

Receive State and Federal Legislative Update

**JPB Board Meeting
September 4th, 2025**



Federal

Appropriations

- Congress unlikely to pass all 12 appropriations bills before federal funding expires September 30.
- Congress to consider a CR to avoid a shutdown on October 1.

Surface Transportation Reauthorization

- Caltrain preparing comments to DOT on upcoming surface transportation bill.

Administration Update

- On August 7, President Trump signed EO: “[Improving Oversight of Federal Grantmaking](#).”
- Order requires a Trump Administration appointee to review funding opportunity announcements and grant awards.

State Legislative Update

Legislative Schedule

- Sept 5: last day to amend bills on the floor.
- Sept 12: last day for each house to pass bills.
- Oct 12: Last day for Governor to sign or veto bills.

CalSTA Transit Transformation Task Force Meeting

- Met on Aug 1 and Aug 26 to discuss section drafts [Tranche 1](#) and [Tranche 2](#).
- Finalized report to the Legislature by Oct 31
- Drafts sections of the report are creating concern over lack of attention to the need for state funding for public transit.
- MTC, BART, SF Bay Ferry, Napa Valley Transportation Authority, Bay Area Council, Seamless Bay Area and Eastern Contra Costa Transit Authority are representing Bay Area on the Task Force

HSR Progress Report

- CHSRA released a [report](#) on Aug 22 detailing three potential business case scenarios
- Report details plan to connect SF to Northern LA by early 2038
- Highlights potential partnerships to advance Gilroy to SJ, UP corridor improvements
- Recommends state prioritize funding areas with greatest populations, ridership and revenue potential

Exhibit 1.2: San Francisco – Gilroy – Palmdale Service Map

Scenario 1: Merced – Bakersfield (Underway)

Scenario 2: Gilroy – Bakersfield

- Utilizing existing Caltrain infrastructure and a coordinated state solution to connect SJ to Gilroy

Scenario 3: Gilroy – Palmdale

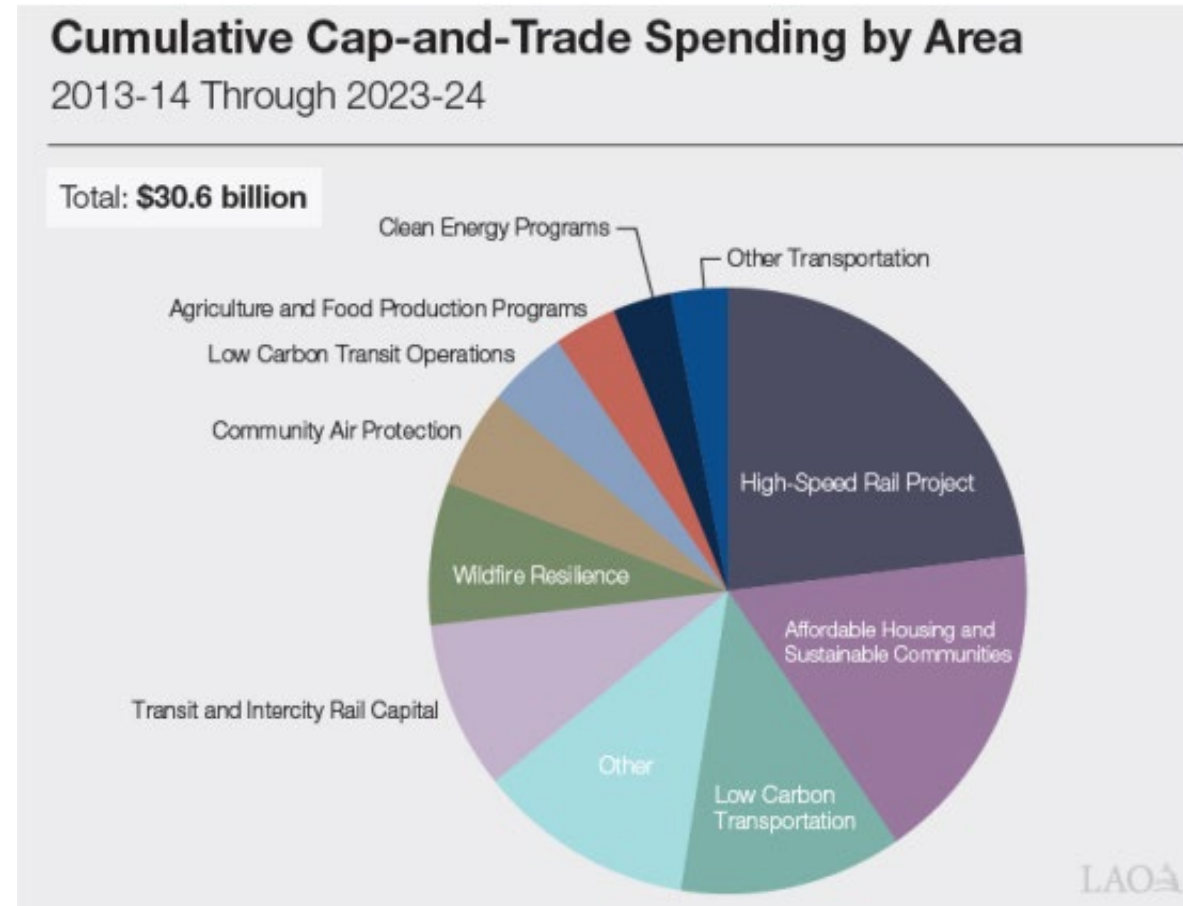
- Two hourly high-speed trains from SF to Palmdale

“Successful implementation of the Gilroy – Bakersfield and Gilroy – Palmdale scenarios will depend on a coordinated state solution to access and improve the Union Pacific rail line between Gilroy and San Jose.”



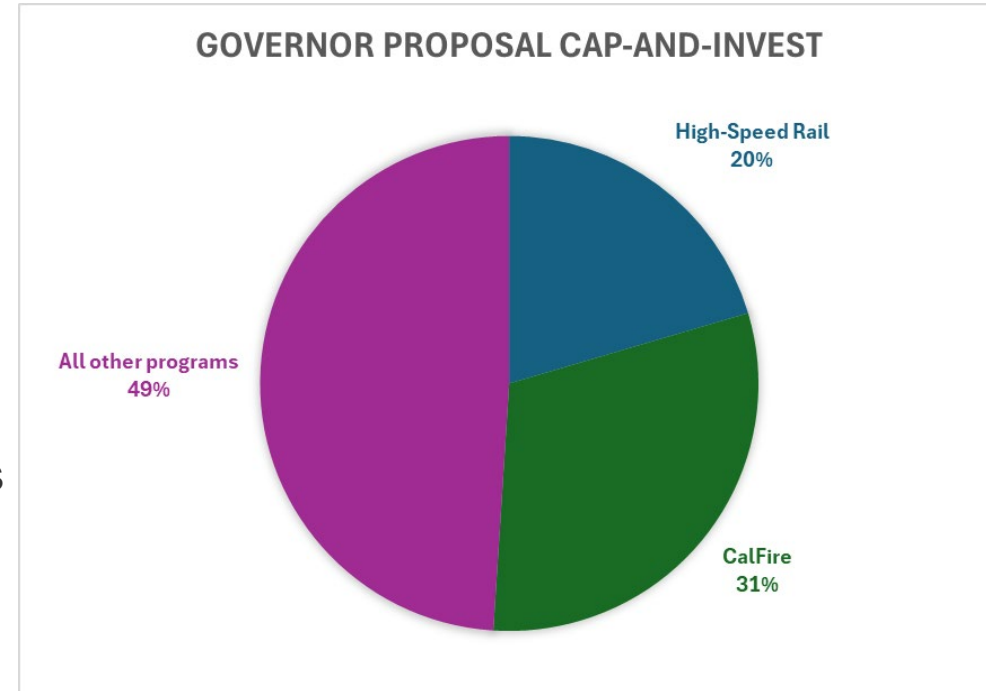
Cap and Invest: Background

- Currently the state's C&T program is authorized through 2030
- Average annual Cap and Trade revenues over the last 3 years: \$4.4B/year
- 65% of GGRF revenues in C&T program continuously appropriated, including
 - 10% TIRCP (~375M/year)
 - 5% LCTOP (~190M/year)
 - 25% HSR (~930M/year)
- Remaining revenue considered discretionary and subject to annual appropriation
- Caltrain: receives ~\$2.5M/year in operations funding from LCTOP; received \$387M TIRCP for PCEP
- Many capital projects along Caltrain corridor would be seeking funds from TIRCP



State – Cap & Invest

- **Timeline Proposal:** Extend Cap-and-Trade from 2030 to 2045
- **Governor proposal**
 - \$1B minimum to HSR; \$1.54B to CAL FIRE
 - Does not leave enough room to accommodate all previous expenditure levels
- **Assembly proposal**
 - Defers funding allocation decisions but vision is transit programs would receive percentage
 - Moves from continuous appropriations (TIRCP, LCTOP) to short-term multiyear investments
- **Senate proposal**
 - Includes proposal to cap continuous expenditures such as TIRCP and LCTOP at 2023 levels



State – Cap & Invest

HSR Bookend Investment Requests

- Los Angeles County delegation - letter requesting \$3.3B for bookend investments through 2045
- Bay Area delegation - letter requesting \$2.2B for bookend investments through 2045
- This would be a 40/60 split
- There is precedent for funding bookend projects through HSR, including Caltrain's PCEP project

Current Negotiations

- Between Governor, Assembly and Senate Leadership
- Sept 12 date for regular session decision or potential special session or next legislative cycle

State – Cap & Invest

Recap Caltrain Position: Caltrain legislative program Cap-and-Trade program principle

