

Receive State and Federal Legislative Update

**JPB AMP Committee
January 28, 2026**



Federal

Appropriations

- Current CR runs through Jan 30.
- House and Senate released minibus package, which includes THUD
- House is in session this week to consider the package; Senate consideration is expected next week
- Includes \$100 million for grants to transit agencies in host cities to cover eligible planning, capital, and operating expenses related to the FIFA World Cup

Caltrain Community Project Requests Included:

- Burlingame Broadway Grade Separation Project – \$3,150,000 (Rep. Mullin)
- South County Service Communications Project – \$1.1 million (Sen. Padilla)

HR 3647 (Mullin) - *Recommend Support*

H.R. 3647 (Mullin) - SAFE CROSS Act

- The “SAFE CROSS Act” would direct the FRA to study and report on the use of AI-enabled sensors at railroad crossings to improve safety and reduce collisions.
- Aligns with Caltrain's safety goals and highest priority.
- Supports innovation that could complement existing crossing safety strategies
- Would provide federal guidance and best practices that could be leveraged in future capital or safety investments
- **Staff is recommending a support position.**

State Budget

Governor Newsom Proposed FY 2026-27 Budget

- Overall Budget
 - \$348.9B balanced budget; \$2.9B projected deficit (vs. \$18B projected last year)
 - \$23B in reserves, up from \$15.7B in FY 2025–26
- Cap-and-Invest (GGRF) Changes
 - TIRCP: \$400M statutory target → \$283M proposed (FY 26–27)
 - LCTOP: \$200M statutory target → \$141M proposed
 - Reductions driven by weak auction proceeds; Tier 3 programs cut proportionally
 - Discretionary GGRF (Tier 2): \$1B total; \$250M for SB 840 priorities (transit passes, research, etc.)
 - Remaining \$750M discretionary proposed for CalFire, \$230M ZETCP appropriation for FY 26-27 is omitted

State Budget

REVENUE ESTIMATES FOR FY 2026-27 @ GOVERNOR'S BUDGET (JANUARY 9)			
FUNDING SOURCE	FY 2025-26 (CY)	FY 2026-27 (BY)	FY 2027-28 (BY +1)
STA			
Base Rate (2.375%)	\$246,869	\$235,898	\$251,974
Incremental Rate (1.75%)	\$168,743	\$160,660	\$172,505
SB 1 Rate (3.5%)	\$337,487	\$321,319	\$345,010
STA SOGR (30% of TIF)	\$137,256	\$140,678	\$144,898
Total	\$890,354	\$858,555	\$914,387
Intercity & Commuter Rail			
Base Rate (2.375%)*	\$246,869	\$235,898	\$251,974
SB 1 Rate (0.5%)	\$48,212	\$45,903	\$49,287
Total	\$295,081	\$281,801	\$301,261
TIRCP			
Cap & Invest**	\$333,000	\$283,000	\$311,000
SB 1 (70% of TIF)	\$320,264	\$328,249	\$338,096
Total	\$653,264	\$611,249	\$649,096
LCTOP			
Cap & Invest**	\$165,700	\$141,000	\$155,000
<i>*Funds used for additional Caltrans purposes</i>			
<i>**Amounts in FY 2026-27 are dependent on GGRF revenue</i>			

State Budget

State Transit Loan

- Language in Governor's Proposal:

“ Bay Area Transit Loan—Pursuant to Control Section 91.00 of the 2025 Budget Act, the Budget proposes statutory changes to authorize the Metropolitan Transportation Commission (MTC) to provide short-term loans to transit agencies facing cash flow challenges, preserving essential services for Bay Area riders.”

- Tracks with DOF proposal received Dec 4.
- Letter from Bay Area Delegation members
- MTC and Operators met with LAO

SB 667 (Archuleta)

SB 667: Railroads: safety: wayside detectors: train length: emergency vehicle crossing.

- State rail safety bill requiring wayside defect detectors at prescribed intervals and imposing operational limits on freight railroads if detectors are not installed.
- Key Provision that could impact Caltrain Operations:
 - **Freight trains would be required to operate at 10 mph on corridor segments without compliant detector coverage, which would impact UPRR trains on Caltrain track**
- Implications for Caltrain both on owned ROW and on the segment south of Tamien
- 10 mph freight movements would severely impact operations
- SB 667 is aimed at freight rail safety, but freight operating responses could materially affect Caltrain service on shared infrastructure

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.
 - Caltrain still does not receive compensation for regenerative braking energy from its energy distributor.
 - Co-sponsored by Senator Wiener
 - AB 1372 will not be moving forward as it was not allowed a hearing.
 - Staff are working with the author's office on next steps to address the issue of compensation for the benefits to our energy distributor from energy sent back to the grid.

SB 63 Financial Efficiency Review

- **Phase 1**
 - In progress, operators meeting w MTC and consultant weekly.
 - Purpose of Phase 1: establish baseline of cost-saving and efficiency actions taken since 2020 and identify near-term opportunities for further improving service delivery, customer experience, and financial sustainability with existing financial resources.
- **Key Dates:**
 - Apr 1 – Phase 1 analysis completed and transmitted to Oversight Committee for revision and adoption.
 - Jul 1 - Operators commit to strategies from Phase 1

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