



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

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EXECUTIVE MANAGEMENT COMMITTEE FEBRUARY 16, 2023

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE February 2023 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 a number of key federal matters of interest to our agency. This report was prepared on February 3rd, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on February 16, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/230103%20-%20February%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/230103%20-%20February%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

White House Budget for Federal Fiscal Year 2024

It is anticipated that President Biden will announce his Administration's Budget for Federal Fiscal Year 2024 on or around March 9, 2023. The Budget, which is a non-binding document, will include the Biden Administration's proposed spending levels for transportation programs and projects managed by the U.S. Department of Transportation. We are particularly focused on the Federal Transit Administration's New Starts Report - which is released in tandem with the Budget - because it will outline the U.S. Department of Transportation's recommended funding levels for our transit projects in the New Starts pipeline. We will also be carefully reviewing the Budget to learn what funding is recommended for the CHIPS bill - to understand how this funding might benefit our efforts related to our agency's Center for Transportation Excellence initiative.

We look forward to promptly analyzing the Budget when it is released next month and sharing this

analysis with the Board.

Funding for New Starts Transit Projects

As was shared with the Board on January 27, 2023, the Federal Transit Administration (FTA) has issued its Fiscal Year 2023 full-year funding tables, which detailed their support for transit programs and projects across the United States. The FTA allocations were made possible due to Congress passing and President Biden signing into law late last year the Consolidated Appropriations Act (P.L. 117-328) - which funded public transportation throughout the nation at levels consistent with the Bipartisan Infrastructure Law that was adopted in November of 2021. Metro's Planning Department is carefully reviewing the tables issued by the FTA to understand how much federal funding our agency will receive from the allocations announced today from formula and discretionary programs.

As we highlighted in a Legislative Alert circulated by our CEO late last month - from the FTA's Section 5309 Capital Investment Grants (CIG) Program and Section 3005(b) Expedited Project Delivery (EPD) Pilot Program, which fund the construction of major transit projects, our agency received an allocation of just over \$1.1 billion - which is a record amount of CIG funding received in one year by our agency. The funding provided is for the following projects: - Westside Purple Line Extension Section 1: \$313 million; Westside Purple Line Extension Section 2: \$250 million; Westside Purple Line Extension 3: \$250 million; and the East San Fernando Valley Transit Corridor Phase 1: \$250 million. In addition, the FTA allocated \$59.6 million in funding for the Westside Purple Line Extension Section 3, consistent with Section 165 of the Consolidated Appropriations Act.

Metro is appreciative of the advocacy of our Board members and the leadership of the Biden-Harris Administration, the U.S. Department of Transportation, and members of the Los Angeles County Congressional Delegation in ensuring the strong and continued flow of federal funds to our agency.

Grant for City of Avalon Ferry Terminal Project

Last month, we were also pleased that a grant application our agency prepared and submitted on behalf of the City of Avalon for the Cabrillo Mole Intermodal Ferry Terminal Project was approved in the amount of \$5 million through the FTA's Passenger Ferry Grant Program. The Project consists of the expansion of the existing terminal and capital improvements to enhance its resilience to sea level rise, among other climate change impacts. The terminal currently handles over one million passengers annually traveling to/from ferry terminals located in San Pedro and Long Beach in Los Angeles County and Newport Beach and Dana Point in Orange County. Constructed in 1968, with a small expansion to the ticket offices in 1995, the existing terminal is no longer adequate to accommodate the number of ferry passengers it was designed for, as well as other users that use it for their travel needs. The Project will provide accessible passenger facilities, improve safety and security, improve pedestrian circulation, and enhance the overall customer experience. The ferry service between Catalina Island and the mainland ports in Los Angeles and Orange counties serves tourists, residents, and workers of the City of Avalon and other communities. It is the only publicly available mode of transportation to and from the island. Ensuring the terminal can continue

accommodating the ferry service as sea levels rise and passenger demand continues to increase is critical. The service is a lifeline for the island's economy, residents, and commuters.

