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

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EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 17, 2026

SUBJECT: FEDERAL AND STATE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE September 2026 Federal and State Legislative Report.

DISCUSSION

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

Chair Bass and members of the Executive Management Committee, I am pleased to provide an update on several key federal matters of interest to the agency. This report was prepared on September 1, 2026, and will be updated, as appropriate, at the Executive Management Committee meeting on September 17, 2026. The status of relevant pending legislation is monitored on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/9%20-%20September%202026%20-%20Legislative%20Matrix.pdf>, which is updated monthly.

USDOT Approves TIFIA Loan for I-105 ExpressLanes Project

On July 28, 2026, the U.S. Department of Transportation (USDOT) gave final approval to a loan in the amount of $844 million for our I-105 ExpressLanes Project. The Build America Bureau's Council on Credit and Finance recommended approving this loan to Metro in early July.

Chief Executive Officer (CEO) Wiggins addressed the status of this TIFIA loan with USDOT Secretary Sean Duffy during his visit to our Emergency Security Operations Center on June 11, 2026. Previously, at the request of Metro's Government Relations team, U.S. Senator Alex Padilla posed a question on the I-105 ExpressLanes TIFIA loan to Federal Highway Administration Administrator Sean McMaster at a hearing held by the U.S. Senate Committee on Environment and Public Works on June 3, 2026.

The agency very much appreciates the USDOT action in approving this TIFIA loan. Metro welcomes the opportunity to advance this project with a low interest TIFIA loan provided by the USDOT's Build

America Bureau.

FTA Provides $149.9 Million Grant for the Vermont Avenue BRT Project

Last week, the Federal Transit Administration (FTA) provided a grant in the amount of $149.9 million through the Capital Investment Grant Small Starts Program for the Vermont Avenue Bus Rapid Transit (BRT) Project. This is the first time Metro has received a Small Starts Grant. The federal funding provided by the FTA for this project is the maximum amount permitted for Small Starts Projects. The Vermont Avenue BRT Project, which will operate across several federally designated Opportunity Zones, will include 12.4 miles of all-day dedicated side-running bus lanes. The project will also provide 26 enhanced bus stations along the route with upgraded lighting to improve public safety, as well as installing safety-focused crosswalks. The Vermont Avenue BRT Project is projected to have the highest ridership of any BRT project in the United States once it is complete and fully operational. According to ridership projections, the Vermont Avenue BRT will serve over 66,200 daily riders, dramatically improving transit access along one of LA County's busiest transportation corridors. The project will generate meaningful economic benefits, supporting more than 1,000 jobs during each year of construction and an estimated 260 permanent operations and maintenance jobs annually once the project is operational, delivering both immediate and long-term employment opportunities along the corridor.

Metro intends to have this project completed before the 2028 Olympic and Paralympic Games, due to the critical role it plays in connecting multiple rail and bus lines. We are proud the project will improve transit access by connecting tens of thousands of individuals daily to jobs, schools, medical services, and to other major transit corridors, including Metro's B, C, D, and E rail lines and several other major bus routes. According to our studies, the Vermont Avenue BRT Project will reduce travel time by 24%.

Metro extends our appreciation to U.S. Department of Transportation Secretary Sean Duffy and the FTA for their strong support for the Vermont Avenue BRT Project. Our agency is also deeply appreciative to members of the LA County Congressional Delegation for their strong backing for this project: including our two U.S. Senators Alex Padilla and Adam Schiff and our Representatives Maxine Waters, Sydney Kamlager-Dove, Jimmy Gomez, and Laura Friedman. Staff appreciates the robust support of our Board members for this worthwhile project and the outstanding work of our Planning and Program Management staff whose efforts positioned the Agency to secure $149.9 million in federal funding for the Vermont Avenue BRT Project.

