



Local Policy Maker Group (LPMG)

Agenda

April 23, 2026, 5:30 pm

**Meetings of the LPMG are conducted via teleconference only.
No physical location.**

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/87169908892?pwd=nMZdZ6WwXMLubgXRA9Nb6BJHA2CCq.1> or by entering Webinar ID: **871 6990 8892**, passcode: **505937**, in the Zoom app for audio/visual capability or by calling **1-669-219-2599** (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <https://www.caltrain.com/video-board-directors>.

Public Comments: Written public comments may be emailed to LPMG@caltrain.com or mailed to 1250 San Carlos Avenue, San Carlos, CA 94070, and will be compiled and posted along with any LPMG correspondence. Any written public comments must be received by 3:00 pm the day before the LPMG meeting to be included in the LPMG correspondence reading file, posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in person and through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to three minutes. The LPMG Chair has the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

April 23, 2026 - Thursday

5:30 pm

-
1. Call to Order
 2. Roll Call
 3. Public Comment for Items Not on the Agenda
Comments by each individual speaker shall be limited to three (3) minutes. Items raised that require a response will be deferred for staff to reply.
 4. Caltrain Staff Report (Oral Update and Memo)
 5. Caltrain Financial Update
 6. LPMG Member Comments / Requests
 7. Date / Time of Next Regular Meeting: Thursday, June 25, 2026 at 5:30 pm via Zoom
 8. Adjourn

Local Policy Maker Group (LPMG)

Summary Meeting Notes

February 26, 2026

Representatives Present: Atherton, Brisbane, Gilroy, Millbrae, Mountain View, Redwood City, San Bruno, San Jose, Sunnyvale, Michael Salazar (Vice Chair), Pat Burt (Chair)

Representatives Absent: Belmont, Burlingame, Menlo Park, Morgan Hill, Palo Alto, San Carlos, San Francisco, San Mateo, Santa Clara, South San Francisco

Vacant Seats: San Francisco Board of Supervisors, San Mateo County Board of Supervisors Santa Clara County Board of Supervisors

Staff Present: I. Conferti, N. Dhaliwal, H. Greenberg, L. Ko

Summary Notes

The purpose of these notes is to capture key discussion items and actions identified for subsequent meetings.

1. Call to Order

Chair Pat Burt called the virtual meeting to order at 5:31 pm.

2. Roll Call

Lauryn Ko, LPMG Secretary, called the roll.

3. Public Comment on Items Not on the Agenda – There were none.

Item 5 was heard before Item 4.

4. Caltrain Staff Report

Isabella Conferti, Public Affairs Specialist, Government and Community Affairs, provided the report which included the following:

- Assembly Bill (AB) 117 and SB 117 passed by Governor Newsom
- Martin Luther King Junior celebration train
- New affordable housing at Tamien Station
- Regional transit agencies' Super Bowl coordination
- Caltrain's Electrification Project awarded by Associated General Contractors of California (AGC) and Caltrain awarded Owner of the Year Award

Staff provided further clarification in response to the LPMG members' and alternate members' comments and questions regarding regional transit agencies' ability to use state loans.

Public Comment

Roland commented on quarterly surpluses addressed at the JPB Finance Committee.

5. Approval of the 2026 LPMG Calendar

- December 17, 2026 meeting cancellation

Motion/Second: San Bruno/South San Francisco

Ayes: Atherton, Brisbane, Gilroy, Millbrae, Mountain View, Redwood City, San Bruno, San Jose, Sunnyvale, Michael Salazar, Pat Burt

Noes: None

Absent: Belmont, Burlingame, Menlo Park, Morgan Hill, Palo Alto, San Carlos, San Francisco, San Mateo, Santa Clara, South San Francisco

6. Parking and Curbside Management Strategy

Hannah Greenberg, Planning Analyst, presented on the following:

- Used for making parking and loading area decisions, promoting safe station access, and supporting ridership and revenue growth
- Station Access Policy; sustainable transportation options
- Parking lots and stations located downtown, connecting to walkable destinations and events
- Varied ownership and parking lot orientation constraints
- Millbrae Station parking lot shared by other transportation agencies; shape limits redevelopment opportunities
- Decline in parking lot occupancy, number of stations exceeding 80 percent occupancy, and riders parking at stations from 2019 to 2025
- Guiding principles of safety and comfortable multimodal access, operational efficiency and financial sustainability, and station activation to increase ridership
- Municipality collaboration to update parking plans

Staff provided further clarification in response to the LPMG members' and alternate members' comments and questions, which included the following:

- Multimodal access to the station; microtransit options
- Parking lot utilization
- South San Francisco development by Caltrain station; residents and intermodal transit proximity to the station

Public Comment

Roland commented on parking usage and spot availability.

7. City Planning Partnerships

Ms. Greenberg presented on the following:

- City engagement on transportation and land surrounding station
- Reduction of traffic, parking demand, and greenhouse gas effects with increased ridership
- SB 79 and Metropolitan Transportation Commission (MTC) Transit Oriented Communities Policy addressment

LPMG members' and alternate members' comments and clarifications with staff included the following:

- Transit pass provision through city partnership programs
- SB 79 and upzoning
- Impact of Menlo Park Station on Atherton parking lots; sidewalk additions
- Station Access Policy adoption; bike and pedestrian access
- San Mateo County Transportation Authority (TA) funding for first-last mile study
- City of San Jose housing cycle – SB 79 addressment through approved budget request for transit access study in South San Jose; Santa Clara Valley Transportation Authority (VTA) funding contributions; Caltrain South County service
- SB 79 zoning nullification; housing sizes determined by distance from the station
- Dense areas with no publicly accessible sidewalks
- High-speed rail service inefficiencies between San Jose and Gilroy
- Battery electric multiple unit (BEMU) Gilroy service

Public Comment

Roland commented on Tamien Station accessibility challenges, parking space availability, light rail accessibility, and BEMU occupancy.

8. High-Speed Rail Update

Jim Patrick, Regional Director of Communications and Outreach, California High-Speed Rail Authority (HSR), presented on the following:

- HSR use case
- 119-mile initial operating segment, with funding available through 2045; Central Valley service beginning in late 2032; 25 percent return on investment (ROI)
- Electrified two-track addition between San Jose and Gilroy for Caltrain-HSR connection
- Metrolink connection from Burbank to Palmdale; farebox revenue to fund tunneling project
- \$127 billion business plan; parcel monetization
- Increased economic growth and labor expansion opportunities
- Legislature actions for HSR: conversion into an infrastructure company and a Load-Serving Entity for power generation; creation of utility relocation coordinator; implementation of Enhanced Infrastructure Financing Districts and related tax increment tools; sales tax exemption for large infrastructure equipment purchases; establishment of a utility relocation coordinator position

Staff provided further clarification in response to the LPMG members' and alternate members' comments and questions regarding support letters and signatures, business plan costs and project timeline, inclusive costs, tunneling, scope reduction, and ROI.

Public Comment

Roland commented on the connectivity between Gilroy to Fresno, the HSR Chief Executive, the cost contingency curve, and the \$535 million change order approval.

9. **LPMG Member Comments/Requests** – There were none.

10. **Date / Time of Next Meeting:** Thursday, June 23, 2026 at 5:30 pm via Zoom

11. **Adjournment**
The meeting adjourned at 6:39 pm.



Memorandum

Date: April 20th, 2026
To: Caltrain Local Policy Maker Group (LPMG)
From: Bella Conferti, Government and Community Affairs Specialist
Re: Caltrain E-Updates



Caltrain Honors Speaker Emerita Nancy Pelosi for Decades of Transit Advocacy with Dedicated Train

On March 22nd, national and local leaders celebrated as Caltrain named one of the trains in its state-of-the-art electric fleet in honor of Speaker Emerita Nancy Pelosi. This dedication recognizes Pelosi for her outsized role in advocating for Caltrain and other public transit agencies throughout her career as she nears the end of her final term in Congress after serving for 38 years.

Pelosi was instrumental in obtaining federal funding for Caltrain's \$2.4 billion Electrification Project that was completed in 2024, leading the agency to be named the fastest growing transit agency in the United States in 2025. The new electrified system hasn't just transformed Caltrain's service — it's designed to serve generations to come.

