



ITEM ID: 2023-191-0

TRANSMITTAL DATE: May 5, 2023

MEETING DATE: May 12, 2023

TO: Executive Committee

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: May Legislative Update

Issue

Staff provides a regular monthly update on current legislative affairs.

Recommendation

Receive and file.

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

Community Outreach

As part of a larger outreach effort to communities along Metrolink service lines, staff are reaching out to communities along the San Bernardino Line. Staff held a virtual meeting with city personnel in Los Angeles and San Bernardino Counties on March 22. In the month of May roundtables will be scheduled with invited elected officials, business groups, community members and environmental justice groups. The presentation will focus on Metrolink improvements in the cities along the San Bernardino Line: City of Los Angeles, El Monte, Baldwin Park, Covina, San Dimas, La Verne, Pomona, Claremont, Montclair, Upland, Rancho Cucamonga, Fontana, Rialto, San Bernardino and Redlands.

The information shared will include details about Metrolink's operations, current and future improvement projects, including the Southern California Optimized Rail Expansion (SCORE) program. The kick-off meeting and future roundtables will provide community members an opportunity to discuss shared interests including Maintenance of Way (MOW), Quiet Zones, State of Good Repair and sustainability or clean-air goals. The strategic goal of this outreach is to share information with local stakeholders, hear concerns and answer questions.

Staff will also be attending community sponsored events in the coming months to administer a community survey, share information about Metrolink and answer Metrolink-related questions for local residents. This outreach provides another opportunity for staff to build new partnerships with stakeholders, assess any need to resolve issues, and be a proactive partner in the communities we serve. Outreach will also inform and support future improvement opportunities.

Low-Income Fare Discount Program - Outreach

Metrolink staff are continuing to support outreach for the Low-Income Fare Discount Program. The continued goal of this outreach is to ensure that all eligible participants are aware of the program. Participation in the program continues to increase while staff are conducting outreach.

Examples of outreach in Los Angeles County include distributing information to cities that meet Title VI criteria and all County Supervisors posting program information in their weekly newsletters. To date the Department of Public Social Services for Los Angeles and San Bernardino Counties have posted information for greater visibility. We are conducting similar outreach with the appropriate departments in Orange, Riverside and Ventura Counties. Staff have coordinated a door-to-door literature drop to provide information to homes in Los Angeles and San Bernardino County with plans to continue this effort in all service-area counties. Staff are identifying future opportunities to connect with eligible program participants in partnership with the Customer Experience Team. We appreciate the support of Metrolink Board Members and local partners in distributing information.

Low-Income Fare Discount Program - Title VI Outreach

Staff are coordinating with the Customer Experience Team to complete a Title VI analysis. The Proposed Public Participation Objectives require that Metrolink:

- Conduct Title VI outreach for the purpose of promoting inclusive public participation in accordance with Federal Transit Administration (FTA) guidelines;
- Gather feedback that the Board can use to make decisions that benefit the communities that Metrolink serves;
- Build relationships with customers, communities and other stakeholders for this and future Metrolink initiatives;
- Inform the community about the proposed changes.

The public outreach process will begin May 26, 2023 with a Public Hearing scheduled for July 14, 2023. More information regarding comments received will be provided to the Board at a future date.

State

Oversight Hearings

The Legislature returned on April 10 from Spring Recess. Oversight hearings continued before fiscal and policy committee deadlines in April and May. Of note, the Assembly Transportation Committee and Assembly Budget Subcommittee No. 3 - Climate Crisis, Resources, Energy, and Transportation held an oversight hearing on the California High-Speed Rail Authority's 2023 Project Update Report. During the hearing, the Legislative Analyst's Office (LAO) noted that overall cost estimates have increased by \$13.4 billion - resulting in a \$10 or \$12 billion funding gap depending on revenues from the Cap-and-Trade Program auctions. The Authority underscored the importance of federal funding in completing the first phase.

The Senate Budget Subcommittee No. 5 - Corrections, Public Safety, Judiciary, Labor and Transportation held a hearing on April 27 to discuss transportation components of the state's budget. The hearing consisted of the California Transit Association, LAO, Department of Finance and California State Transportation Agency (CalSTA) discussing state resources to support transit operations. A summary of hearings will be provided to the Board at the Committee meeting.

Bills and Legislative Timelines

The Assembly and Senate must pass bills out of their originating legislative chamber by June 2. The State Budget must be passed by June 15. A summary of bills of note being tracked is provided below. A full summary of legislation is provided in the attached Bill Matrix.

