

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 18, 2024****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE January 2024 State and Federal Legislative Report.

DISCUSSION

**Executive Management Committee
Remarks Prepared by Raffi Haig Hamparian
Deputy Executive Officer, Government Relations**

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 January 3, 2024, and will be updated, as appropriate, at the Executive Management Committee meeting on January 18, 2024. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://www.dropbox.com/scl/fi/hq0w92k33qtw239do6gcc/1-January-2024-LA-Metro-Legislative-Matrix.pdf?rlkey=i6s0olzxrhp72w5ytrke2imgu&dl=0>](https://www.dropbox.com/scl/fi/hq0w92k33qtw239do6gcc/1-January-2024-LA-Metro-Legislative-Matrix.pdf?rlkey=i6s0olzxrhp72w5ytrke2imgu&dl=0), updated monthly.

Federal Government - Funding Bill Status

Metro continues to closely track the status of federal spending bills - because any shutdown of the Federal Government would have an adverse impact on the U.S. Department of Transportation (USDOT) and especially the Federal Transit Administration (FTA) - which is - in part - dependent on Congressional passage of annual appropriations bills. This in turn - would hurt the free flow of federal transportation dollars to our agency.

At present, the funding extension provided by Congress late last year for the federal transportation spending bill is slated to expire on January 19, 2024. Should Congress and the President be unable to reach an accord on this spending bill - along with others - the USDOT will have to enact steps that will reduce the flow of federal dollars to our agency.

However, should Congress be able to agree on a funding bill for transportation projects 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 FTA's Capital Investment Grant Program (CIG) - our agency would also receive funding from several federal formula programs - that deliver more than \$600 million to our agency on an annual basis - should Congress adopt a fully funded transportation spending measure.

We will continue encouraging members of the Los Angeles County Congressional Delegation to support appropriations legislation that will keep federal transportation dollars flowing to our agency.

Federal Protections for Bus and Rail Operators

Metro is encouraged that the FTA recently issued a General Directive "to address the significant and continuing national-level safety risk related to assaults on transit workers." Consistent with our work to safeguard bus and rail operator safety - we have been working with key stakeholders on Capitol Hill to explore additional federal protections that may be considered to enhance the safety and security of our operators. As we continue to address this matter with federal stakeholders in the coming weeks and months - I look forward to providing additional updates to the Board.

Los Angeles County Congressional Delegation

Our Government Relations team continues 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.

Consistent with our goal of providing accurate and timely information to federal stakeholders, our CEO traveled to Washington, DC late last year to advance our Board-approved Federal Legislative Program.

In our CEO's meetings with the Executive and the Legislative branches, our agency received positive feedback on our efforts related to many of our key projects and initiatives.

I wanted to mention several highlights from our CEO's trip.

In our CEO's meetings with both U.S. Senators Alex Padilla and Laphonza Butler - it was clear that both officials are fully supportive of our efforts to enhance mobility across LA County and that both were happy to hear about our measurable progress on several fronts - including our path forward in building the East San Fernando Valley Transit Corridor Project and the strides we have made to enhance safety and security on our transit system. Given her new post - our agency invited Senator Butler to tour our system in the coming months - an invitation that the Senator's staff and Metro staff

are currently working on.

Our CEO also held a series of meetings on Capitol Hill with LA County Congressional Delegation members. In discussions with Representatives Maxine Waters, Robert Garcia, Brad Sherman, Ted Lieu, Tony Cardenas, Sydney Kamlager-Dove, and Grace Napolitano - it was evident that our efforts to expand our transit system have the full support of our House Delegation. This is very positive and the result of the clear and constant communication Metro maintains with all our federal representatives.

During this advocacy trip - our CEO held a substantive meeting with the Deputy Secretary of the U.S. Department of Transportation (Polly Trottenberg) to discuss various issues - including monetary and non-monetary requests our agency has related to the Olympic Games. We were also able to discuss several major transit projects we have pending before the USDOT - including the East San Fernando Valley and West Santa Ana Branch Transit Corridor Projects - along with several pending grants before the department. The following day - our CEO held a deeper dive meeting at the USDOT with key FTA officials - including FTA Executive Director Matt Welbes.