"Speaker Emerita Pelosi didn't just represent the Bay Area — she built it, strengthened it, and connected the Golden State to the world," said Governor Gavin Newsom. "She has driven the biggest wins for infrastructure and clean transportation this state has achieved in a generation, and Caltrain's transformation from an aging diesel railroad into one of the fastest-growing electric transit systems in America is proof of what fearless, relentless leadership looks like. Naming this train in her honor is a tribute as enduring as her legacy, and every Californian who rides these rails will travel in the future she fought to build."

Read more [here](#).

Caltrain Prepares for FIFA World Cup 2026

FIFA World Cup 2026 is coming to the Bay Area in June and July, with six matches scheduled at Levi's Stadium. Caltrain is preparing for significant ridership increases on match days, as well as for fan events and elevated regional travel throughout the tournament period. The agency is planning for additional service, as needed, including increased frequency and extended hours to move large crowds safely and efficiently. Caltrain is also advancing enhanced safety and security measures, including increased staffing and coordination with regional partners, and is developing customer communications and wayfinding to help passengers navigate high-volume travel periods.

Corridor Crossings Strategy Draft Report

The **Corridor Crossings Strategy (CCS) Draft Report** outlines a corridor wide framework to improve safety at Caltrain crossings while continuing to advance long term grade separation efforts. The strategy proposed two complementary programs: a **Safety Enhancement Program** focused on near term safety improvements, and an **Elimination Program** focused on advancing grade separation projects over time.

Staff released the draft report for review and comment, with comments requested by April 17, 2026. While the formal comment period has closed, staff remain available to meet with representatives to review the material and discuss feedback. The draft report is available here: <https://acrobat.adobe.com/id/urn:aaid:sc:VA6C2:b3f8e48b-2c40-4445-b5cc-f74fdabf782f>, and additional program overview materials are available at: <https://www.caltrain.com/projects/ccs>. Representatives interested in scheduling time with staff may contact Navi Dhaliwal at Dhaliwaln@caltrain.com.

PUBLIC MEETINGS:

Caltrain Board Meeting – May 7th, 2026, at 9:00 am

JPB Technology, Operations, Planning, and Safety Committee – May 27th, 2026, at 1:30 pm

For more details, and a full list of upcoming meetings, please visit [Caltrain.com/Meetings](https://caltrain.com/Meetings).

Caltrain No External Funding Educational Update

April 2026



Caltrain Overview



Caltrain Connects the Region



- Caltrain carries millions of riders across three counties and 20 jurisdictions.
- Caltrain's service touches 37% of the Bay Area's population
- Caltrain not only benefits riders but also non-riders by reducing traffic congestion
- Properties by Caltrain are worth more and businesses make decisions based on the service
- Ridership at 54.5% of pre-pandemic levels

Critical Inflection Point



External Funding Needed to Fill Ongoing Structural Deficit

One-time State loan funds balance FY27 operating budget. For FY28+, Caltrain faces average operating deficit of \$75M over the next 15 years.



Ridership & Revenue Are Growing

Caltrain will continue to grow ridership, generate revenue, and find cost savings — but growth and cuts cannot close the gap.



No External Funding Scenario

- ✗ Reduce to hourly service
- ✗ Eliminate weekend service
- ✗ End service at 9:00 PM
- ✗ Close ~1/3 of stations
- ✗ Cut segments of service



Even Significant Cuts Won't Solve the Deficit

Cutting service drives away riders, which reduces operating revenue in a downward spiral, offsetting much of the savings from cuts. Significant deficit remains.

Every Day, Caltrain Serves the Region



Today, Caltrain carries about a total of three freeway lanes' worth of people during peak periods.* US-101 traffic is 93% of pre-pandemic levels at rush hour.**



Today, 2.9 million people, or 37% of the 9-County Bay Area's population, live in the 20 cities served by Caltrain.



Today, Caltrain enables people using other forms of transit and active transportation to extend the range of their trips: only an estimated 1 in 6 Caltrain passengers drives and parks at a station.***

Based on Caltrain's average weekday ridership for Tuesdays. **Caltrans most recent AADT available for 2023. *2025 Triennial Survey.*

Without Caltrain, Daily, the Region Could Experience:



36,000

More car trips



828,000

More miles driven



220

More metric tons
of CO₂ emissions,
equivalent to
25,000 gallons of
gas consumed



Many riders depend on – and highly value – Caltrain service

- **93% of riders satisfied** with overall Caltrain experience*
- **40%** of riders use Caltrain > 4 days/week, and **29%** of riders use Caltrain 2-3 days a week**
- **67%** of riders use Caltrain for work** and **51%** of riders have **no access** to a car for their trip***
- **37%** of riders have low incomes** and **10%** of riders are youth, seniors, or people with disabilities**

*2025 Caltrain Customer Satisfaction Survey. **2025 Caltrain Triennial Survey. ***MTC 2023-2024 Regional Transit Passenger Snapshot Survey



Caltrain contributes to the local tax bases across its corridor

Proximity to Caltrain stations increases the property value for homes and increases rents for offices.

Caltrain Fiscal Outlook and Ridership



Caltrain's Current Financial Structure



Fixed Cost Structure

Rail infrastructure and fleet costs don't scale linearly with service — unlike bus agencies.



Revenue Depends on Ridership

Fares, parking, and other self-generated revenue all require high-quality, frequent service.



One-Time External Funds Filled the Gap

Mostly one-time Federal, State, and local funds, plus Measure RR, have sustained operations since the pandemic.

FY2027 Budget Overview



One-Time State Loan Sustains Service

State Loan allows Caltrain to continue current service levels and support ridership growth and revenue generation efforts.



Ridership Growth and Cost Efficiencies Making Impact

Increased fare revenue and cost efficiencies have meaningful impact, but not enough to close the structural deficit.

Near-term Budget Schedule

March 2026:
State Loan

June 2026: Adopt FY27 Budget
and Framework for No
External Funding Scenario

November 2026: General
Election

Summer 2027: Measure Funds
Flow for FY28

FY2026

FY2027

FY2028

Continue FY26 Service Levels

Maintain current service level using one-time State Loan funds through FY27. Focus on ridership growth, customer experience, cost efficiencies, and non-fare revenue opportunities.

Successful Transit Revenue Measure

Continue FY26 Service Levels

One-time funds & State Loan as bridge funding until new external funds are available

Plan for financial sustainability and cash flow

Failed Transit Revenue Measure

Preparing for Service Cuts

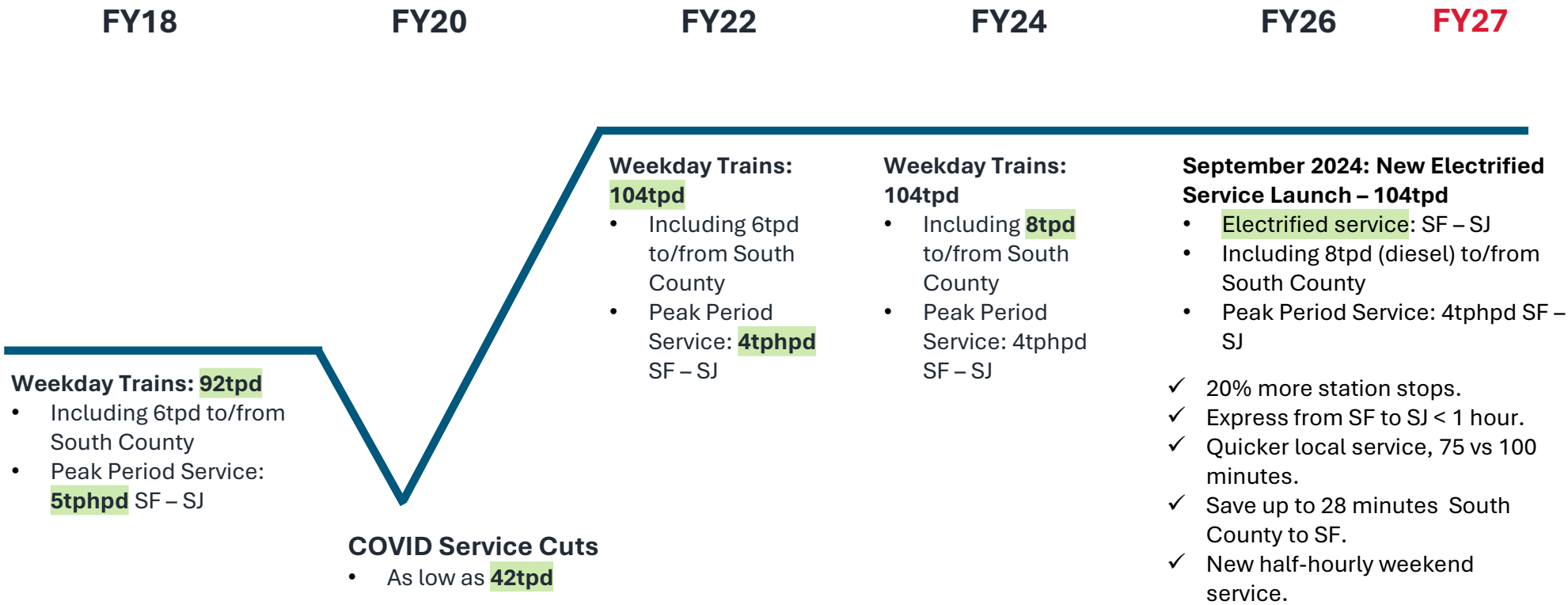
External funding still required. Plan for substantial service cuts, increased fares, increased risks.

