



## Board Report

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**File #:** 2017-0736, **File Type:** Program

**Agenda Number:** 12.

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**REVISED  
EXECUTIVE MANAGEMENT COMMITTEE  
JANUARY 18, 2018**

**SUBJECT: 2018 LEGISLATIVE PROGRAM**

**ACTION: APPROVE STAFF RECOMMENDATIONS**

**RECOMMENDATION**

ADOPT:

- A. the proposed 2018 Federal Legislative Program as outlined in Attachment A;
- B. the proposed 2018 State Legislative Program as outlined in Attachment B; and
- C. a SUPPORT position on ACA 5 (Frazier) which seeks to protect State transportation revenues.

**ISSUE**

The Board of Directors adopts, on an annual basis, a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County.

In addition, recently enacted ACA 5 (Frazier) will be placed on the June 2018 ballot for voter approval. This measure seeks to protect state transportation revenues enacted under Senate Bill 1.

**DISCUSSION**

**Policy Implications**

The role of the legislative program is to clearly define Metro's goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. The program provides policy direction to our advocacy activities in Sacramento and Washington, D.C. To achieve these important goals, Government Relations staff will implement a legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California and with Federal officials.

**Federal Recap**

In 2017, the agency continued to pursue our Board approved federal legislative priorities in Washington, D.C. Federal transportation programs continued to be administered under the latest surface transportation authorization bill, the Fixing America's Surface Transportation Act (FAST Act), which was signed into law on December 4, 2015. While the FAST Act is authorized through 2020, the election of President Trump and his promise on the campaign trail to deliver a \$1 trillion infrastructure proposal drove the conversation within the White House and in Congress to focus on developing a broad infrastructure package. In May 2017, the White House released a short outline of principles that will likely define what the White House presents to Congress with regards to an infrastructure package. Metro has played an active role in engaging the White House and Administration officials to advocate for a strong investment in transportation infrastructure and to tell the story of how Los Angeles County is transforming the way its 10 million residents commute and travel in our region. Additionally, Metro has communicated its support for an infrastructure package to the members of the Los Angeles County Congressional Delegation as well as to members of key Congressional Committees that have jurisdiction over infrastructure matters.

Among the challenges that have carried over from the previous year, Congress continues to struggle to adopt annual appropriations bills in regular order. While the White House, Congress and transportation stakeholders debate how the nation needs to invest further in its infrastructure, one of the best ways to efficiently deliver transportation projects to the public is by having Congress provide certainty through the annual appropriations process. In Washington, D.C. it has become the norm that Federal spending decisions are made through a last minute negotiation on a comprehensive funding package often executed well after the start of a new federal fiscal year. Metro has strongly advocated for a return to regular order in the appropriations process and will continue to do so in the future.

Lastly, Metro worked hard with the previous Administration and Congress to implement and administer the Local Hire Pilot Program. The program was extended in January 2017 for a period of five years that would allow a sufficient time frame for data to be collected by the U.S. Department of Transportation to inform a potentially permanent local hire policy. Unfortunately, the current Administration has announced, through a notice published in the Federal Register, that it has ended the Local Hire Pilot Program and withdrew the rulemaking on the subject. Metro expressed strong opposition to this decision and will pursue a strategy, through legislation or through an administrative process, to allow local hire on federally funded projects.

For the remainder of the 115th Congress, we will be working hard to advocate for the INFRA grant applications we submitted to the U.S. Department of Transportation, making a concerted effort to secure a Letter of No Prejudice and Full Funding Grant Agreement for the Westside Purple Line (Section 3) and expand on our past successes by working closely with the Trump Administration and Congress on the most effective manner to leverage our local funding to advance transit, highway and other effective mobility projects across Los Angeles County. (The complete 2018 Federal Legislative Plan is outlined in Attachment A.)

### State Recap

Each year, Metro successfully moves the largest legislative program of any transportation agency in

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the State of California through the legislative process.

The first year of the 2017-2018 State Legislative Session was a momentous year for transportation. The California Legislature and Governor Brown took a number of bold steps to address the growing infrastructure needs in California. Firstly, after years of debate, the Legislature passed and the Governor signed into law Senate Bill 1 (Beall & Frazier), which is a package of funding and reform that is set to generate \$52 billion over the next ten years. The bill's provisions include new funding for a variety of transportation programs. This bill is the first revision of the gas tax in over 20 years. California's highway system, its local streets and road system and its public transit system has suffered from the inability of the state to address basic state of good repair needs. SB 1 is landmark legislation that not only allows the state to address those needs, it will allow the State, through a sustained funding source, to address other key needs such as freight movement, resolving key congestion chokepoints and providing funding for various other transportation needs. As a follow-up to the passage of SB 1, ACA 5 (Frazier) will be placed on the June 2018 ballot for voter approval as a constitutional amendment to ensure that these transportation revenues receive constitutional protection. (See Attachment C for additional details).

