



Board Report

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EXECUTIVE MANAGEMENT COMMITTEE SEPTEMBER 15, 2022

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE September 2022 State and Federal Legislative Report.

DISCUSSION

Executive Management Committee Remarks Prepared by Raffi Haig Hamparian Government Relations Senior Director, Federal Affairs

Chair Najarian and members of the Executive Management Committee, I am pleased to provide an update on several key federal matters of interest to our agency. This report was prepared on August 29, 2022, and will be updated, as appropriate, at the Executive Management Committee meeting on September 15, 2022. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/9%20-%2020220901-September-2022%20-%20LA%20Metro%20Legislative%20Matrix_.pdf>](http://libraryarchives.metro.net/DB_Attachments/9%20-%2020220901-September-2022%20-%20LA%20Metro%20Legislative%20Matrix_.pdf), which is updated monthly.

This report is squarely focused on four subjects - the federal appropriations process, the continuing implementation of the Bipartisan Infrastructure Law, the new CHIPS bill, and Justice40.

Federal Appropriations Process

The House and Senate continue to move forward - albeit slowly - on their transportation spending measures for the Fiscal Year 2023. Guided by our Board-approved Federal Legislative Program, we have been urging House and Senate appropriators to ensure that the spending measures for the coming federal fiscal year track the level of spending authorized through the Bipartisan Infrastructure Law that was signed into law by President Biden late last year.

At present, it is unclear if Congress can pass their spending bills before the end of the Federal Fiscal Year on September 30, 2022. There is a chance that Congress may adopt a Continuing Resolution to keep the federal government operating through the calendar year.

Bipartisan Infrastructure Law

As I emphasized in my July report to the Board - thanks to the hard work of many Metro professional staff members - led by our Planning Department - Metro is continuing to submit a number of grant requests with the U.S. Department of Transportation. We have several pending federal grant requests - including a \$400 million federal grant request for the WSAB Transit Corridor Project and a \$45 million federal grant request for the I-105 ExpressLanes Project. As the Board was made aware by our CEO this month, our agency successfully secured a \$104 million federal grant request for electric buses and electric charging infrastructure operating out of Metro Divisions 9 and 18. We hope to continue to receive favorable responses from the U.S. Department of Transportation on our grant requests in the coming months. In this regard - we appreciate the strong support members of the Los Angeles County Congressional Delegation have provided for our federal grant requests - along with strong support from our Metro Board members and key labor, business, and community groups across our county.

Congressional Competitiveness and Innovation Bills

Metro is very pleased that President Biden signed into law the CHIPS bill - which may benefit our Center for Transportation Excellence initiative.

We are deeply appreciative to members of the Los Angeles County Congressional Delegation - including Congresswoman Grace Napolitano (D-CA) and U.S. Senator Alex Padilla (D-CA), among others - for backing our work to ensure that this measure - in its final form - can serve to support our Center for Transportation Excellence initiative to manufacture rolling stock in Los Angeles County. As I have noted previously, earlier this year, a group of Los Angeles delegation members led by Congresswoman Napolitano sent a letter to Congressional leadership expressing support for provisions in the bill that could provide significant federal funding opportunities for Metro to pursue in order to move the Center for Transportation Excellence forward.

Justice40 Initiative

Metro continues to be in close contact with the Federal Transit Administration and the Office of the Secretary of Transportation with respect to their ongoing work in updating their guidelines for the Capital Investment Grant (CIG) program - with a keen eye on including the aims of the Administration's Justice40 initiative. Metro believes many of our mobility enhancing projects - especially the West Santa Ana Branch Transit Corridor Project - will significantly benefit from having the CIG program modified to reflect the goals of the Justice40 initiative.

I look forward to keeping Board members apprised of our continuing efforts on this important matter.

Conclusion

Chair Najarian - I look forward to expanding on this report at the Executive Management Committee meeting slated for September 15, 2022, with any new developments that may occur over the next several weeks.

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

Chair Najarian and members of the Executive Management Committee, I am pleased to provide an update on several state matters of interest to our agency. This report was prepared on August 30, 2022, and will be updated, as appropriate, at the Executive Management Committee meeting on September 15, 2022. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/9%20-%202020901-September-2022%20-%20LA%20Metro%20Legislative%20Matrix_.pdf>](http://libraryarchives.metro.net/DB_Attachments/9%20-%202020901-September-2022%20-%20LA%20Metro%20Legislative%20Matrix_.pdf), updated monthly.

Update on Sponsored Bills

The final day of the 2021-2022 legislative session is Wednesday, August 31st. Following this, the Governor will have 30 days to make signing decisions on bills passed in the last days of the legislative session.

On August 25th, Metro's local small business reference legislation, AB 2271 by Assemblymember Mike Gipson (D - Carson), passed the Senate on a vote of 38-0. As the bill was not amended during its time in the Senate, it did not need to return to the Assembly for a concurrence vote, and instead headed straight to the Governor's desk for a signing decision. As of the time of this writing, the Governor has not yet decided on the bill.

AB 2271, as directed by the Board, would allow Metro to exercise local business preferences in competitive low-bid contracting and complement existing preference programs Metro has in place for small, medium-sized, and disadvantaged businesses. As we continue to recover from the pandemic, Metro believes this bill would help strengthen the local economy and maximize contracting opportunities that increase the capacity of local small and historically under-utilized businesses within the communities in which our transportation projects are built.

