

***Receive State and
Federal Legislative
Update and
Consider Position
on Legislation: SB
30 (Cortese)***

**JPB Board Meeting
August 7th, 2025**



Federal

Appropriations

- The House FY26 THUD appropriations bill advanced out of committee on July 14 and the Senate THUD bill was advanced on July 24.
- The Senate THUD bill appropriates the majority of public transit and passenger rail funding authorized by the IIJA, providing \$21.1B for public transit and \$16.2B for passenger and freight rail in FY26, a modest increase from FY25 and significantly more than the House bill.
- Conference committee negotiations will likely take place in September with the current continuing resolution to fund the government set to expire on Sept 30.

Appointments

- DOT Announced Marc Molinaro as 16th Senate-Confirmed Administrator of the FTA

Federal

Surface Transportation Reauthorization

- DOT has issued a formal Request for Information inviting comments to inform the next surface transportation reauthorization bill
- Chairman Graves continues to push for a bipartisan surface bill before Sept 30, 2026

Administration

- On June 30, DOT released new revisions to the NEPA implementing process, including deadline reforms and page limits on environmental reviews.

California High-Speed Rail

- On July 16, Sec. Duffy announced the FRA would formally terminate 2 federal grant agreements totaling \$4B for the California High-Speed Rail project
- On July 17, California filed a lawsuit seeking declaratory and injunctive relief.

State

Legislative Update

- Legislature on summer recess from July 18 to August 18.
- August 29: Last day to hear and pass bills from fiscal committees to floor of each house
- September 5: last day to amend bills on the floor.
- September 12: last day for each house to pass bills.
- October 12: Last day for Governor to sign or veto bills.

State Budget Agreement

- In late June the Governor and Legislature came to an agreement on the Budget for FY 25-26, which totaled \$321.1 Billion and contains reserves of \$15.7 Billion
- Caltrain's priority programs in the Greenhouse Gas Reduction Fund (TIRCP and LCTOP) were maintained following initially proposed cuts by the Governor.
- The budget also includes a \$750M emergency loan program from the General Fund for select Bay Area transit agencies including Caltrain.

Cap-And-Trade

- The Legislature is expected to resume discussion on the future of the Cap-and-Trade program (now envisioned as the Cap-and-Invest program) after they return from recess.

CalSTA Transit Transformation Task Force Meeting

- Met on August 1 and had a draft of the Task Force Report for discussion
- Task Force to deliver finalized report to the Legislature by October 30, 2025

SB 30 (Cortese) – Recommend Oppose Unless Amended

SB 30 (Cortese) - Diesel-powered on-track equipment: decommissioning: resale and transfer restrictions

- This bill would disallow public rail agencies from selling, donating or otherwise transferring lower tier locomotives.
- The bill would have negative financial impact of millions of dollars to Caltrain as well as other rail agencies in the state. Caltrain currently has nine remaining diesel locomotives in its fleet, all of which have been overhauled between 2019 and 2024 and are all under Tier 2.
- The California Transit Association adopted an Oppose Unless Amended position on the bill and have actively worked to secure favorable amendments to the legislation.
- Currently in the Assembly where it passed out of Assembly Transportation Committee on July 14 despite lack of support from Caltrain delegation members.
- The bill only targets public passenger rail agencies, not freight rail, and pertains to only 1% of the locomotives in the state. It provides no funding to address losses and incentivizes agencies to keep older equipment as long as possible given the financial downsides of decommissioning.

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- **Staff recommend an Oppose Unless Amended Position** consistent with the California Transit Agency's position and recommend the following amendments:
 - For Tier I and lower vehicles, require an air quality and greenhouse gas reduction benefit analysis in advance of the sale, donation or transfer of decommissioned diesel locomotives in order to ensure that there will be quantifiable benefits to the transfer. Should this analysis demonstrate quantifiable benefits, exempt the transfer.
 - Change requirement of “engine removal” to “permanent disablement” in order to allow for transfers to museums, and other institutions which do not have intent to operate the locomotive engines.

SB 63 (Wiener and Arreguín)

SB 63 (Wiener and Arreguín) – Transportation Revenue Measure

- June 25, MTC Commission adopted recommendations for Transit Transformation (TT) programs to receive SB 63 funding.
- July 7, the bill passed through the Assembly Transportation committee with a vote of 11-4. Bill amended to prioritize WETA service and East Bay bus systems at 5%, lowering the pot for TT from 10% to 5%.
- July 14, the bill passed the Revenue and Taxation committee.
- July 22, authors released a proposed expenditure plan.
- July 23, Caltrain Board passed regional measure allocation recommendation.
- July 30, C/CAG recommended SMC opt-in and review accountability proposals
- July 30, San Mateo County Transportation Authority recommended SMC opt-in and review accountability proposals
- Aug 1, VTA held a Board Workshop on SB 63 opt in/out decision
- Aug 6, SamTrans met to discuss whether or not to opt in
- **Aug 7, VTA meets to discuss whether or not to opt in**
- Aug 11, Deadline for counties to opt in
- Aug 29, Deadline to be heard in Appropriations Committee and sent to the floor

Contacts

Casey Fromson, Chief of Staff

email: fromsonc@caltrain.com, Cell: 650.288.7625

Jason Baker, Government & Community Affairs Director

email: bakerj@caltrain.com, Cell: 650.399.6093

Devon Ryan, Government & Community Affairs Officer

email: ryand@caltrain.com, Cell: 650.730.6172



FOR MORE INFORMATION

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