

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE  
JUNE 15, 2023****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE June 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 several key federal matters of interest to our agency. This report was prepared on June 2, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on June 15, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB\\_Attachments/230531%20-%20June%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](https://libraryarchives.metro.net/DB_Attachments/230531%20-%20June%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

**Debt Ceiling Legislation**

As a result of negotiations between President Biden and House Speaker Kevin McCarthy (R-CA) over the weekend, a debt limit deal was secured that would, in part, rescind highway funding made possible by the Consolidated Appropriations Act of 2021 (P.L. 116-260) - which included the Coronavirus Response And Relief Supplemental Appropriations Act (CRRSAA). CRRSAA was signed into law on December 27, 2020, by then-President Donald Trump. CRRSAA provided a total \$10 billion in highway funding (Title IV of Division M) for the nation - to be administered by the Federal Highway Administration. Of the \$10 billion in highway funding made available through CRRSAA - \$9.8 billion was distributed across the United States through the Surface Transportation Block Grant Program. In the State of California, Caltrans suballocated this funding to Metro and others. The debt ceiling deal reached by President Biden and Speaker McCarthy would rescind unobligated balances from Division M of the CRRSAA. As a result of the language now embedded in H.R. 3746 (Fiscal Responsibility Act of 2023) - the debt ceiling deal - Los Angeles County has CRRSAA highway funds at risk. Metro has worked expeditiously with key stakeholders - including the

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California Transportation Commission - to favorably resolve this matter. President Biden is expected to signed H.R. 3746 - the Fiscal Responsibility Act of 2023 on June 3, 2023.

### **Los Angeles County Congressional Delegation**

Consistent with our standard practice, our CEO and Government Relations team continue to stay in close touch with members of the Los Angeles County Congressional Delegation to ensure that our agency is providing timely and accurate information on Metro's projects and programs in their respective districts - and, more broadly - our efforts to enhance mobility and equity for the 10 million people who live, work, and play in Los Angeles County.

Over the last month - we have been engaged with members of the Los Angeles County Congressional Delegation on a range of matters - including but not limited to - grant requests we have made with the U.S. Department of Transportation (USDOT), issues related to funding levels being set for transportation programs in the Federal Fiscal Year 2024 spending bills and matters tied to H.R. 3746 - the Fiscal Responsibility Act of 2023.

We have also reached out to members of the Los Angeles County Congressional Delegation with respect to the Regional Connector grand opening ceremony which is slated to be held at the Japanese American National Museum on June 16, 2023.

Later this month, our CEO looks forward to hosting a tour of the East San Fernando Valley Transit Corridor Project for Congressman Tony Cardenas (D-CA). We are deeply appreciative to Congressman Cardenas, U.S. Senator Alex Padilla, and other members of the Los Angeles County Congressional Delegation for their strong support for this worthwhile transit project.

### **Build America Bureau**

As a positive outcome of a meeting Chair Najarian and our CEO held at the USDOT earlier this year - our agency will be hosting a workshop with the agency's Build America Bureau next month. The Build America Bureau is charged with administering USDOT's finance programs - like the Transportation Infrastructure Finance and Innovation Act loan program. Metro welcomes the opportunity to explore - with the Build America Bureau - how the USDOT might be helpful in financing a select number of projects and programs we are advancing across Los Angeles County.

### **CHIPS and Science Act**

Metro was pleased to work with key congressional stakeholders - including U.S. Senator Alex Padilla - to ensure that our Center for Transportation Excellence initiative could compete for funds under the CHIPS and Science Act that was signed into law by President Biden on August 9, 2022. We are pleased to be working with the U.S. Department of Commerce and the Economic Development Administration (EDA) to explore how our agency can apply for funding under the CHIPS and Science Act's Regional Technology and Innovation Hub Program (Tech Hubs Program). This program - run by the EDA - "seeks to strengthen U.S. economic and national security through place-based investments in regions with the assets, resources, capacity, and potential to become globally competitive, within approximately ten years, in the technologies and industries of the future - and for



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[20June%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf](#)>, which is updated monthly.

## Budget Update

On May 12, Governor Gavin Newsom released the May Revision to his 2023-2024 state budget proposal, a critical step in the yearly budget process. The May Revision includes changes to the Governor's budget, originally released in January, based on current revenues. The state now anticipates a \$31.5 billion budget deficit for the year, up from \$22.5 billion in January, amid uncertain economic conditions and a delay in tax returns due to natural disaster extensions. The vast majority of Californians have until October 16<sup>th</sup> to file their taxes.

Last year, the Budget Act included a commitment for an additional \$2 billion for Transit and Intercity Rail Capital Program (TIRCP) in FY 23-24 and FY 24-25. In his budget proposal in January, Governor Newsom proposed reducing TIRCP funding to \$1 billion in each fiscal year. The May Revision does not change this proposal. Other transportation-related funding proposals are also largely unchanged from the Governor's budget in January.

