Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

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EXECUTIVE MANAGEMENT COMMITTEE
JUNE 18, 2025

SUBJECT: FEDERAL AND STATE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE June 2025 Federal and State Legislative Report.

DISCUSSION

Executive Management Committee
Remarks Prepared by Raffi Haig Hamparian
Government Relations, 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 June 4, 2025, and will be updated, as appropriate, at the Executive Management Committee meeting on June 19, 2025. The status of relevant pending legislation is monitored on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/6%20-%20June%202025%20-%20LA%20Metro%20Legislative%20Matrix.pdf>, which is updated monthly.

Fiscal Year 2026 President's Budget

On May 30, 2025, the Office of Management and Budget which is part of the Executive Office of the President, released portions of the President's Fiscal Year 2026 Budget. The document proposed a total of $147 billion for the U.S. Department of Transportation, including funding for the Federal Transit Administration (FTA), Federal Highway Administration, among other agencies. The Budget recommends approximately $17 billion for the FTA, with $14.6 billion of this amount set aside for transit formula grants. The Budget would move to eliminate unobligated balances from prior years for the National Electric Vehicle Infrastructure Formula Program and the Charging and Fueling Infrastructure Grant Programs. The Budget would also significantly boost funding for the Infrastructure for Rebuilding America grant program by $770 million - increasing the total for that

grant program to $2.3 billion. Metro staff will be carefully reviewing the Fiscal Year 2026 Budget to fully understand its impact on our agency.

On the same day that the Budget was released, the U.S. Department of Transportation issued their Fiscal Year 2026 New Starts Report prepared by the FTA. The report provides information on how the FTA intends to expend funding for both the Capital Investment Grant (CIG) and the Expedited Project Delivery Pilot Programs, which are the primary tools used to fund the construction of transit projects across the United States. The Fiscal Year 2026 New Starts Report includes our agency's number one CIG priority project, the Southeast Gateway Line. Specifically, the project is listed among several transit projects that may become ready for CIG or EPD funding during Fiscal Year 2026. For the very first time, the Vermont Bus Rapid Project is listed in a New Starts Report under the heading "Small Starts Projects that Entered Project Development since March 2024." Metro staff have and will continue to work diligently and collaboratively with the FTA to advance our projects through the CIG Program.

In addition to the release of portions of the Budget and the Fiscal Year 2026 New Starts Report, on May 30, 2025, the FTA, consistent with funding enacted through the Infrastructure Investment and Jobs Act (P.L. 117-58) and made available through the Continuing Appropriations and Extensions Act of 2025 adopted by Congress earlier this year, moved to allocate $315 million for the Westside Purple Line Extension (WPLE) Section 3 project. The FTA issued a Full Funding Grant Agreement ($1.3 billion) for the WPLE Section 3 project in March of 2020. With this allocation from the FTA, the full federal commitment to the WPLE Section 3 project has been fulfilled. The WPLE Section 3 project, once fully constructed, will include two new stations (Westwood/UCLA and Westwood/VA Hospital) that will provide a high-capacity, high-speed, and dependable alternative for commuters to busy work centers, academic institutions, healthcare facilities, and social and entertainment venues.

APTA Legislative Conference

Metro CEO Stephanie Wiggins attended the APTA Legislative Conference last month and had the welcome opportunity to raise national awareness about the role of transit and the upcoming 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games. Specifically, our CEO highlighted in remarks to both the APTA Executive Committee and on a panel entitled, "Transit on the World Stage Moving Cities During Mega Sports Events" that global events, like the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games, can serve to elevate the national profile of how transit can thrive during these major events. Many stakeholders at the APTA Legislative Conference were eager to join our agency's work related to the 2028 Olympic and Paralympic Games, including offers to provide buses to bolster our Games Enhanced Transit System (GETS) initiative.

APTA President Paul Skoutelas publicly praised Metro's CEO for her leadership with respect to mobility-focused preparations for the 2028 Olympic and Paralympic Games. Specifically, the APTA President emphasized that the 2028 Olympics needed to be a priority for all APTA Members. He further cited the need for the APTA community to support LA Metro's funding request, and the opportunity for member agencies to contribute in-kind resources for our agency's GETS initiative.

In his keynote remarks at the APTA Legislative Conference, U.S. Department of Transportation

Secretary Duffy positively cited LA Metro's hiring of a new police chief. Secretary Duffy also mentioned the need for the federal government to invest in transit for global sporting events including the World Cup and Olympics.

U.S. Department of Transportation - 2026 FIFA World Cup/2028 Olympic and Paralympic Games

Metro, with strong support from our Board, continues 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. As noted above, it appears that the Budget may be released as early as next week. Metro's initial request for this funding was made by the Board in a letter shared with the President-elect on November 21, 2024. More recently, Chair Hahn shared a letter with U.S. Department of Transportation Secretary Sean Duffy reiterating the importance of this request.

Staff continues to secure strong support from the LA County Congressional Delegation on this front, including from U.S. Senator Alex Padilla (D-CA) and U.S. Senator Adam Schiff (D-CA). Staff looks forward, in the coming months, to continuing our engagement with Congress and the Executive Branch to secure mobility-related funding for the Games.