Another major accomplishment in the first year of the 2017-2018 Legislative Session was that the State's Cap & Trade program was extended and solidified by a two-thirds vote of the Legislature. The program was set to expire in 2020, and now will be enacted with stronger reforms and consumer programs until 2030 to reach the Governor's 2030 Greenhouse Gas Reduction target goals. The actions taken to extend and reform the program will provide certainty to the cap and trade program auctions, which fund many of Metro's transportation projects and programs. As a direct result of the passage of the extension of the program and the package of reforms, this year's current auction proceeds have risen and the State is beginning to program those funds. It is anticipated that there will continue to be discussions about the specific allocation of those funds in next year's session.

Also unresolved from this year is the push for the re-structuring of Metro's current Board of Directors. In 2016, two separate proposals were introduced in the Legislature by Senator Tony Mendoza (D-Artesia) to re-structure Metro's Board of Directors to include members appointed by the State Legislature and representatives from the Gateway Cities area. The agency was successful in advocating against the measures that would offset the balance of the current structure, which was established as a result of a bottoms-up process.

In 2017, there were five additional proposals that were introduced in the Legislature to re-structure the Board. These proposals included a number of different variations that aimed to offset the proportional distribution of representatives that make up our Board of Directors. The agency was again successful, with the active support of Metro's Board of Directors and several members of the Los Angeles County State Legislative delegation, in opposing and defeating the measures. A broad coalition of opposition was assembled and led by our advocacy efforts to highlight the need for a local consensus and regional approach to Board composition, similar to the approach for planning and funding projects in Measure M. Members of the labor community, environmental justice community, municipalities, private trade organizations, Los Angeles Area Chamber, and Mobility 21 supported Metro in this effort. This coalition is representative of the hard work that Metro put forward in developing Measure M to address the needs of each subregion within the populous county.

One key priority for Metro's 2017 advocacy efforts was and continues to be the continued authorization to pursue and use Public Private Partnerships (P3s). The authorization for Caltrans to use the P3 method to deliver highway projects expired at the end of 2016 and the Legislature was unable to come to an agreement over a potential extension of the statute. Metro is working closely with a coalition of stakeholders in Sacramento to continue to urge the Legislature to reauthorize this important tool and Metro's State advocacy team will continue those efforts in next year's Legislative Session. The ability to utilize P3s to deliver projects is vital to the acceleration and delivery of Metro's LRTP and Measure M Highway and Transit priorities.

During next year's legislative session, staff anticipates that we will be addressing a number of new challenges including working to oppose the two State Initiatives that have been filed with the Secretary of State in an effort to repeal the provisions of Senate Bill 1. Staff will be working, in accordance with Metro's Board-adopted advocacy program, with a coalition of Senate Bill 1 supporters to ensure that the Board's priorities and associated funding streams are preserved for the delivery of Metro's Board-adopted LRTP and Measure M Expenditure Plan.

As in previous years, our State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation in support of the Board-adopted Legislative program and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC.

In addition to the above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (The entire 2018 State Legislative Program is outlined in Attachment B). These include but are not limited to:

- Metro is proposing to expand the ExpressLanes network in Los Angeles which will require tolling authorization by the CTC;
- Clarifying the process by which utilities bill Metro and potentially reduce Metro's operating costs;
- Preserving funding for Metro's Freeway Service Patrol program;
- Working with the California Public Utilities Commission in leading the effort to establish Metro as a party to the proceedings and California Air Resources Board to advance Metro's Zero Emission Bus Program; and
- Supporting the allocation of cap and trade funds to Los Angeles County.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will not have an impact on safety.

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## **FINANCIAL IMPACT**

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

## **ALTERNATIVES CONSIDERED**

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

## **NEXT STEPS**

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills - in addition to advancing our plan to accelerate both our transit and highway program through our America Fast Forward initiative.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the Governor, Caltrans, California Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to monitor and track legislative efforts sponsored by other transportation interests and inform the Board of that legislation. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

Government Relations will continue to ensure that our legislative priorities and efforts are coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R and Measure M projects as well as leverage Measure R and Measure M funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The 2017-2018 State Legislative Session began on December 5, 2016. The second year of the State's Legislative Session will re-convene in January 2018. The 2017 Federal Legislative Session with both the U.S. House of Representatives and U.S. Senate is scheduled to return in January 2018

to re-convene the 115th Congress.

