Cities and was the single-largest TIRCP grant this cycle. This grant award would not have been possible without the strong advocacy of Metro's Board.

Legislative Update

In the 2024 legislative session, the advocacy efforts focused heavily on Board-directed State Legislative Program goals, as well as several proposals that would have impacted Metro programs. Metro's 2024 State Legislative priorities focused on sponsoring a bill to align Metro's ethics laws to those that govern other local officials around the state, as well as continuing to advocate for maintaining the increased funding levels for transportation for Los Angeles County.

The 2023-24 regular legislative session in Sacramento ended on August 31st. Governor Newsom had until September 30th to act on every bill that the legislature passed. Overall, this was a typical session year in terms of number of bills introduced, which was 2,159. Of those, 56% were sent to the Governor, and 84% of those bills sent to the Governor were signed.

Metro was successful in advocating for the passage and signing of our sponsored measure. Additionally, two formally supported bills were passed and signed by the Governor. The advocacy efforts for our sponsored bill included legislative support and collaboration that helped to advance each measure. Staff would like to acknowledge the Board for its forward thinking and support of the measures. Staff would also like to note that the diligent staff support from the agency was integral to the success of the measures and coalition building efforts. The bills, which will become law on January 1, 2025, are summarized below:

- AB 3123 by Assemblymember Jones-Sawyer, sponsored by Metro, will ensure that ethics laws that govern elected officials statewide apply equally to LA Metro's Board, by repealing a statute that currently only applies to those Board Members. AB 3123 also contains provisions that clarify Metro's definition of lobbying and strengthen the role of the Ethics Office.
- AB 761 by Assemblymember Friedman will extend the period of available EIFD tax increment from 45 years to 75 years for districts intended to fund zero-emission LA Metro transit projects with federal financing through TIFIA loans.
- SB 1297 by Senator Allen will authorize, until January 1, 2032, the City of Malibu to establish a speed safety pilot program for speed enforcement that utilizes up to 5 speed safety systems on Pacific Coast Highway. This bill was supported by Metro on the grounds of promoting policies that support Vision Zero.

LA County Delegation Engagement

Metro's State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation, in support of the Board-adopted Legislative program, Equity Platform, Zero-Emission Bus Plan and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC. Staff will also engage in discussions and advocate for state policies and funding opportunities as the Board approves directives to implement new initiatives that would address Metro's goals to implement the Equity Platform, reimagined public safety system, and affordable housing.

This legislative engagement also includes quarterly legislative roundtables briefings with staff, subregional project briefings, and tours with individual legislators. The legislature will reconvene for the first year of the legislative session on December 2, 2024. Government Relations staff will continue to brief staff and elected officials on Metro priorities and projects during the legislative recess.

Following the November election, the LA County Legislative Delegation in the Senate and Assembly

will undergo a number of changes to its membership. Metro is pleased to welcome these new members to the Delegation and will be coordinating with the staff of these new members to meet with CEO Wiggins. At these meetings, members are introduced to key projects in their districts and the overall structure of the operations of transportation in the County, along with information about the funding and Board structure of the agency. These meetings ensure that we are establishing good working relationships with everyone who represents a portion of the County, along with any new members of legislative leadership.

In addition to the activities described in the updates above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (the entire 2025 State Legislative Program is outlined in Attachment B). These include but are not limited to:

- Supporting the continued appropriation of transit funding through the SB 125 (2023) program.
- Supporting legislative efforts that improve Metro's ability to more efficiently implement the Board-approved multi-layered approach to safety and security, including but not limited to increased penalties for operator assaults.
- Supporting legislation that would equitably extend the Cap & Trade program beyond its current 2030 expiration.
- Supporting legislation that would enable Metro and other transit agency joint development projects to qualify for streamlining provisions under the California Environmental Quality Act;
- Working with the California Public Utilities Commission and the California Air Resources Board to advance Metro's Zero Emission Bus Program;

EQUITY PLATFORM

Adopting the 2025 State and Federal Legislative Program goals helps Metro advocate for policy changes and investments that support Metro's core riders and Equity Focus Communities. Outlining Metro's policy priorities to leadership in Sacramento and Washington, DC, is an important tool in creating equitable transportation and economic outcomes for riders of the diverse communities of Los Angeles County. The Board's adoption of the 2025 State and Federal Legislative Program Goals authorizes Metro's staff to engage directly with the state and federal legislature members who are responsible for setting policy and funding targets for the LA County region. Legislation sponsored and supported by Metro as outlined in the Goals creates greater investment opportunities, supports a better customer experience, and accelerates project delivery throughout LA County.

Ensuring 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 assess equity impacts and strategically communicate Metro's commitment to equitable transportation in our advocacy efforts.

DETERMINATION OF SAFETY IMPACT

Approval of this item supports funding for safety initiatives and rules and regulations that improve safety.

FINANCIAL IMPACT

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

ALTERNATIVES CONSIDERED

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The adoption of the 2025 State and Federal Legislation Program supports Goal #4 in the Vision 2028 Strategic Plan goals, specifically Goal #4.2: Metro will help drive mobility agendas, discussions, and policies at the state, regional, and national levels.

NEXT STEPS

Staff will continue to regularly sponsor briefings in Washington, D.C., and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees and with officials in the Presidential Administration. Staff has and will continue to emphasize briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills.

In Sacramento, staff will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders, including, the Governor, Caltrans Director, California Transportation Commission, and the California State Transportation Agency.

Staff will initiate briefings for the new members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to engage in strategic advocacy and legislative efforts related to several transportation issues and inform the Board of those efforts. Pursuant to the Board adopted Board Advocacy Plan, staff will also work closely with the Board to utilize Board members' relationships and experience in legislative matters.

ATTACHMENTS

Attachment A - 2025 Federal Legislative Program

Attachment B - 2025 State Legislative Program

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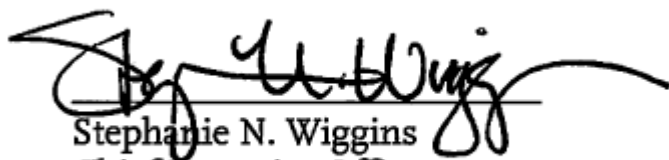
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