



ITEM ID: 2024-107-0

TRANSMITTAL DATE: February 16, 2024

MEETING DATE: February 23, 2024

TO: Board of Directors

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: February 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 community, local, state, and federal stakeholders relating to Metrolink service and relevant policy initiatives.

Discussion

Local

Metrolink's CEO met with Los Angeles City Councilwoman Imelda Padilla on January 11 to discuss matters of interest to Council District 6, including the Sun Valley and Van Nuys stations. Councilwoman Padilla expressed support for upgrading the Sun Valley Station to improve its profile and ridership. She also shared community and business organization contacts to be included in future Metrolink outreach activities and is willing to share Metrolink messages through her office social media and listserv accounts.

Staff are planning Title VI hearings and outreach activities related to the AVL service increases and the implementation of the Student Adventure Pass in October 2023. Hearing dates have not been set. Title VI hearings are intended to ensure service or fare changes do not result in disparate adverse impacts to identified disadvantaged communities.

Staff will be sharing information about Metrolink's virtual safety program and Student Adventure Pass via a more robust database containing contacts at more than 5,000 schools in our service area. Initiated last year in coordination with the Metrolink Safety team, the virtual safety program provides rail safety information targeted at youth audiences.

Staff presented to the Valley Industry Commerce Association (VICA) Transportation Committee on January 9. Topics included the recent service changes to and ridership increases on the Antelope Valley Line (AVL), the Mobility-4-All and Student Adventure Pass programs and SCORE and state of good repair project updates.

State

The Legislature reconvened after three-month recess on January 3. The California Transit Association opposed SB 397 (Wahab), requiring a plan to consolidate the 27 transit agencies in the Metropolitan Transportation Commission (MTC) region into a single agency. SB 397 was withdrawn on January 9. The author indicated her intent to continue consolidation efforts in the future.

On January 10, Governor Newsom introduced his 2024-25 state budget proposal. The budget projects a \$37.86 billion shortfall, far less than the \$68 billion deficit forecast by the California Legislative Analyst's Office. The deficit impacts the next three fiscal years. The Governor's budget summary for infrastructure includes delays across various programs to address the projected budget shortfall, including:

- \$400 million for the Active Transportation Program with \$300 million shifted to 2025-2026 and \$100 million to 2026-2027
- Delay of \$1 billion from 2024-25 to 2025-26 for the Formula Transit and Intercity Rail Capital Program (TIRCP)
- \$150 million General Fund from 2021-22 for the Highways to Boulevards program to align the budget with expenditure schedules
- \$100 million General Fund from 2021-22 for the Port and Freight Infrastructure Program to align the budget with expenditure schedules.

Despite the projected shortfall, transportation and transit face delayed but not reduced funding levels. The \$5.1B of supplemental TIRCP and Zero-Emissions Transit Capital Funding provided in the current year (FY 23-24) budget agreement is not proposed to be trimmed, suspended or eliminated. As a reminder, the agreement provided that of the \$5.1 billion amount, \$2.4 billion was appropriated as part of the current FY 2023-24 Budget (\$2 billion of TIRCP and \$410 million of Zero Emission) with the remaining \$2 billion of TIRCP to be appropriated in FY 2024-25 and \$230 million of ZE funding each year from FY 2024-25 through FY 2026-27.

The Governor's budget proposes to delay a portion of the remaining TIRCP funding by one fiscal year, so \$1 billion would still be appropriated in FY 2024-25 and the remaining \$1 billion would be appropriated in FY 2025-26, essentially delaying half of it for one fiscal year. This does not impact the \$2 billion of TIRCP funding appropriated in the current 2023-24 fiscal year.

Funding delays are intended to help achieve a balanced budget while minimizing programmatic impacts. There are only two reductions from the General Fund in the infrastructure portion of the budget - 1) \$200 million for the Active Transportation Program, leaving it with \$850 million of the \$1 billion originally included as part of recent one-time transportation investments and 2) \$96 million for Port of Oakland improvements.

The Legislative Analyst's Office will release its initial review of the Governor's budget in mid-January with legislative budget committee hearings commencing soon after. The Governor will release a revised budget based on updated revenue estimates by May 14. The California Transit Association's spring legislative conference in late May will offer an advocacy opportunity for transit providers as budget negotiations are underway. The final deadline for the Legislature to pass a balanced budget is June 15.

Federal

Congressional leadership announced an agreement on top-line funding levels for the remainder of FY 2024 to avert shutdown of the federal government, which is operating under status quo FY 23-24 funding levels set to expire on January 19. The deal provides \$772.7 billion for non-defense spending, roughly in line with the \$771.4 billion provided in FY 2023.

As a next step, appropriations committees will begin meeting to determine how to spend their individual allocations, which are not yet announced as of preparation of this report. Earlier this year, House Republicans sought to advance the FY 2024 Transportation, Housing and Urban Development (THUD) appropriations bill with \$100 million less for the Federal Railroad Administration's Federal-State Partnership for Intercity Passenger Rail than their Senate counterparts. The FY 2024 Senate THUD bill, by comparison, provided \$21.1 billion for public transit, including \$16.7 billion for passenger and freight rail, which was in line with the Bipartisan Infrastructure Law authorization amounts.

Part of the federal government's funding, including for the U.S. Department of Transportation (USDOT), runs out on January 19, pursuant to a November 2023 Continuing Resolution (CR). To buy House and Senate lawmakers time to negotiate and pass FY 24 appropriations bills, another CR is needed. Over the MLK weekend, Congressional leaders announced an agreement to keep portions of the federal government, including USDOT, open until March 1. As of this writing, it is unclear whether this CR can pass the House.

Metrolink staff met with Federal Railroad Administrator (FRA) Amit Bose on January 10 during the Transportation Research Board (TRB) annual conference in Washington, DC. Matters discussed included Metrolink's pending grant application for federal match funds to replace Tier 2 locomotives, the implications of the California air resources regulation concerning passenger and freight locomotives, the Corridor ID program, Olympics readiness efforts and potential intrusion detection technology advancements.

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Attachment(s)

[Appendix A - February 2024 Bill Matrix](#)