

**Board Report**

File #: 2025-0009, **File Type:** Informational Report**Agenda Number:** 27.

**EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 20, 2025****SUBJECT: FEDERAL AND STATE REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE February 2025 Federal and State Legislative Report.

DISCUSSION

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

Chair Hahn 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 February 4, 2025, and will be updated, as appropriate, at the Executive Management Committee meeting on February 20, 2025. The status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/2%20-%20February%202025%20-%20LA%20Metro%20Legislative%20Matrix.docx.pdf>](https://libraryarchives.metro.net/DB_Attachments/2%20-%20February%202025%20-%20LA%20Metro%20Legislative%20Matrix.docx.pdf), which is updated monthly.

Incoming Trump Administration/U.S. Department of Transportation Nominee - Former Congressman Sean Duffy

As reported to the Board last month, President-elect Donald Trump nominated former Congressman Sean Duffy (R-WI) to serve as America's 20th Secretary of Transportation. Earlier this week, the Senate Commerce Committee voted by a margin of 28 to 0 to approve the nomination of Congressman Duffy. The full Senate moved to confirm Duffy's nomination on January 28, 2025 by a margin of 77 to 22.

The former Congressman represented Wisconsin's 7th Congressional District from 2011 to 2019. In the coming weeks, we expect President-elect Trump to nominate additional individuals for senior positions across the U.S. Department of Transportation. Given the scale and scope of our Board-approved 2025 Federal Legislative Program, we are in the process of engaging the new leaders at the USDOT as soon as possible.

Most recently, the U.S. Department of Transportation issued an Order entitled, “Ensuring Reliance Upon Sound Economic Analysis in Department of Transportation Policies, Programs, and Activities. According to the U.S. Department of Transportation, “This Order updates and resets the principles and standards underpinning the U.S. Department of Transportation policies, programs, and activities to mandate reliance on rigorous economic analysis and positive cost-benefit calculations and ensure that all DOT grants, loans, contracts, and DOT-supported or assisted State contracts bolster the American economy and benefit the American people.” Metro staff members are currently reviewing this document to understand what impact this Order will have on our agency and the flow of both discretionary and formula federal funding to our agency.

Southeast Gateway Line - Letter of No Prejudice

Chair Hahn, as you noted at our Board meeting on January 23, 2025, we were pleased that the Federal Transit Administration (FTA) cleared a \$985 million Letter of No Prejudice for the Southeast Gateway Line. The FTA’s approval of a Letter of No Prejudice for the Southeast Gateway Line is a welcome step forward and a vote of confidence from the federal government for this project. As noted by the FTA, the LONP permits a Project Sponsor - in this case LA Metro - “to incur costs on construction of early critical activities on a project using non-federal resources with the understanding that the costs incurred after the LONP may be reimbursable as eligible expenses or may be eligible for credit toward local matching share if the project is approved for federal funding at a later date.” We look forward to working with the FTA and our local and federal stakeholders as the Southeast Gateway Line is poised to enter the Engineering Phase of the Capital Investment Grant Program.

U.S. Department of Transportation/2028 Olympic and Paralympic Games

Metro is squarely focused on securing the \$200 million for mobility projects related to the 2028 Olympic and Paralympic Games that was embedded in the Senate’s Fiscal Year 2025 THUD Bill. Given the adoption of a continuing resolution by Congress last year and the fact that it expires on March 14, 2025, we anticipate a decision being made about these funds in the coming weeks. Staff will be working with key stakeholders, including but not limited to LA28, to ensure these funds are approved in the spending bill that Congress will adopt for the balance of Fiscal Year 2025. Staff will also work to advance our request that President Trump include \$3.2 billion for mobility projects related to the 2028 Olympic and Paralympic Games in the President’s Fiscal Year 2026 White House Budget. This request was formally made by the Board in a letter shared with the President-elect on November 21, 2024.

Los Angeles County Congressional Delegation

As I noted last month in our report and consistent with our standard practice, our agency is actively setting up briefings with Members of Congress and/or their aides to see how our agency can continue to work cooperatively with federal officials representing Los Angeles County residents in Washington, DC. Over the past several weeks, staff has been collaborating with our federal partners on a variety of subjects, including with respect to federal grants, wildfire assistance, matters related to spending bills for both Fiscal Years 2025 and 2026, and the anticipated Fiscal Year 2026 Budget that will be issued by the White House this Spring.

Leaders of Federal Transportation-Related Committees

The 119th Congress, which began on January 3, 2025, includes a new roster of Chairs and Ranking members for key committees that have jurisdiction over transportation matters. Metro is actively reaching out to the staff for these leaders to offer our insight into a number of mobility matters and to offer our agency's assistance as they craft appropriations and authorization bills that will impact our agency. Metro has also begun extending invitations to key Members of Congress and their aides to visit LA County to learn more about our agency's leadership on a variety of matters.