Unsustainable service level

Fare revenue loss could lead to further service cuts

Caltrain FY18-27 Service Levels

Weekday Service Levels (trains per day)



Green = change | tpd=trains per day | tphpd=trains per hour per direction in peak periods
 South County = Southern Santa Clara County Service to Gilroy



Preliminary FY27 Operating Revenue

▲ Farebox +\$11.5M from ridership growth and fare increase

▼ Go Pass -\$1.1M from reduced participation

▲ Parking & other sources modest growth

▲ Conservative Measure RR forecast

▼ Low Carbon Fuel Standard (LCFS) credits -\$3.8M below forecast due to lower credit price and reinvesting in electrification and sustainability goals

(in Millions)	DRAFT FY27 Budget (June 2025)	Preliminary FY27 Budget*	Change
Farebox	52.1	63.6	+11.5
Go Pass	15.2	14.1	(1.1)
Parking	3.6	4.0	+0.4
Other Revenue	5.9	6.2	+0.3
Operating Revenue	76.8	87.9	+11.1
Operating Grants	10.1	10.1	—
Measure RR	123.5	124.9	+1.4
LCFS Credits	6.6	2.8	(3.8)
State Grants	8.4	7.6	(0.8)
Gilroy 4 th Train	3.5	1.8	(1.7)
Contributed Revenue	152.1	147.2	(4.9)
Total Revenue	228.9	235.1	+6.2

* Preliminary FY27 Budget is still in development, updates will be presented to the JPB in May



Preliminary FY27 Operating Expenses

▼ Rail Operator Service held close to FY26 level -\$3.7M from prior forecast

▼ Traction Power -\$2.6M from prior forecast

▲ +\$3.0M Facilities & Equip Maintenance includes CCTV cameras, increased warehouse rent and positive train control fees

▲ +\$0.9M Clipper costs due to higher customer service costs and bank transaction fees

▲ +\$1.1M in Managing Agency Overhead costs

(in Millions)	DRAFT FY27 Budget (June 2025)	Preliminary FY27 Budget*	Change
Rail Operations	133.0	129.3	(3.7)
Technical Supp. & Spares	10.4	8.2	(2.2)
Security Services	10.3	10.3	-
Traction Power	17.6	15.0	(2.6)
Insurance & Claims	20.0	19.7	(0.3)
Facilities & Equip Maint	9.8	12.8	+3.0
Rev Coll. & Customer Serv	2.0	2.9	+0.9
Other Ops. Expenses	7.3	5.6	(1.7)
Operating Expenses	210.4	203.8	(6.6)
Wages and Benefits	25.4	25.7	+0.3
Professional Services	10.6	10.5	(0.1)
Managing Agency OH	5.7	6.8	+1.1
Other Admin Expenses	5.6	7.7	+2.1
Admin Expenses	47.3	50.7	+3.4
Total Operating Expenses	257.7	254.5	(3.2)

* Preliminary FY27 Budget is still in development, updates will be presented to the JPB in May

Preliminary FY27 Operating Budget

(in Millions)	DRAFT FY27 Budget (June 2025)	Preliminary FY27 Budget*	Change
Operating Revenue	76.8	87.9	+11.1
Contributed Revenue	152.1	147.2	(4.9)
Total Revenue	228.9	235.1	+6.2
Operating Expenses	210.4	203.8	(6.6)
Administrative Expenses	47.3	50.7	+3.4
Other Expenses	28.3	30.2	+1.9
Total Expenses	286.0	284.7	(1.3)
Net Result	(57.1)	(49.6)	+7.5
State Loan	-	50.0	+50.0

▲ Total Revenue increased by \$6.2M

▼ Total Expenses reduced by \$1.3M

Ridership growth and cost efficiencies having meaningful impact, but State Loan is critical for sustaining service levels in FY27



* Preliminary FY27 Budget is still in development, updates will be presented to the JPB in May

Operating Budget Risks



Insurance premiums & claims exposure



Electricity and fuel cost fluctuations



Sales tax / Measure RR volatility



State funding uncertainty (LCTOP, Transportation Bill)

Non-Fare Revenue Strategies



Parking Revenue

Optimize parking pricing across the corridor



Advertising Revenue

Expand on-train and station advertising program with new electrified fleet



Energy Storage Solutions

Explore battery storage to capture regenerative braking energy and reduce costs



Fiber Optic Cable and Telecommunications Leasing

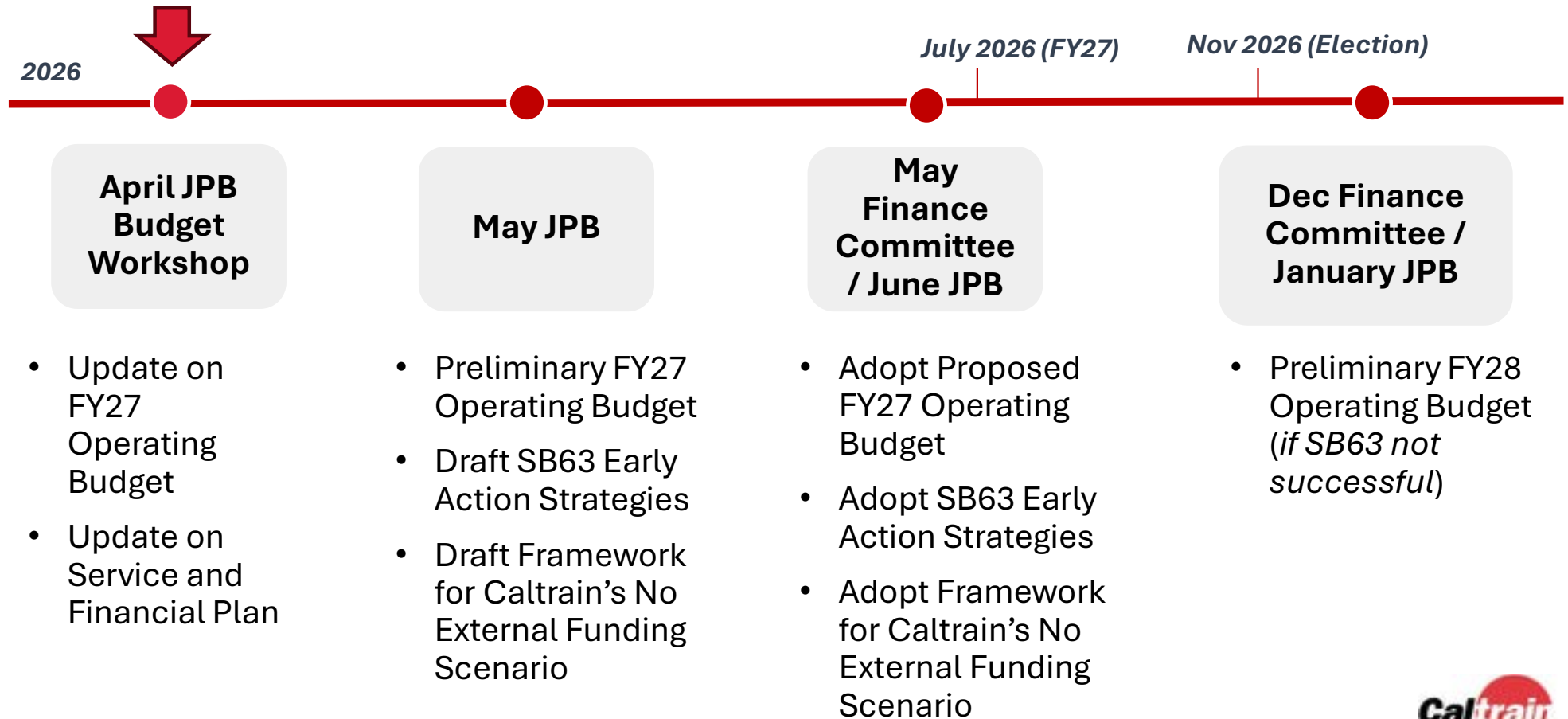
Leverage right-of-way for telecommunications infrastructure revenue



