



Metro

Los Angeles County
Metropolitan Transportation
Authority
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Los Angeles, CA

Board Report

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EXECUTIVE MANAGEMENT COMMITTEE APRIL 16, 2020

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 Butts and members of the Executive Management Committee, I am pleased to provide an update on several federal matters of interest to our agency. This report was prepared on April 8, 2020 and will be updated, as appropriate, at the Executive Management Committee meeting on April 16, 2020. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/200409_April_%202020-LA%20Metro%20Legislative%20Matrix.pdf) <http://libraryarchives.metro.net/DB_Attachments/200409_April_%202020-LA%20Metro%20Legislative%20Matrix.pdf>, which is updated monthly.

COVID-19 Pandemic - Federal Response

Last month, our agency - at the direction of our Chief Executive Officer - worked closely with the U.S. House of Representatives and the U.S. Senate as they worked to adopt The Coronavirus Aid, Relief, and Economic Security (CARES) Act. The legislation - which was signed into law by the President - includes over \$2 trillion in COVID-19 related funds, including hundreds of billions of dollars for direct payments to Americans, billions of dollars to bolster the nation's unemployment insurance programs, and billions of dollars to bolster the transit industry, among many other national fiscal priorities. An effort by Congressman Thomas Massie (R-KY) to call a roll call vote on the COVID-19 legislation failed - and the House promptly adjourned until March 31, 2020.

Specifically, for transit agencies nationwide, the bill is providing \$25 billion through sections 5307, 5311, 5337, and 5340 of title 49, United States Code. According to preliminary estimates by Metro's professional staff, our agency may receive approximately \$710 to \$810 million in assistance through S. 3548 - with specific terms on how these funds can be spent on matters directly related to the COVID-19 pandemic. Metro is working with relevant federal authorities, including but not limited to,

the U.S. Department of Transportation and members of the Los Angeles County Congressional Delegation, to ensure our agency takes all reasonable and prudent steps to allocate these important federal resources to their highest and best use in the midst of the COVID-19 pandemic.

Congress may, in the coming week(s), work to craft and consider additional COVID-19 related bills. It is likely that among the future COVID-19 bills slated to be considered - that one of them will focus on infrastructure spending. In that regard - our agency is prepared to offer our Board-approved Rebuilding America initiative as a template that Congress can consider when it begins work on any new infrastructure package.

Finally, we want to express our thanks to all our regional and national partners - including APTA - who worked to deliver federal funds for transit in the CARES Act.

Federal Grants

We continue to aggressively advocate for a series of federal grants being sought by our agency. These grants - which range from the BUILD, INFRA, Bus and Bus Facilities, Low or No Emissions grant programs - among others - offer a diverse array of opportunities to secure federal funding to leverage Metro's local funding.

Local Hire Pilot Program

As we have noted for the last year, the Board adopted a support position for the Build Local, Hire Local Act - introduced by Congresswoman Karen Bass (D-CA) and U.S. Senator Kirsten Gillibrand that would permit local hiring practices on federally funded transportation projects. We remain committed to working with Congress to reform current local hire prohibitions set by the Federal Government.

Conclusion

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

Executive Management Committee State Remarks Prepared by Michael Turner Deputy Executive Officer, Government Relations

Chair Butts 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 April 7, 2020 and will be updated, as appropriate, at the Executive Management Committee meeting on April 16, 2020. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/200409_April_%202020-LA%20Metro%20Legislative%20Matrix.pdf) <http://libraryarchives.metro.net/DB_Attachments/200409_April_%202020-LA%20Metro%20Legislative%20Matrix.pdf>, which is updated monthly.

California State Legislative Process Update

The California State Legislature is currently on recess, after adjourning early amidst COVID-19 public directives. Senate President Pro Tempore Toni G. Atkins and Assembly Speaker Anthony Rendon

released a statement extending the adjournment of until at least May 4, 2020. Even with the Legislature not being in session, a number of key Legislative deadlines are fast approaching and staff is working to move bills through the process. Staff will continue to provide regular updates on the legislative calendar and its potential impacts to pending legislation.

At the start of the Spring Recess, the Assembly and Senate were prepared to meet to consider over 3,000 proposals. Pursuant to the guidance of the Assembly and Senate leaders, legislative policy committees are limiting bills that will move forward this session. Staff is currently meeting with the authors of Metro's sponsored bills to determine how these changes may affect the bills going forward in this session.

