



ITEM ID: 2023-250-0

TRANSMITTAL DATE: July 7, 2023

MEETING DATE: July 14, 2023

TO: Executive Committee

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: July 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

By Line Meeting Summary

The Metrolink Community Relations Team is preparing a summary report of input, recommendations and follow-up from the San Bernardino Line virtual community meetings recently held as part of Metrolink's by-line outreach meetings. The first virtual meeting with city staff, including City Managers, Engineers and Public Works staff, was held on March 24; followed by two virtual meetings held with elected officials and with community and business groups from cities along the San Bernardino Line, on May 28. The meetings covered topics that are important to communities near the rail network, including Quiet Zones, maintenance of way issues (such as graffiti, homeless encampments, etc.), and planned and pending projects along the corridor in both Los Angeles and San Bernardino Counties. These meetings have led to invitations for Metrolink participation in city sponsored events and community outreach with regard to youth groups and safety information.

Title VI

As part of required Title VI outreach effort, a virtual community meeting was held on June 21, 2023 to provide attendees with information about and the opportunity to comment on the LCTOP funded discount fare program. In addition to the required Title VI effort which includes posting ads in Limited English Proficiency (LEP) newspapers, notices regarding the discount and the virtual community meeting have been posted on Next Door, Metrolink's website, and county social service agencies' social media. Notices have also been hand-delivered in a variety of identified low-income neighborhoods and provided at several Metrolink pop-up events at farmers' markets and other community gatherings. These efforts have contributed to a month-over-month growth in community participation in the program.

Community Participation

As part of our community participation efforts, the Metrolink Team attended the San Gabriel Valley Council of Governments meeting to distribute LCTOP information and also attended the San Gabriel Valley Economic Partnership Legislative Reception. These meetings serve to share perspectives on legislation and policy proposals at the state level that impact local government and transportation, which are incorporated into the legislative tracking matrix included with this report.

State

State Budget

The Governor submitted a budget proposal to the Legislature in January and a revised budget in May. The state constitution requires the Legislature to approve a budget by June 15. The budget agreement between the Assembly and the Senate was released on June 11 and passed by the Legislature on June 15. The Governor agreed to and signed Senate Bill 101 – the primary budget bill. The Legislature has also approved follow-up budget bills Assembly Bill 102 and Senate Bill 125 which include the transportation-related funding and policies

described below. Governor Newsom has not yet signed AB 102 or SB 125 at the time this report was prepared. Additional trailer bill action by the Legislature is expected with urgency clauses – including the Governor’s infrastructure package.

The state's budget reflects the ongoing budget uncertainty caused by economic and tax revenue projections. The Legislative budget proposal includes \$311.7 billion in expenditures and estimates \$143.5 billion in federal funds that will flow to state programs, local governments and other entities. Of note for transportation, AB 102 restores the full population-based Transit and Intercity Rail Capital Program (TIRCP) \$4 billion in funding for 2023-24 and 2024-2025. These resources can be fully leveraged by regions and local operators to assist with transit operations. An additional \$1.1 billion in flexible funding has been identified for zero-emission transit capital projects over four years between FY 2023-24 and 2026-27 - totaling a \$5.1 billion package for capital projects and operations. SB 125 formally establishes a new Transit Transformation Task Force with the goal of identifying recommendations to increase transit ridership and improve the transit experience.

Additional funding shifts from the General Fund and reductions or delays in spending can occur if further budget pressures require the Legislature take additional action. One-time budgeted spending could be delayed until early 2024 if needed.

Additionally, the relief programs first established in response to COVID-19 are further extended. The budget also creates a task force to consider efforts to increase transit ridership and improve long-term services. The proposed delays to the Grade Separations Program were also included by the Legislature. Additional action on accountability and reform metrics is expected in coordination with the California Transit Association in the weeks and months ahead.

Governor's Infrastructure Package

Governor Newsom released an infrastructure streamlining package on May 19 intended to reduce project delivery times, costs, and paperwork. The Governor also signed Executive Order N-8-23 to form an agency strike team directed to maximize federal and state funding opportunities. State agencies on the strike team include the California State Transportation Agency (CalSTA) and the Department of Transportation (Caltrans).

The infrastructure package included 10 policy proposals for the Legislature to consider. The Administration sought approval through the budget trailer bill process. The final budget agreement will likely result in policy bills with urgency clauses to allow for expedited application or use of the policies. A summary of the proposals relating to public transportation is included below.

- *Senate Bill 146 (Gonzalez/Friedman) – Progressive Design Build, Job Order Contracting (JOC) and National Environmental Policy Act (NEPA) Assignment:* Extends NEPA assignment until Dec. 31, 2023, provides Caltrans progressive design-build authority for up to eight projects valued over \$25 million, and authorizes Caltrans to use JOC through Dec. 31, 2033.
- *Senate Bill 149 (Caballero) – Expedited Judicial Review, Administrative Records Review:* Allows a public agency to prepare the record of proceedings and limits challenging the certification of a covered infrastructure project Environmental Impact Report (EIR) to no more than 270 days.

Consideration of these and other policy proposals from the infrastructure package are ongoing at time of preparation of this report and any rail transit or other provisions relevant to Metrolink that pass into law will be included in the July committee and Board presentations.

Federal

Appropriations

House Republicans approved topline funding levels for appropriations bills using overall totals from fiscal year 2022, which are below current funding levels and the total set under the debt limit agreement. These funding levels, known as 302(b)s, total \$1.47 trillion - approximately \$119 billion less than the spending caps set in the debt limit agreement which total \$1.59 trillion and \$130 billion less than current funding levels.

These funding levels could result in significant cuts to the Transportation, Housing and Urban Development (THUD) bill. The THUD bill is expected to receive \$65.2 billion in resources for key transportation programs - approximately 25 percent less than the \$87.3 billion provided in the Fiscal Year 2023 bills.

The Senate is expected to propose funding levels consistent with the debt limit agreement, creating the potential for a lapse in appropriations if there is not agreement between the Senate and House of Representatives. Staff are encouraging the full funding of the THUD appropriations bill to the highest authorized levels. Federal government funding expires on September 30. Congress must pass all 12 appropriations bills before January 2024 in order to avoid an across-the-board one percent budget cuts agreed to under the debt limit package.

Mobility 21 Washington DC Advocacy

Metrolink CEO Darren Kettle joined the Mobility 21 Board of Directors and Advisory Board on a federal advocacy trip to Washington, D.C. June 20-21. During the trip attendees met with Members of Congress and leadership from the American Public Transportation Association (APTA), United States Chamber of Commerce, and the United States Department of Transportation (DOT). The trip priorities included supporting public transportation investment as authorized by the IIJA through the annual appropriations process this year, including for support of projects that support the 2028 Olympic Games; Build and Buy America provisions that do not delay project development; and supporting goods movement projects in the Southern California region which is the nation's primary gateway to international commerce. Mr. Kettle was also able to again affirm Metrolink's commitment to securing eight additional Tier 4 locomotives through matching funding from its federal RAISE grant application with remaining funding from state and local sources.

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Attachment(s)

Appendix A - July 2023 Bill Matrix