Metro expresses our thanks to Board members, the City of Avalon, members of the Los Angeles County Congressional Delegation, and key stakeholders for strongly supporting our grant application to secure funds through the FTA's Passenger Ferry Grant Program.

Federal Grant for Comprehensive Safety Action Plan

Earlier this week, the U.S. Department of Transportation (USDOT) announced that our agency will receive a \$6.3 million federal grant through the Safe Streets and Roads for All Grant Program (SS4A). The SS4A Grant Program was created by the Bipartisan Infrastructure Law (P.L. 117-58) and supports regional, local, and Tribal initiatives to prevent roadway deaths and serious injuries. A significant portion of this grant (\$4.3 million) will support Metro in expanding its capacity to collaborate with local jurisdictions on street safety; help the Gateway Cities Council of Governments and its 27 member cities enhance existing subregional Safety Action Plans and develop such plans for under-resourced cities; and expand multi-agency collaboration on street safety data through a partnership with the County of Los Angeles Department of Public Health. Metro will pass through the grant balance to the cities of Bell Gardens, Lynwood, Monrovia, Monterey Park, and Vernon for each agency to develop its Safety Action Plan.

Metro's Comprehensive Safety Action Plan, funded by the SS4A Grant Program, is a unique and strategic partnership with local government, transit, and public health agencies. The plan aims to improve street safety and reduce deaths, focusing on vulnerable communities and road users across Los Angeles County. To address the street safety crisis and improve safety for street users in Los Angeles County, the Metro Board adopted the Street Safety, Data Sharing, and Collaboration Policy and Action Plan in June 2022. In 2019, vehicle collisions killed more than 700 people in Los Angeles County, disproportionately impacting historically underserved communities and unhoused residents.

Metro is deeply appreciative to the USDOT for providing our agency federal funding through the SS4A Grant Program and to members of the Los Angeles County Congressional Delegation for their support for our grant application. Please find the USDOT's announcement on grant awards for the SS4A Program [here <https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.transportation.gov%2Fbriefing-room%2Fbiden-harris-administration-announces-historic-800-million-more-500-projects-improve&data=05%7C01%7CRomeroM%40metro.net%7Cfb7c943a66fa4a848a1408db048bba7d%7Cab57129bdbfd4caca77fc74c40364af%7C1%7C0%7C638108770401997274%7CUnknown%7CTWFpbGZsb3d8eyJWljoImMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=GXf5MVePbZJHPDO4SkJFc%2FFRHRNipT%2BBjua51iHs4g0%3D&reserved=0>](https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.transportation.gov%2Fbriefing-room%2Fbiden-harris-administration-announces-historic-800-million-more-500-projects-improve&data=05%7C01%7CRomeroM%40metro.net%7Cfb7c943a66fa4a848a1408db048bba7d%7Cab57129bdbfd4caca77fc74c40364af%7C1%7C0%7C638108770401997274%7CUnknown%7CTWFpbGZsb3d8eyJWljoImMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=GXf5MVePbZJHPDO4SkJFc%2FFRHRNipT%2BBjua51iHs4g0%3D&reserved=0>).

Members of the Los Angeles County Congressional Delegation

Consistent with our Board-approved Federal Legislative Program, our Government Relations Department is in constant contact with members of the Los Angeles County Congressional Delegation and their senior professional aides. During the past month, we have offered and held

briefings with a number of offices - including a briefing for newly elected Congressman Robert Garcia's Chief of Staff and Legislative Director. Likewise, we have offered to hold an informational briefing with newly elected Congresswoman Sydney Kamlager-Dove and her senior aide. In addition to a briefing with members of the House, our agency remains in regular contact with senior aides for both U.S. Senators Dianne Feinstein and Alex Padilla.

Last month, our CEO hosted Congresswoman Grace Napolitano at our Bus Division 9 in El Monte to showcase our electric buses and thank her for her support for the \$104 million FTA grant we recently secured to purchase new electric buses, new electric bus infrastructure, and for a robust workforce development program related to these procurements.