Federal Transit Administration Capital Investment Grant Program

Late last year the agency provided several suggestions to relevant congressional committees as to how the FTA's Capital Investment Grant Program can be even more successful. As was outlined in the Board-approved 2025 Federal Legislative Program - we are in the process of crafting a broader document in 2025 that outlines our agency's priorities with respect to our nation's next surface transportation authorization bill. Our past work will inform this work on federal surface transportation authorization bills where Metro worked with then-Congresswoman Karen Bass to enact major reforms to federal Local Hire rules and with then-U.S. Senator Barbara Boxer on significant changes to the TIFIA low interest loan program to make this financial tool helpful for transit projects.

Transit Operator Safety

Consistent with our Board-approved 2025 Federal Legislative Program, Metro continues to maintain open lines of communication with the Los Angeles County Congressional Delegation on federal initiatives to enhance transit operator safety. The current surface transportation authorization measure - the Bipartisan Infrastructure Law - will be expiring in late 2026. This will provide our agency with an opportunity to work with a variety of stakeholders to authorize federal programs to further enhance transit operator safety.

Conclusion

Chair Hahn and members of the committee, I look forward to expanding on this report at the Executive Management Committee meeting slated for February 20, 2025, with any new developments that may occur over the next several weeks.

**Executive Management Committee
Remarks Prepared by Madeleine Moore
Government Relations, Deputy Executive Officer: State Affairs**

Chair Hahn and members of the Board, I am pleased to provide an update on several state matters of interest to our agency. This report was prepared on February 4, 2025, and will be updated, as appropriate, at the Executive Management Committee on February 20, 2025. The status of relevant pending legislation is monitored monthly on the [Metro Government Relations Legislative Matrix](#)

https://libraryarchives.metro.net/DB_Attachments/2%20-%20February%202025%20-%20LA%20Metro%20Legislative%20Matrix.docx.pdf, including legislation related to the most recent wildfires in our region.

Legislative Update

Bills continue to be introduced in the Senate and Assembly, ahead of the introduction deadline of February 21.

On January 23, SB 220 by Senator Ben Allen (D - Santa Monica) was introduced. As proposed, the bill states that it is the “intent of the Legislature to enact subsequent legislation to update and modernize the membership of the board of directors of the Los Angeles County Metropolitan Transportation Authority.” Pursuant to the Board-approved 2025 State Legislative Program Goals from December 2024, Metro will respectfully oppose this legislation. A provision, which has been in the Legislative Program for over a decade under State goal #9, (Support Legislative & Regulatory Actions that Enhance & Protect Metro’s Ability to Deliver Innovative Transportation Projects & Services in Los Angeles County) states that Metro will “Oppose legislation that would seek to restructure the Metro Board of Directors.”

There is an existing mechanism in place in state law to update the membership of Metro’s Board of Directors. The Legislative Counsel’s digest for SB 220 cites the provision under California Public Utilities Code § 130051 (a), which states that “If the number of members of the Los Angeles County Board of Supervisors is increased, the authority shall, within 60 days of the increase, submit a plan to the Legislature for revising the composition of the authority.” This provision in statute provides a process by which changes to the composition of the Metro Board of Directors can be made. The submission of a plan to the Legislature allows for an agency-led orderly consideration of changes to the structure to the Board in anticipation of the increase in the number of County Supervisors after the 2032 election. Government Relations has conveyed Metro’s opposition to the Senator’s office.

Sponsored Legislation

On January 14, Senator Scott Wiener (D - San Francisco) introduced SB 71, a transit-related CEQA bill that builds upon previous legislation that the Senator has sponsored, including SB 922 from 2022, a bill that Metro co-sponsored. Metro has signed on as one of the co-sponsors of SB 71, along with the California Transit Association (sponsor), SPUR, and the Bay Area Council. The bill would extend indefinitely CEQA exemptions for active transportation and public transportation infrastructure projects established in the Senator’s previous legislation, SB 288 (2020) and further amended in SB 922 to include zero-emission rail projects. SB 71 removes the SB 922 sunset date and clarifies that transit infrastructure maintenance projects, bus shelters and lighting, and shuttle and ferry service and terminal projects also eligible for the exemption. This co-sponsorship stems from Metro’s Board-adopted policy from the 2025 State Legislative Program under goal #9 (Support Legislative & Regulatory Actions that Enhance & Protect Metro’s Ability to Deliver Innovative Transportation Projects & Services in Los Angeles County), which includes a provision that Metro will “Continue to advocate for California Environmental Quality Act (CEQA) reforms for and specified exemptions for transportation projects with continued collaboration of statewide stakeholders and organizations.” This bill can be first heard on or after February 14.