**ATTACHMENTS**

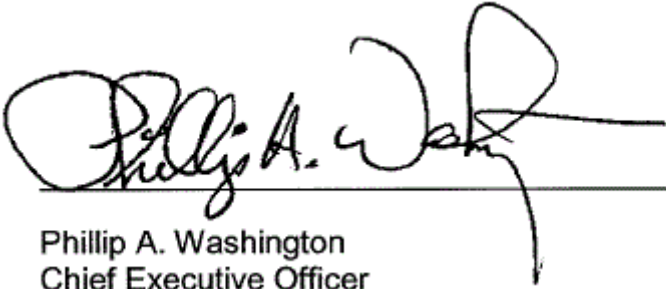
Attachment A - 2018 Federal Legislative Program

Attachment B - 2018 State Legislative Program

Attachment C - ACA 5 (Frazier) Bill Language

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Phillip A. Washington  
Chief Executive Officer

**2018 FEDERAL LEGISLATIVE PROGRAM**

**GOAL #1: WORK TO CONTINUE THE IMPLEMENTATION OF THE FEDERAL TRANSIT ADMINISTRATION'S CAPITAL INVESTMENT GRANT PROGRAM AND OBTAIN NEW STARTS FUNDING FOR METRO'S PROJECTS**

Proposed Activities:

Work with our Congressional Delegation, transportation leaders in the House and Senate and the U.S. Department of Transportation to ensure the continuation of the federal Capital Investment Grant program (CIG). The Administration has proposed to eliminate funding for the CIG program in their Fiscal Year 2018 Budget submission to Congress. The CIG program is vital in assisting Metro to build new high capacity transit projects throughout the region. Metro currently receives funding through this program for the Regional Connector, Westside Purple Line Extension (Section 1) and Westside Purple Line Extension (Section 2). Metro has applied to receive CIG funding for the Westside Purple Line Extension (Section 3). Over the last six years, Metro has secured over \$3 billion through Full Funding Grant Agreements issued by the U.S. Department of Transportation.

**GOAL #2: TWENTY EIGHT BY 2028 INITIATIVE**

Proposed Activities:

Support federal legislation and federal funding opportunities that support the Board approved Twenty-Eight by 2028 Initiative that seeks to ensure that 28 key road, transit and bicycle/pedestrian projects are completed in time for the 2028 Olympic and Paralympic Games in Los Angeles.

**GOAL #3: WORK WITH THE WHITE HOUSE AND CONGRESS TO PURSUE LEGISLATIVE INITIATIVES THAT PROMOTE INNOVATIVE FINANCING TOOLS THAT HELP ACCELERATE LOCAL TRANSPORTATION PROJECTS**

Proposed Activities:

Seek to adopt language in any tax reform legislation or infrastructure package that would create the I-3 Initiative, America Fast Forward Transportation Bond Program or a program that helps transportation agencies leverage local funding to accelerate transit and highway projects. Concurrently, work to advance initiatives that would amend sections of the FAST Act, like the FASTLANES grant program, to dramatically expand

its funding level, make it a multi-year grant program like the New Starts program and ensure that the program works for eligible P3 transit and highway projects. Securing new and innovative federal finance tools will permit our agency to accelerate the construction of key transit and highway/goods movement projects that are funded under Measures R, Measure M and SB1.

**GOAL #4: CONTINUE TO SEEK TO RESTORE OBAMA-ERA REFORMS TO FEDERAL LOCAL HIRE RULES**

Proposed Activities:

Work with the Trump Administration, Congress and the stakeholder community to restore Obama-era Local Hire reforms. Included in this effort would be our agency making the case that local hire programs do not impact competition based on evidence from Metro's experience with the Local Hire Pilot Program. Our agency would work with key stakeholder groups to build support for a new federal Local Hire initiative and seek support for federal legislation to permanently allow local hiring practices on transportation projects using federal funds.

**GOAL #5: PROMOTE INCREASED FEDERAL INVESTMENT IN FREIGHT AND GOODS MOVEMENT PROJECTS IN LOS ANGELES COUNTY THROUGH INFRA AND OTHER FEDERAL GRANT PROGRAMS**

Proposed Activities:

Metro will work aggressively with our Congressional Delegation as well as regional and national stakeholders to advocate for funding to move freight more efficiently in and around Los Angeles County. In addition to the FAST Act freight grant programs, like INFRA grants, Metro will also seek to secure additional federal funding for goods movement projects through other potential sources, like the infrastructure plan being discussed by the White House and Congress.

