



Board Report

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Agenda Number: 19.

**EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 2023**

SUBJECT: 2024 LEGISLATIVE PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING the State and Federal Legislative Report;
- B. ADOPTING the proposed 2024 Federal Legislative Program as outlined in Attachment A; and
- C. ADOPTING the proposed 2024 State Legislative Program as outlined in Attachment B.

ISSUE

On an annual basis, the Board of Directors adopts a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County. Pursuant to the goals outlined in the Long-Range Transportation Plan (LRTP), Equity Platform, and other board directives, we will continue to evaluate and consider long-term strategic advocacy and legislative goals for the agency as outlined in the plan. We will continue to work with the implementing departments within Metro to develop the broader objectives and will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

BACKGROUND

The role of the legislative program is to clearly define Metro's goals and objectives by securing necessary legislative authority, program funding, and regulatory actions needed at the state and federal levels. The program provides policy direction to our advocacy activities in Sacramento and Washington, DC. To achieve these important goals, Government Relations staff will implement a long-term legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California, and Federal officials. The Legislative Program directs staff to monitor and engage in several legislative and advocacy efforts. The [Government Relations Legislative Matrix](#)

https://libraryarchives.metro.net/DB_Attachments/231108%20-%2011%20-%20November%202023%20-%20LA%20Metro%20Legislative%20Matrix.pdf, updated and presented to the Board monthly, highlights several bills of interest to the agency.

DISCUSSION

A recap of legislative activities for the 2023 calendar year on the state and federal levels can be found below. The Federal and State Legislative goals, as outlined in attachments A and B, will inform the activities pursued by the Government Relations department for the upcoming calendar year. There are no substantial changes to the state and federal goals in 2024, as the previous year's goals remain relevant to our advocacy strategy. One state goal was updated to reflect Metro's explicit support for enhanced infrastructure financing districts. Based on Board direction, Metro plans to sponsor state legislation related to aligning Metro with other agencies for proper benchmarking and permitting more efficient business practices. In addition to constant collaboration with the Board and other internal Metro departments, Government Relations will continue to ensure that our legislative priorities and efforts are also coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

Federal Recap

In 2023, consistent with our past practice, our agency continued to smartly and aggressively pursue our Board-approved federal legislative priorities in Washington, DC.

On November 15, 2021, President Biden signed the Bipartisan Infrastructure Law (P.L. 117-58). This historic legislation - overwhelmingly supported by the Los Angeles County Congressional Delegation - provided a record level of investments in roads, bridges, rail, transit, airports, ports, and waterways while helping the nation rebuild its electric grid, upgrade broadband infrastructure, improve access to safe drinking water, deploy electric vehicles and buses, improve disaster resilience, and much more.

As we noted last year, the Bipartisan Infrastructure Law significantly increased funding provided through key discretionary and formula grant programs such as Capital Investment Grants, Buses and Bus Facility Grants, Low or No Emission Bus Grants, State of Good Repair Grants, and Urbanized Area Formula Grants. Significantly, the bill also reformed federal Local Hire rules - permitting our agency to hire locally on projects funded in part or in whole by the Federal Government.

Our agency is grateful to the Biden-Harris Administration and the Los Angeles County Congressional Delegation for strongly backing the passage of the Bipartisan Infrastructure Law.

In addition to the Bipartisan Infrastructure Law, the agency was actively engaged with the Los Angeles County Congressional Delegation as they considered the Inflation Reduction Act (P.L. 117-169) - which President Biden signed into law on August 16, 2022. This bill includes several key funding

sources - including \$27 billion for the Greenhouse Gas Reduction Fund, and \$3 billion for the Neighborhood Access and Equity Grants, among other key provisions.

As in previous years, the annual appropriations process in Washington, DC, continues to be the subject of disagreement, and again Congress missed its annual September 30 deadline to pass spending bills for Fiscal Year 2024 to fund the various federal agencies and programs - including the U.S. Department of Transportation. As of the writing of this report, the Federal Government is operating on a Continuing Resolution through November 17, 2023. Metro continues to work closely with our Los Angeles County Congressional Delegation to advocate for the priorities included in the House and Senate Appropriations bills that would benefit our agency.

Lastly, Metro has worked hard in Washington, DC, to successfully advance our major transit capital projects through the Capital Investment Grant program. Staff has been engaged in advocacy with Congressional offices and the Biden-Harris Administration for each of these projects throughout 2023 - with an understanding that our number one priority project seeking a Full Funding Grant Agreement is the West Santa Ana Branch Transit Corridor Project. We are working to ensure this project secures either planning or design funding in the New Starts Report (Federal Fiscal Year 2025) that will be issued by the Federal Transit Administration early next year.

Through our efforts in Washington, DC, Metro continues to incorporate equity as a central component of our work. Metro staff has been engaged in an active dialogue with the Biden-Harris administration as they continue to roll out their Justice40 Initiative, with the goal of delivering 40 percent of the benefits from federal investments to disadvantaged communities across the United States.

