Orange County Transportation Authority

Legislative Committee Agenda
Thursday, August 20, 2026 at 9:30 a.m.

Board Room, 550 South Main Street, Orange, California

To participate via Zoom: https://us02web.zoom.us/j/83074408202

Committee Members
Donald P. Wagner, Chair
Katrina Foley, Vice Chair
Doug Chaffee
Fred Jung
Janet Nguyen
Kathy Tavoularis
Mark Tettemer

Call to Order

Pledge of Allegiance

Director Tettemer

Closed Session

There are no Closed Session items scheduled.

Special Calendar

1. **Conference Call with State Legislative Advocate Moira Topp**
Moira Topp/Kristin Jacinto

Overview
An update of legislative items in Sacramento will be provided.

Consent Calendar (Item 2)

All items on the Consent Calendar are to be approved in one motion unless a Committee Member or a member of the public requests separate action or discussion on a specific item.

2. **Approval of Minutes**
Clerk of the Board

Recommendation(s)
Approve the minutes of the June 18, 2026, Legislative Committee Meeting.

Attachments:

Minutes

Regular Calendar

3. State Legislative Status Report

Clara Brotcke/Kristin Jacinto

Overview

The Orange County Transportation Authority provides regular updates to the Legislative Committee on policy issues directly impacting its programs, projects, and operations. This report provides an overview of Governor Newsom's Executive Order N-7-26 to accelerate transit and passenger rail project delivery, an update on the fiscal year 2026-27 State Budget Agreement, including transportation and policy actions affecting the Orange County Transportation Authority, and on the SB 1098 (Chapter 777, Statutes of 2024) Final Report outlining recommendations to improve the Los Angeles - San Diego - San Luis Obispo Rail Corridor.

Recommendation(s)

Receive and file as an information item.

Attachments:

Staff Report

Attachment A

Attachment B

Attachment C

Attachment D

Attachment E

4. Federal Legislative Status Report

Clara Brotcke/Kristin Jacinto

Overview

The Orange County Transportation Authority regularly updates the Legislative Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This report provides an overview of the Water Resources Development Act of 2026 and provisions supporting the Los Angeles - San Diego - San Luis Obispo Rail Corridor, an update on the Office of Management and Budget's proposed revisions to the Uniform Guidance governing federal financial assistance, and recent developments related to surface transportation reauthorization, including the Administration's policy priorities and the Orange County Transportation Authority's advocacy to preserve local project selection authority for federal transportation funding.

Recommendation(s)

Receive and file as an information item.

Attachments:

[Staff Report]
[Attachment A]
[Attachment B]
[Attachment C]
[Attachment D]
[Attachment E]
[Attachment F]

Discussion Items

5. Public Comments

6. Chief Executive Officer's Report

7. Committee Members' Reports

8. Adjournment

The next regularly scheduled meeting of this Committee will be held:

9:30 a.m. on Thursday, September 17, 2026

OCTA Headquarters
550 South Main Street
Orange, California

Accessibility

Any person with a disability requiring modification or accommodation to participate in this meeting should contact the Clerk of the Board's office at (714) 560-5676, no less than two business days prior to the meeting.

Agenda Descriptions and Public Availability of Agenda Materials

Agenda descriptions are intended to provide a general summary of items of business to be transacted or discussed. Posting the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or at OCTA Headquarters, 600 S. Main Street, Orange, CA.

Meeting Access and Public Comments on Agenda Items

Members of the public can access live streaming of Board and Committee meetings at https://octa.legistar.com/Calendar.aspx.

Public comments will be limited to three minutes (unless otherwise determined by the Chair), and can be provided the following ways:

In-Person Comment

Members of the public may attend in person and address the Board regarding any item. Complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board of the item number on which you wish to speak. The Clerk will recognize speakers during appropriate comment periods. Language translation can be provided upon request, if available.

Live Virtual Comment

Members of the public may provide live comments during the meeting by Zoom or conference call.

To join via Zoom:
https://us02web.zoom.us/j/83074408202

When the Clerk calls for public comments on the item/s in which you wish to speak, virtually “raise” your hand on Zoom. After the Clerk confirms the commenter’s Zoom ID and unmutes them, you will be prompted to unmute yourself and may begin speaking.

