

Receive State and Federal Legislative Update

**JPB Board Meeting
September 3, 2026**



Federal

Federal Budget

- Congress passed a CR to extend funding and temporarily block OMB proposed rule through Dec. 11

THUD Bills / Appropriations

- Caltrain Safety Enhancement Projects – Community project requests moving forward with Sen. Schiff (\$5M); Rep. Liccardo (\$1M); Rep. Mullin (\$250k)
- House THUD bill - \$16.51B total budgetary resources for FTA, \$201M below FY26 enacted levels

Surface Transportation Reauthorization (highways, transit and rail)

- Current authorization expires Sept. 30
- House BUILD America 250 Act (HR 8870), not yet to the floor
- Senate has not yet released its version

Federal – OMB Issue

OMB Proposed Rule

- Expands federal authority to suspend, terminate, or modify discretionary grant awards
- Not expected to impact federal formula funding
- Creates uncertainty
- Caltrain submitted comments through APTA
- **OMB targeting effective date of October 1, 2026**
- **Senate CR includes block of implementation through Dec 11**

State Budget

AB/SB 113 includes:

- \$230M Zero-Emission Transit Capital Program (SB 125): BART Core Capacity, Bart Silicon Valley 2
- Higher Greenhouse Gas Reduction Funding baseline assumed due to positive August auction proceeds
 - TIRCP: \$95M, up from \$76M
 - LCTOP: \$48M, up from \$38M (**Impacts Caltrain**)
 - AHSC: \$57M, up from \$46M
- Tier 1 and 2 commitments (including High-Speed Rail and Cal FIRE) remain fully funded
- Forest health management, safe drinking water and other priorities received plus ups
- \$20M included for transit agencies “major events” prep to be allocated by DOF (LA Olympics)

State Budget

Program	Tier 3 Funding Target per SB 840 (Limon)	Tier 3 FY 26-27 Budget Projections	Senate Plan GGRF Augmentation	Other Funds	Total:	Tier 3 FY 26-27 Updated Budget Projections	SB / AB 113 GGRF Augmentation	Other Funds	Total:	Notes/Details
SB 125 - Zero Emission Transit Capital Program (ZETCP)	N/A	N/A	\$230		\$230	N/A	\$230		\$230	Fulfills scheduled FY 26-27 appropriation of SB 125
Low Carbon Transit Operations Program (LCTOP)	\$200	\$38	\$160	\$0	\$198	\$48		\$0	\$48	
Transit and Intercity Rail Capital Program (TIRCP)	\$400	\$76			\$76	\$95			\$95	
SB 901 Forest Health & Vegetation Management	\$200	\$38	\$150		\$188	\$48	\$70		\$118	
AHSCP - Sustainable Communities*	\$240	\$46	\$125		\$171	\$57	\$50		\$107	\$50 million augmentation earmarked for Sustainable Agricultural Lands Conservation Program (SALC)
Safe & Affordable Drinking Water (SAFER) Program	\$130	\$25	\$55	\$100	\$180	\$31	\$40	\$100	\$171	\$100 million in Proposition 4
AB 617 Community Air Protection Program	\$250	\$48	\$20	\$150	\$218	\$59	\$20	\$150	\$229	\$150 million in General Fund appropriated in June
Funding Agricultural Replacement Measures for Emission Reduction (FARMER)	N/A	\$0	\$10		\$10	\$0	\$10		\$10	
AHSCP - Affordable Housing*	\$560	\$107			\$107	\$133			\$133	
Totals: (In Millions)	\$1,980	\$378	\$750	\$250	\$1,378	\$471	\$420	\$250	\$1,141	

State Budget Continued

Outlook for FY 28

- Bill also includes:
 - FY 28, interest earnings (previously projected at ~\$500M) will be directed to the GGFRF expenditure plan
 - No major commitments for legislative discretion Tier 2 for FY 28
 - Provisions on state operating expenditures and technical implementation issues

Take Aways

- Limited TIRCP, LCTOP, and AHSC funding
- Caltrain LCTOP allocation lower and TIRCP request likely impacted
- Restored SB 125 funding
- Positive development: Interest earnings and more flexible legislative discretion will improve Tier 3 FY28 outlook

State: Legislation

- **Bills with Caltrain Support Positions awaiting signature by the Governor**
 - **SB 741 (Blakespear)** – LCTOP administrative streamlining
 - **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 of Interest awaiting signature by the Governor**
 - **AB 2074 (Haney)** – New land use standards and loan program for high-density, TOD in large cities

FOR MORE INFORMATION

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