Speaker Rendon Announces Appointment to California High-Speed Rail Authority

Assembly Speaker Anthony Rendon announced a new appointment to the California High-Speed Rail Authority, Andre Boutros. Boutros currently serves as Lead Instructor at the University of California's Institute of Transportation Studies at UC Berkeley and spent eight years at the California Transportation Commission, including serving as its Executive Director.

LAO Releases Review of Draft 2020 California High-Speed Rail Business Plan

The California Legislative Analyst's Office recently released a review of the Draft 2020 High-Speed Rail Business Plan. The High-Speed Rail Authority (HSRA) released this draft on February 12, to provide an update on its approach to delivering high-speed rail in California. The LAO evaluated the draft of the business plan and in its report today identified a number of considerations and potential oversight issues with the plan. The first is that the LAO considers the HSRA's schedule in both the near and long term to be ambitious, as it relies on funding that has not yet been identified. The LAO discussed the additional funding challenges in depth, including the possibility that actual costs for both the segment from Merced to Bakersfield, as well as the rest of the Phase 1 from San Francisco to Los Angeles, may be higher than anticipated.

California State Legislature Passes Emergency Funding Bills in Response to COVID-19

Before the adjournment, the California State Senate and Assembly also passed two emergency budget bills in response to the crisis posed by COVID-19. SB 89 includes provisions to fund the increase of the delivery of life saving care and protect Californians during the COVID-19 health crisis. The bill provides \$500 million in emergency funding, which can be increased in \$50 million increments up to a total not to exceed \$1 billion. The bill's funding provisions will enable the state to provide funding for hospitals, hotel beds and outreach efforts to support people experiencing homelessness, funding for hospital equipment and care facilities.

SB 117 will fund the implementation Governor Newsom's Executive Order on Education, and which will increase protective equipment, supplies, and cleaning for schools, and ensure districts will not lose expected revenue over Coronavirus-related closures. Metro staff will continue to remain engaged with members of the Los Angeles County delegation and other members the State Legislature and Executive branch as actions are taken and funding becomes available in response to COVID-19. Staff will continue to update the Board as information becomes available.

California Department of Finance Prepares for Anticipated Economic Slowdown

The California Department of Finance (DOF) Director Keely Bosler sent a letter to the Senate and

Assembly Budget Committee leaders to inform them that, due to an anticipated steep drop in anticipated revenues related to the COVID-19 pandemic, the state planned to transition to a "workload" budget for the 2020-21 year. Director Bosler outlined that the DOF would not be requesting any adjustments to the state's budget, which are normally released on April and May 1.

The Legislature acted to direct \$1.1 billion of General Fund dollars to support the Governor's state of emergency declaration. California's State Budget is very dependent upon revenues from personal income taxes and the performance of the stock market. A long-term economic slowdown will result in significantly lower tax revenues for the State of California. The letter from DOF is an indication that the State is expecting the reductions in revenues and taking steps to prepare for that eventuality.

CTA Requests \$1 Billion in Emergency Relief Funding from the State

The California Transit Association (CTA) has issued a letter to both the Governor and the leaders of the State Senate and Assembly on behalf of its membership, requesting at least \$1 billion in emergency state funding to California transit agencies, to offset actual and anticipated revenue losses during the next four to six months, amid the COVID-19 pandemic. CTA also asks the state's leaders to consider what the pandemic means for the long-term health of transit agencies in the state, given funding challenges that will accompany an expected drop in local sales tax revenue.

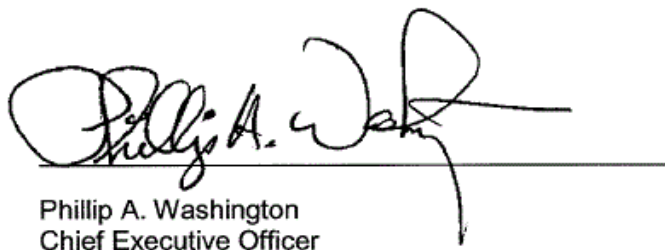
Metro continues to work closely with the California Transit Association to ensure that Metro's needs are being fully considered in any collective ask to the state. CTA has also convened a COVID-19 Transit Crisis Relief Task Force to coordinate advocacy efforts statewide. In support of CTA's request, Metro also issued a letter to the Governor and legislative leaders to outline Metro's growing funding needs.

Conclusion

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

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