Federal Transit Administration Capital Investment Grant Program - Congressional Support Letter

Metro is proud that Congressman Robert Garcia (D-CA) led a bipartisan effort among members of the House of Representatives to express support for the FTA's CIG Program. The FTA's CIG Program is the federal government's primary means for supporting the construction of new transit lines. Our agency was proud to support Congressman Garcia as he sought to secure co-authors for his CIG support letter, - which was addressed to the Chair and Ranking member of the House Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development.

The final letter circulated by Congressman Garcia, issued on May 23, 2025, secured the support of 106 members of Congress. This was an impressive show of congressional support for the FTA's CIG Program.

It is helpful to note, as I did last month, that on April 22, 2025, Chair Hahn authored a letter thanking Congressman Garcia for his bold leadership in supporting the FTA's CIG Program.

Los Angeles County Congressional Delegation

As we regularly note before the EMC and consistent with our standard practice, our agency is always 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.

Metro was pleased that Congresswoman Maxine Waters (D-CA) participated in our Rail-to-Rail ribbon-cutting event last month. Likewise, we look forward to working with members of the Los Angeles County Congressional Delegation and their professional staff to welcome them to the opening event for the Metro Airport Connector Project on Jun 6, 2025.

America's Next Surface Transportation Authorization Bill
The current surface transportation authorization bill, the Bipartisan Infrastructure Law (P.L. 117-59), expires on September 30, 2026. House and Senate committees with jurisdiction over this measure will begin crafting parts of this bill later this year, with the goal of having a final bill ready by next year.

As I noted to the Board last month, Metro has successfully embedded several of our surface transportation authorization priorities in multi-year transportation authorization bills that have been passed by Congress and signed into law. For example, Metro's America Fast Forward reforms related to the TIFIA low interest loan program were included in MAP-21, a surface transportation authorization bill signed into law several years ago. More recently, Metro led the effort, in concert with then-Congresswoman Karen Bass, to include Local Hire reforms in the Bipartisan Infrastructure Law signed into law by President Biden in November of 2021.

Transit Operator Safety
Consistent with our Board-approved 2025 Federal Legislative Program, Metro maintains 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.

Federal Transportation Grants
Metro continues to aggressively pursue federal grant opportunities to fund Metro projects and initiatives. Consistent with our past practice, we will work closely with members of the Los Angeles County Congressional Delegation and other key stakeholders - like the LA/Orange County Building and Construction Trades Council, the LA Area Chamber of Commerce, among others - to solicit their support for our current and future grant applications.

Conclusion:
Chair Hahn and members of the committee, I look forward to expanding on this report at the Executive Management Committee meeting scheduled for June 19, 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 June 4, 2025, and will be updated, as

appropriate, at the Executive Management Committee on June 18, 2025. The status of relevant pending legislation is monitored monthly on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/6%20-%20June%202025%20-%20LA%20Metro%20Legislative%20Matrix.pdf>.

Budget Update

On May 14, Governor Newsom released his May Revision to the proposed Fiscal Year (FY) 2025-26 budget, based on the latest economic forecasts available to the Governor and his Department of Finance. The Governor's proposed budget in January presented a balanced budget with a modest surplus of $363 million. However, since then, the state has experienced a series of significant events, resulting in a notably worsened fiscal outlook. The May Revise now projects an estimated state budget deficit of $12 billion for FY 2025-26.

However, the May Revise maintains the State's proposed $1 billion investment in the Transit Intercity Rail and Capital Program (TIRCP) for Fiscal Year 2025-26, as originally agreed to in the Budget Act of 2023 (AB 102 / SB 125). This proposed budget, therefore, includes approximately $50 million in funding for the A Line Foothill Extension and $200 million in funding for the Southeast Gateway Line.

The May Revise does not include the Metro-supported $2 billion in new money for transit, which Senator Arreguin and Assemblymember Gonzalez initially proposed.

In addition, the May Revision includes $17.6 million one-time funding from the State Highway Account to support transportation project planning associated with the 2028 Olympic Games, including work on the Games Route Network.

Governor Newsom’s recent revision of the state budget cuts $201.1 million from Metro’s Zero Emission Transit Capital Program (ZETCP) funding. As part of last year’s budget agreement, Metro was set to receive $320 million in ZETCP funding. To date, we have received $119.5 million of that allocation, which has been used to advance Metro’s transition to zero emission buses.

Based on previous budget agreements, we were expecting to receive approximately $67 million in FY 2026-27 and $134 million in FY 2027-28. Under the Governor’s proposed budget, we will now lose the funding for those two years. These funds were eligible for use on zero emission buses and charging infrastructure, as well as zero emission rail cars. We had planned to use the remaining funding to continue advancing the agency’s transition to a zero-emission bus and rail fleet.

The next budget milestone will be on June 15 with the constitutional deadline to pass a budget. Due to the uncertainty surrounding the direct impact of wildfire recovery, along with impacts to tax receipts and deadlines, Metro anticipates that the budget process will extend beyond the constitutional deadline to pass a budget with subsequent trailer bills through the fall. This delay in receipts, along with significant volatility in the stock market, will require careful monitoring and action by the State.

