

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 21, 2023****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE September 2023 State and Federal Legislative Report.

DISCUSSION

**Executive Management Committee
Remarks Prepared by Raffi Haig Hamparian
Government Relations 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 September 6, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on September 21, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](https://libraryarchives.metro.net/DB_Attachments/230915%20-%20September%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf) <https://libraryarchives.metro.net/DB_Attachments/230915%20-%20September%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 (and other federal officials) 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 several months - 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 and issues related to funding levels being set for transportation programs in the Federal Fiscal Year 2024 spending bills, among other issues.

We were pleased to recently welcome senior aides to U.S. Senator Alex Padilla and provide them a

briefing and tour of several Metro projects.

We were also pleased to welcome officials from the Office of Management and Budget (part of the Executive Office of the President) and senior Federal Transit Administration officials to learn more about our projects utilizing federal funding.

We were happy to host senior aides for Congressman Tony Cardenas to discuss our agency's work related to the East San Fernando Valley Transit Corridor.

Likewise, we were honored to host senior aides for Congressman Adam Schiff to visit the Westside Purple Line Extension - Section 1 Project.

In addition to these meetings - we have held a number of other policy briefings for congressional staffers to keep them updated on our Board-approved Federal Legislative Program and the projects we are planning and building across Los Angeles County.

Federal Fiscal Year 2024 Budget and Spending Bills

As of the writing of this update, the U.S. House of Representatives and the U.S. Senate have failed to agree on a majority of spending bills. This has led some to speculate that the Federal Government - may - emphasis on may - face a shutdown at the end of this month - when the federal fiscal year (2023) will end.

Because of the nature of how different agencies are funded - any Federal Government shutdown will unevenly impact various U.S. Department of Transportation agencies. For example, the Federal Highway Administration will face a smaller impact - because it draws its revenues from the Federal Highway Trust Fund. In contrast, the Federal Transit Administration is more dependent on annual spending bills adopted by Congress - which means its operations will be adversely impacted in the event of a Federal Government shutdown.

Metro will continue to carefully monitor the state of the spending bills and how any shutdown of the Federal Government may impact our agency.

Should Congress be able to come to agreement on a funding bill for transportation project and programs that honors the spending levels agreed to in the Bipartisan Infrastructure Law - Metro can expect to receive the following funding for a number of our transit capital projects - including \$478 million for the Westside Purple Line Extension Section 3, \$165 million for the Westside Purple Line Extension Section 2 Project and \$166 million for the East San Fernando Valley Transit Corridor Project.

In addition to this funding for our transit projects in the Federal Transit Administration's Capital Investment Grant Program - our agency would receive funding from several federal formula programs - that deliver in excess of \$600 million to our agency annually.

With an eye towards the future and consistent with our Board-approved Federal Legislative Program - we will be seeking federal funding for our agency's number one priority with respect to the Capital

Investment Grant Program - our West Santa Ana Branch Transit Corridor Project. Specifically, we will be asking the Biden Administration to recommend funding for this worthwhile project in their Federal Fiscal Year 2025 Budget - which will be issued by the White House early next year.

Build America Bureau

Earlier this summer, our agency hosted a workshop with the agency's Build America Bureau. The Build America Bureau administers USDOT's finance programs - like the Transportation Infrastructure Finance and Innovation Act loan program. Metro welcomed the opportunity to explore - with the Build America Bureau - how the U.S. Department of Transportation might help finance a select number of projects and programs we are advancing across Los Angeles County.

In the weeks and months ahead - we will continue to explore with the Build America Bureau how we might be able to work together to advance our Board-approved projects and initiatives, including - but not limited to - our robust Transit Oriented Development program.

Capital Investment Grant Program-Justice40

Consistent with our Board-approved Federal Legislative Program - Metro continues to work with the U.S. Department of Transportation - 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 thanking Secretary Buttigieg and Federal Transit Administration 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

Metro is seeking federal funding through a number of grant programs - including a \$144 million request for the SR-71 Gap Closure Project - in addition to funding we are seeking through the U.S. Department of Commerce and their Regional Technology and Innovation Hubs Grant Program for our Center for Transportation Excellence Initiative. We are also carefully reviewing the Reconnecting Communities Grant Program to see how we can secure funds through this program - which has a grant application deadline of September 28, 2023.

Metro will - as we always do - work with a broad and diverse number of stakeholders to secure robust support for our federal grant applications.

Conclusion

Chair Bass - I look forward to expanding on this report at the Executive Management Committee meeting slated for September 21, 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 several state matters of interest to our agency. This report was prepared on September 5, 2023, and will be updated, as appropriate, at the Executive Management Committee meeting on September 21, 2023. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <-%20https://www.dropbox.com/scl/fi/en1acamygwvbwicthzyc/9-September-2023-LA-Metro-Legislative-Matrix.pdf?rlkey=42if8xqbowflvm61e22s6uy20&dl=0>](https://www.dropbox.com/scl/fi/en1acamygwvbwicthzyc/9-September-2023-LA-Metro-Legislative-Matrix.pdf?rlkey=42if8xqbowflvm61e22s6uy20&dl=0), which is updated monthly.