To join via Conference call:
669-444-9171
Webinar ID: 830 7440 8202
Press # to continue without Participant ID

When the Clerk calls for public comments on the item/s in which you wish to speak, dial *9 to “raise” your hand. After the Clerk confirms the commenter’s last four digits of the phone number, and unmutes them, press *6 to speak.

Written Comment

Written public comments may emailed to ClerkOffice@octa.net, and must be received by 5:00 p.m. the day prior to the meeting—noting the agenda item they are intended for. Timely public comments will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

Committee Members Present
Donald P. Wagner, Chair
Katrina Foley, Vice Chair
Doug Chaffee
Kathy Tavoularis
Mark Tettemer

Committee Members Absent
Fred Jung
Janet Nguyen

Staff Present
Jennifer L. Bergener, Deputy Chief Executive Officer
Gina Ramirez, Assistant Clerk of the Board
Erin Galang, Clerk of the Board Specialist Assistant
Angel Garfio, Employee Rotation Program
Cassie Trapesonian, Assistant General Counsel
OCTA Staff

Call to Order

The June 18, 2026, Legislative Committee meeting was called to order by Chair Wagner at 9:30 a.m.

Special Calendar

1. Conference Call with State Legislative Advocate Moira Topp

Moira Topp, State Legislative Advocate, provided a report on this item.

No action was taken on this item.

Consent Calendar (Items 2 through 4)

A motion was made by Committee Vice Chair Foley, seconded by Director Tettemer, and declared passed by those present to approve the Consent Calendar (Items 2 through 4) as follows:

2. Approval of Minutes

Approve the minutes of the May 21, 2026 Legislative Committee meeting.

3. Proposed Schedule for the Orange County Transportation Authority's 2027-28 State and Federal Legislative Platforms

Approve the preparation plan and timeline for the Orange County Transportation Authority State and Federal Legislative Platforms.

4. Amendment to Agreement for Federal Legislative Advocacy and Consulting Services

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 1 to Agreement No. C-4-2285 between the Orange County Transportation Authority and Potomac Partners DC to exercise the first option term of the agreement in the amount of $540,000, for federal legislative advocacy and consulting services through December 31, 2028. This will increase the maximum obligation of the agreement to a total contract value of $1,080,000.

Regular Calendar

5. Approval to Release Request for Proposals for State Legislative Advocacy and Consulting Services

Kristin Jacinto, Executive Director of Government Relations, provided a report on this item.

A motion was made by Committee Vice Chair Foley, seconded by Director Tavoularis, and declared passed by those present, to:

A. Approve the proposed evaluation criteria and weightings for Request for Proposals 250342 for selection of a firm to provide state legislative advocacy and consulting services.

B. Approve the release of Request for Proposals 250342 to select a firm to provide state legislative advocacy and consulting services for a two-year initial term with two, two-year option terms.

C. Approve the evaluation committee and proposed schedule for the procurement.

6. State Legislative Status Report

Clara Brotcke, Government Relations Representative, and Kristin Jacinto, Executive Director of Government Relations, provided a report on this item.

A motion was made by Director Chaffee, seconded by Committee Chair Wagner, and declared passed by those present to adopt a SUPPORT position on SB 741 (Blakespear, D-Encinitas), which would reform and streamline the Low Carbon Transit Operations Program by expanding flexibility for eligible expenditures and reducing administrative requirements.

7. Federal Legislative Status Report

Kristin Jacinto, Executive Director of Government Relations, provided a report on this item.

No action was taken on this receive and file information item.

Discussion Items

8. Public Comments

There were no public comments received.

9. Chief Executive Officer's Report

Jennifer L. Bergener, Deputy Chief Executive Officer, reported on the successful compliance of the Measure M program, as certified by the Measure M Taxpayers Oversight Committee, and the World Cup OC bus service.

8. Committee Members' Reports

There were no Committee Member Reports.

9. Adjournment

The meeting adjourned at 10:14 a.m.