**GOAL #6: CONTINUE TO WORK WITH METROLINK TO SUPPORT FUNDING FOR STATE OF GOOD REPAIR AND CORE CAPACITY PROJECTS**

Proposed Activities:

Work to support Metrolink's board approved State of Good Repair and Core Capacity project list by ensuring federal funding applied to these important projects.

**GOAL #7: SEEK RESTORATION OF TAX BENEFITS ELIMINATED BY THE PASSAGE OF H.R.1 – TAX CUTS AND JOBS ACT**

Proposed Activities:



Work with key local, regional and national stakeholders to restore the Advance Refunding Bonds, commuter tax benefit, and the alternative fuel tax credit provisions when Congress, as expected, considers a technical corrections bill next year.

## **GOAL #8: ADDITIONAL PRIORITIES**

### Proposed Activities:

Work to ensure that any legislation adopted by Congress and signed into law by the President concerning autonomous vehicles does not compromise safety by weakening state and local traffic laws.

Work with Metro's regional partners to advance career education and training programs that will ensure the needed workforce to operate and maintain our transit system is ready and available;

Work to advocate for all Metro discretionary grant applications which include funding for such programs as transit oriented communities, safety and innovation and transit safety;

Work closely with the Administration and USDOT on regulations and proposed rulemakings that impact Metro.

**2018 STATE LEGISLATIVE PROGRAM**

**GOAL #1: ENSURE THE STATE CONTINUES TO FULLY FUND THE MAJOR TRANSPORTATION PROGRAMS IN THE STATE**

Proposed Activities:

Protect Metro's key fund sources;

Secure proportionate share of state fund allocations under the various transportation funding programs created and expanded under the provisions of Senate Bill 1 for Los Angeles County.

Support and preserve key funding sources under Senate Bill 1 and the State's Cap & Trade program;

Communicate the importance of stable transportation funding to improve mobility in Los Angeles County, foster economic development and create jobs;

Protect Public Transportation Account revenues which have been funded by the sales tax on diesel fuel;

Secure proportionate share of federal funds allocated via state mechanisms, such as CMAQ and alternative transportation programs; and

Vigorously oppose any legislation and/or statewide initiatives that would jeopardize funding or repeal key components of Senate Bill 1.

**GOAL #2: PURSUE LEGISLATIVE INITIATIVES AIMED AT INCREASING FUNDING FOR LOS ANGELES COUNTY TRANSPORTATION PROJECTS**

Proposed Activities:

Support transportation funding proposals and ensure that they are structured to support Metro's projects and programs;

Work with statewide partners on any efforts to protect new transportation related fees or taxes; and

Support legislation that would enhance opportunities for Value Capture or related concepts and mechanisms to fund transportation infrastructure or promote Transit-Oriented Developments and Metro's Transit Oriented Communities strategy.

**GOAL #3: WORK TO ENSURE IMPLEMENTATION OF METRO'S BOARD ADOPTED LONG RANGE TRANSPORTATION PLAN**

Proposed Activities:

Pursue strategies and funding opportunities to implement the various modal programs in the Board-adopted LRTP;

Work to secure additional funds through the various state funding programs including but not limited to, Local Partnership Program, Active Transportation Program, Solutions for Congested Corridors Program, State Highway Maintenance and Rehabilitation Program, Transit and Intercity Rail Capital Program, Low Carbon Transit Operations Program, State Transportation Improvement Program, State Highway Operations and Preservation Program and bond funds; and

Support Legislation that facilitates and/or clarifies the use of public private partnerships and other innovative project delivery mechanisms for highway and transit projects.

**GOAL #4: SUPPORT EFFORTS TO IMPROVE SAFETY ON THE REGION'S COMMUTER RAIL SYSTEM**

Proposed Activities:

Advocate for additional state funding to increase the safety of the commuter rail system in Los Angeles County and the entire Metrolink service area; and

Support additional funding for enhanced commuter rail safety, especially for automatic train stop/positive train control systems, grade separations and double tracking single track portions of Metrolink's service area.

**GOAL #5: MAXIMIZE OPPORTUNITIES FOR FUNDING LOS ANGELES COUNTY'S TRANSPORTATION PROJECTS AND PROGRAMS THROUGH IMPLEMENTATION OF THE STATE'S CAP AND TRADE PROGRAMS**

Proposed Activities:

Ensure Cap & Trade funds are allocated to transportation, that Los Angeles County receives a proportionate share; and

Advocate for increased and sustained funding for transit under the State's Cap & Trade program categories.