Federal Funding for the 2028 Olympic and Paralympic Games

Consistent with our Board-approved 2026 Federal Legislative Program, we are continuing to work with the Executive Branch and Congress to secure mobility funding for the 2028 Olympic and Paralympic Games. While approximately $90 million was provided to our agency for Games-related mobility efforts through a Fiscal Year 2026 Congressional appropriation, the broader funding needed by our agency and our partners has yet to be secured. We continue to work with a wide range of stakeholders, including LA28, to encourage the Executive Branch and Congress to provide the federal funding needed to provide world class mobility for the upcoming Games, which will be the largest sporting event ever held in the United States.

Continuing Resolution - Federal Funding for Federal Fiscal Year 2027

Congress was not able to complete the appropriations process for Federal Fiscal Year 2027, which begins Oct 1, 2026. On September 1, 2026, the U.S. House of Representatives adopted a continuing resolution (CR), that was previously adopted by the U.S. Senate, to extend federal funding through December 11, 2026. Both the House and Senate will have to work to adopt a full year funding bill when they return for their lame duck session of Congress after the mid-term elections.

Proposed Federal Regulation to Permit Suspension of Federal Grants

On May 26, 2026, the White House Office of Management and Budget (OMB) published a proposal to revise government-wide policies and requirements related to the management of grants, cooperative agreements, and other forms of assistance. The proposed revisions to 2 CFR Part 200 would empower executive branch political appointees to terminate federal grants if they conclude that the grant does not align with current agency and administration priorities, even if the recipient is in full compliance with all award terms. The proposed rule would impact a wide swath of federal funding mechanisms-everything from medical research, to education, to transit.

The revisions apply primarily to discretionary grants. However, non-discretionary (formula) grants are also impacted by new restrictions and conditions, including codifying policies of President Trump's Administration opposing Diversity, Equity and Inclusion and inclusive attitudes toward diverse gender identities, among other policies included in Executive Orders the President signed since January 2025. Although OMB justifies the proposed revisions to ensure that every discretionary award program is designed by Federal agencies to effectively achieve its underlying statutory purpose, the intent is for discretionary grant awards to advance the administration policies and priorities set by the President. The effective date of the proposed revisions is October 1, 2026.

Staff have concluded that the proposed revisions adversely affect the entire federal grant cycle, from pre-award through post-award to closeout. Key among staff's many concerns are that the proposed revisions would create greater uncertainty for agencies seeking and receiving grant awards from the Federal Government, increase the risk of suspension or termination of grants after award, expand compliance and oversight obligations, and reduce predictability and long-term funding stability.

The notice attracted more than 496,000 comments from the public. Metro Government Relations staff engaged with the American Public Transit Association (APTA) in support of APTA's submission to the federal register in response to the proposal.

The proposed rule has drawn bipartisan concern from Congress, as it presumably impinges on Congress' constitutional prerogatives regarding appropriations.
Consequently, H.R. 6500, the continuing resolution (CR) enacted by Congress on September 1 suspends implementation of the proposed rule through December 11, 2026.

Surface Transportation Authorization Bill

The current authorization legislation for our nation's surface transportation programs, the

Infrastructure Investment and Jobs Act (IIJA), enacted in 2021, is set to expire on September 30, 2026. The Senate version of the CR extends the IIJA's authorities through December 11, 2026, though crucially it does not extend the advance appropriations included in the IIJA. Consequently, under the current legislative trajectory, there is expected to be $4.25 billion per year less in federal funds for transit available after September 30, 2026.

As Congress begins to work on a new surface transportation bill, staff will keep the Board informed of important policy related work in this regard, including efforts to promote the Board-approved USA Build Initiative.

Transit Operator Safety

In full alignment with Metro's Board-approved 2026 Federal Legislative Program, staff continue to prioritize transit operator safety and maintain active communication with the Los Angeles County Congressional Delegation on this issue. The upcoming reauthorization of federal surface transportation programs presents an important opportunity to advance enhanced protections for transit operators nationwide.

