

**Metropolitan Transportation Commission and Association of Bay Area Governments**  
**Joint MTC ABAG Legislation Committee**

**September 13, 2024**

**Agenda Item 4a**

**Washington DC Legislative Update**

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**Subject:**

August 2024 Report from Washington, DC advocate.

**Issues:**

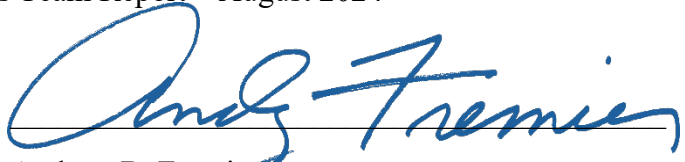
None identified.

**Recommendations:**

Information

**Attachments:**

- Attachment A: Summit Strategies Team Report – August 2024



Andrew B. Fremier



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**Summit Strategies Team Report – August 2024**

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**From: Summit Strategies Team**

**To: Andrew B. Fremier, Executive Director**

**Date: September 13, 2024**

**Subject: August 2024 Federal Policy Monthly Report**

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- **PEPRA Deadline Looming**
- **Congress Prepares for End-of-Year Sprint**
- **FHWA Releases August Redistribution**
- **Supporting MTC Priorities in Congress**
- **National Transportation News Roundup**

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Below is a status update on issues of interest to MTC and the actions that we have taken to date.

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### **PEPRA Deadline Looming**

This fall, the federal government is expected to start withholding federal transit funds from California transit operators with employees subject to the state's retirement reform known as the Public Employees Pension Reform Act (PEPRA) of 2013. Full funding grant agreements (FFGAs) that have not yet secured US Department of Labor (DOL) certification are also at risk of losing funding.

There are two main avenues to get funds flowing again. The first is through litigation. The other option is for the Biden Administration to change its policy. There is a third option, but it is doubtful: statutory change. Under the Obama Administration, the Administration worked with then-California Governor Brown to come to an agreement wherein the federal government would allow funds to be used while a test case made its way through the courts. As part of that agreement, California delayed the application of PEPRA.

If grants are withheld, there will be severe consequences to the region. The longer the grants are withheld, the larger the impact will be. This includes all transit formula funds MTC typically administers through the Transit Capital Priorities program, grants for transit projects funded through the One Bay Area Grant Program, and federal transit funds. FFGAs are also subject to DOL certification.

Your DC team is tracking this issue closely and setting up meetings with key staff from the House Transportation and Infrastructure Committee and Senate Banking, Housing and Urban Affairs Committee to review the next steps.

### **Congress Prepares for End-of-Year Sprint**

Lawmakers will return to Washington, DC, for a three-week legislative sprint next week. In that short time, they will be unable to pass fiscal year (FY) 2025 appropriations bills before a September 30<sup>th</sup> funding deadline, so their attention will pivot to passing a short-term funding package. Speaker of the House Mike Johnson (R-LA) is planning on putting a short-term funding package on the floor for a vote next week that would keep the government funded through March 2025 at the levels outlined in the 2023 Fiscal Responsibility Act, which raised the debt ceiling and established new discretionary spending limits, among other provisions. It will not include any funding "side deals" originally negotiated by President Joe Biden and Former Speaker Kevin

McCarthy (R-CA). However, the package will include the SAVE Act, which would require proof of citizenship for people to register to vote in a federal election. This provision will face fierce opposition from Democratic lawmakers and the White House, meaning Speaker Johnson's funding package is unlikely to pass. This leaves only a few weeks for Congress to negotiate a compromise, an especially challenging feat with the presidential election looming.

### **FHWA Releases August Redistribution**

Last week, the Federal Highway Administration (FHWA) distributed an additional \$8.7 billion in Fiscal Year (FY) 2024 obligation limitation to all 50 state departments of transportation (DOT) and Washington, DC, through the annual "August redistribution" process. States requested approximately \$9 billion in obligation authority, so most states received roughly the requested amount. States need to obligate the redistributed money by September 25, 2024. California will receive \$622 million, representing an increase of nearly 15 percent over California's original obligation limitation distribution for formula programs.

Annual redistributions have soared in recent years, increasing from \$200 million per year in the early 2000s to nearly \$9 billion in FY 2024. This higher allocation makes it harder for state DOTs to obligate the money in such a short period of time. The Senate's FY 2025 Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill contains an update to Section 120, which would gradually reduce the August redistribution to \$2.5 billion in FY 2027.

### **Supporting MTC Priorities in Congress**

The DC Team has reached out to the entire Bay Area Congressional delegation to provide information on and offer briefings on the work of the Transportation Revenue Measure Select Committee. To date, the team has facilitated briefings with staff from the Office of Representative Mike Thompson and the Office of Representative Zoe Lofgren. The DC Team is working on securing letters of support for MTC's Reconnecting Communities Program grant application for the West Oakland Link bike/pedestrian trail between West Oakland, the Port of Oakland, and the Bay Bridge trail. To date, Senator Alex Padilla (D-CA) has sent a letter of support. The DC Team has been in touch with the offices of Senator Laphonza Butler (D-CA),

Representative Nancy Pelosi (D-CA), and Representative Barbara Lee (D-CA) about letters as well.

Finally, the DC Team has been working with MTC to develop a surface transportation reauthorization advocacy strategy. Strategy discussions continued this month.

**National Transportation News Roundup (links to articles)**

- [FHWA Fund Redistribution Causes Consternation for States \(Transport Topics\)](https://www.ttnews.com/articles/fhwa-aashto-funds#:~:text=As%20the%20Federal%20Highway%20Administration,time%20to%20allocate%20the%20money.)  
<https://www.ttnews.com/articles/fhwa-aashto-funds#:~:text=As%20the%20Federal%20Highway%20Administration,time%20to%20allocate%20the%20money.>
- [Illinois law banning concealed carry on public transit is unconstitutional, judge rules \(AP.\)](https://apnews.com/article/illinois-concealed-carry-public-transit-d4fdf2bf8725111103bb2f9777176bb4)  
<https://apnews.com/article/illinois-concealed-carry-public-transit-d4fdf2bf8725111103bb2f9777176bb4>
- [MTA ends free bus routes after high rates of fare evasion in NYC transit system found \(CBS\)](https://www.cbsnews.com/newyork/news/nyc-free-bus-routes-end-mta-fare-evasion/)  
<https://www.cbsnews.com/newyork/news/nyc-free-bus-routes-end-mta-fare-evasion/>
- [Bay Area transit agencies syncing schedules to improve transfers between systems, align schedule changes \(Mass Transit\)](https://www.masstransitmag.com/management/press-release/55131688/bay-area-rapid-transit-bart-bay-area-transit-agencies-syncing-schedules-to-improve-transfers-between-systems-align-schedule-changes)  
<https://www.masstransitmag.com/management/press-release/55131688/bay-area-rapid-transit-bart-bay-area-transit-agencies-syncing-schedules-to-improve-transfers-between-systems-align-schedule-changes>