

**Board Report**

File #: 2018-0438, **File Type:** Informational Report

Agenda Number: 35.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 17, 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 December 24, 2018 and will be updated, as appropriate, at the Executive Management Committee meeting on January 17, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

Trump Infrastructure Plan

As Congress kicks off the 116th Congress next month - it is an open question as to whether the Trump Administration - or Congress - will move forward with an ambitious infrastructure plan.

As our CEO shared earlier this month before the Board - we do have a confluence of events occurring that may encourage both political parties to advance a meaningful infrastructure plan.

To ensure that we are not only prepared for a potential federal infrastructure plan - but ahead of the curve - our CEO has crafted a Rebuilding America initiative that seeks to build on several bi-partisan initiatives to pump new dollars into our nation's infrastructure system.

Please find at your desk a fact sheet that details the main principles underpinning the Rebuilding America initiative. We look forward to working to advance these ideas at the White House and the U.S. Capitol - in close cooperation with our Board members.

Federal Budget for Fiscal Year 2019

As of the writing of this report, the Federal Government was in the midst of a partial shutdown - with many departments - including the U.S. Department of Transportation (USDOT) - shuttered due to the lack of a funding agreement between the House, Senate and White House. On December 21, 2018 - the USDOT issued a notice - which stated in part: *“Those employees funded through sources other than annual appropriations, such as a trust fund or multi-year funding, may continue performing their normal functions. For the few employees that are funded with two sources, a lapsed source and an exempt source, if the employees have not been furloughed by virtue of the exempt source, they may only perform activities related to the exempt source.”*

We will continue to monitor the budget standoff to ensure that our Board approved Federal priorities are safeguarded in any potential resolution of this matter.

Federal Grants for Fiscal Year 2019

As we noted to Board members last year, Metro will continue applying for a number of major grants this year - including an INFRA grant, BUILD Grants and a Bus and Bus Facilities grant. We will confer closely with our Planning Department - which prepares our grant applications for submission to the USDOT for their consideration.

We will - as we always do - engage a broad array of stakeholders to ensure that our grant applications have the best opportunity of being approved by the USDOT.

Local Hire Pilot Program

Consistent with our suggested federal legislative program - we will continue to seek a productive dialogue with USDOT to urge them to restore the Local Hire Pilot Program in a manner consistent with their policy priorities.

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, this is an update on a number of the state matters of interest to our agency. This report was prepared on December 28, 2018 and will be updated, as appropriate, at the Executive Management Committee meeting on January 17, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

California State Legislative Process Update

The California State Legislature will reconvene on January 7, 2019. 2018-2019 is the first year of the two-year legislative session. Staff will bring any relevant legislation that is advanced, to the Board for consideration of an appropriate position. Staff is also, daily reviewing all bills that are introduced in the 2019-2020 Legislative Session for impacts

to the agency. Our process includes reviewing all introduced bills, identifying potential impacts to the agency, working with agency staff to review proposals and then bringing bills to the Board for consideration of a position if not otherwise outlined in our Board-approved State Legislative Program Goals.

Governor's Budget Proposal

The State Budget must be submitted to the Governor for consideration by January 10, 2019. The Legislative Analyst's Office publishes its Fiscal Outlook report each year in preparation for the upcoming budget action by the Administration and Legislature. The fall 2018 report highlights that the state is in optimal fiscal health, with the potential for reserves to reach over \$14 billion by the end of 2019-2020. The LAO stipulates that this fiscal position can change rapidly, with surplus depleting under a potential recession or with extreme tax cuts. The economy is impacted by job growth, the stock market, housing prices and a number of other factors and the LAO suggests that the Legislature should prepare accordingly. The incoming Newsom Administration will have a unique challenge and opportunity to prepare and set priorities for the coming years while the state is in good overall financial shape.

California State Legislative Transportation Policy Committee Changes

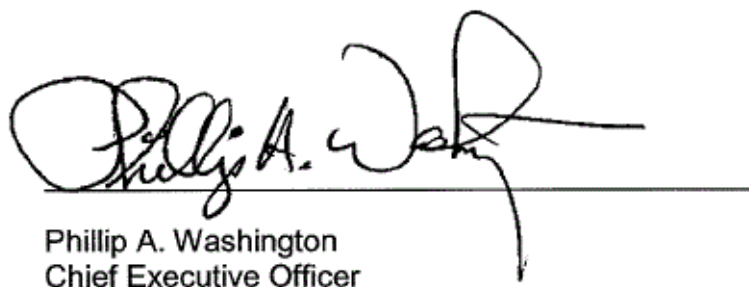
The Senate Transportation and Housing Committee has been reorganized into two separate policy committees - the Committee on Transportation and the Committee on Housing. The Transportation Committee will be chaired by Senator Jim Beall (former Chairman of the Senate Transportation and Housing Committee) while the Housing Committee will be chaired by Senator Scott Weiner. The Assembly Committee on Transportation will continue to be led by Chairman Jim Frazier and Vice-Chair Vince Fong. Staff has worked to maintain relationships with the leadership of each Transportation Committee and the Committee staff, and will continue to do so in the upcoming legislative session. Staff will work to ensure that our Board's priorities are communicated effectively as the committees consider a number of legislative issues this year.

Conclusion

Staff will expand on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

Prepared by: Michael Turner, DEO, Government Relations, (213) 922-2122
Raffi Hamparian, Senior Director, Government Relations, (213) 922-3769

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer

