

Receive State and Federal Legislative Update

**JPB Board Meeting
November 6, 2025**



Federal

Appropriations

- Federal funding expired Sept 30 and there is a full federal government shutdown.
- Now longest full government shutdown in history.
- Key issues: health-care subsidies, defense spending, and other policy riders.
- FTA operations financed by Highway Trust Fund or advanced IIJA appropriations are continuing, but **FTA unlikely to approve new grants**
- Caltrain is awaiting approval for its federal formula grant agreement for new electric trains replacement vehicles
- Key risk: Grant processing and reimbursements delayed until shutdown ends
- Next steps:
 - Congress must pass a CR for appropriations process to resume

State Transit Transformation Task Force

State Transit Transformation Task Force

- Established by CalSTA under SB 125 (2023) with statewide membership: MTC, CTA, BART, SF Bay Ferry, SPUR, BAC, state/regional/local transit leaders, and advocates
- Mission: develop statewide policies to grow ridership and improve rider experience; strengthen funding stability and efficiency; align with California's climate, housing, and equity goals
- Tranche 1 (Aug 2025): Guiding principles, statewide data trends
- Tranche 2 (Aug 2025): Preliminary strategies—service quality, land use, funding
- Tranche 3 (Working Draft Sept 2025): Financial sustainability, workforce, TDA reform, and new revenue options
- **Final report due to Legislature: October 31, 2025**

State Legislative Session

Legislative Schedule

- Oct 31: State Transit Transformation Task Force report due
- Jan 1: Bills go into effect
- Jan 5: Legislative Session reconvenes
- Jan 10: Deadline for State loan negotiation process to be finished
- Jan 10: Governor Budget submission
- Jan 31: Last day for each house to pass bills introduced in that house in 2025
- Feb 20: Last day for bills to be introduced

Results on Bills of Interest

- **SB 30 (Cortese) – Diesel Locomotive Sales Ban – Signed**
 - *Prohibits Caltrain from selling, donating, or transferring its nine remaining diesel locomotives, reducing their asset value by \$20–25 million. Allows leasing. Only impacts public passenger rail and not any private or freight railroad. Board took a support if amended position.*
- **SB 79 (Wiener) - Transit-Oriented Development – Signed**
 - *Allows multi-family housing to be built near rail stations and rapid bus lines in areas where not currently allowed. Caltrain staff still analyzing implications of the bill in its final form but expects upzoning near many stations.*
- **SB 707 (Durazo) Public Meeting and Brown Act Reforms – Signed**
 - *Allows non-decision-making public bodies to meet entirely remotely while still providing public access and participation. **Caltrain CAC and BATAC may now meet fully remotely starting Jan 1.***

Results on Supported Bills

- **SB 71 (Wiener) CEQA Exemptions for Transit Projects – Signed**
 - *Jumpstarts public transportation and bike and pedestrian infrastructure projects by streamlining the permitting process.*
- **AB 394 (Wilson) Transit Safety – Signed**
 - *Expands existing legal protections by strengthening penalties for assaults against transit employees, broadening enforcement against trespassing on transit systems, and empowering courts to issue prohibition orders restricting access to individuals convicted of violent offenses against transit workers.*
- **AB 476 (González) Metal Theft – Signed**
 - *Aims to curb organized metal theft, strengthening enforcement tools for law enforcement and protecting vital public infrastructure from damage.*

Update on Sponsored Bill

- **AB 1372 (Papan) Regenerative Braking Energy Compensation – *Two Year Bill***
 - *Thanks to leadership from Asm Papan and our CCA energy partners PCE and SJCE, Caltrain will begin receiving net billing for its regenerative braking energy from suppliers beginning in November.*
 - *Caltrain still does not receive compensation for regenerative braking energy from its energy distributor.*
 - *AB 1372 is expected to refocus on IOUs in January.*
 - *Must pass out of Assembly by Jan 31.*

SB 63 (Wiener and Arreguín) - Signed

- **SB 63 (Wiener and Arreguín) - The Connect Bay Area Act**
 - Would authorize a 14-year, 5-county regional transit funding ballot measure.
 - Expenditure plan would cover Caltrain's projected annual operations deficit
 - Establishes ad hoc committee of MTC commissioners from funding counties to review complaints and adjudicate operator performance with binding decisions
 - Allows committee to recommend withholding up to 7% of funds for persistent noncompliance in areas such as service levels, cleanliness, and safety
 - Urgency Clause was removed, so legislation does not go into effect until January 1, 2026

SB 63 (Wiener and Arreguín) - Signed

Efficiency Review Requirement

- Financial efficiency review required by Caltrain, BART, Muni, AC Transit
- Led by MTC with third-party consultant and oversight committee
- Phase 1 (by Apr 1, 2026):
 - Document cost savings since 2020
 - Identify “early action” service & customer improvements
 - Inventory real property & redevelopment opportunities near stations
 - Caltrain must adopt selected strategies by Jul 1, 2026
- Phase 2 (after voter approval):
 - Analyze broader cost-savings (capital, operating, admin)
 - Use metrics: cost & subsidy per passenger-mile
 - Regional real property strategy (development, financing, ridership impacts)
 - Draft implementation plan (120 days) → Final plan required (Board Action)



State Loan for Bay Area Transit

State Bridge Loan for Bay Area Transit Agencies

- \$750M loan for Bay Area transit agencies: AC Transit, BART, Caltrain, MUNI
- Caltrain met with DOF which is in the process of gathering information. Next meeting is expected in early November.
- Caltrain deficit in FY 27 is approaching \$60M
- Negotiation process to be finished by Jan 10, 2026

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

WWW.CALTRAIN.COM