Property Holdings Revenue

Increase revenue from Caltrain's property portfolio through leasing and development

FY27 Budget Timeline

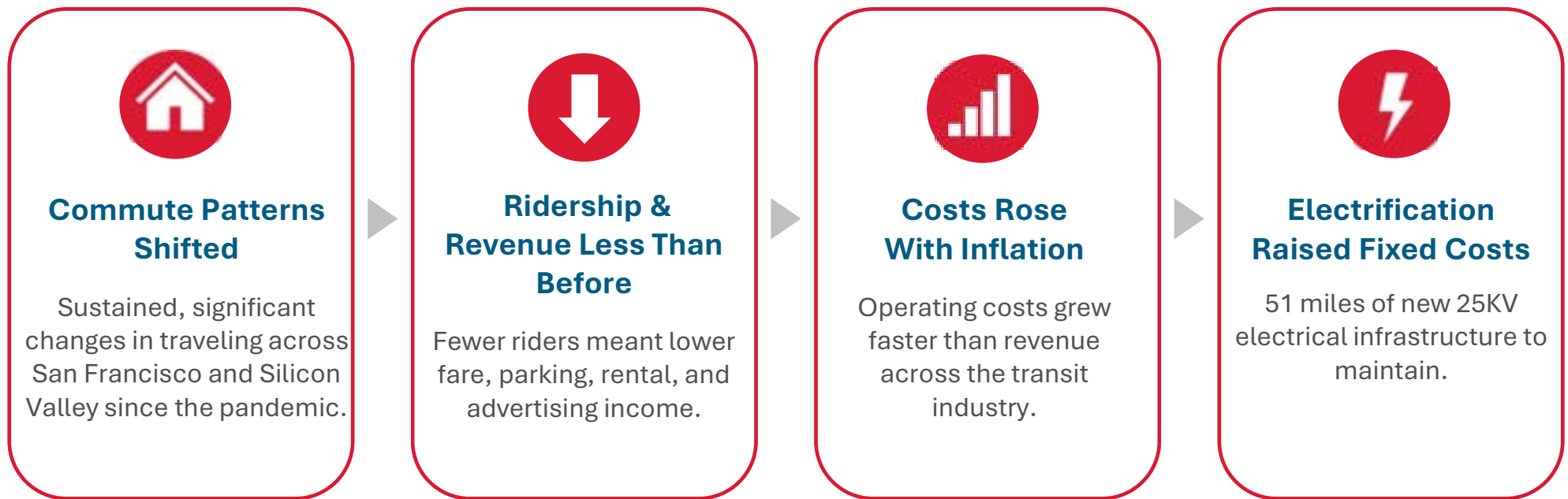


Ridership

- APTA recognized Caltrain as the fastest growing U.S. transit agency over 2025.
- From October 2024 to June 2025, ridership rose 52.5% compared to the same period of the previous year.
- As of December 2025, ridership was at **60.3% of pre-pandemic ridership***
 - Weekdays at 54.3%
 - Weekends at 136%
- Event ridership is up
 - **Warriors:** +51.1% overall ridership vs. 2024
 - **Sharks:** +51.8% overall ridership vs. 2024
- South County ridership up 31% YoY

Trends are positive, but not enough to ensure financial sustainability

Why Does Caltrain Have a \$75M Annual Operating Deficit?

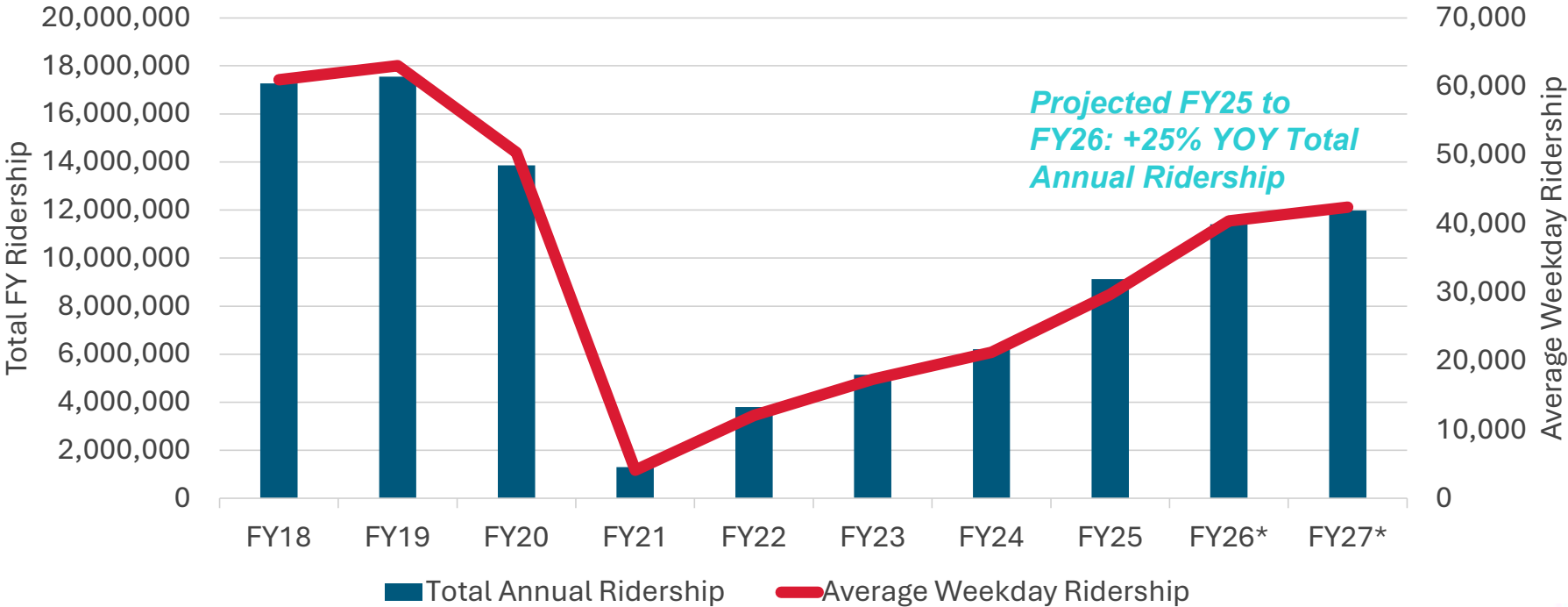


Combined result: These factors as well as the elimination of member contributions AND exhaustion of one-time funding sources have compounded to create a structural operating deficit that cannot be resolved through cuts or self-generated revenue alone.

Caltrain Ridership Trends

- Ridership demand continues to grow in response to Caltrain’s electrified service improvements, but the rate of growth is slowing down.

Total Fiscal Year and Average Weekday Ridership (FY19-27)



Sources: Caltrain Annual Ridership Reports; Caltrain Fare Media-Based Ridership Estimates.

