



Board Report

File #: 2021-0343, **File Type:** Motion / Motion Response

Agenda Number: 8.1.

FINANCE, BUDGET, AND AUDIT COMMITTEE MAY 19, 2021

Motion by:

DIRECTORS BUTTS, SOLIS, NAJARIAN, DUPONT-WALKER, AND DUTRA

Related to Item 8: Fiscal Year 2022 (FY22) Budget

Last month this Board authorized Grants Management staff to develop and implement targeted CIG/EPD legislative and FTA engagement strategies that support securing grants for the three priority projects; the West Santa Ana Branch (WSAB) Transit Corridor and Sepulveda Transit Corridor Projects and the East San Fernando Valley (ESFV) Transit Corridor Project as Metro's priority for pursuing grant funding from the FTA.

In addition to these priorities, this Board has before it proposals for the FSI, Better Bus, CAPTI, and Programs / projects that also will require further Federal and State grant funding.

Currently there is a team of six (6) FTEs managing an overall Federal and State grant awards portfolio of \$13B. The number and amount of Federal and State grants and the Grants team's workload have increased dramatically in the last 5 years given the team's unparalleled success in securing the awards of \$9B in competitive and \$4B in formula grants for Los Angeles. Since 2017 the State grant program alone has increased six-fold with the introduction and implementation of SB1, with no new FTEs assigned to its management and compliance activities. On the Federal Grants team, the three staff members focused on the Federal grants manage approximately \$2.2B of grants activities each.

Industry best practice at the agencies with whom we compete directly for these funds limits the dollars managed per grant manager to around \$500M. This disparity puts at direct risk Metro's ability to continue to maintain its place as the leading transit agency acquirer and administrator of federal grant dollars in the country.

Given the current Grants Management under-staffing and Metro's broad scope of grant funding ambitions, there just aren't enough FTEs on the team to handle the work. At least three (3) net-new FTEs are essential and the onboarding process for these new FTEs needs to begin as soon as possible. The one (1) FTE already included in the proposed budget is already seceded to FTA and is not working exclusively on Metro-related projects.

It is important to note that the grant management funding for any increase in positions for this work

already exists within the agreements, and is mandated as part of most Federal and State grants we receive, varying from 1-5% of the total grant amount. Metro has not restricted these funds for grant management purposes.

SUBJECT: AMENDMENT TO PROPOSED FY22 METRO BUDGET

RECOMMENDATION

APPROVE Motion by Directors Butts, Solis, Najarian, Dupont-Walker, and Dutra that the proposed FY 22 Budget be amended to reflect the addition of three (3) FTEs for Grants Management reflecting a total of four (4) FTEs for the Grants Management Team.