1. Assembly Bill 6 (Friedman): Among other provisions, would require nominations to the Solutions for Congested Corridors Program (SCCP) to demonstrate how a project achieves the state's Greenhouse Gas emission target.
2. Assembly Bill 7 (Friedman): Requires asset management, safety, environmental resiliency, and emerging technology project selection guidelines for projects funded by the State Highway Account, Road Maintenance and Rehabilitation Account, a local transportation fund, the Trade Corridor Enhancement Account, among others.
3. Assembly Bill 610 (Holden): Creates a new Youth Transit Pass Pilot Program.
4. Assembly Bill 761 (Friedman): Establishes a new Transit Transformation Task Force to grow transit ridership and improve the customer experience.

5. Assembly Bill 819 (Bryan): Removes the categorization of a 3rd or subsequent fare violation as a misdemeanor and makes such violations punishable only by a fine of up to \$400.
6. Senate Bill 617 (Newman): Authorizes a transit district, municipal operator, consolidated agency, joint powers authority, regional transportation agency, or local or regional agency, as described, to use the progressive design-build process.

Transit Operations Funding - Budget Solvency

Staff continue to participate in the consensus process led by the California Transit Association (CTA) to identify a transit operations funding request. The process is guided by the principle of ensuring diverse stakeholders across the state are eligible to receive the resources they need. Staff will continue to support and participate in the CTA-led process. These discussions are occurring in an environment of budget uncertainty for public transit operators and the state.

The Legislature must balance the 2023-24 Budget and address the state's medium-term fiscal outlook. California has an estimated \$27 billion deficit - approximately the size of the state's discretionary reserve balances. An additional \$10 billion may be used toward constitutional required spending. The Legislative Analyst's Office (LAO) remains concerned about the risk of recession. This fiscal situation is occurring after two years of General Fund growth in 2020-21 and 2021-22 by nearly 30 and 20 percent respectively. It is the LAO's assessment that General Fund spending remains too high relative to revenues. A recession could cause sharper declines in state revenues - upwards of \$30 to \$50 billion. Delayed tax filings increase the likelihood that year-to-year budget corrections will be necessary. The Governor is expected to release updated budget information on May 12.

The State will need to consider creative and innovative solutions. For example, the LAO estimates that the Green House Gas Reduction Fund - which is funded by the Cap-and-Trade Program, may have an additional \$800 million in revenues above what the Governor proposed in the 2022-23 and 2023-24 Fiscal Years.

In-Use Locomotive Public Hearing

The California Air Resources Board (CARB) met on April 27 to consider and adopt the proposed In-Use Locomotive Rule. Metrolink staff and Board Directors have been coordinating with CARB staff, CARB Board Members, and the CTA over the last two years in the development of the proposed rule. Staff support the Board's adoption of the modified text and appreciate the inclusion of the Alternative Compliance Plan (ACP). Additional information will be provided in the months ahead as the ACP is finalized and presented to CARB. Staff appreciate the Board Members and Member Agency staff who supported Metrolink throughout the process.

Transit and Intercity Rail Capital Program (TIRCP) Award

On April 24 the California State Transportation Agency (CalSTA) awarded Metrolink \$10 million in grant funding toward the Locomotive Modernization Study, Pilot and Implementation Project that will reduce fuel consumption and emissions. Additionally, \$15.5 million was awarded toward the Double Track Project: Moreno Valley to Perris in collaboration with the Riverside County Transportation Commission (RCTC). These improvement projects are part of Metrolink's ongoing mission to improve the accessibility and sustainability of services throughout the Southern California region. The state's continued partnership is essential

toward meeting those goals.

Federal

Debt Limit Negotiations

Congress is continuing negotiations on a debt limit proposal that can be passed in Congress and signed by the President. While the White House and Senate are seeking a debt limit increase without conditions, the House of Representatives released a debt limit framework on April 19. This framework would raise the debt limit by \$1.5 trillion or through March 2024 (whichever comes first), limits discretionary spending to FY 2022 level - reducing federal spending by approximately \$130 billion, rescinds Inflation Reduction Act climate tax credits and unspent COVID-19 pandemic funding, among other proposals. Staff will continue to monitor the debt limit negotiations for potential impacts to Department of Transportation or other relevant funding programs.

Federal Grant Programs and Projects - Eligibility for Funding

Staff continue to coordinate through the Commuter Rail Coalition (CRC) in seeking full eligibility for commuter railroad projects for Department of Transportation funding programs, such as the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. Additionally, there may be opportunities for specific projects to be eligible for program funding through the Federal Railroad Administration (FRA) Corridor Identification Program. Staff are encouraging Metrolink's federal delegation offices to support eligibility for regional rail operators like Metrolink to access these critical funding programs.

Rail Safety Bill

Congress is continuing discussions and deliberations over a federal rail safety bill. Of note, staff continue to monitor for area of relevance for regional rail operators and the Southern California region. The agency is part of the industry response led by the Commuter Rail Coalition (CRC). Staff are encouraging shared goals of supporting rail safety, avoiding unintended consequences and advancing opportunities to accelerate rail safety projects or funding programs.

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Attachment(s)

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