

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
JULY 20, 2023****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE July 2023 State and Federal Legislative Report.

DISCUSSION**Executive Management Committee
Remarks Prepared by Raffi Haig Hamparian
Deputy Executive Officer, Federal Affairs**

Chair Bass 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 July 5, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on July 20, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/230705-%20July%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](https://libraryarchives.metro.net/DB_Attachments/230705-%20July%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

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.

Last month, our CEO hosted 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.

Also, our CEO was pleased to attend a Juneteenth celebration at the invitation of Congresswoman Maxine Waters, Ranking member of the House Financial Services Committee. Juneteenth is an annual commemoration of the end of slavery in the United States and was made a federal holiday in 2021 by President Biden.

Finally, it was a genuine pleasure to join several members of Congress last month - including Congresswomen Norma Torres, Young Kim, and Judy Chu - at a groundbreaking event for the 57/60 Confluence Chokepoint Relief Project. This welcome event was attended by a number of other distinguished elected officials, including Metro Directors Hilda Solis and Tim Sandoval - along with former Metro Director John Fasana.

Build America Bureau

Later this month, 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.

I want to note that this upcoming workshop is a direct and positive outcome of a meeting Director Najarian, and our CEO held at the U.S. Department of Transportation earlier this year.

Capital Investment Grant Program - Justice40

Metro is continuing to work with the USDOT - and the FTA in particular - to ensure that future updates to the Capital Investment Grant (CIG) program include the Justice40 initiative. Earlier this year, our CEO authored a letter on February 21, 2023, thanking Secretary Buttigieg and FTA Administrator Fernandez for their continued work updating CIG guidelines - with an eye on Justice40. Metro's government relations team looks forward to keeping the Board apprised of progress on this front in the coming weeks and months.

Federal Transportation Grants

Unfortunately, Metro fell short in our efforts to secure two recent federal grants. First, we did not receive a \$25 million RAISE grant that we had submitted to the U.S. Department of Transportation for our transit services on Western Avenue - which is one of our agency's busiest bus routes. Metro also did not receive a \$85 million Bus & Bus Facilities/Low or No Emissions grant we had requested to secure zero emission buses and zero emission infrastructure for Metro's Bus Division 8 - located in Chatsworth. Notably, this grant application included a robust workforce development component.

Metro has - as we always do - requested a briefing with our federal partners to understand why our grants were not approved and what actions we can take to achieve a more favorable outcome in the near future.

Conclusion

Chair Bass - I look forward to expanding on this report at the Executive Management Committee meeting slated for July 20, 2023, 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 Bass 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 July 5, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on July 20, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/230705-%20July%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf>](https://libraryarchives.metro.net/DB_Attachments/230705-%20July%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

State Budget Update

June is a critical month for the budget process, as the legislature had until the 15th to pass a budget and send it to the Governor. On that date, the California Senate and Assembly's 2023-24 budget agreement passed on a vote of 61 to 14 in the Assembly and 32 to 8 in the Senate. This budget, SB 101, agreement followed months of negotiations and hearings between the two houses, amid uncertain economic conditions that include a projected deficit of \$31.5 billion. The budget rejects the cuts to the TIRCP proposed by the Governor in his January Budget proposal. Under SB 101 the TIRCP program will receive \$2 billion this fiscal year, with the population-based distribution formula in place. The budget also includes over \$1 billion over 3 years in funds, partially from the Greenhouse Gas Reduction Fund, for a Zero Emission Transit Capital Program. It is important to note that SB 101 provides overall levels of funding for programs. It does not contain significant detail regarding conditions and formulas for allocating certain funds. Those details were due to be released in subsequent trailer bills. SB 101 was signed by the Governor on June 27.