**GOAL #6: COORDINATE WITH OUR LOCAL AND STATE PARTNERS TO INCORPORATE THE REGION'S NEEDS IN EMERGING CLIMATE CHANGE AND SUSTAINABILITY PROGRAMS**

Proposed Activities:

Monitor continued implementation of AB 32 and SB 375 (including sustainable community strategies and related initiatives/ documents);

Work in partnership with the California Air Resources Board (CARB), California Transit Association (CTA), Southern California Air Quality Management District (SCAQMD) to support Metro's projects and programs;

Advocate the connection between transit operations funding, SB 375 and other state global warming policies, programs and initiatives;

Support initiatives that promote greenhouse gas emissions reduction strategies such as vehicle miles travelled reduction, active transportation, and operational efficiency best practices;

Support continued efforts to encourage smart growth and other connectivity and livability principles and their interaction with transit and highway investments while preserving authority of local agencies;

Support legislative efforts to include (programs affecting environmentally sensitive stakeholders and clean air programs) in our region, particularly with regards to regional transit planning, construction, and procurement efforts;

Support new initiatives that encourage the use of advanced, environmentally friendly and cost-effective strategies in the construction and retrofit of transit facilities including infrastructure related to renewable energy, low impact development, sustainable construction practices, and similar technologies;

Advocate for funding for Metro's first/last mile, bike and pedestrian projects under the State's Active Transportation and Local Planning Grants programs; and

Support new and existing initiatives that complement the development and subsequent implementation of Metro's Zero-Emission Bus Strategic Plan.

**GOAL #7: ACTIVELY WORK WITH STATE, REGIONAL AND LOCAL TRANSPORTATION INTERESTS TO SECURE, PROTECT AND ENHANCE TRANSPORTATION FUNDING AND PROGRAMS STATEWIDE**

Proposed Activities:

Work with Governor Brown's Administration to preserve and increase flexibility in the use of transportation funds;

Identify and pursue opportunities for additional funding for Southern California transportation projects;

Support efforts to secure funding and/or obtain authority to generate additional funding for bus transit capital, operations, security needs, corridor projects, soundwalls, bike projects, Service Authority for Freeway Emergencies (SAFE) and other important transportation projects and programs;

Work with other agencies and the State to seek remedies to increase funding for Metro's Freeway Services Patrol (FSP) operations;

Support formula distribution of the State's FSP program funding that addresses Los Angeles County's population, congestion levels and service performance;

Vigorously oppose any efforts to repeal Senate Bill 1 (Beall, 2017);

Vigorously oppose any statewide ballot measure that seeks to repeal the new fuel taxes and registration fees enacted by Senate Bill 1 (Beall, 2017);

Support any legislation or statewide ballot measure which seeks to constitutionally protect transportation revenues for transportation infrastructure only. We strongly support protections that prohibit using transportation dollars for other purposes;

Work cooperatively with other transit agencies throughout the State, including the CTA, to secure and increase funding for transportation services, projects and programs; and

Identify and pursue opportunities for funding and to enhance authority where necessary to improve security and safety for customers, employees and property.

**GOAL #8: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE AND PROTECT METRO'S ABILITY TO DELIVER INNOVATIVE TRANSPORTATION PROJECTS AND SERVICES IN LOS ANGELES COUNTY**

Proposed Activities:

Support efforts to clarify the oversight responsibilities of the PUC with respect to rail transit and improve the administration of PUC regulations;

Oppose legislation that would seek to restructure the Metro Board of Directors;

Oppose legislation that would preempt collective bargaining, impose benefits in collective bargaining agreements or restrict the rights of local agencies in the collective bargaining process;

Preserve Metro's authority in regional transportation funding decisions including those granted through SB 45;

Continue to advocate for California Environmental Quality Act (CEQA) reforms for transportation projects with continued collaboration of statewide stakeholders and organizations;

Monitor and work with implementation of pension reform (PEPRA) so that Metro is able to maintain a stable work force and ensure adequate succession planning;

Support efforts to enhance the use of electronic fare payment or smart card technology;

Support efforts that encourage partnership and data-sharing between transportation network companies and regional transportation authorities;

Explore legislation that would authorize the use of forward facing cameras on Metro's buses and in dedicated bus lanes;

Monitor regulations and legislation that would clarify the State's distribution of sales tax revenues to Los Angeles County and Metro;

Coordinate with regional partners and monitor the State's autonomous vehicle regulations and ensure that federal, state and local regulations are aligned;

Monitor and engage in legislative efforts related to autonomous vehicles with the goal of increasing safety, mobility, overall operational and environmental benefits; and

Support efforts to expand the agency's authority to procure, install and operate three-position bike racks on Metro's buses.