On August 29th, SB 1161 by Senator Min (D - Irvine), passed the Assembly on a vote of 53-0. The legislation, co-sponsored by Metro, was recently amended and will now require the Mineta Transportation Institute at San Jose State University to develop a survey tool that transit operators can use to gather data about street harassment on their systems, in order to inform data-driven policies for combatting and preventing that harassment. As of the time of this writing, the bill is awaiting a final concurrence vote in the Senate.

On August 15th, SB 922 by Senator Scott Wiener (D - San Francisco) passed a concurrence vote in the Senate by a count of 30-3 and is currently awaiting a signing decision by Governor Newsom.

SB 922, co-sponsored by Metro, would extend Senator Wiener's previous legislation (SB 288) to expedite active transportation, light rail, and bus rapid transit projects by exempting these sustainable projects from the California Environmental Quality Act (CEQA). 922 could help Metro in several ways, primarily by speeding up approval of our growing network of bus rapid transit and active transportation projects.

Finally, AB 2039 by Assemblymember Luz Rivas (D - San Fernando Valley) was originally proposed for consent approval in the Senate Transportation Committee on June 28, but was pulled from the hearing for reasons unrelated to the policy of the legislation. Staff have begun internal conversations about bringing the legislation back in the next session.

Other Board-Supported Legislation

On August 25th, AB 1919, by Assemblymember Chris Holden (D - Pasadena), passed a concurrence vote in the Assembly and is awaiting a signing decision by the Governor. The bill would create a statewide Youth Transit Pass Pilot Program including a grant system that would distribute funds to transit agencies to implement youth transit pass programs. The program authorized by the bill is subject to funding being made available.

In June, Metro issued a formal letter of support for this bill. The proposed grant program would allow Metro to continue the GoPass program beyond the initial pilot phase approved by the Board as part of the Fareless System Initiative, granting greater mobility to thousands of students throughout LA County.

Finally, SB 17, by Senator Richard Pan (D - Sacramento), would establish in state government a Racial Equity Commission and require that office to develop a statewide Racial Equity Framework. Last year, Metro's Board of Directors adopted a Support position on this bill. The bill is currently awaiting a vote on the floor of the Assembly.

State Budget Update

In late June, Governor Gavin Newsom announced that he had reached a deal with leadership in the Senate and Assembly on a \$300-billion state budget for the next fiscal year. The budget process has been unique this year, as the state has contended with a historic surplus totaling nearly \$100 billion.

The budget, which was subsequently passed by the state legislature and signed by the Governor, includes a four-year, \$10.8 billion transportation package and represents the largest investment of state dollars into transportation in the state's history. The transportation budget includes \$3.65 billion for transit investments this year, with \$4 billion in transit capital funding in subsequent years. Of this \$3.65 billion, \$1.8 billion is set aside for transit projects, specifically in Southern California, administered through the Transit and Intercity Rail Capital Program. Of that amount, no less than \$900 million would be set aside for previously approved TIRCP projects that can leverage federal or local funds. Furthermore, of the \$3.65 billion, \$300 million is set aside for improvements to the Surfliner for improvements in San Diego where the line is threatened by sea level rise.

The total amount of funding for Southern California under this proposal would be just over \$2.1 billion. A total of \$1.495 billion is set aside for projects in Northern California with a similar \$900 million being set aside for projects that meet the same leveraging criteria. Another the \$4 billion in

transit capital funding in the out years will be allocated via a population formula. The funding provided in the trailer bill will allow Metro to make progress on its transit capital projects including the pillar projects approved by the Board.

Also included is \$1.2 billion over two years for freight-related infrastructure at and around the state's ports, \$1 billion for active transportation projects, and \$350 million for grade separation projects. Additionally, included is \$4.2 billion for the California high-speed rail project. The Governor and the Legislature were also able to reach an agreement on inflation-relief measures. A proposal originated by the Governor's office to provide checks to vehicle owners was replaced with a means-tested rebate to most Californians regardless of car ownership.

Metro expects the California State Transportation Agency to begin the process of allocating the first \$1.8 billion in the coming months. This is expected to take place through two processes; one for the \$900 million for projects that meet leveraging criteria and the second through a regular TIRCP process. The first step in this process will be a guidelines review process conducted by the California State Transportation Agency.

State Equity Analysis

Metro is sponsoring two bills this year that directly impact equity. SB 1161 by Senator Min aims to provide a tool for transit agencies to address street harassment on public transit, an issue that disproportionately affects women, people of color, and the LGBTQ+ community. Comments, gestures, and slurs experienced by vulnerable communities can dissuade them from using public transit, to the detriment of both the rider and the transportation system as a whole.

Additionally, AB 2271 by Assemblymember Gipson would allow Metro to exercise local preferences in competitive low-bid contracting. Local small businesses contribute tax dollars to local governments, provide long-term benefits for a variety of populations, and employ approximately one-third of California's workers. By boosting contracting opportunities for local businesses in LA County, this effort would continue to promote a more inclusive marketplace, to best serve our communities and create more economic opportunities for those most in need.

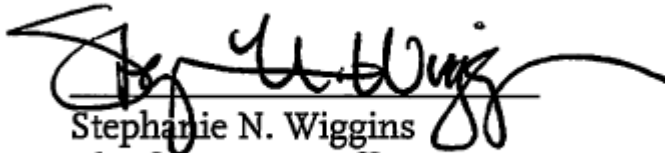
Finally, the state budget surplus provides an opportunity for California to invest in equitable transportation infrastructure. The \$3.65 billion set aside for transit investments will be crucial for funding capital projects in LA County. The process to allocate the first round of these investments is expected to begin in the coming months, and Metro is poised to take advantage of this investment through our grant application process.

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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