

State and Federal Legislative Update and Adopt 2026 Legislative Program

**JPB Board Meeting
December 4, 2025**



Federal

Appropriations

- On Nov 12, longest federal government shutdown ended.
- New CR funding expires Jan 30
- Senate discussing funding package that could include THUD bill.
- Caltrain is awaiting approval for its federal formula grant agreement for new electric trains replacement vehicles

Surface Transportation Reauthorization

- Process delayed by shutdown.
- House T&I expected to release bill in first quarter of 2026

Federal

Proposed Transit Funding Cuts

- US DOT submitted two proposals to cut transit funding:
 - Proposal 1: eliminate the mass transit portion of the Highway Trust Fund and reallocate the money to road projects.
 - Proposal 2: eliminate the Federal Highway Administration's eligibility to fund transit projects and prohibit states from using highway formula dollars for transit projects.
- APTA issued a statement
- House T&I Chair Graves has signaled this would likely not be part of the reauthorization bill
- **These proposals would require legislative action**

State Legislative Session

Legislative Schedule

- Oct 31: State Transit Transformation Task Force report due (Not yet been submitted)
- 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

State Loan for Bay Area Transit

State Bridge Loan for Bay Area Transit Agencies

- Caltrain meeting with DOF Dec 2
- Caltrain deficit in FY 27 is approaching \$60M
- Negotiation process to be finished by Jan 10, 2026

SB 63 Efficiency Review

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)



Draft 2026 Legislative Program: Major Issues

- **Funding**
 - Funding for transit operations and capital needs
 - Cap-and-Invest-related funding
 - Potential funding measures
- **Project and Program Implementation**
 - Equitable transportation and mobility solutions
 - Transit-oriented development and transit demand management
 - Caltrain Service Vision, connectivity and blended system
- **Legislative and Regulatory Actions**
 - PEPRRA
 - CARB regulations and programs and CEQA modernization
 - Procurement

Cap-and-Invest Program

- **Work to secure additional Cap-and-Invest funding to support operations and capital needs and protect existing Cap-and-Invest appropriations for transit.**
- **Work to ensure that any Cap-and-Invest High-Speed Rail bookend funding prioritizes projects that:**
 - Promote corridor safety by advancing near-term crossing safety enhancements;
 - Enhance local mobility and safety with the delivery of grade separations;
 - Increase ridership, access, connectivity and passenger experience;
 - Strengthen corridor reliability and improves system performance;
 - Support regional and state sustainability goals;
 - Prioritize feasible, shovel-ready projects with clear path to progress and implementation.

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