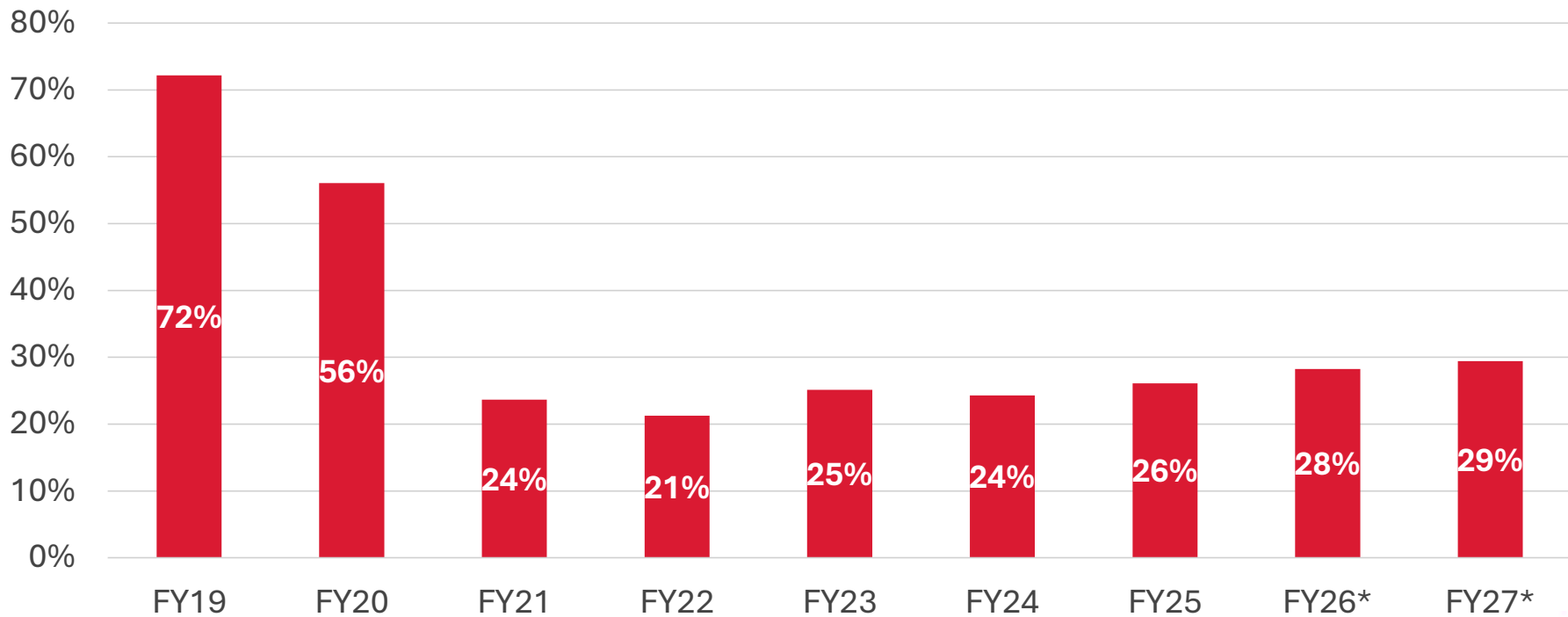
*FY26 and FY27 projected.



Farebox Recovery Ratio

- 2019, fare revenue comprised over 70% of operating revenue.
- Today, while still nation leading, fare revenue accounts for less than 30% of operating expenses.

Caltrain Farebox Recovery Ratios (FY19-27)



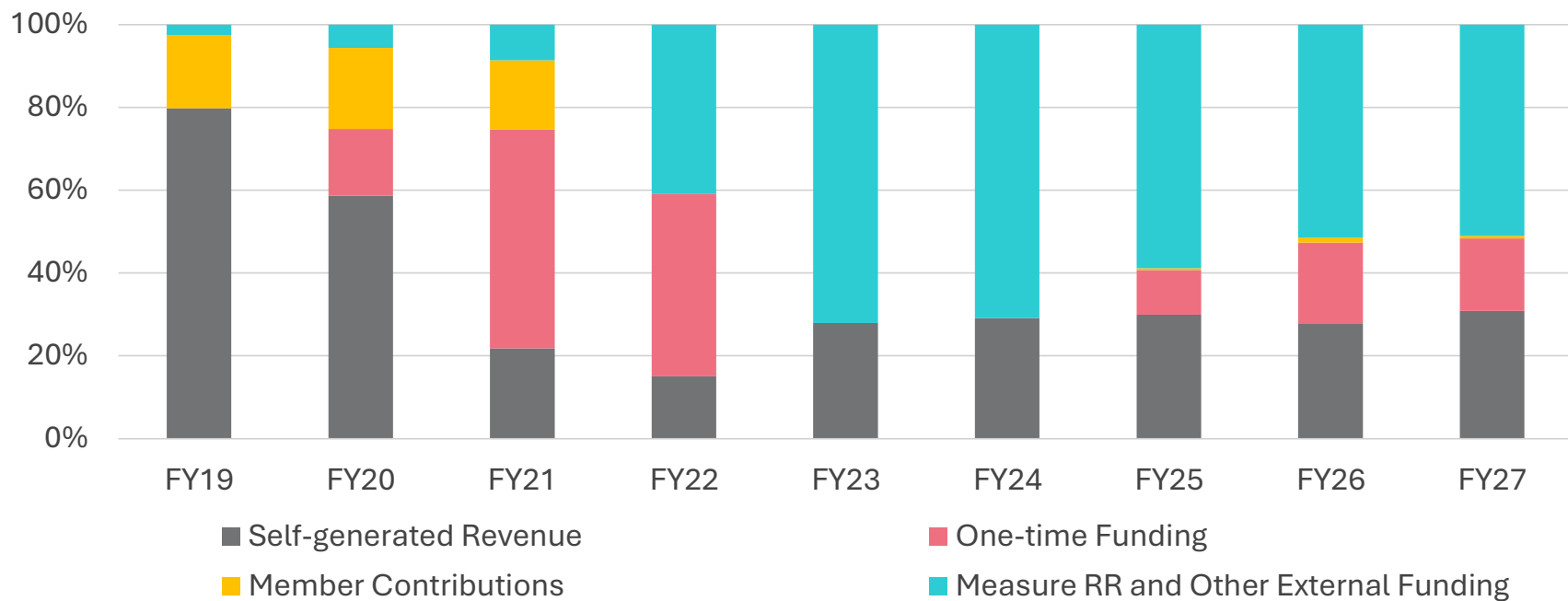
Notes: FY19-25 Actuals; FY26-27 projected.



One-time and External Funds Crucial After 2020

- While Caltrain strives to increase self-generated revenue sources – fares, rental income, advertising revenue, parking revenue, etc. – they will not be enough to sustain operations.

Percentage of Total Annual Operating Revenue, FY19-27



Notes: Self-generated revenue includes fares and income from parking, advertising, leases, etc. One-time funding includes State and federal pandemic relief funds, SB125 funds, and State Loan (FY27). Member contributions in FY25-27 are for Gilroy 4th Train. FY19-25 are actuals; FY26-



Fixed Costs to Maintain the Caltrain System and Rising Inflation

Between 2019 and 2025, the Bay Area's cumulative inflation rose 24.5%. During this same period, Caltrain delivered Electrification, a **once-in-a-generation investment** that transformed rail service between San Francisco and San Jose.

Now, Caltrain must **operate and maintain the investment** – raising fixed operating costs.