Support legislation and funding opportunities that support the Board approved Twenty-Eight by 2028 Initiative.

**GOAL #9 OPPOSE ANY LEGISLATION THAT COULD NEGATIVELY IMPACT METRO'S ABILITY TO OPERATE THE EXPRESSLANES PROGRAM AND SUPOORT LEGISLATION THAT ALLOWS FOR FUTURE EXPRESSLANES EXPANSION.**

Proposed Activities:

Support legislation that:

1. Encourages development and utilization of regulations and technologies that would enhance the ability to verify vehicle occupancy and toll collection/payment.
2. Enhances Metro's ability to enforce the ExpressLanes Board adopted toll

policy.

3. Amends or clarifies California vehicle code sections to authorize Metro to enforce occupancy requirements in the ExpressLanes;
4. Amends Streets and Highways codes that impact Metro's interoperability with other California toll agencies.
5. Supports and enables Metro's ability to expand Metro's ExpressLanes network upon Board approval.
6. Provides clarification of AB 194 regarding roles and responsibilities of Metro and Caltrans.

Vigorously oppose legislation that would:

1. Negatively impact Metro's ability to manage ExpressLanes demand utilizing congestion pricing.
2. Negatively impact financial viability and local control of ExpressLanes revenues.
3. Limit Metro's ability to expand the ExpressLanes network.

**GOAL #10: SUPPORT EFFORTS TO ESTABLISH AND IMPLEMENT A COUNTYWIDE COMMUTER TAX BENEFIT ORDINANCE AND TRANSPORTATION DEMAND MANAGEMENT PROGRAM**

Proposed Activities:

Seek legislation to enable Los Angeles County to implement the nation's most aggressive commuter tax benefits program to reimburse and credit the cost of sustainable transportation options and that would strengthen Metro's ability to carry out a countywide TDM program.

Support legislation and explore funding opportunities that would allow for Metro to establish a robust and comprehensive Transportation Demand Management program;

Support CARB's efforts to implement the State of California's Parking Cash-Out law for worksites within Los Angeles County; and

Support legislation that would expand authority for Metro or other entities to establish Commuter Benefit Programs.

Explore legislative remedies to establish or expand Los Angeles County's existing Commuter Benefits Programs.

**GOAL #11: SUPPORT EFFORTS TO IMPLEMENT HIGH SPEED RAIL (HSR) IN LOS ANGELES COUNTY**

Metro supports the California High Speed Rail Project.

Metro is encouraged by the efforts to incorporate a blended corridor concept in its planning and to continue to evaluate and identify the need to connect the project to Los Angeles County.

We encourage the State to make specific commitments to funding the segment connecting to Los Angeles County and to maintain this segment as a high priority in future plans.

Metro supports the allocation of funding to elements of the blended corridor concept in Los Angeles County to support the ultimate completion of the High Speed Rail project.

Proposed Activities:

Ensure timely implementation of Proposition 1A including allocation of connectivity funds.

Support legislation that preserves “book-end” funding for early-action projects identified as vital to the delivery of the HSR project in Southern California.

Support efforts to ensure that NEPA assignment authority for highway and transit projects is preserved.

Support streamlining project approvals under Caltrans’ NEPA assignment authority.

**GOAL #12: SECURE APPROVAL OF KEY FREIGHT PROJECTS AT THE CALIFORNIA TRANSPORTATION COMMISSION**

Proposed Activities:

Support efforts to fund goods movement and freight projects through the CTC;

Advocate that Los Angeles County receive a proportionate share of funding through the State’s Trade Corridor Enhancement Program; and

Support regional and statewide efforts to secure and preserve funding for freight corridors.

**GOAL #13: SPONSOR THE FOLLOWING LEGISLATION TO IMPROVE OUR ABILITY TO DELIVER QUALITY SERVICE**

Proposed Activities:

Sponsor legislation to establish and clarify Metro’s authority to implement Metro’s Small and Medium Sized Business Set-aside policies.

Sponsor legislation to streamline and clarify electrical utility billing for Metro.



Sponsor legislation to update various provisions of Metro's statutes to conform those provisions to those of other agencies.

Sponsor legislation to establish a Commuter Tax Benefits Ordinance for Los Angeles County.

Sponsor legislation to authorize Metro to implement a countywide TDM program.