Shortly after the May Revision was released, Assemblymember Luz Rivas (D- Sylmar), in her role as the Chair of the Los Angeles County State Legislative Delegation, issued a letter to Budget Chairs Senator Nancy Skinner (D- Berkeley) and Assemblymember Phil Ting (D-San Francisco), outlining the Delegation's priorities as we enter the next phase of budget negotiations.

The Delegation's budget priorities letter emphasizes protecting budget commitments that were made in the 2021-2022 fiscal year, rather than asking for new funding for any priorities. Crucially, this includes maintaining the full \$4 billion for TIRCP over two years, identified in SB 198 from last year. The letter reads: "The Governor's proposed \$2 billion cut to the TIRCP would impact the ability to deliver crucial capital projects in the County. Those cuts would significantly impact funding for the Foothill Gold Line and the West Santa Ana Branch project, and future funding opportunities for the Sepulveda Pass." This is in line with the message that the Board delivered to the legislature in its April 26 advocacy trip.

On May 23, the Senate Subcommittee #5 voted to advance a budget proposal that includes \$2 billion for the TIRCP this year. On May 25, the Assembly Budget Committee, chaired by Assemblymember Phil Ting, voted to approve their fiscal year 2023-24 budget plan. Included in the plan are several key priorities for transportation, also including a rejection of the Governor's proposed cut to the TIRCP funding levels for this year, allocating the full \$2 billion to the program, and providing flexibility for the funds for transit agencies to address operational funding gaps, while holding transit agencies accountable to be fiscally responsible.

Additionally, the budget extends trailer bill language to continue Covid relief programs that temporarily eliminate financial penalties for noncompliance with funding efficiency measures in the Transportation Development Act (TDA) and the State Transit Assistance Program (STA). The budget proposal also restores \$220 million for zero-emission buses and infrastructure investments. Finally, the budget proposal incorporates provisions from Metro-supported AB 761 by Assemblymember Friedman, which seeks to create a task force to examine strategies for improving transit and increasing ridership.

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By statute, the Legislature must pass a budget by June 15. However, they may continue to work on budget trailer bills as the session continues into the summer and fall. Metro looks forward to continuing our partnership with the legislature to ensure the Board's priorities, as outlined in our letter dated March 30, are taken into account in the budget process.

## Legislative Update

The months of May and June contain several key dates and deadlines for the legislative process. In addition to the June 15 budget deadline, bills must pass out of their house of origin by Friday, June 2. As of the time of writing, there are 1,062 measures still pending in the Senate and Assembly.

On May 18, the Senate and Assembly Appropriations Committees dispensed with the suspense file, where they either advanced or held hundreds of bills in their houses of origin. The total number of measures on the Senate suspense file was 416. Of those, 90 did not pass. The total number of measures on the Assembly suspense file was 755. Of those, 220 did not pass.

The following is an update on Metro-sponsored and other closely monitored bills:

- AB 499 (L. Rivas), Metro's job order contracting bill, is awaiting a final vote on the Assembly floor.
- AB 1377 (Friedman), Metro's bill to address homelessness on transit, has passed the Assembly and is awaiting a committee assignment in the Senate.
- AB 761 (Friedman), a Metro-supported bill to create a transit transformation task force, has passed the Assembly.
- SB 434 (Min), the Metro-supported bill to combat street harassment on transit, has passed the Senate.
- AB 610 (Holden), the student transit pass bill, has passed the Assembly.

On May 19, Governor Gavin Newsom released a set of legislative proposals that seek to streamline and accelerate clean infrastructure projects around the state and maximize available federal funds from the recent infrastructure legislation. The Governor stressed that transit and regional rail projects are among those types of investments that would benefit from the permitting and project review legislative proposals.

The Governor also issued an Executive Order that seeks to "stand up a strike team to accelerate clean infrastructure projects across the state by implementing an all-of-government strategy for planning and development." Together, the proposals and Executive Order seek to speed up construction, expedite court review, streamline permitting, and amend certain CEQA processes. Metro has, in recent years, sponsored and supported several successful measures related to CEQA streamlining, judicial review, and acceleration, including SB 44 by Senator Ben Allen in 2021 and SB 922 by Senator Scott Wiener last year. However, the package of bills was shortly afterward voted down 3-0 in a Senate budget committee vote on May 25. The Senators cited an insufficient amount of time to review the proposals. The bills could return to the budget committees in the next few weeks during budget negotiations, or they could be re-introduced into the policy committees. More information will be available from Government Relations during the oral presentation of this report on June 15.

## State Equity Analysis

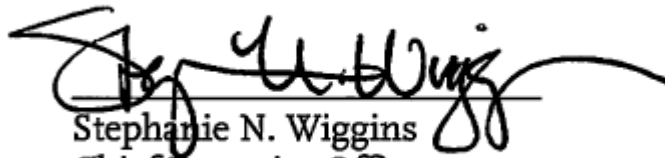
Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento to address any issues of equity in proposed bills and the budget process.

## Conclusion

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

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