At the White House - our CEO conferred with the Deputy Director of the Office of Management and Budget (Nani Coloretto) to discuss Metro's strong interest in securing federal funding in the President's upcoming Federal Fiscal Year 2025 Budget for Olympic-related initiatives - and also for the West Santa Ana Branch Transit Corridor. Our CEO was also able to meet with senior officials at the White House who work for the President's Special Advisor and Infrastructure Coordinator to discuss various issues tied to our Board-approved Federal Legislative Program. That was a particularly helpful meeting as it relates to several bus procurement issues we are addressing at our agency.

All in all - our CEO's visit to Washington, DC, late last year was productive.

As we continue advocacy trips like this in calendar year 2024 - I want to personally thank the Metro Board for adopting a content rich Federal Legislative Program - which has put our agency in a strong position to compete for federal transportation dollars.

Capital Investment Grant Program - Justice40

Consistent with our Board-approved Federal Legislative Program - Metro has continued to work with the USDOT - and the FTA in particular - to ensure that future updates to the CIG program include the Justice40 Initiative. As I have noted, our CEO authored a letter thanking U.S. Secretary of Transportation Pete Buttigieg and FTA Administrator Nuria Fernandez for their continued work updating CIG guidelines - with an eye on Justice40.

I am very pleased to report that the Biden Administration moved to include the CIG Program - among other USDOT Programs - as covered under the Justice40 Initiative late last year. This is welcome news and a validation of our Board-approved 2024 Federal Legislative Program - which sought to have the CIG Program covered by the Justice40 Initiative - given that this will positively impact the transit lines we are seeking to build in disadvantaged areas across LA County.

In this regard - on December 28, 2023, our CEO shared a letter to U.S. Secretary of Transportation Pete Buttigieg to express our agency's appreciation for the USDOT's recent decision to ensure that the Biden Administration's Justice40 Initiative now covers the FTA's CIG Program. Metro believes this action will favorably impact the FTA's future consideration of many of our transit projects - including the West Santa Ana Branch Transit Corridor Project - our agency's number one CIG priority project.

Federal Transportation Grants

Metro is seeking federal funding through several grant programs - including for the following projects and initiatives:

Metro seeks \$139 million through the Reconnecting Communities and Neighborhood Grant Program for Metro's Removing Barriers by Creating Legacy - A Multimodal Approach for Los Angeles County. This Project will enhance and expand affordable, equitable, and safe multi-modal connections through investments into bike share, bus only lanes, first/last mile improvements, and mobility hubs throughout LA County.

Metro is also seeking Reconnecting Communities grants for two other 710-related grant applications - one for the Humphries Avenue Crossing Project and the other for Long Beach to East LA: Reconnecting the I-710 Divide Project.

As we always do with our federal grant requests - we will work closely with members of the LA County Congressional Delegation - to solicit their support for our pending and future grant applications.

Conclusion:

Chair Bass and committee members - I look forward to expanding on this report at the Executive Management Committee meeting slated for January 18, 2024, with any new developments that may occur over the next several weeks.

**Executive Management Committee
State Remarks Prepared by Madeleine Moore
Deputy 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 January 3, 2024, and will be updated, as appropriate, at the Executive Management Committee meeting on January 18, 2024. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://www.dropbox.com/scl/fi/hq0w92k33qtw239do6gcc/1-January-2024-LA-Metro-Legislative-Matrix.pdf?rlkey=i6s0olzxrhp72w5ytrke2imgu&dl=0>](https://www.dropbox.com/scl/fi/hq0w92k33qtw239do6gcc/1-January-2024-LA-Metro-Legislative-Matrix.pdf?rlkey=i6s0olzxrhp72w5ytrke2imgu&dl=0), updated monthly.

Budget Update

In early December, the Legislative Analyst's Office (LAO) released its Fiscal Outlook for the coming budget year. This release followed the previous week's release of the updated revenue outlook, which took into account postponed tax payments and projected 2022-23 revenues to be \$26 billion below current Budget Act projections.