Sponsor legislation to clarify Metro's and Caltrans' authority to utilize the public-private partnership model to deliver highway and transit projects.

Sponsor legislation to clarify provisions related to Metro's use of the Design-Build method of project delivery.

~~Sponsor legislation to clarify provisions to strengthen Metro's authority to implement the Board-adopted advertising policies on Metro-owned Right-of-Way and property.~~

## Assembly Constitutional Amendment No. 5

### RESOLUTION CHAPTER 30

Assembly Constitutional Amendment No. 5—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 1 of Article XIX A thereof, by adding Section 15 to Article XIII B thereof, and by adding Article XIX D thereto, relating to transportation.

[Filed with Secretary of State April 17, 2017.]

#### LEGISLATIVE COUNSEL'S DIGEST

ACA 5, Frazier. Motor vehicle fees and taxes: restriction on expenditures: appropriations limit.

(1) Article XIX of the California Constitution restricts the expenditure of revenues from taxes imposed by the state on fuels used in motor vehicles upon public streets and highways to street and highway and certain mass transit purposes, and restricts the expenditure of revenues from fees and taxes imposed by the state upon vehicles or their use or operation to state administration and enforcement of laws regulating the use, operation, or registration of vehicles used upon the public streets and highways, as well as to street and highway and certain mass transit purposes. These restrictions do not apply to revenues from taxes or fees imposed under the Sales and Use Tax Law or the Vehicle License Fee Law.

This measure would add Article XIX D to the California Constitution to require revenues derived from vehicle fees imposed under a specified chapter of the Vehicle License Fee Law to be used solely for transportation purposes, as defined. The measure would prohibit these revenues from being used for the payment of principal and interest on state transportation general obligation bonds that were authorized by the voters on or before November 8, 2016. The measure would prohibit the revenues from being used for the payment of principal and interest on state transportation general obligation bonds issued after that date unless the bond act submitted to the voters expressly authorizes that use. The measure would also prohibit the Legislature from borrowing these revenues, except as specified, or using them for purposes other than transportation purposes.

(2) Article XIII B of the California Constitution prohibits the total annual appropriations subject to limitation of the state and each local government from exceeding the appropriations limit of the entity of the government for the prior year, as adjusted.

This measure would exclude appropriations of certain revenues associated with the Road Repair and Accountability Act of 2017 from the appropriations subject to constitutional limitation.

(3) Article XIX A of the California Constitution requires the deposit of a specified portion of the sales and use tax on diesel fuel in the Public Transportation Account in the State Transportation Fund, and restricts the expenditure of those revenues to certain transportation planning and mass transportation purposes. Article XIX A prohibits the Legislature from borrowing these revenues and from using these revenues other than as specifically permitted by Article XIX A.

This measure would restrict additional portions of the sales and use tax on diesel fuel to expenditure on certain transportation planning and mass transportation purposes and require those revenues to be deposited in the Public Transportation Account. The measure would prohibit the Legislature from temporarily or permanently diverting or appropriating these additional revenues for other than certain transportation planning and mass transportation purposes, or from borrowing, except as specified, these additional revenues.

WHEREAS, Transportation revenues raised by the Road Repair and Accountability Act of 2017 should be constitutionally protected for transportation purpose; and

WHEREAS, By so doing, Californians are assured revenues raised by that act are spent to repair streets and bridges, address years of deferred maintenance on highways and local roads, improve mobility and public transit, and invest in needed transportation infrastructure to benefit all Californians; now, therefore, be it

*Resolved by the Assembly, the Senate concurring,* That the Legislature of the State of California at its 2017–18 commencing on the fifth day of December 2016, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California, that the Constitution of the State be amended as follows:

First—That Section 15 is added to Article XIII B thereof, to read:

SEC. 15. “Appropriations subject to limitation” of each entity of government shall not include appropriations of revenues from the Road Maintenance and Rehabilitation Account created by the Road Repair and Accountability Act of 2017, or any other revenues deposited into any other funds pursuant to the act. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenues being deposited in or appropriated from the Road Maintenance and Rehabilitation Account created by the Road Repair and Accountability Act of 2017 or any other account pursuant to the act.

Second—That Section 1 of Article XIX A thereof is amended to read:

SECTION 1. (a) The Legislature shall not borrow revenues from the Public Transportation Account, or any successor account, and shall not use these revenues for purposes, or in ways, other than those specifically permitted by this article.