Federal Transportation Grants

Metro remains committed to aggressively pursuing competitive federal grants to advance a wide range of transit projects and programs. In alignment with this effort, staff continue to work closely with the Los Angeles County Congressional Delegation and key regional partners-including the LA/Orange County Building and Construction Trades Council and the Los Angeles Area Chamber of Commerce-to build support for both current and future grant applications.

Conclusion

Chair Bass and members of the Committee, I look forward to providing further updates and expanding on this report during the Executive Management Committee meeting scheduled for September 17, 2026.

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

Chair Bass and members of the Executive Management Committee, I am pleased to provide an update on several key state matters of interest to the agency. This report was prepared on September 1, 2026, and will be updated, as appropriate, at the Executive Management Committee meeting on September 17, 2026. The status of relevant pending legislation is monitored on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/9%20-%20September%202026%20-%20Legislative%20Matrix.pdf>, which is updated monthly.

Legislative Update

The Senate and Assembly ended the 2025-26 legislative session on August 31, 2026. Metro was the sponsor or co-sponsor of two bills this year, SB 1361 (Durazo) and AB 1837 (M. Gonzalez).

SB 1361 limits cities' abilities to take certain actions against transit projects on the basis of opposition to increased density requirements in 2025's SB 79 (Wiener). These actions include requesting that the transit agency reduce service to that stop so that SB 79 does not apply, condition approval of a project on the basis of the impacts of increased height or density required by SB 79, or withhold support of an application for funding of a transit project on the basis of the additional height or density required by SB 79. SB 1361 passed its final vote on August 30 and is awaiting a signature decision by the Governor.

AB 1837 by Assemblymember Mark Gonzalez (D - Los Angeles) would extend the sunset for transit agencies to use front-facing cameras on buses to capture parking violations in bus-only lanes. Transit agencies would be authorized to use this technology until January 1, 2034, extending the current authorization due to expire in January. Metro is a proud co-sponsor of this legislation and thanks the author again for his work on supporting transit in Los Angeles County and around the state. AB 1837 passed its final vote on August 20 and is awaiting a signing decision by the governor.

Budget and Greenhouse Gas Reduction Fund Update

On August 20, California Senate Budget Chair John Laird (D - Santa Cruz) outlined a proposal for Greenhouse Gas Reduction Fund (GGRF) spending for the 2026-27 fiscal year, following a May vote at the California Air Resources Board that would significantly reduce available funding for "tier 3" programs, including transit. Under the Senate plan, the following investments would have been reserved for transit specifically:

- Low Carbon Transit Operations Program (LCTOP) Funding: $198 million statewide.
- SB 125 Zero-Emission Transit Capital Program Funding: $230 million.
- Transit and Intercity Rail Capital Program (TIRCP) Funding: $76 million.

The proposal also included funding for other tier 3 programs, such as affordable housing and clean drinking water. The Assembly did not release a budget proposal on GGRF before the final budget deal was later announced.

On August 29, Senate Budget Chair Laird and Assembly Budget Chair Gabriel (D - Encino) released SB 113 <https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fleginfo.legislature.ca.gov%2Ffaces%2FbillTextClient.xhtml%3Fbill_id%3D202520260SB113&data=05%7C02%7CAmadeoA%40metro.net%7Cce3e725b3e30417ba06708df0606ee31%7Cab57129bdbfd4cacaa77fc74c40364af%7C1%7C0%7C639236299031252527%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=dHsFfVFpnmWoMJtRndIF1pbGVGkz0TmJNEhZF4vVyQo%3D&reserved=0> and AB 113 <https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%252>. The bills represented the Legislature's final budget package for FY26-27.
The following list outlines the investments that will be reserved for transit:

SB 125 Zero-Emission Transit Capital Program Funding: $230 million. This represents the full missing funding this year for the zero-emission transit funding program created by SB 125 (2022).

Metro was due to receive $67 million this fiscal year for this program.