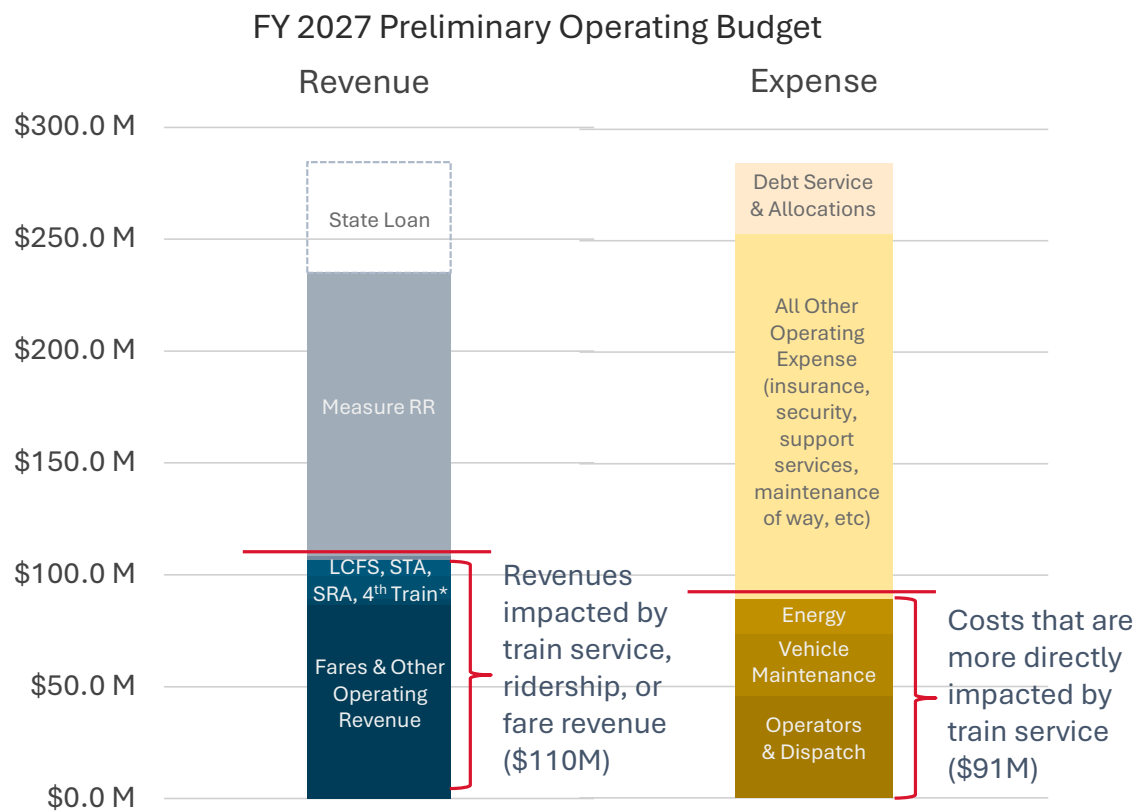
- 19 new electric train sets (7-cars each)*
- 51 miles of overhead contact system (OCS)
- 51 miles of updated signal and communications system
- 2 traction power stations, 1 switching station, and 7 paralleling substations

*Caltrain also maintains diesel fleet (6 locomotives and 41 cars).



Caltrain's Operating Structural Deficit Persists Even with Service Cuts

- **Service cuts will not solve the structural deficit.**
- Like all rail operators, Caltrain has high fixed costs, low marginal savings.
- Ridership and fare revenue are driven by the quality of the service provided.
- With deep service cuts, revenue losses are likely to offset cost savings.
- **External funding required to sustain service.**

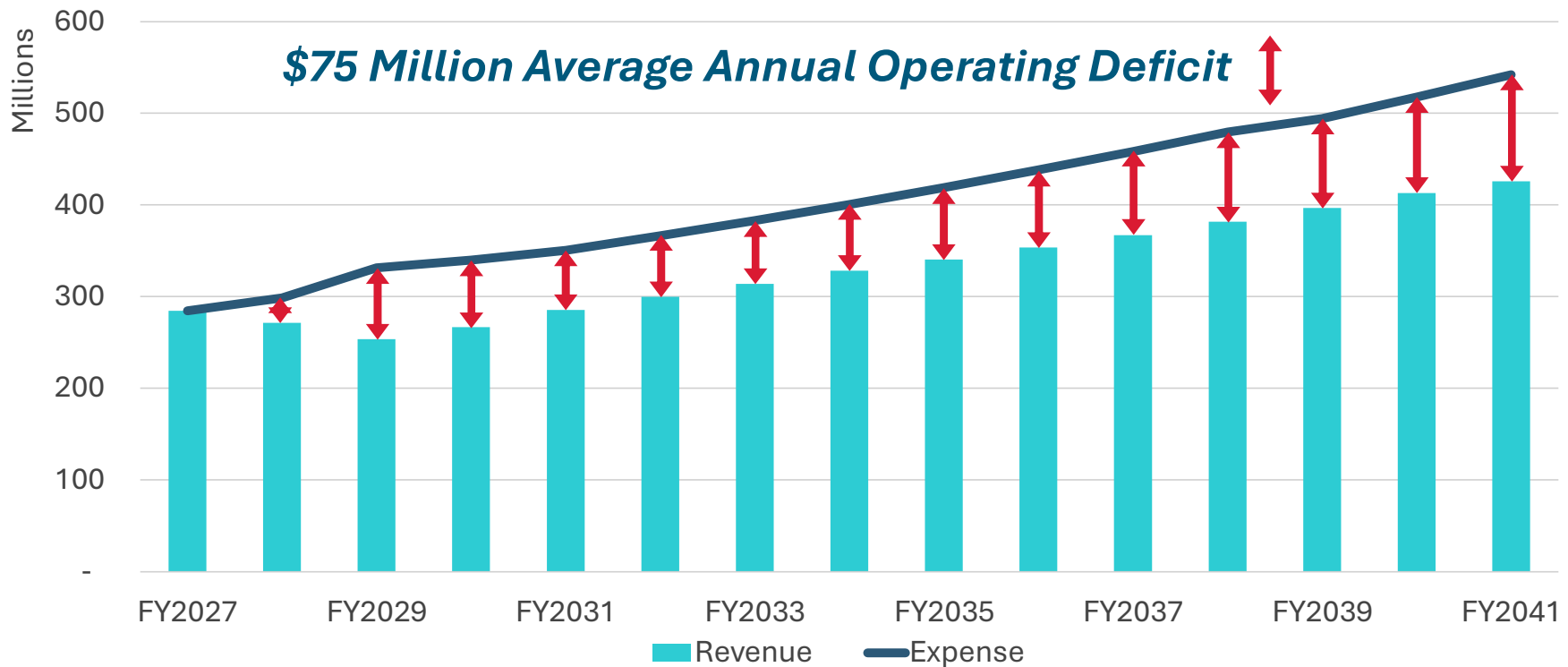


* Low Carbon Fuel Standards credits, State Transit Assistance, State Rail Assistance, and VTA's Gilroy 4th Train contribution



15-Year Operating Budget Baseline Forecast Without External Funding

Projected Operating Deficit as of April 2026



Cost Containment Strategies

- Strategic Hiring Freeze on new full-time employees
- Launched comprehensive internal cost reduction efficiency program
- Implemented crew scheduling efficiencies
- Saved approx. \$1 million a year through agreement with CCA energy providers.



Fiscal Year 28+

Today's Current Service

Today, Caltrain's mainline service provides reliable, frequent rail transit along the Peninsula corridor.



Peak Service

Every 15 minutes on weekdays



Off-Peak Service

Every 30 minutes on weekdays



Hours of Service

~5 AM to ~1 AM weekdays



Weekend Service

Every 30 minutes

No External Funding Scenario: Significant Service Cuts

Potential Cuts Starting FY28

Absent external funding, Caltrain would need to institute significant cuts beginning summer 2027.



Hourly Weekday Service

Reduce from every 15 minutes in the peak (30 minute off-peak) to once an hour all day