The next regularly scheduled meeting of this Committee will be held:
9:30 a.m. on Thursday, July 16, 2026
OCTA Headquarters
Board Room
550 South Main Street
Orange, California

ATTEST

Gina Ramirez
Assistant Clerk of the Board

August 20, 2026

To: Legislative Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: State Legislative Status Report

Overview

The Orange County Transportation Authority provides regular updates to the Legislative Committee on policy issues directly impacting its programs, projects, and operations. This report provides an overview of Governor Newsom's Executive Order N-7-26 to accelerate transit and passenger rail project delivery, an update on the fiscal year 2026-27 State Budget Agreement, including transportation and policy actions affecting the Orange County Transportation Authority, and on the SB 1098 (Chapter 777, Statutes of 2024) Final Report outlining recommendations to improve the Los Angeles – San Diego – San Luis Obispo Rail Corridor.

Recommendation

Receive and file as an information item.

Discussion

Governor's Executive Order to Accelerate Transit and Rail Delivery

On June 26, 2026, Governor Newsom signed Executive Order N-7-26 (Attachment A). This executive order seeks to establish a statewide policy framework to accelerate the delivery of public transit and passenger rail projects while improving coordination among state and local transportation agencies. The executive order directs the California State Transportation Agency (CalSTA), the California Department of Transportation (Caltrans), and other state agencies to modernize California's transit network by reducing administrative barriers, standardizing project delivery practices, improving access to funding, and expanding technologies that make transit easier and more convenient to use. The executive order builds on the recommendations issued earlier this year from the SB 125 (Chapter 54, Statutes of 2023) Transit Transformation Task Force but does not provide any new funding resources or identify possible paths to funding the recommendations included in the executive order.

A key component of the executive order is a series of actions that must begin within the first 120 days, which are intended to strengthen the state's role in coordinating transit planning and decision-making. During that time, Caltrans is directed to develop, in coordination with local and regional partners, a statewide list of priority transit projects that is consistent with local and regional transportation plans. The order establishes Caltrans as a statewide "Mobility Manager" to improve coordination of trip planning, scheduling, fare payment, and other transit services across agencies. It directs Caltrans, in consultation with the California Transportation Commission, to develop guidance encouraging toll operators to prioritize excess toll revenues for unmet transit operating and capital needs and to consider using surplus revenue from future managed lane facilities to support transit within the same corridor where feasible, consistent with state and federal law.

Other actions directed by the executive order include pursuing federal National Environmental Policy Act assignment authority to streamline environmental review and accelerate project delivery where feasible, establishing a statewide Active Transportation Coordinator, integrating transportation investments with the state's Pro-Housing Designation Program to encourage transit-oriented development, improving statewide transit data standards and performance reporting, strengthening interagency coordination, and identifying administrative changes to simplify funding and project delivery. Several recommendations may be difficult to implement within the remaining time of the current Administration, meaning their ultimate advancement will likely depend on the priorities of the next Administration.

Update on Fiscal Year (FY) 2026-27 State Budget Agreement

On June 29, 2026, the California Legislature approved the FY 2026-27 state budget and several accompanying trailer bills following negotiations with the Administration. The revised budget follows the budget framework adopted on June 15, 2026, and provides approximately $351 billion in total expenditures, including roughly $247 billion from the General Fund. The package closes the projected budget deficit through higher-than-anticipated revenues, tax policy changes that increase state revenues, reserve withdrawals, fund shifts and spending reductions, while setting aside approximately $6.4 billion for future shortfalls and maintaining total state reserves of approximately $28.8 billion. Among the budget-related measures, SB 122 (Chapter 23, Statutes of 2026) expands California's sales and use tax to many digital products, including prewritten software and Software as a Service, beginning January 1, 2027, broadening the state and local sales tax base and increasing projected revenues.

However, the budget defers action on a comprehensive Greenhouse Gas Reduction Fund (GGRF) expenditure plan until later this summer as negotiations continue over the state's cap-and-invest expenditure framework. The delay is significant because the Cap-and-Invest Program remains one of California's primary funding sources for transit and rail investments. Under the funding structure established by SB 840 (Chapter 121, Statutes of 2025), the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP) are categorized as Tier 3 GGRF programs. Under this structure, Tier 1 funding is reserved for statutory commitments and required expenditures, while Tier 2 funding supports other state priorities, including high-speed rail. Tier 3 programs receive funding only after Tier 1 and Tier 2 commitments are met, with the goal of reaching specified statutory target funding levels. As a result, TIRCP and LCTOP are particularly vulnerable to fluctuations in annual GGRF revenues. Earlier this year, the California Air Resources Board adopted amendments to the Cap-and-Invest Program that are expected to reduce annual GGRF revenues beginning in FY 2026-27. The anticipated decline in revenues is expected to significantly reduce the funding available for Tier 3 programs and, depending on revenue levels, could result in little or no funding being available for TIRCP and LCTOP. These programs support a number of Orange County Transportation Authority (OCTA) priorities, including the OC Streetcar, coastal rail corridor improvements, hydrogen fueling infrastructure, bus purchases, and the Youth Ride Free Program.