Budget Update

On January 10, Governor Newsom formally released his January budget proposal for Fiscal Year 2025-26, following a topline preview of the budget earlier in the week. California Director of Finance Joe Stepenshaw held a media briefing to provide details of the state budget proposal, as the Governor was spending time in Los Angeles responding to the widespread wildfires in the County. Director Stepenshaw highlighted that due to the state's efforts in recent fiscal years to maintain fiscal stability amid fluctuating revenues, the state's financial condition has stabilized. Additionally, the budget document states that "The economy has generally performed better than projected in the 2024 Budget Act, leading to an upgrade to the forecast in the near term and modest upward revisions in the long term. The stronger-than-anticipated performance of the economy, stock market, and cash receipts, combined with an improved economic outlook, have all contributed to the upgraded revenue forecast, with General Fund revenues before accounting for transfers and tax policy proposals projected to be higher by approximately \$16.5 billion in the three-year budget window." The overall state budget for this year is proposed at \$322.3 billion.

With regard to transportation, the budget maintains the whole of the transportation package included in recent budget years. This includes \$15.4 billion for the following:

- \$7.7 billion for high-priority transit and rail infrastructure projects, such as Metro's A Line Foothill Extension and the Southeast Gateway Line. A portion of these funds can also be used to support transit operations.
- \$4.2 billion Proposition 1A funds for the High-Speed Rail Authority.
- \$1.2 billion for projects that improve goods movement on rail and roadways at port terminals, including railyard expansions, new bridges, and zero-emission modernization projects.
- \$1.1 billion for Active Transportation Program projects, the Reconnecting Communities Highways to Boulevards Pilot program, and climate adaptation projects.
- \$1.1 billion for the Zero Emission Transit Capital Program.
- \$150 million for grade separation projects.

In addition to this, the budget summary makes mention of the state's cap-and-trade program, which is due to expire in 2030. The budget summary suggests that the state may choose to act to extend the cap-and-trade program before 2030 in order to ensure more certainty in the program and attract more, stable investment.

On January 23, the Governor joined local Los Angeles County lawmakers and the Speaker of the Assembly, Robert Rivas, in a press conference to sign \$2.5 billion in wildfire aid for the County. This funding was provided through the existing special session of the Legislature. The special session legislation, ABx1-4 by Assemblymember Jesse Gabriel (D - Encino) and SBx1-3 by Senator Scott Wiener (D - San Francisco), provides funding to expedite response and recovery efforts, streamline rebuilding efforts and help rebuild school facilities affected by the fires.

The next steps in the budget process are hearings on the proposal in the Senate and Assembly Budget Committees, followed by the May Revision to the proposal. Staff will continue to keep the

Board apprised as the process continues.

LA County Legislative Delegation Coordination

Government Relations staff continue to prioritize new member engagement and updating state Senate and Assembly offices on projects and programs relevant to their districts.

Senate Budget Hearing

On February 6, Metro staff were invited to provide testimony at the Senate Budget and Fiscal Review Committee informational hearing on transit in California. A summary of this hearing will be available at the Executive Management Committee meeting.

EQUITY PLATFORM

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

VEHICLE MILES TRAVELED OUTCOME

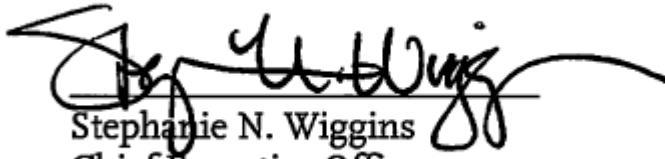
VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as all Government Relations activities support Board priorities. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

Prepared by: Michael Turner, Executive Officer, Government Relations, (213) 922-2122
Madeleine Moore, Deputy Executive Officer, Government Relations, (213) 922-4604
Raffi Hamparian, Deputy Executive Officer, Government Relations, (213) 922-3769

Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950



Stephanie N. Wiggins
Chief Executive Officer



Government Relations Federal and State Affairs Update

Executive Management Committee
February 20, 2025

Federal Affairs Update

- **Incoming Trump Administration/USDOT Secretary Congressman Sean Duffy and USDOT Order**
- **Southeast Gateway Line – Letter of No Prejudice**
- **U.S. Department of Transportation/2028 Olympic and Paralympic Games**
- **Los Angeles County Congressional Delegation**
- **Leaders of Federal Transportation-Related Committees**
- **Federal Transit Administration Capital Investment Grant Program**
- **Transit Operator Safety**
- **Federal Transportation Grants**

- **Legislative Update:**
 - **Sponsored Bills**
 - **Other Relevant Legislation**
- **Senate Budget Hearing**
- **Fiscal Year 25-26: Budget Process and Fiscal Outlook**