The Fiscal Outlook projected that California will face a \$68 billion deficit over three years, mainly due to the decreased revenues from the "big three" taxes-income, corporate, and sales. Other factors, such as higher borrowing costs, have also contributed to a cooling in the California economy. The LAO acknowledged that this decreased revenue presents a challenge to the Legislature but that there are options for addressing the deficit. First, the state has nearly \$24 billion in reserves. However, the Office cautioned the Legislature from relying too heavily on reserves, as deficits will likely continue beyond the upcoming budget cycle. The LAO also outlined two other strategies for addressing the budget deficit in the upcoming budget year. The Legislature could cut back on one-time spending or pull back spending from previous years that has been committed but not yet distributed. Finally, the Legislature could choose to lower educational spending.

Metro remains committed to advocating for the remaining TIRCP and ZETCP funds from last year's budget agreement to be allocated this year. The next step in the upcoming budget process is the release of the Governor's January budget. We anticipate the release of this on or before January 10 and will have a more detailed report to share at the meeting of the Executive Management Committee.

SB 125 Transit Program

Metro is engaged in the SB 125 Transit and Intercity Rail Capital Program (TIRCP) and Zero-Emission Transit Capital Program (ZETCP) process through the California State Transportation Agency (CalSTA). Metro submitted an allocation package to CalSTA for funding the Board's priorities as outlined in December 2022 and March 2023 actions.

Legislative Update - Sponsored and Supported Bills

The second year of the 2023-24 legislative session commenced on January 3, 2024. As outlined in the Board-approved 2024 state legislative program, Metro will pursue sponsored ethics-related legislation this session to align Metro with other agencies for proper benchmarking and permit more efficient business practices. Additionally, consistent with Board direction, Metro CEO Wiggins issued a letter of support to Assemblymember Laura Friedman (D - Glendale) for her authorship of AB 761, a two-year bill that seeks to extend the available Enhanced Infrastructure Financing District (EIFD) tax increment period from 45 years to 75 years for districts intended to fund zero-emission LA Metro transit projects with federal financing through Transportation Infrastructure Finance and Innovation Act (TIFIA) loans. Metro will continue to support this bill, both monitoring the progress and taking action on other bills of interest as they move through the legislative process.

Transit Transformation Task Force Update

On Friday, December 8, 2023, CalSTA Secretary Toks Omishakin announced that he had appointed 25 individuals from around the state to serve on the Transit Transformation Task Force.

The Transit Transformation Task Force was established in SB 125, the transportation funding bill from this year. The purpose of the Task Force is to develop policy recommendations to improve the transit experience, grow transit ridership, and address long-term operational needs by agencies. Transit agencies, educational institutions, and transit advocacy organizations from around the state will be represented on the Task Force. Metro's Executive Officer for Government Relations, Michael Turner, will represent Metro on the Task Force.

Metro was proud to support the Task Force since the idea was originally proposed in a bill by Assemblymember Friedman earlier this year. Metro looks forward to participating in the Task Force process in the coming year.

LA County Legislative Delegation Engagement

The Government Relations department prioritizes robust engagement with our local legislative representation in Sacramento. Staff held the winter quarterly legislative briefing in early December, bringing together district staff in-person to hear updates on Metro operations, planning, and system security.

Government Relations staff hosted several tours and in-person briefings in November and December. In late November, Senator Maria Elena Durazo (D - Los Angeles) and her staff toured the Westlake/MacArthur Park station as part of regular engagement with the Metro system. That same week, Senator Catherine Blakespear (D - Encinitas), in her capacity as Chair of the Senate Subcommittee on LOSSAN Rail Corridor Resiliency, toured the future Link Union Station project. Government Relations staff also hosted several committee and budget staff from Sacramento for a full-day tour of Metro projects throughout the County in mid-December. Finally, staff continued to respond to requests for alignment tours of the C Line extension, with another tour in late December for Senator Ben Allen (D - Santa Monica). Government Relations staff will continue to brief staff and elected officials on Metro priorities and projects as the legislature comes back into session.

State Equity Analysis

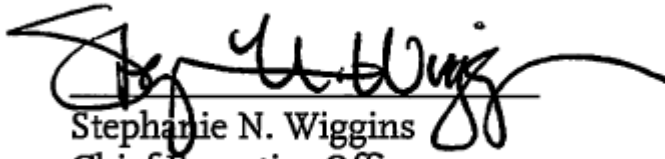
Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento to address any equity issues in proposed bills and the budget process.

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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