Capital Investment Grant Program - Justice40

Consistent with our Board-approved Federal Legislative Program - we are continuing to work with the USDOT and the FTA, in particular, to ensure that future updates to the CIG program include the Justice40 initiative. We look forward to keeping the Board apprised of our progress in the coming weeks and months.

Conclusion

Chair Najarian - I look forward to expanding on this report at the Executive Management Committee meeting slated for February 16, 2023, 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 Najarian 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 February 3rd, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on February 16th, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/230103%20-%20February%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/230103%20-%20February%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

State Budget Update

On January 10th, Governor Gavin Newsom released his budget proposal for the upcoming fiscal year, as the state faces a Department of Finance-estimated deficit of nearly \$30 billion in the coming fiscal year. The Governor stressed that his proposed budget would reduce this deficit to \$22.5 billion. Additionally, the State has nearly \$36 billion in reserve, or "rainy day" funds, which also helps mitigate potential deficits. The Governor's budget this year focuses on seven key areas of investment:

education, homelessness, infrastructure, wildfires, emergency response, combatting climate change, and drought.

Last year, in addition to the transit funding currently being allocated through Cycle 6 of the Transit and Intercity Rail Capital Program (TIRCP), the Budget Act included a commitment for an additional \$2 billion for TIRCP in FY 23-24 and FY 24-25. In his budget proposal this year, Governor Newsom proposed to reduce the amount of TIRCP funding to \$1 billion in each fiscal year. However, the Governor indicated his support for returning to the originally proposed \$2 billion if the state's fiscal outlook improves next year.

Other transportation-related updates include proposed reductions to the Active Transportation Program by \$500 million. Again, if fiscal conditions improve, the Governor proposes to backfill these funds. The budget proposes delaying \$350 million in grade separation projects originally planned for this fiscal year and instead proposes making those funds available in FY 25-26. On Zero-Emission Vehicles (ZEV), the budget maintains \$8.9 billion in investments, including approximately \$5.3 billion for programs supporting drayage, transit and school busses, port ZEVs, and infrastructure. Finally, the FY 2022-23 Budget Act also included \$1.2 billion for ports and goods movement, with \$600 million proposed for FY 2023-24. The Governor's proposal maintains this level of funding but proposes to spread the remaining \$600 million out over the next three fiscal years instead.

On January 13th, the Legislative Analyst's Office released its report on Governor Newsom's 2023-24 budget. The report comes on the heels of the Department of Finance projecting a \$22-billion dollar deficit for the coming fiscal year, with the LAO estimating that the Governor's budget addresses \$18 billion of this deficit.

Given the projected budget deficit, the report makes several recommendations to the Legislature. First, the LAO recommends that the Legislature plan for a deficit larger than is currently projected by the Administration, and that the Legislature addresses this by further reducing one-time and temporary spending. Secondly, the LAO recommends that the Legislature's budget not include deficits for future years, as the Governor's budget does. In order to balance the budget, the report recommends that the Legislature convert some of the proposed spending delays to spending reductions or add triggers to spending reductions that would go into effect in out years.

Finally, the report urges the legislature to reconsider recent budget augmentations, with outlined criteria for how to proceed. The Office will publish a list of referenced augmentations, which the Legislature can evaluate in budget oversight hearings in the coming months.

TIRCP Cycle 6 Grants

On January 31st, the California State Transportation Agency (CalSTA) announced the Transit and Intercity Rail Capital Program (TIRCP) grants for Cycle 6, which was a special round of grants funded by the state's budget surplus in 2022. Metro will be the recipient of \$600 million in TIRCP funds for the East San Fernando Valley Transit Corridor Project. Overall, the Southern California region received \$1.3 billion in TIRCP funds, favoring projects that leverage significant federal funding and project readiness. A second round of applications for new projects is due on February 10th, with anticipated awards in April.