While the Legislature has not yet finalized a long-term Cap-and-Invest expenditure framework, preliminary revenue projections indicate that funding available for continuous appropriations may be substantially lower than previously anticipated. Based on current estimates, annual auction proceeds are currently projected at approximately $2.73 billion, compared to the $3.39 billion assumed in the Governor’s May Revision. Under these estimates, funding for LCTOP would decline from the $105 million May Revision estimate to $38 million, while TIRCP would decrease from an estimate of $209 million to $75 million. These figures are preliminary and may change following the August auction. In response to these projected funding reductions, OCTA, along with the California Transit Association (CTA) and other coalition partners, has urged the Governor and Legislature to preserve funding commitments for TIRCP and LCTOP under the Cap-and-Invest Program. A copy of CTA’s coalition letter is included as Attachment B, and OCTA’s letter is included as Attachment C.

In addition to the primary budget bill, the Legislature approved several budget adjustments and trailer bills containing transportation and policy provisions. The package includes:

- $15 million set aside from the Trade Corridor Enhancement Program for road improvements on freight corridors connecting the Ports of Los Angeles and Long Beach between Interstates 105, 110, and 710.

- $4 billion in funding for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project to support the purchase of zero-emission cars, trucks, and buses.
- $150 million for the AB 617 (Chapter 136, Statutes of 2017) Community Air Protection Program from General Fund dollars. This program has traditionally been funded by GGRF.
- Extends the liquidation period for $300 million appropriated in the Budget Act of 2021 for the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor to 2032. Originally appropriated in the Budget Act of 2021, the reappropriation extends the availability of these funds, which were otherwise scheduled to expire, allowing the funds to remain available for future allocation and expenditure on LOSSAN Rail Corridor improvements. This is earmarked funding intended specifically for the San Diego Association of Governments (SANDAG) for planning and project development for rail relocation activities.

On the policy side, trailer bill language does the following:

- Authorizes Caltrans to implement a temporary automated enforcement for designated Games Route Network lanes during the 2028 Olympic and Paralympic Games.
- Extends the suspension of Transportation Development Act farebox recovery penalties and State Transit Assistance efficiency standards through FY 2026-27.
- Restructures the Affordable Housing and Sustainable Communities (AHSC) Program by creating the Affordable Housing and Sustainable Communities Housing Allocation, which moves the AHSC housing capital fund into the new Housing Development and Finance Committee to better combine subsidies and reduce administrative steps. The AHSC Sustainable Communities Allocation will continue to be administered by the Strategic Growth Council for transportation and community infrastructure investments.
- Expands the State Clearinghouse's online environmental review database to improve planning and coordination of permits.

SB 1098 Final Report: LOSSAN Rail Corridor Revitalization

SB 1098, authored by Senator Blakespear (D-Encinitas), directed CalSTA to convene a LOSSAN Rail Corridor Working Group (Working Group) to develop recommendations for improving coordination, governance, resiliency, and long-term performance along the 351-mile LOSSAN Rail Corridor. The Working Group was to include representatives from corridor owners, passenger and freight rail operators, regional transportation agencies, state agencies, and other stakeholders and was charged with developing consensus recommendations for submission to the Legislature addressing rail service coordination, governance, statutory and funding changes, and implementation of the Federal Corridor

Identification and Development Program. The Working Group included representation from both OCTA and the LOSSAN Rail Corridor Agency, in addition to other transportation agencies such as Metrolink, North Corridor Transit District, SANDAG, and Los Angeles County Metropolitan Transportation Authority.

