



ITEM ID: 2023-121-0

TRANSMITTAL DATE: February 17, 2023

MEETING DATE: February 24, 2023

TO: Board of Directors

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: February Legislative Update

Issue

Staff provides a regular update on current legislative affairs.

Recommendation

EXECUTIVE COMMITTEE received and filed this report.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving. This commitment is met by sharing news, information and the Authority’s legislative priorities with elected officials.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. This commitment is met by encouraging federal, state and local support for Authority priorities.

Background

Staff continues to engage with local, state, and federal government and community relations stakeholders relating to Metrolink service and relevant policy items.

Discussion

Local

The goals of these local efforts are to:

- Strengthen relationships with our station cities.
- Listen to communities along our network to hear their issues and concerns and address where possible.
- Provide information to expand our Community Based Organizations (CBO) program and assist grant outreach efforts.

Low-Income Fare Discount Program

The Community Relations Team is working with the Marketing and Communications departments to publicize the Low-Income Fare Discount. In September 2022, Metrolink introduced a 50% fare discount for riders with a valid California Electronic Benefit Transfer (EBT) card. Funding for the discount is made possible by a grant from the Low Carbon Transit Operations Program (LCTOP), administered by the California Department of Transportation (Caltrans). The program began in September 2022 and will continue until grant funding has been depleted, currently anticipated in August 2023. To increase community participation, information was sent to 154 school districts throughout Metrolink's service region on January 20, 2023. In addition, information was sent to cities that have been identified as disadvantaged or Title VI eligible requesting that this information be featured in upcoming newsletters or city websites.

Community Survey

As part of our by-line outreach effort, we will be sending out a community survey to residents throughout the network. The survey will be distributed more than 3.6 million people via Nextdoor, pop-up events and roundtables. The survey goal is help us be a better neighbor by asking residents about their familiarity with our services and if they have any concerns with Metrolink service in their community. We are also assessing what community-based organizations are active in our region.

By-Line Meeting

We are in the process of scheduling meetings by service line. The first presentation will be for the station cities on the San Bernardino Line tentatively scheduled for mid-March or early April. The purpose of the meetings will be to learn more about what is important to local communities. An invite for the first round of virtual meetings will be sent to City Managers, City Engineers and Public Works staff.

After this meeting we will host project roundtables where we will reach out to stakeholders and community groups. We will also participating in established community events (farmers markets, etc.), to learn more about community concerns and share the project survey. We are considering conducting virtual town hall meetings to follow up as needed.

Online Safety Program for Local Schools

We will be distributing our online school safety program to 154 school superintendents across the Metrolink network and requesting they distribute to all schools in their district . As an incentive for schools to complete the program we will offer one school trip per school on Metrolink, subject to program requirements.

State

2023-2024 State Budget

Governor Gavin Newsom released the 2023-2024 Budget Proposal on January 10. The Governor's budget emphasis is on solutions to address slower economic growth compared to prior fiscal years. The Department of Finance within the Governor's Office, which principally prepares the budget, has emphasized that the state is in a strong position to adapt the new budget conditions.

The Legislature held its first budget oversight hearing on January 18, which kicked off the process in the Assembly and Senate that will continue through the release of revised financial assumptions in May through the Governor's "May Revise".

During the Senate Budget and Fiscal Review Committee hearing on January 18, the Department of Finance reiterated the topline \$297 billion in expenditures and \$29.5 billion in revenue declines (\$22.5 billion after transfers). The \$3.1 billion in reductions planned for transportation depend on future budget conditions and can be restored. The planned reductions in funding, including the \$2 billion from the Transit and Intercity Rail Capital Program (TIRCP) allocated by formula, were part of the 2022-2023 budget agreement. The Governor's office expects that lost funds will be back filled by federal Bipartisan Infrastructure Law (BIL) or Inflation Reduction Act (IRA) funds. Staff will continue to advocate for the Legislature and Governor to maintain funding commitments and restore any planned cuts.

It is important to note that the Governor's budget accounts for higher interest rates and slower economic growth. It does not reflect an economic recession. A mild recession could result in an additional \$20-40 billion in lost general fund revenues and a moderate or severe recession could result in an additional \$60 billion in lost revenues. It is also important to note that state revenues can fluctuate significantly in either direction, including tens of billions of dollars

positively in last year's budget cycle. The next budget revenue totals will be available when the May Revise is released.

The Legislative Analyst Office (LAO) recommends that the Legislature avoid enacting a budget the plans for future deficits. The Legislature may convert some spending-related delays to reductions, add new out-year trigger reductions if needed, or consider new revenue increases. The LAO's overview of the Governor's budget notes that planned spending reductions, like those contemplated for transportation, are in areas where the Legislature has already expressed clear support as priorities.

Senators Maria Durazo (Los Angeles), Richard Roth (Riverside) and Josh Newman (Fullerton) expressed concerns with transportation related provisions of the budget during the committee hearing. Senator Scott Wiener (San Francisco) also released a bicameral letter on January 18 that included Members from the Bay Area Members and Southern California, including Assembly member Wendy Carrillo (Los Angeles), Senator Ben Allen (Redondo Beach), and Senator Henry Stern (Calabasas) responding to the budget and expressing concern with planned cuts to transportation.