In December, the Metro Board of Directors unanimously adopted a comprehensive set of projects that could be funded by the State. The package of projects, in priority order, are the East San Fernando Valley Transit Corridor Project, the L Line (Gold) Foothill Extension Project, and the West Santa Ana Branch Transit Corridor Project. This month, staff will bring forward a recommended strategy to continue to seek investments for these projects.

Mobility 21 Delegation Trip

On January 31st, CEO Stephanie Wiggins, Chair of the Mobility 21 Board for the 2023 calendar year, led a delegation of Board Members on an advocacy trip to Sacramento, where the coalition had a number of fruitful and substantive meetings with key legislators in the Senate and Assembly, along with top officials in the Governor's Office. Mobility 21 brings together elected officials, transportation providers, businesses, local municipalities, labor, and community leaders to develop solutions to the transportation issues facing Southern California. In addition to Los Angeles County, the Mobility 21 coalition is comprised of Imperial, Orange, San Bernardino, San Diego, Riverside, and Ventura counties. The trip provided an opportunity for Metro to speak in concert with our partners throughout Southern California, as well as a chance for our CEO to meet new LA County Legislative Delegation members and provide an update on projects and programs in our service area.

Legislative Update

The deadline to introduce new bills for the current session is on Friday, February 17th. Many bills are still currently in spot form and lack specific legislative language. The deadlines for substantive amendments for spot bills are March 13th in the Assembly and March 22nd in the Senate. Soon, the houses will begin to schedule their first policy committee hearings, along with additional budget committee hearings, following the Governor's proposal last month.

In mid and late January, California Senate President pro Tempore, Toni G. Atkins (D-San Diego) and Assembly Speaker Anthony Rendon (D-Lakewood) announced committee membership assignments for the 2023-24 Legislative session.

In the Senate, the Transportation Committee will have the following members: Senator Lena A. Gonzalez (D-Long Beach), Chair, Senator Roger W. Niello (R-Fair Oaks), Vice-Chair, Senator Benjamin Allen (D-Santa Monica), Senator Bob Archuleta (D-Pico Rivera), Senator Josh Becker (D-Menlo Park), Senator Catherine Blakespear (D-Encinitas), Senator Dave Cortese (D-San Jose), Senator Brian Dahle (R-Bieber), Senator Bill Dodd (D-Napa), Senator Monique Limón (D-Santa Barbara), Senator Mike McGuire (D-Healdsburg), Senator Josh Newman (D-Fullerton), Senator Janet Nguyen (R-Huntington Beach), Senator Kelly Seyarto (R-Murrieta), Senator Thomas J. Umberg (D-Santa Ana), and Senator Aisha Wahab (D-Hayward).

In the Assembly, the Transportation Committee will have the following members: Assemblymember Laura Friedman (D-Glendale), Chair, Assemblymember Vince Fong (R-Bakersfield), Vice Chair, Assemblymember Marc Berman (D-Menlo Park), Assemblymember Juan Carrillo (D-Palmdale), Assemblymember Laurie Davies (R-Laguna Niguel), Assemblymember Mike Gipson (D-Carson), Assemblymember Gregg Hart (D-Santa Barbara), Assemblymember Corey Jackson (D-Moreno

Valley), Assemblymember Ash Kalra (D-San Jose), Assemblymember Josh Lowenthal (D-Long Beach), Assemblymember Stephanie Nguyen (D-Elk Grove), Assemblymember Kate Sanchez (R-Murrieta), Assemblymember Greg Wallis (R-La Quinta), Assemblymember Christopher Ward (D-San Diego), and Assemblymember Buffy Wicks (D-Oakland).

State Equity Analysis

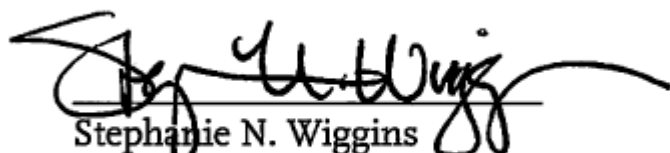
Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento to address any issues of equity in proposed bills and the budget process.

Conclusion

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

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

Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950



Stephanie N. Wiggins
Chief Executive Officer