Under SB 1098, CalSTA was required to submit its final report to the Legislature by February 1, 2026. Although the statutory deadline was not met, CalSTA released a Public Comment Draft Report on June 10, 2026, for stakeholder review and comment. OCTA submitted comments on the draft report (Attachment D), recommending that the report further clarify the respective roles and responsibilities of the State, corridor owners, passenger rail operators, and freight railroads. OCTA also recommended strengthening recommendations to streamline permitting and environmental review for projects that preserve and enhance existing rail infrastructure, particularly coastal resiliency and emergency stabilization projects. In addition, OCTA encouraged the report to leverage existing governance structures before pursuing significant institutional restructuring and to recognize funding limitations as the primary obstacle to advancing corridor priorities and capital improvements.

On August 5, 2026, CalSTA released the final SB 1098 LOSSAN Rail Corridor Working Group Report to the Legislature following consideration of public comments. The final report presents consensus recommendations intended to improve the reliability, resiliency, governance, and long-term performance of the LOSSAN Rail Corridor. Key recommendations include advancing coastal resiliency projects, improving emergency preparedness and response through standardized protocols, strengthening coordination with the California Coastal Commission and other permitting agencies, implementing a corridor-wide asset management framework, enhancing data sharing and performance monitoring, clarifying the respective roles of state agencies, corridor owners, passenger rail operators, and freight railroads, and continuing to build upon existing governance structures to improve corridor coordination. The report also emphasizes that sustained funding and coordinated investment are essential to preserving and enhancing the corridor over the long term.

Staff will monitor for any subsequent legislative or administrative actions that are considered and will provide updates to the OCTA Board of Directors as information becomes available.

Summary

Information is provided on several recent state actions affecting OCTA. The report includes an overview of Governor Newsom's Executive Order N-7-26, a summary of the FY 2026-27 State Budget Agreement, including transportation funding, GGRF negotiations, and other budget and policy actions relevant to OCTA's programs and projects, and an update on the SB 1098 Final Report for the LOSSAN Rail Corridor.

Attachments

A. Executive Department, State of California, Executive Order N-7-26
B. Letter from Michael Pimentel, Executive Director, California Transit Association, and others, to the Honorable Gavin Newsom, Governor, State of California, and others, re: Honor SB 840 Commitments to AHSC, TIRCP, LCTOP, AB 617, and SAFER for FY 2026/27, dated August 4, 2026
C. Letter from Jamey M. Federico, OCTA Chair, to the Honorable Gavin Newsom, Governor, State of California, and others, re: Preserve Transit Funding Commitments Under California's Cap-and-Invest Program, dated July 8, 2026
D. Letter from Dan Phu, Director, Transportation Planning and Analysis, OCTA, to CalSTA, LOSSAN Rail Corridor Working Group Team, re: OCTA Comments on the SB 1098 LOSSAN Rail Corridor Working Group Report (June 2026), dated July 2, 2026
E. Orange County Transportation Authority Legislative Matrix

Prepared by:

Clara Brotcke
Government Relations Representative,
Government Relations
(714) 560-5329

Approved by:

Kristin Jacinto
Executive Director,
Government Relations
(714) 560-5754

ATTACHMENT A

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-7-26

WHEREAS smart transit policy is vital to maintaining California's economic dominance, facilitating new business opportunities, alleviating cost-of-living burdens for working families, and addressing the climate crisis by reducing greenhouse gas emissions and reliance on fossil fuels; and

WHEREAS the Trump Administration's war with Iran is precipitating a global fossil fuel energy crisis that raises costs for consumers and stifles growth, and its anti-climate Federal Fiscal Year 2027 budget proposal includes significant funding cuts for public transit and clean transportation programs; and

WHEREAS public transit plays a critical role in achieving California's climate goals by reducing reliance on single-occupancy vehicles, decreasing traffic congestion, decreasing vehicle miles traveled, and lowering overall emissions; and

WHEREAS California's Climate Action Plan for Transportation Infrastructure (CAPTI) outlines a path for building towards an integrated, statewide rail and transit network as a guiding principle for meeting the state's climate targets and California has invested more than $11.5 billion in funding to 153 public transit projects through the Transit and Intercity Rail Capital Program (TIRCP); and

WHEREAS intercity rail corridors, their connecting bus services, and other interregional bus services tie dispersed communities to the broader state transit and passenger rail network and provide transformative mobility benefits to historically underserved communities, offering new opportunities for work, school, and housing; and