No Weekend Service

All Saturday and Sunday trains eliminated



Early Shutdowns

End operations by 9^{DR1}



Station Closures

Close more than one-third of all stations

DR2



Segment Cuts

Eliminate segments of existing service



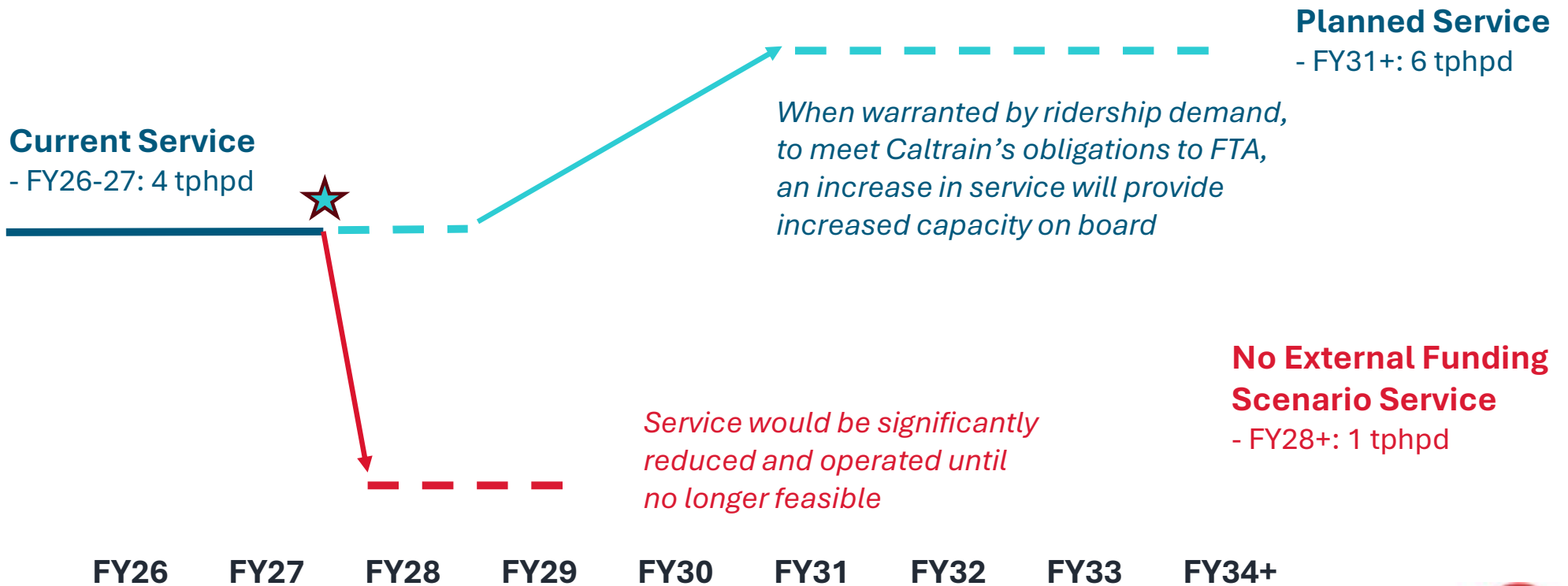
System Support Cuts

Significant cuts to administrative costs

Service With and Without External Funding

Weekday Peak Hour Service Levels

- Trains Per Peak Hour Per Direction (tphpd)

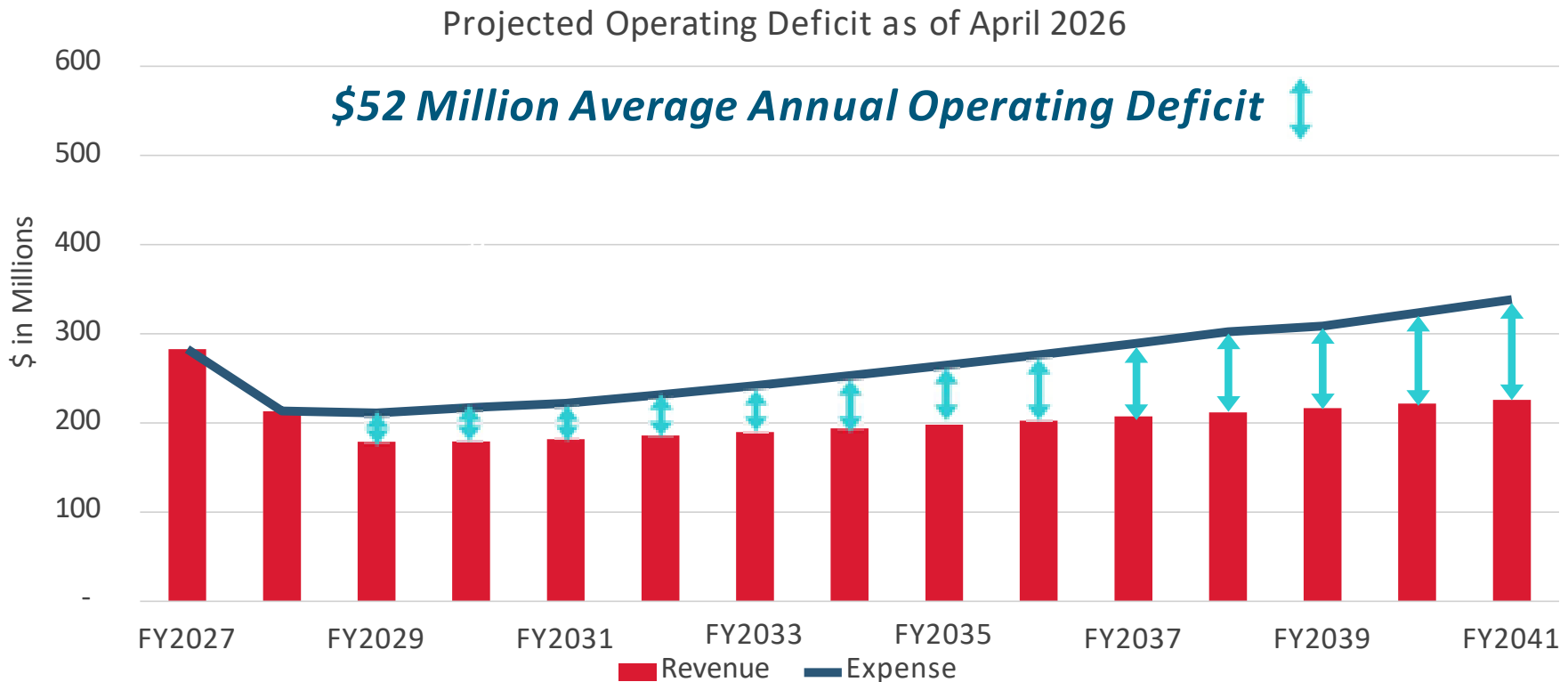


★ Caltrain's FFGA currently requires 6tphpd for peak hour service by beginning of 2028. Caltrain will request an FTA Waiver from this service increase in early 2027.



Without External Funding and with Service Cuts: 15-Year Financial Plan

With service cuts, lost fare and operating revenue partially offset potential cost savings



Without External Funding and with Service Cuts: 15-Year Financial Plan

~60-70% Ridership Loss

~40% Reduction in Support Services

~50% Loss in Other Ops Revenue

~75% Reduction in Electric Train
Miles

~15% Loss in Operating Grants

~70% Reduction in Trains per Day

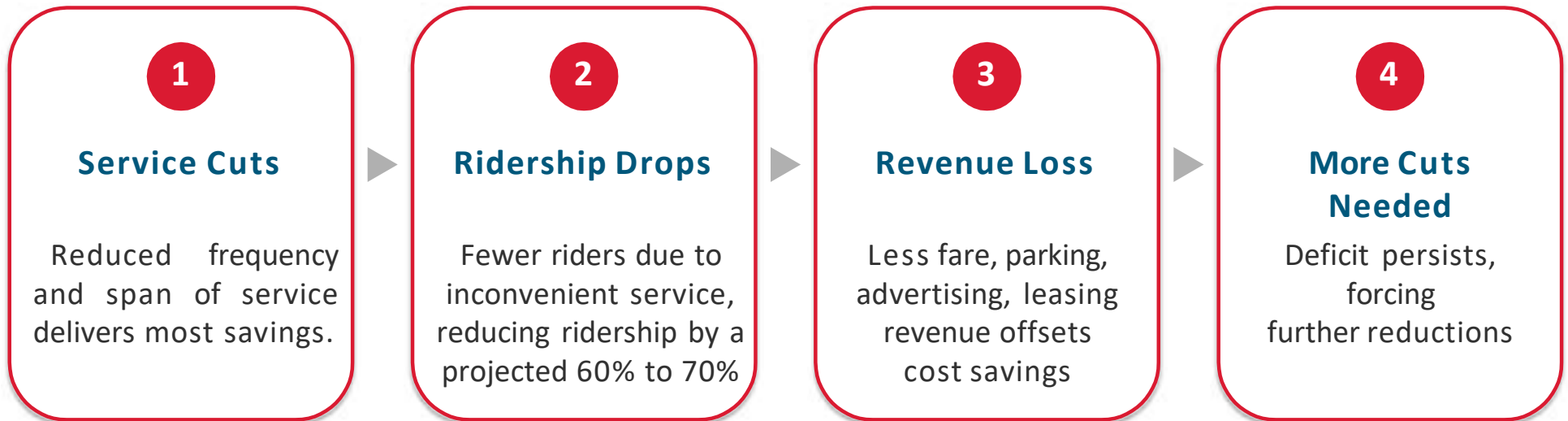
Deficit Comparison

Without External Funding; with and without Service Cuts

- Lost ridership and reduced operating revenue offsets much of the savings from service cuts
- High fixed costs don't scale with service cuts
- **Significant deficit remains**

(in Millions)	FY34 Baseline Scenario	FY34 Service Cut Scenario	Change
Operating Revenue	163	38	(125)
Contributed Revenue	166	157	(9)
Total Revenue	329	195	+134
Operating Expenses	296	182	(114)
Administrative Expenses	66	41	(25)
Other Expenses	39	24	(15)
Total Expenses	401	247	(154)
Projected Deficits	(72)	(52)	+20

Service Cuts Can Create a Downward Spiral



Ridership could decrease significantly, with losses compounded by other agencies' contemplated cuts.