Cap-and-Trade/Cap-and-Invest

The Governor also announced his desire to extend California's Cap-and-Trade program, renaming it

the Cap-and-Invest program. The Governor is asking the Legislature to extend the program to 2045 in order to provide greater market certainty and align with California's existing 2045 carbon-neutrality goal. It is our understanding that the Governor desires to eliminate all current Greenhouse Gas Reduction Fund (GGRF) expenditures and programs starting in FY 2025-26 and work with the Legislature to rebuild the GGRF expenditure program from the ground up.

The Governor is also proposing to shift $1.5 billion from the General Fund to the GGRF on an ongoing basis to support CAL FIRE, while also guaranteeing the high-speed rail project a minimum of $1 billion annually from the GGRF (in lieu of a percentage).

Metro supports the equitable reauthorization of cap-and-trade/cap-and-invest. However, the agency is concerned that the proposal as initially offered by the Governor makes the California High-Speed Rail project the only substantive infrastructure investment by the State. There is no guarantee that any of this investment will take place in Los Angeles County over the next 20 years. Any reauthorization of the program must include the equitable distribution of transit funds to ensure that the future High-Speed Rail project is able to connect to Southern California.

Metro staff will be actively engaged with the Legislature and Administration on how to best structure the GGRF program to support our local transit needs.

Legislative Update

The following is an update on the status of Metro's sponsored and monitored legislation.

Sponsored Legislation

AB 1237, by Assemblymember Tina McKinnor (D - Inglewood) has passed the Assembly. This bill was substantially amended on May 29. The bill now would require a ticket seller or a person who resells a ticket to a sporting, musical, theatre, or any other entertainment event located at a venue with a capacity of more than 1,000 persons to also, at the time that a ticket is purchased, give the consumer the option to purchase an all-day ticket from a transit provider that offers service to the venue during the time of the event. the bill is awaiting committee assignment in the Senate. Metro remains supportive of the legislation as amended and will continue to advocate for its passage.

Metro is a co-sponsor of SB 71 (Wiener), along with the California Transit Association, the Bay Area Council, and SPUR. On June 3, the California Senate voted 36-0 to pass SB 71 by Senator Scott Wiener (D - San Francisco). SB 71, which is co-sponsored by Metro, would remove the 2030 sunset for CEQA exemptions for certain transportation projects, including pedestrian and bicycle facilities, transit prioritization projects, bus, BRT, and light rail projects, and projects for the construction or maintenance of infrastructure of facilities related to zero-emission buses, trains, or ferries. The bill also expands the exemption to include projects related to microtransit, paratransit, shuttles, and ferries, and for Tier 4 or cleaner locomotives. The bill retains a 2032 sunset for transportation projects using near-zero emission, natural gas, or low-NOx technology and a January 1, 2040, sunset for Tier

4 or cleaner locomotives. Metro has utilized the SB 922/SB 288 (previously authored by the Senator) exemptions for several significant projects, including improvements related to the NextGen Bus Plan, and the North San Fernando Valley bus improvements. The bill now goes to the Assembly for policy committee hearings.

Additional Relevant Legislation

Metro-supported AB 394 by Assemblymember Lori Wilson (D - Suisun City) has passed the Assembly on a 76-0 vote. This bill would strengthen penalties for assaults against all transit employees that currently exist for bus and rail operators only. The bill would also broaden enforcement against trespassing on transit systems and empower courts to issue prohibition orders restricting access to individuals convicted of violent offenses against transit workers. Metro has continued to utilize all tools at our disposal to ensure greater safety for all, and AB 394 would be another critical tool in our toolbox. The bill is now in the Senate awaiting committee assignment.

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. CEO Wiggins has been meeting with new members in order to introduce them formally to Metro and gauge their legislative priorities for potential partnerships between the State and our agency. CEO Wiggins recently met with Senate Majority Leader Lena Gonzalez to discuss state transportation funding and working hand in hand with our partners in Sacramento to ensure that LA County gets its fair share of investment. As we approach the deadline for the fiscal year 2025-26 budget, staff and leadership will continue to engage with legislative leadership on both the budget and the cap-and-invest proposal.

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.

This item supports Metro's systemwide strategy to reduce VMT through administrative and legislative advocacy activities that will benefit and further encourage transit ridership, ridesharing, and active transportation. Increased state and federal funding received benefits Metro's projects and programs to reduce VMT. Metro's Board-adopted VMT reduction targets were designed to build on the success

of existing investments, and this item aligns with those objectives.

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

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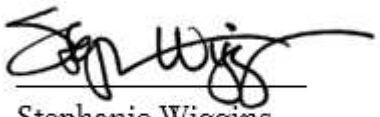

Stephanie Wiggins
Chief Executive Officer

Government Relations
Federal and State Affairs Update

Executive Management Committee
June 18, 2025

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Federal Affairs Update

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- **Legislative Update:**
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  - **AB 394 (Wilson)**

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