Metro will continue to work closely with the Administration, the U.S. Department of Transportation, and Congress to leverage our local funding to advance transit, highway, and other effective mobility projects across Los Angeles County. The complete 2024 Federal Legislative Plan is outlined in Attachment A.

State Recap

During the 2023 State Legislative Session, the California Legislature and Governor Newsom were primarily focused on homelessness, education, housing, as well as climate and infrastructure issues. The legislature passed a number of proposals that focused on that state's climate change goals, transportation projects, workforce recovery, and funding to support efforts to end homelessness. The following summarizes the 2023 legislative session and Metro's advocacy efforts surrounding the budget and legislation relevant to Metro's projects and programs.

State Budget

Metro staff continued to engage in the budget process through working with members of the LA County Delegation in order to ensure that LA County would receive its proportionate share of transportation resources. In January, Governor Gavin Newsom released his budget proposal for the upcoming fiscal year, as the state faced 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 had nearly \$36 billion in reserve, or “rainy day” funds, which also could help mitigate potential deficits. The Governor’s budget focused on seven key areas of investment: education, homelessness, infrastructure, wildfires, emergency response, combatting climate change, and drought.

In 2022, 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 initial budget proposal this year, Governor Newsom proposed to reduce the amount of TIRCP funding to \$1 billion in each fiscal year. Other transportation-related updates included proposed reductions to the Active Transportation Program by \$500 million. The budget proposed 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 buses, port ZEVs, and infrastructure.

On April 26, then-Metro Board Chair Najarian was joined by 1st Vice-Chair Dupont-Walker, Directors Solis, Sandoval, and Dutra, along with CEO Wiggins, on a budget advocacy trip to Sacramento. This trip was centered around meetings with key legislators in leadership and the budget process in order to advance the Board’s request that the legislature reject the Governor’s proposed \$2 billion in cuts to the Transit and Intercity Rail Capital Program. This visit was crucial to Metro’s plan to advance the Gold Line Foothill Extension and West Santa Ana Branch Transit Corridor, which would benefit from the increased TIRCP funding.

On that same day, Senate Democrats released their 2023-24 budget plan, dubbed “Protect Our Progress,” which outlined a number of key investments and built upon the Governor’s January budget proposal. The Protect Our Progress plan rejected the Governor’s proposed cuts to the Transportation Infrastructure Package, including the \$2 billion in cuts to TIRCP.

On May 12, Governor Gavin Newsom released the May Revision to his 2023-2024 state budget proposal. The May Revision included changes to the Governor’s budget, originally released in January, based on then-current revenues. The state now anticipated 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. In his budget proposal in January, Governor Newsom proposed reducing TIRCP funding to \$1 billion in each fiscal year. The May Revision did not change this proposal. Other transportation-related funding proposals are also largely unchanged from the Governor’s budget.

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 entered the next phase of budget negotiations.

The Delegation’s budget priorities letter emphasized protecting budget commitments that were made in the 2021-2022 fiscal year, rather than asking for new funding for any priorities. Crucially, this included maintaining the full \$4 billion for TIRCP over two years, identified in SB 198 from last year. The letter read: “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.”

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.

On June 15, 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. The 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 rejected 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 included over \$1 billion over 3 years in funds, partially from the Greenhouse Gas Reduction Fund, for a Zero Emission Transit Capital Program.

On Saturday, June 24, the transportation budget trailer bills, AB and SB 125, were put into print. Ultimately, the legislature passed and the Governor signed SB 125. Following the passage of SB 125, Metro 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.

Transit and Intercity Rail Capital Program Guidelines

As part of our budget advocacy surrounding SB 125 in August and September, Metro has also been engaged in the guidelines process through 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. On September 14, Metro submitted further comments on the draft guidelines released following input on the interim draft guidelines. Staff also worked through the California Transit Association to provide an LA County perspective to statewide partners. The final SB 125 TIRCP guidelines were released on Friday, September 29. Staff are appreciative of the internal and external collaboration that led to this inclusive process and look forward to the next steps in our partnership with the state to provide funding for the Board-approved priorities of the Foothill Gold Line Extension Project and the West Santa Ana Branch Project.

Legislative Update

In the 2023 legislative session, our advocacy efforts also focused heavily on Board-directed State

Legislative Program goals, as well as several proposals that would have impacted Metro programs. Metro's 2023 State Legislative priorities focused on sponsoring a bill to allow Metro to utilize job order contracting, as well as continuing to advocate for increased transportation funding for Los Angeles County. Early on in the legislative process this year, Metro also signed on to sponsor a bill related to combatting homelessness on transit properties.

Metro was successful in advocating for the passage and signing of two sponsored measures. The advocacy efforts around each bill included stakeholder support and collaboration that helped to advance each measure. Staff would like to acknowledge the Board for its forward thinking and support of the measures. Staff would also like to note that the diligent staff support from around the agency was integral to the success of the measures and coalition building efforts. The bills, which will become law on January 1, 2024, are summarized below:

- AB 499 by Assemblymember Luz Rivas (D - Sylmar). AB 499 will allow Metro to utilize job order contracting 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.
- AB 1377 by Assemblymember Laura Friedman (D - Burbank). This bill will require applications or planning materials for state funding through the Homeless Housing, Assistance, and Prevention (HHAP) program to include data and a narrative summary of quantifiable 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 facilities.