Regional Transit at Risk Without External Funding

2026 General Election
If Regional Measure Fails

FY2027

January 2027:

- **BART** Phase 1 service cut

FY2028

Summer 2027:

- **Caltrain** service cut
- **BART** Phase 2 service cut, if feasible
- **AC Transit** service cuts to balance budget and sustain operations for FY28+

Fall 2027:

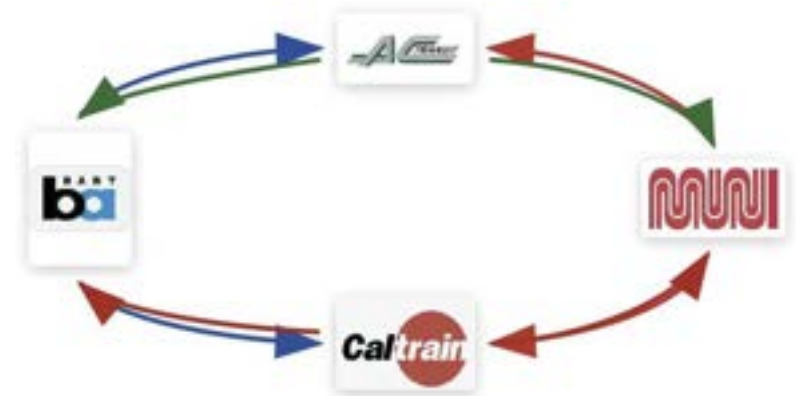
- **Muni** service cuts to balance budget and sustain operations for FY28+

In FY28+, BART and Caltrain would run significantly reduced service.

Duration for reduced service is unknown; current estimate is 1-2 years before Caltrain would need to shut down passenger service (subject to additional analysis).

Regional Transit – Connected Implications

- Specific cuts are not certain yet.
- Contemplated cuts by other agencies in conjunction with Caltrain's would increase Caltrain's ridership loss and further complicate rider trips.
- If no external funding beyond FY28, there is a risk that Caltrain and BART may have to stop passenger service and focus exclusively on maintenance and safety of the corridor and assets.
- Once shut down, it would take minimum of 2-4 years to resume Caltrain passenger service once funding became available.



Regional Transit at Risk Without External Funding

2026 General Election
If Regional Measure Fails

FY20 27

FY2028

January 2027:

- **BART** Phase 1 service cut

Summer 2027:

- **Caltrain** service cut
- **BART** Phase 2 service cut, if feasible
- **AC Transit** service cuts to balance budget and sustain operations for FY28+

Fall 2027:

- **Muni** service cuts to balance budget and sustain operations for FY28+

In FY28+, BART and Caltrain would run significantly reduced service.

Duration for reduced service is unknown; current estimate is 1-2 years before Caltrain would need to shut down passenger service (subject to additional analysis).

Critical Inflection Point



External Funding Needed to Fill Ongoing Structural Deficit

One-time State loan funds balance FY27 operating budget. For FY28+, Caltrain faces average operating deficit of \$75M over the next 15 years.



No External Funding Scenario

- ✘ Reduce to hourly service
- ✘ Eliminate weekend service
- ✘ End service at 9:00 PM
- ✘ Close ~1/3 of stations
- ✘ Cut segments of service



Ridership & Revenue Are Growing

Caltrain will continue to grow ridership, generate revenue, and find cost savings — but growth and cuts cannot close the gap.



Even Significant Cuts Won't Solve the Deficit

Cutting service drives away riders, which reduces operating revenue in a downward spiral, offsetting much of the savings from cuts. Significant deficit remains.

Caltrain Timeline- No External Funding Scenario

- Planning and budgeting No External Funding Scenario will commence in summer/fall 2026.
- A Framework for Caltrain's No External Funding Scenario will guide this planning and budgeting process.
- Timeline:
 - May 2026, staff will return to JPB with a draft Framework for discussion.
 - June 2026, staff will propose Board adoption of the Framework.
 - 2027, absent external funding:
 - January 2027: Staff would return with preliminary FY28 Budget, initiating 6-month process to ramp down service for the No External Funding Scenario.
 - Summer 2027: Significant service cuts would start (FY28). Caltrain would identify and implement other cost-saving measures.

FY27 Budget Timeline



2026

July 2026 (FY27)

Nov 2026 (Election)

April JPB Budget Workshop

- Update on FY27 Operating Budget
- Update on Service and Financial Plan

May JPB

- Preliminary FY27 Operating Budget
- Draft SB63 Early Action Strategies
- Draft Framework for Caltrain's No External Funding Scenario

May Finance Committee / June JPB

- Adopt Proposed FY27 Operating Budget
- Adopt SB63 Early Action Strategies
- Adopt Framework for Caltrain's No External Funding Scenario

Dec Finance Committee / January JPB

- Preliminary FY28 Operating Budget *(if SB63 not successful)*

Important Crossroads



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FOR MORE INFORMATION

WWW.CALTRAIN.COM





CALIFORNIA High-Speed Rail Authority

Memorandum

Date: April 17, 2026
To: Local Policy Maker Group (LPMG)
From: External Affairs/Northern California Regional Office
Re: Northern California and Statewide Program Update

STATEWIDE UPDATES



In early April at the Shaw Avenue Grade Separation in Fresno, 36 pre-cast, concrete girders were placed, each more than 150 feet long and weighing more than 167,000 pounds.

2026 Draft Business Plan

On February 28, the Authority issued its [2026 Draft Business Plan](#) for a 60-day public review and comment period. It lays out the plan for:

- Completion of the Merced to Bakerfield segment
- Expansion to major population centers for revenue-positive service
- Early asset commercialization to generate additional revenue for continued build out.

Comments from stakeholders and the public are encouraged through April 29 via the following channels:

- Online comment form at: [2026 Draft Business Plan Comment Form](#)
- By email at: BusinessPlan2026@hsr.ca.gov

The Authority will submit the final 2026 Business Plan to the Legislature on May 1.

Fresno Underpass Opened



About 60 major structures have been fully completed in the Central Valley, including a [new underpass](#) in Fresno, which opened on March 13. It is located less than a mile from the future Fresno Station site and now reconnects downtown to southwest Fresno and Chinatown safely. In addition, the grade separation cuts greenhouse gas emissions from idling cars in a historically disadvantaged and polluted area.

The Authority also reached another milestone, with more than [16,000 jobs](#) created over the course of the project.

Remembering Rod Diridon, Sr.:

The Authority joins the transportation community in mourning Rod Diridon. As CEO Ian Choudri wrote, “Rod Diridon was not only a giant in California’s history, but a deeply cherished friend whose presence, wisdom, and warmth touched so many of us. His vision, leadership, and unwavering belief in a more connected California laid the very foundation for the high-speed rail system we are advancing today.”

Anticipated 2026 Major Milestones

- Track & Systems Construction Contract Award
- Private Sector (P3)/Co-Development Agreement Award
- Launch track-laying work in the Central Valley

RECENT AND UPCOMING OUTREACH ACTIVITIES IN NORTHERN CALIFORNIA & NOTABLE DATES STATEWIDE

- Sciencepalooza!, tabling on San Jose State University Campus, April 11
- Transbay Joint Powers Authority’s Rooftop Jazz, tabling on May 6 and July 15
- Caltrain Diridon Station, tabling on April 22 and June 9
- Together Bay Area, tabling on May 13
- Open Streets: Morgan Hill, tabling on May 16
- Ardenwood Rail Fair in Fremont, tabling on May 23 and 24
- North Beach Festival in San Francisco, tabling on June 20 and 21