Budget Update

Following the passage of SB 125 on June 27, Metro has been engaged with leadership in both the Senate and Assembly, along with the Governor's office, to express concerns with provisions related to required reporting by regional transportation planning agencies. SB 125 gives the Secretary of Transportation unfettered authority to approve or deny Metro's expenditures on capital and operations funding. This authority expands beyond state funds and allows the Secretary to exert control over local funding approved by 71% of Los Angeles County voters. SB 125 also establishes a new requirement for regional transportation planning agencies to submit and get approval from CalSTA for a long-term financial plan. That plan must outline that agency's approach to sustain its transit operations without additional discretionary or non-formula funding from the state. This plan is required in order to be eligible for traditional TIRCP funding.

Metro has also been engaged in the guidelines process through the California State Transportation Agency (CalSTA). On August 30, Metro submitted comments on the interim draft guidelines to suggest edits that create greater clarity on the SB 125 TIRCP grant process. Staff have also worked with the California Transit Association on a similar letter that represents the comments and concerns from a statewide perspective on the guidelines and the shared assertion that certain concerns about SB 125 can only be addressed through changes in statute. Metro staff will also be participating in the second draft guidelines process, which is taking place in September.

We will have a complete summary of budget-related actions taken between the time of this writing and the time of the Executive Management Committee at the time of presentation.

Legislative Update - Sponsored Bills

The first year of this legislative session ends on September 14. At the time of the Executive Management Committee, we will have a full picture of which bills did pass. The following update on our sponsored legislation is current as of Tuesday, September 5.

On July 21, Governor Gavin Newsom signed Assembly Bill 499 by Assemblymember Luz Rivas (D - San Fernando Valley) into law. AB 499 will allow Metro to utilize job order contracting (JOC) as a project delivery method. JOC allows for a more efficient procurement process and will enable Metro to rapidly and efficiently address smaller construction projects at our properties. JOC authorization is also a part of the Governor's proposal to expedite projects at Caltrans. AB 499 will help Metro advance its own program of projects using JOC. The bill will go into effect on January 1, 2024.

Metro's other sponsored legislation, AB 1377 by Assemblymember Laura Friedman (D - Burbank), is awaiting a final vote in the Senate. 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. Metro is committed to working with the Legislature and local agencies, like the Los Angeles Homeless Services Authority and the County of Los Angeles, to ensure that the needs of people experiencing homelessness on the transit system are incorporated in the planning and delivery of the services funded by the State of California.

Legislative Update - Other Legislative Milestones and Bills

On September 1, the Senate and Assembly Appropriations Committees dispensed with the suspense files. Bills on the suspense file are held until the end of the legislative session so that the committees may consider the fiscal impacts of these bills on the state of legislation as a whole. There is no public testimony at suspense file hearings. In the Senate, there were 483 items on the suspense file, and in the Assembly, there were 276. On the Senate side, 72% of the bills were passed or passed with amendments, 6% were made into two-year bills, and 22% were held in committee. On the Assembly side, 77% were passed, 16% were held, and 6% were made into two-year bills.

Metro Testifies at Assembly Select Committee on Regional Transportation Solutions

On August 25, Metro Government Relations staff were invited to testify at a hearing of the Assembly Select Committee on Regional Transportation Solutions, chaired by Assemblymember Chris Holden (D - Pasadena) and held in Lancaster, CA. Staff appeared on a panel with Metrolink and Move LA, and focused testimony on recent strategies and initiatives to increase ridership, along with an overview of the Regional Connector project. Staff would like to thank Assemblymember Holden for the opportunity to participate on the panel, along with Assemblymembers Juan Carrillo (D - Palmdale) and Pilar Schiavo (D - San Fernando Valley) for their participation and questions.

California Senate Leadership Transition Announced

On August 28, Senate President pro Tempore Toni G. Atkins (D - San Diego) announced that, following a meeting of the Senate Democratic Caucus, she will be stepping down from her position and that Senator Mike McGuire (D - Healdsburg) will become the pro Tem Designee. The leadership transition will occur sometime in 2024. Pro Tem Atkins has held the position since 2018 and will be termed out of the Senate in 2024. Senator McGuire represents the north coast of the state and will be

termed out of the Senate in 2026. Metro thanks Senate pro Tem Atkins for her leadership and looks forward to a good working relationship with the incoming pro Tem as we enter the second year of the legislative session.

LA County Legislative 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. The legislature will reconvene for the second year of the legislative session on January 3, 2024. Government Relations staff will continue to brief staff and elected officials on Metro priorities and projects during the legislative recess.

State Equity Analysis

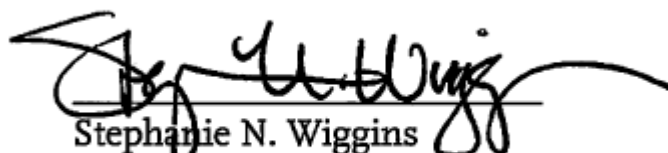
Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento to address any issues of equity in proposed bills and the budget process.

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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