WHEREAS some of California's busiest rail corridors, such as the Metrolink and Coaster commuter rail, and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) intercity rail corridor, operate in coastal zones where sea-level rise damages infrastructure, creates capacity constraints, and leads to service reliability challenges; and

WHEREAS in recent years, the Legislature has enacted and I have signed legislation to aid the post-pandemic recovery of public transit ridership and operations, and the prioritization of public transit, most notably Senate Bill 125 (Chapter 54, Statutes of 2023) and Senate Bill 960 (Chapter 630, Statutes of 2024); and

WHEREAS the SB 125 Transit Transformation Task Force Final Report identifies revenue, ridership, and project delivery challenges facing California transit systems, and also provides recommendations to improve transit services, including that the California Department of Transportation (Caltrans) be more involved in the design and delivery of public transportation; and

WHEREAS the scale and complexity of California's rail and transit capital portfolio—spanning coastal corridors, inland connections, and urban transit networks—requires statewide coordination that aligns funding, governance, and performance expectations across agencies and project sponsors; and

WHEREAS there is a need for enhanced data standardization to ensure consistent and effective implementation of transit improvements and to support the development of standardized metrics; and

WHEREAS any active state employee is eligible to participate in the Mass Transit Commute Program, which provides mass transit incentives, coordinated through each employee's agency, department, or office; and

WHEREAS a simplified approach to transit and passenger rail fare payments could address barriers to access, encourage transit ridership, and reduce operating costs for transit agencies; and

WHEREAS Caltrans is collaborating with its transit partners and community stakeholders to develop District Transit Plans to identify and enhance transit needs on the State Highway System in each district, with a focus on underserved communities; and

WHEREAS these district-specific plans aim to improve the quality of transit service statewide to meet California's climate, health, economic, and environmental goals, and will also identify areas for improvements to transit service reliability and transit infrastructure, ultimately providing a roadmap to make mobility easier and safer for all Californians; and

WHEREAS because most transit or passenger rail trips begin and end with a walk or a roll, pedestrian, wheelchair and cyclist access to bus and rail stops is part of a complete trip, and therefore strong first and last mile connectivity is critical for equitable access to our transit and passenger rail systems.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. Within 120 days of this Order, in order to expedite and implement a statewide transit policy, as required by Streets and Highways Code section 149.20 and Caltrans Director's Policy-40, which prioritizes public transit on the State Highway System, Caltrans is directed to:

    a. In coordination with the relevant local partners, develop a list of transit priority projects statewide that can be updated regularly with location needs and specific projects as identified in District Transit Plans. This list shall identify funding for which the projects are eligible and shall be consistent with the relevant Local or Regional Transportation Plans such as the Short Range Transit Plan and Long Range Transportation plan, along with the Regional Transportation Plan / Sustainable Communities strategies, where applicable.

    b. Establish Caltrans as a Mobility Manager, as defined by the Federal Transit Administration, to provide tools to coordinate transit trips across grantees and subrecipients, including the provision of shared technologies such as trip planning, scheduling, payment and asset management systems.

    c. Notify jurisdictions receiving FTA Section 5307 Urbanized Area Formula Program funding that Caltrans is available to serve as the direct recipient if they elect to do so, and shall work with those jurisdictions to ensure more rapid disbursement of funding. Caltrans shall notify FTA of any resulting changes.

d. Take the necessary steps to ensure that future iterations of the State Transit Plan shall adopt a service-led planning approach that aligns with the California State Rail Plan.

e. Begin the process of developing design guidance for transit infrastructure on the state highway system, as well as standard plans and standard specifications, policy, and procedures to permit transit infrastructure on the state highway system. These materials shall be completed and included in relevant program guidance, permitting manuals, and other department documentation within one year.

f. Report to CalSTA how recent changes to the California Environmental Quality Act (CEQA) , including but not limited to, Senate Bill 71 (Chapter 742, Statutes of 2025), will be used to expedite transit projects in consultation with local partners

g. Establish a Statewide Active Transportation Delivery Support Team to support local and regional agencies in the timely implementation of Active Transportation Program (ATP) projects funded with state resources. The team shall provide technical assistance and project delivery support, including assistance with project development and construction delivery, help coordinate related projects, and, where feasible, partner with local and regional agencies to provide additional project delivery capacity.