Metro also formally supported the following bills that were passed and signed:

- SB 434 by Senator Dave Min (D - Irvine). SB 434 will require the ten largest transit operators in California to collect and publish qualitative and quantitative data related to the harassment of diverse groups of riders using the survey developed by the Mineta Transportation Institute pursuant to last year's SB 1161, which was sponsored by Metro.
- SB 617 by Senator Josh Newman (D - Fullerton). SB 617 will authorize California's public transit agencies (amongst others) to utilize the progressive design-build procurement method for capital projects. Metro already has this authority, but this legislation will expand that authority to all transit agencies.

Additionally, Metro supported the following bill that is still in the legislature:

- AB 610 by Assemblymember Chris Holden (D - Pasadena). This bill would have created the statewide Youth Transit Pass Pilot Program, including a flexible grant system that would distribute funds to transit agencies to implement youth transit pass programs. The bill would authorize grant funds to be used to maintain an existing fare free program and/or partner with educational institutions. Staff will continue to advocate for bills and programs in the 2024 legislative cycle that would support the implementation of a fareless system.

LA County Delegation Engagement

Metro's State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation, in support of the Board-adopted Legislative program, Equity Platform, Customer Experience Plan, Zero-Emission Bus Plan and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC. Staff will also engage in discussions and advocate for state policies and funding opportunities as the Board approves directives to implement new initiatives that would address Metro's goals to implement the Equity Platform, reimagined public safety system, and affordable housing.

This legislative engagement also 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.

In addition to the activities described in the updates above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (the entire 2024 State Legislative Program is outlined in Attachment B). These include but are not limited to:

- Sponsoring ethics-related legislation to align Metro with other agencies for proper benchmarking and permit more efficient business practices.
- Explore legislation that would clarify provisions of state law that impact Metro's real property transactions and ground leasing for TOC developments, affordable housing and other uses.
- Working with the California Public Utilities Commission and the California Air Resources Board to advance Metro's Zero Emission Bus Program;
- Working with the Governor's Administration and key leadership in ensuring that the Governor's Executive Orders on Sustainability align with Metro's plans; and
- Supporting the allocation of cap and trade funds to Los Angeles County.

With Board approval, the 2024 State and Federal Legislative advocacy platform goals will guide Metro staff as we work with leadership in Sacramento and Washington, DC to advance the priorities outlined by the Board and CEO to secure policy reforms and funding for the agency.

EQUITY PLATFORM

Adopting the 2024 State and Federal Legislative Program goals could positively impact moving policy forward that supports Metro's investments in Equity Focus Communities. Outlining Metro's policy priorities to leadership in Sacramento and Washington, DC, is an important tool in creating equitable transportation and economic outcomes for riders of the diverse communities of Los Angeles County. The Board's adoption of the 2024 State and Federal Legislative Program Goals authorizes Metro's staff to engage directly with the state and federal legislature members who are responsible for setting

policy and funding targets for the LA County region. Legislation sponsored and supported by Metro as outlined in the Goals creates greater investment opportunities, supports a better customer experience, and accelerates project delivery in all Equity Focus Communities in LA County.

Ensuring Metro's advocacy efforts are effective and equitable requires regular assessment of equity impacts for specific measures and proposals. Staff will continue to work with partners in the office of Civil Rights, Racial Equity and Inclusion regularly to assess equity impacts and strategically communicate Metro's commitment to equitable transportation in our advocacy efforts.

DETERMINATION OF SAFETY IMPACT

Approval of this item supports funding for safety initiatives and rules and regulations that do not compromise safety.

FINANCIAL IMPACT

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

ALTERNATIVES CONSIDERED

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The adoption of the 2024 State and Federal Legislation Program supports Goal #4 in the Vision 2028 Strategic Plan goals, specifically Goal #4.2: Metro will help drive mobility agendas, discussions, and policies at the state, regional, and national levels.

NEXT STEPS

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C., and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees and with officials in the Biden-Harris Administration. We have and will continue to emphasize briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills. Metro looks forward to being an active stakeholder as the Administration moves to implement the Infrastructure Investment and Jobs Act.

In Sacramento, staff will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders, including, the Governor, Caltrans Director, California

Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to engage in strategic advocacy and legislative efforts related to several transportation issues and inform the Board of those efforts. Pursuant to the Board adopted Board Advocacy Plan, we will also work closely with the Board to utilize Board members' relationships and experience in legislative matters.

ATTACHMENTS

Attachment A - 2024 Federal Legislative Program

Attachment B - 2024 State Legislative Program

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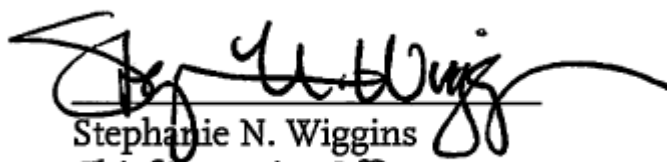
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