Advocacy Opportunities

Mobility 21 hosted a two-day advocacy trip with its Board of Directors on January 30-31. Chief Executive Officer Darren Kettle, who serves on the Mobility 21 Board, joined the delegation of Southern California transportation leaders in Sacramento to meet with key Newsom Administration officials and members of the Legislature on legislative and funding priorities. Priorities presented by the group included the need for state transit operations funding support, resources to support coastal erosion impacting rail operators, and investing in near-term projects that support Metrolink service.

Staff are identifying additional advocacy opportunities in Sacramento in support of Metrolink's grant application and policy priorities in the months ahead, including the California Transit Association's annual Spring Legislative Conference on May 16. The timing of state grant program announcements, budget and policy committee hearings and consideration of legislation through early May will inform the expected advocacy timeline.

Bill Introductions

The last day to submit bill requests to the Office of Legislative Counsel was Friday, January 20. Members have until February 17 to introduce a bill. Since the beginning of the legislative session, a number of bills of interest have been introduced. A description of bills of note is provided below and included in the attached bill matrix.

- Assembly Bill 9 (Muratsuchi) and Senate Bill 12 (Stern): Raises the statewide emissions reductions from 40 percent below 1990 levels by Dec. 31, 2023 to 55 percent.
- ACA 1 (Aguilar-Curry): Sets a 55 percent approval threshold for local infrastructure voter propositions.
- Senate Bill 2 (Skinner): Establishes a to be determined maximum gross gasoline refining

margin.

- Assembly Bill 6 (Friedman): Intent legislation that would require regional transportation agencies to prioritize and fund transportation projects that accelerate the region's sustainable communities strategies and state's climate goals.
- Assembly Bill 7 (Friedman): Intent legislation that would eliminate single occupancy vehicle capacity projects and allow capacity projects only for bus rapid transit, rail, active transportation or safety purposes, and projects that reduce congestion.

Policy Committee Announcements

Assembly Speaker Anthony Rendon announced the 2023-2024 Committee Appointments on January 18. Appointments to key committees are summarized below.

Assembly Committees

- Assembly Appropriations Committee, Chair: Asm. Chris Holden
- Assembly Appropriations Committee, Vice-Chair: Asm. Megan Dahle
- Assembly Budget Committee, Chair: Asm. Phil Ting
- Assembly Budget Committee, Vice-Chair: Asm. Vince Fong
- Assembly Budget Subcommittee No. 3 (Transportation), Chair: Asm. Steve Bennett
- Assembly Transportation Committee, Chair: Asm. Laura Friedman
- Assembly Transportation Committee, Vice-Chair: Vince Fong

Senate President pro Tempore Toni Atkins announced the standing Senate committee assignments on January 5. Appointments to key committees are summarized below.

Senate Committees

- Senate Appropriations Committee, Chair: Anthony Portantino
- Senate Appropriations Committee, Vice-Chair: Brian Jones
- Senate Budget and Fiscal Review Committee, Chair: Nancy Skinner
- Senate Budget and Fiscal Review Committee, Vice-Chair: Roger Niello
- Senate Budget and Fiscal Review Subcommittee (Transportation), Chair: (Maria Durazo)
- Senate Transportation Committee, Chair: Lena Gonzalez
- Senate Transportation Committee, Vice-Chair: Roger Niello

Federal

118th Congress

The 118th Congress is continuing its reorganization following the November election. Rep. Kevin McCarthy of California was elected as Speaker of the House which has allowed regular business to be considered.

House Leadership

- Speaker of the House: Rep. Kevin McCarthy
- Republican Majority Leader: Rep. Steve Scalise
- Republican Majority Whip: Rep. Tom Emmer
- Republican Conference Chairman: Rep. Elise Stefanik
- Republican Policy Committee Chairman: Rep. Gary Palmer
- Democratic Leader: Rep. Hakeem Jeffries
- Democratic Whip: Rep. Katherine Clark

- Democratic Caucus Chairman: Rep. Pete Aguilar
- Assistant Democratic Leader: Rep. James Clyburn

Additionally, key appointments to policy committees of jurisdiction have been announced and are summarized below.

House Committees

- House Transportation and Infrastructure Committee Chairman: Rep. Sam Graves
- House Transportation and Infrastructure Committee (New Republican CA Member): Rep. John Duarte
- House Appropriations Committee, Chair: Rep. Kay Granger
- House Appropriations Committee - Transportation, Housing, and Urban Development (THUD) Subcommittee, Chair: Rep. Tom Cole

Federal Debt Limit

The United States Treasury hit its \$31.4 trillion debt limit on Thursday, January 19, forcing the Treasury Department to use "extraordinary measures" to avoid a default on financial obligations. The government reportedly could default on payments mid-year. Failure to act could cause instability in global financial markets and result in stalled domestic spending.

Advocacy Opportunities

Potential opportunities for in-person advocacy on Metrolink grant applications and legislative priorities include meetings in Washington, DC of the Commuter Rail Coalition (CRC) the week of February 27, the ACCESS D.C. trip from March 28-30, and the California Congressional Reception on March 28 hosted by the Southern California Association of Governments and the Metropolitan Transportation Commission. These last two events coincide with the National League of Cities Conference.

Next Steps

Staff will continue to work with Member Agency legislative staff, the Southern California Legislative Roundtable, Mobility 21, state and federal trade associations, and local, state, and federal delegation offices to advance the priorities of the Board.

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Attachment(s)

[Appendix A - February 2023 Bill Matrix](#)

