

Receive State and Federal Legislative Update

**JPB Board Meeting
June 4, 2026**



Federal: Surface Transportation Reauthorization

Surface Transportation Reauthorization - "BUILD America 250 Act"

- House T&I draft provides ~\$470B in guaranteed surface transportation funds over 5 yrs, below IIJA levels
- Bay Area core formula fund sources Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) programs protected
- Eliminates competitive railcar replacement grant, and Carbon Reduction & PROTECT programs
- Transit funding levels relatively stable, but exact formula fund impacts and distribution remain uncertain
- Includes significant bridge investment but focus is on highways
- Intercity and passenger rail funding significantly reduced compared to IIJA-era levels
- Rail Safety Act Issues Included at Mark Up
 - Requires deployment of wayside detectors which could impact Caltrain

Federal: Surface Transportation Reauthorization

5307 Formula Funds (House Proposal)

- FY 2027 \$7,745,474,000 (+10.2%)
- FY 2028 \$7,869,922,000 (+1.6%) and then +1.6%/year through FY 2031
- Past FY 2027, increases outpaced by inflation
- New Requirements:
 - Transit agencies must spend >1% on crime prevention and security projects
 - Transit agencies must spend >1% on projects to improve accessibility for individuals w/ disabilities

CIG Authorization Levels

- \$3 billion per year in FY 2027 through FY 2031.
- No advanced appropriations for CIG

Federal

Rail Safety Legislation

- H.R. 7748 – Rail safety: new requirements for hazmat transport, rail defect detection, crew and tank-car standards, emergency response planning, and blocked crossing oversight, and expanded federal rail safety research and grant programs.

Appropriations

- Sen. Schiff submitted Caltrain's Safety Enhancements Project for \$5M community project request
- Rep. Liccardo has included \$1M and Rep. Mullin has \$250k for Caltrain's Safety Enhancements Project in THUD bill
- House THUD bill - \$16.51B in total budgetary resources for FTA, \$201M below the FY26 enacted levels

State: May Revise

May Revise Budget Summary (Budget deadline June 15)

- Revenues projected up from January by ~\$16B, driven by stronger personal income tax receipts
- Proposes using higher revenues to mitigate outyear structural deficits and preserve reserves
- Continues to exclude the scheduled SB 125 transit appropriation
- No updated forecast or guidance regarding GGRF revenues
- Silence on public transit operating and capital funding priorities leaves uncertainty re: state support

State: Legislation

- **Bills with Support Positions**
 - **SB 1375 (Cortese)** – CEQA exemption that would apply to Diridon Station Project.
 - **AB 1941 (Gonzalez)** – Additional penalties/tools to combat organized metal theft.
 - **AB 2308 (Haney)** – Expanded financing tools for TJPA
- **Bills with Oppose Positions**
 - **SB 667 (Archuleta)** – Wayside detectors on rail corridors used by freight trains.
- **Bills of Interest**
 - **AB 2074 (Haney)** – New land use standards and loan program for high-density, TOD in large cities

State: Cap-and-Invest Amendments

CARB Cap-and-Invest Amendments

- On May 29, CARB voted to approve proposed amendments to the Cap-and-Invest program that will cut GGRF funding +\$2B, defunding all Tier 3 programs (transit, housing, local AQMDs, etc.)
- The changes will take effect Sept 1 and will impact the auction proceeds in October which would be up for allocation in 2027.
- Caltrain has a direct loss of \$2.5 million annually in LCTOP and could see TIRCP impacts
- Senate now engaged on a budget path that would reopen discussion of Cap and Invest Tiers
- Budget discussions likely to continue through the summer
- Caltrain engaging with CTA and legislative delegation on path forward

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