(b) The Public Transportation Account in the State Transportation Fund, or any successor account, is a trust fund. The Legislature may not change the status of the Public Transportation Account as a trust fund. Funds in the

Public Transportation Account may not be loaned or otherwise transferred to the General Fund or any other fund or account in the State Treasury.

(c) All revenues specified in paragraphs (1) through (3), inclusive, of subdivision (a) of Section 7102 of the Revenue and Taxation Code, as that section read on June 1, 2001, shall be deposited no less than quarterly into the Public Transportation Account (Section 99310 of the Public Utilities Code), or its successor. The Legislature may not take any action which temporarily or permanently diverts or appropriates these revenues for purposes other than those described in subdivision (d), or delays, defers, suspends, or otherwise interrupts the quarterly deposit of these funds into the Public Transportation Account.

(d) Funds in the Public Transportation Account may only be used for transportation planning and mass transportation purposes. The revenues described in subdivision (c) are hereby continuously appropriated to the Controller without regard to fiscal years for allocation as follows:

(1) Fifty percent pursuant to subdivisions (a) through (f), inclusive, of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(2) Twenty-five percent pursuant to subdivision (b) of Section 99312 of the Public Utilities Code, as that section read on July 30, 2009.

(3) Twenty-five percent pursuant to subdivision (c) of Section 99312 of the Public Utilities Code, as that section read on July 30, 2009.

(e) For purposes of paragraph (1) of subdivision (d), “transportation planning” means only the purposes described in subdivisions (c) through (f), inclusive, of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(f) For purposes of this article, “mass transportation,” “public transit,” and “mass transit” have the same meaning as “public transportation.” “Public transportation” means:

(1) (A) Surface transportation service provided to the general public, complementary paratransit service provided to persons with disabilities as required by 42 U.S.C. 12143, or similar transportation provided to people with disabilities or the elderly; (B) operated by bus, rail, ferry, or other conveyance on a fixed route, demand response, or otherwise regularly available basis; (C) generally for which a fare is charged; and (D) provided by any transit district, included transit district, municipal operator, included municipal operator, eligible municipal operator, or transit development board, as those terms were defined in Article 1 of Chapter 4 of Part 11 of Division 10 of the Public Utilities Code on January 1, 2009, a joint powers authority formed to provide mass transportation services, an agency described in subdivision (f) of Section 15975 of the Government Code, as that section read on January 1, 2009, any recipient of funds under Sections 99260, 99260.7, 99275, or subdivision (c) of Section 99400 of the Public Utilities Code, as those sections read on January 1, 2009, or a consolidated agency as defined in Section 132353.1 of the Public Utilities Code, as that section read on January 1, 2009.

(2) Surface transportation service provided by the Department of Transportation pursuant to subdivision (a) of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(3) Public transit capital improvement projects, including those identified in subdivision (b) of Section 99315 of the Public Utilities Code, as that section read on July 30, 2009.

(g) All revenues specified in Sections 6051.8 and 6201.8 of the Revenue and Taxation Code, as those sections read on January 1, 2018, shall be deposited no less than quarterly into the Public Transportation Account, or its successor. Except as provided in Sections 16310 and 16381 of the Government Code, as those sections read on January 1, 2018, the Legislature may not take any action that temporarily or permanently diverts or appropriates these revenues for purposes other than those described in subdivision (d), or delays, defers, suspends, or otherwise interrupts the quarterly deposit of these revenues into the Public Transportation Account.

Third—That Article XIX D is added thereto, to read:

ARTICLE XIX D  
VEHICLE LICENSE FEE REVENUES FOR TRANSPORTATION  
PURPOSES

SECTION 1. (a) Notwithstanding Section 8 of Article XIX, revenues derived from vehicle fees imposed under the Vehicle License Fee Law pursuant to Chapter 6 (commencing with Section 11050) of Part 5 of Division 2 of the Revenue and Taxation Code, or its successor, over and above the costs of collection and any refunds authorized by law, shall be used solely for transportation purposes, as defined by Section 11050 of the Revenue and Taxation Code, as that section read upon enactment of the Road Repair and Accountability Act of 2017.

(b) The revenues described in subdivision (a) shall not be used for the payment of principal and interest on state transportation general obligation bonds that were authorized by the voters on or before November 8, 2016, nor shall those revenues be used for payment of principal and interest on state transportation general obligation bond acts approved by the voters after that date, unless the bond act expressly authorizes that use.

(c) Except as provided in Sections 16310 and 16381 of the Government Code, as those sections read on January 1, 2018, the Legislature shall not borrow the revenues described in subdivision (a), and shall not use these revenues for purposes, or in ways, other than as authorized in subdivisions (a) or (b).