- Work to secure additional cap-and-trade revenues to support the *Agency's operations* and capital needs and protect existing cap-and-trade appropriations for transit operations and capital projects.

New additional principles for projects to be funded with HSR "bookend funding," if move to an expenditure framework – BOARD FEEDBACK

- Promotes Corridor Safety: Near-term and long-term (crossing safety enhancements & grade separations)
- Increases ridership, access, connectivity and passenger experience
- Enhances corridor reliability and improves system performance
- Supports regional and state sustainability goals
- Project readiness and feasibility to progress

SB 63 (Wiener and Arreguín)

SB 63 (Wiener and Arreguín): Transportation Revenue Measure

- San Mateo and Santa Clara counties opted in (5 counties in the measure)
- 14-year measure, revenue plan 7% for Caltrain (approximately \$75M in FY31)
- Additional accountability measures for agencies that are receiving assistance, including Caltrain

Timeline

- 8/29 – Passed Appropriations Committee and sent to the floor.
- 9/5 – Last day bill can be amended
- Possibly 9/9 – Expected to return to Assembly Transportation Committee; may also return to Senate Transportation Committee
- 9/12 – Deadline to pass legislature

SB 125 funds and Transit Operations Loan

SB 125 funds

- Caltrain is supposed to receive \$10M from the SB 125 funds allocated by MTC as part of the \$25.4M allocated to Caltrain to avert an operations financial crisis in FY 2026
- There is discussion in the legislature about the possible revoking of the remaining SB 125 funds.

State Transit Operations Loan for the Bay Area

- Trailer bill included \$750M loan option for 4 Bay Area transit agencies to bridge operations needs in FY 27 in anticipation of a regional measure.
- Caltrain and other agencies as well as BAC, SAMCEDA, SPUR and others have advocated for workable loan terms that would allow for preservation of transit service.

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