Following the passage of the budget, on Saturday, June 24, the transportation budget trailer bills, AB and SB 125, were put into print. Ultimately, the legislature passed SB 125. SB 125 requires CalSTA to approve Metro's financial plans in order to get State funding. Specifically, the bill requires Metro to get approval by the end of this year of a detailed short-term financial plan in order to get state funding for the Gold Line and West Santa Ana projects. The bill further requires Metro to get CalSTA's approval of our detailed long-term financial plans before we can get future state transit capital funding. Additionally, the Board would have to agree to forego seeking future State operating

subsidies. The contents of the plans we must submit to, and get approval by, the state include details regarding our operations, planning, and funding. Metro staff believes this is an unprecedented intrusion by the State that removes the Board's control over its budget and how it operates our transit system. As of this writing, the bill passed the legislature on June 27, and is awaiting the Governor's signature.

Update on Sponsored Legislation

Metro's sponsored bills continue to swiftly move through the legislative process. AB 499 by Assemblymember Luz Rivas (D - Sylmar), a bill that would allow Metro to utilize job order contracting, passed the Senate Transportation Committee on June 28. Throughout the entire legislative process, the bill has not received a single no vote, and is currently on the consent calendar on the Senate floor, awaiting final approval before heading to the Governor's desk for a signature.

AB 1377 by Assemblymember Friedman (D - Burbank) passed the Senate Human Services Committee on June 20, on a vote of 5-0. AB 1377 would require that applicants for funding through the state Homeless Housing, Assistance, and Prevention program include in their yearly reports data and a narrative summary of steps that the applicant has taken to improve the delivery of housing and services to people experiencing homelessness, or at risk of homelessness, on transit properties that operate in their jurisdiction. Throughout the legislative process, this bill has also received zero no votes. AB 1377 will now be heard in a final policy committee, the Senate Housing Committee, on July 10.

Leadership Changes in the State Assembly

Following a prolonged transition period that began last year, Assemblymember Robert Rivas (D - Hollister) was sworn in as the Speaker of the California Assembly on June 30, 2023.

Following the ceremony, Speaker Rivas announced changes to leadership roles in the chamber, including announcing Assemblymember Isaac Bryan (D - Los Angeles) as the new majority leader. Assemblymember Cecilia Aguiar-Curry (D - Winters) was sworn in as the Speaker pro Tempore during the same session. Metro staff look forward to working with the new Speaker and leadership team on issues affecting transportation policy in Los Angeles County and around the state.

California Transportation Commission Recommends \$127.9 Million of SB 1 Funding

On June 8th, 2023, California Transportation Commission (CTC) staff recommended \$127.9 million for five Metro projects as part of the third cycle of three funding programs created by the Road Repair and Accountability Act of 2017 (SB 1): the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program. The recommended funds will be

matched 155% by local funds, showing once again that Metro is a great partner to the state. CTC staff also recommended \$91.7 million for projects submitted by other LA County agencies including City of Inglewood and the Ports of LA and Long Beach. The recommended funds will help advance transportation projects delivering greenhouse gas reductions, congestion relief, and improved safety across the LA region.

Metro commends and appreciates the CTC staff for their hard work in developing the program guidelines and evaluating the applications alongside Caltrans, the California Air Resources Board, the California Department of Housing and Community Development, the Interagency Equity Advisory Committee, and the CTC's Equity Advisory Roundtable.

Los Angeles County State Delegation Engagement

The Government Relations department continues to prioritize robust engagement with our local legislative representation in Sacramento. This includes quarterly legislative roundtables briefings with staff, subregional project briefings, and tours with individual legislators. On June 30, Metro welcomed Senator Ben Allen (D - Santa Monica) on a visit to the recently-opened Regional Connector project. Staff were able to convey the project's benefits to the entire County, as well as share the impacts of the Metro Art and Ambassador programs to this and other Metro projects.

State Equity Analysis

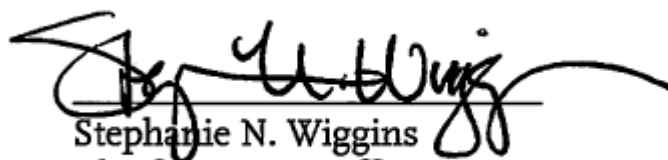
Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento to address any issues of equity in proposed bills and the budget process.

Conclusion

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

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

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



Stephanie N. Wiggins
Chief Executive Officer