Low Carbon Transit Operations Program (LCTOP) Funding: $48 million statewide. This is less than the $198 million maximum statewide that would have been authorized under the Cap-and-Invest program before the May California Air Resources Board (CARB) decision.

Transit and Intercity Rail Capital Program (TIRCP) Funding: $95 million. This is higher than the $76 million that was in the Senate proposal, however it is less than the $400 million statewide that would have been authorized under Cap-and-Invest before the May CARB decision.

Transit Funding for Major Events: $20 million. The Legislature allocated up to $20 million in funding to assist transit agencies in preparing and meeting transit needs of major events that occur in California.

Olympics Advocacy Update

Metro continues to advocate for the inclusion of $379 million for 2028 Olympic and Paralympic Games transportation projects. The $20 million in the final budget deal allocated to assist transit agencies with planning and execution of major events was a welcome development and represents an acknowledgement of the critical role that transit plays in major events. Additionally, $10 million will be made available to assist local governments in meeting security needs of major events that occur in California. Metro believes the State will be an important partner in preparing for and executing the 2028 Olympic and Paralympic Games, and is pleased to see this investment included in the final budget deal. Staff will continue to work with our local, state, and federal partners to identify avenues to advance the improvements outlined in our advocacy.

Conclusion

Chair Bass and members of the Committee, I look forward to providing further updates and expanding on this report during the Executive Management Committee meeting scheduled for September 17, 2026.

EQUITY PLATFORM

Government Relations will continue reviewing legislation introduced in Sacramento and Washington, DC, to address any equity issues in proposed bills and the budget process. Securing levels of federal transportation funding allows our agency to advance projects that improve equitable access and mobility for the ten million individuals who live, work, and travel throughout Los Angeles County. Mindful that Metro staff have concluded that the OMB's proposed revisions as to how federal grants are issued will negatively affect the entire grant cycle, we have and will remain engaged with key stakeholders, including the U.S. Congress, to ensure any change to federal grant regulations do not negatively impact our agency.

On the state side, Metro continues to be concerned about the California Air Resources Board vote on Cap-and-Invest regulations earlier this year. The Board's vote for regulations that will reduce the available funding in the Transit and Intercity Rail Program and the Low Carbon Transit Operations Program will have profound impacts on transit agencies. Reducing funding to projects and operations would harm some of the most economically vulnerable populations, those who rely on transit for all of their transportation needs. Additionally, as transit is a key component of the State's goal to reduce greenhouse gas emissions and improve air quality for vulnerable populations, it is critical that the State keep funding these activities. Though the outcome of the vote was not what Metro supported, the agency will continue budget advocacy in the next session to increase funding for these important programs.

VEHICLE MILES TRAVELED OUTCOME

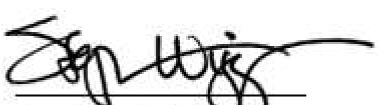
VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets 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.

Prepared by: Michael Turner, Senior Executive Officer, Government Relations, (213) 922-2122
Raffi Hamparian, Executive Officer, Government Relations, (213) 922-3769
Madeleine Moore, Deputy Executive Officer, Government Relations, (213) 922-4604
Alex Amadeo, Senior Manager, Government Relations, (213) 922-2763

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



Stephanie Wiggins
Chief Executive Officer

Government Relations
Federal and State Affairs Update

Executive Management Committee
September 17, 2026

Metro

Federal Affairs Update

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- **FTA Approves $149.9 Million Grant For Vermont Avenue Bus Rapid Transit Project**
- **Continuing Resolution - Federal Funding for Federal Fiscal Year 2027**
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Metro

State Affairs Update

- **Budget Update – Final Deal**
- **Olympic and Paralympic Games Advocacy Update**
- **Legislative Update:**
  - **SB 1361 (Durazo)**
  - **AB 1837 (M. González)**
  - **Other Legislation**

Metro