2. In order to provide transparency and equitable access to State transit and passenger rail funding, Caltrans is directed to create real time dashboards that track the status of all available funding programs, including but not limited to, number of applications per cycle, number of awards per cycle, application totals versus available funds per grant type, time to process contracts following award, time to process invoices for reimbursement, and additional relevant performance measures as grant funding is consolidated into a system of record.

3. Caltrans is directed to implement recommendations documented in the 2025 Transit Transformation Task Force Report to formalize the California Integrated Mobility Program through the following actions:

   a. Explore opportunities to support regions that reprogram Federal Highway Administration (FHWA) formula funds for transit uses as allowable by law, including by matching state share dollars where available and appropriate.

   b. Take steps to automate Transportation Development Act and National Transit Database reporting for rural and small agencies.

   c. Identify and implement measures to reduce the timelines for distribution of funds wherever feasible, and, where practicable, lift limits imposed on use of funds, such as allowing use for both operating and capital expenses, and providing pre-award authority for federal funds where allowed.

   d. Begin the process of obtaining a National Environmental Protection Act (NEPA) assignment from the U.S. Department of Transportation and Federal Transit Administration (FTA), in order to expedite the delivery of transit and commuter rail projects, subject to applicable federal law.

e. Provide technical assistance to local agencies, where feasible, with the implementation of Bus Rapid Transit (BRT) / Bus Only lanes and associated infrastructure on the state highway system and assist with the planning, engineering and implementation where possible via the cooperative agreement process.

f. In coordination with the Department of General Services, create an implementation plan for the creation of a centralized, digital real property asset management system and fully digitize its real estate holdings, inventory buildings and their state of repair.

g. Identify updates to its existing exception policy around the use of Caltrans airspace to authorize transit and passenger rail operators to store zero-emission vehicles and develop refueling and charging infrastructure on operator-controlled land located beneath or adjacent to Caltrans facilities where vehicles are already being stored, where consistent with state policy and safety and operational requirements.

h. In consultation with the California Transportation Commission (CTC), provide guidance to toll operators on how to prioritize excess toll revenues for unmet transit operational and capital needs, including future managed lane facilities, in accordance with state and federal law. For managed lane facilities planned by Caltrans, Caltrans shall consider ways to prioritize excess revenue to support transit within the corridor where feasible.

i. Initiate an update to the state Manual of Uniform Traffic Control Devices (MUTCD) to address transit infrastructure, including but not limited to, transit signal priority and bus lanes. Caltrans shall also seek any necessary approvals for such updates from relevant federal agencies.

j. In consultation with the Department of Housing and Community Development and CTC, develop funding criteria that prioritize funding to, and award processing for, transit projects located in a jurisdiction with a Pro-Housing Designation.

4. CalSTA shall identify and implement opportunities to leverage CHSRA's Federal Railroad Administration (FRA) NEPA Delegation. The Agency shall work with the Caltrans Division of Rail to identify which projects could leverage said delegation from the project list within the State Rail Plan, and where possible, undertake programmatic environmental review to eliminate barriers to project delivery and funding caused by lack of, or delays to, NEPA clearance.

5. CalSTA, in coordination with Caltrans and the CTC, shall update state funding program guidelines to incentivize the delivery of transit priority infrastructure and first- and last-mile connectivity including, but not limited to, Solutions for Congested Corridor Program (SCCP), the Active Transportation Program (ATP), Local Partnership Program (LPP), and Transit and Intercity Rail Capital Program (TIRCP). Caltrans shall also identify

federal funding programs that will support transit priority and first and last-mile connectivity efforts.

6. Caltrans, through the California Integrated Travel Project (Cal-ITP), is directed to publish guidelines for consistent transit and passenger rail data availability, implementing standards that allow for efficient integration between systems and ensuring that consistent information is available to the public. To that end, Caltrans, via the California Integrated Mobility Program, in partnership with Caltrans IT, is directed to implement a Customer Relationship Management system to manage grant availability, grant application, grant management and information campaigns so that grantees receive streamlined, coordinated communications from a single source.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 26th day of June 2026.

GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH. D
Secretary of State

ATTACHMENT B

August 4, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Monique Limón Senate President Pro Tempore 1021 O Street, Suite 8518 Sacramento, CA 95814	The Honorable Robert Rivas Speaker of the Assembly 1021 O Street, Suite 8330 Sacramento, CA 95814

RE: Honor SB 840 Commitments to AHSC, TIRCP, LCTOP, AB 617, and SAFER for FY 2026/27

Governor Newsom, pro Tem Limón, and Speaker Rivas:

Thank you for your work to serve California's residents and build thriving communities. The undersigned organizations write to you in response to the California Air Resources Board's adoption of amendments to the Cap-and-Invest Program and the state's enactment of a budget deal. Together, these actions have left minimal Greenhouse Gas Reduction Fund (GGRF) funding to honor the state's ongoing funding commitments to the Tier 3 programs established by SB 840 (Limon) [Chapter 121, Statutes of 2025] for fiscal year 2026-27 and beyond. These programs support affordable housing, public transportation, cleaner air, safe drinking water, and climate resilience in communities across

California. These cuts will make California even less affordable at a time when affordability is voters' number one concern, and reverse progress toward the state's climate goals.

The decline in GGRF revenues and commitments made this year have left less than one-fifth of the promised funding for Tier 3 programs. It is critical that the state honor its commitments to these programs, including the Affordable Housing and Sustainable Communities Program (AHSC), Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), AB 617 Community Air Protection Program, and Safe & Affordable Drinking Water Program (SAFER).

Specifically, we urge you to use general fund (after Proposition 98 outlays) this year to maintain the ongoing annual appropriation of $800 million for the AHSC, $400 million for the TIRCP, $200 million for the LCTOP, $250 million for AB 617 and $130 million for SAFER.

In addition, we urge you to honor the state's outstanding GGRF funding commitment to public transportation made in SB 125 (Committee on Budget and Fiscal Review) [Chapter 54, Statutes of 2023].

In 2025, our organizations, representing affordable housing, local government, transportation/ transit, environmental, disability rights, business, and labor interests from across the state, supported the efforts of the Newsom Administration and Legislature to extend the Cap-and-Trade program beyond 2030. We supported the proposed early action on the extension, as we understood the importance of the program to meeting California's long-term climate and air quality goals and believed state officials' public statements that such action was immediately necessary to stabilize the market and continue the state's investment from the GGRF in key climate programs. As the effort gained traction in the companion measures of AB 1207 (Irwin) [Chapter 117, Statutes of 2025] and SB 840 (Limon), we supported the legislation and defended the bills against attacks from stakeholders, including the industry sectors subject to the program. We were deeply grateful to see that the enacted legislation extended the program through 2045, renamed the program to the "Cap-and-Invest" program, and maintained continuous appropriations from the GGRF for the AHSC, TIRCP, LCTOP, and SAFER, while also committing – for the first time – ongoing funding for air quality initiatives in AB 617 communities.

These Tier 3 programs support the buildout of affordable transit-oriented housing and major transit projects, deployment of zero-emission vehicles, transit service, fare free and discounted transit passes, and community air quality initiatives. This funding has been a centerpiece of the state's climate strategy since 2015, and its maintenance was essential to the reauthorization of the Cap-and-Invest program. This funding also directly addresses the affordability crisis faced by Californians by expanding access to affordable housing and transit options; supporting good paying, life-sustaining jobs; and creating travel time savings that buys Californians more time with family and friends.

Our enthusiasm for the reauthorization and maintenance of these continuous appropriations was, unfortunately, short-lived. Less than one year later, CARB's action and the budget deal negotiated by the Legislature and the Governor left only a small fraction of the money promised for these programs, reducing funding by 82 percent:

<table>
<tr><th>Tier 3 Program</th><th>SB 840 Allocation</th><th>2026-2027 Cap & Invest Estimated Expenditures</th></tr>
<tr><td>Affordable Housing*</td><td rowspan="2">$840 million</td><td>$105 million*</td></tr>
<tr><td>Sustainable Communities and Agricultural Land Conservation*</td><td>$45 million*</td></tr>
<tr><td>TIRCP</td><td>$400 million</td><td>$75 million</td></tr>
<tr><td>LCTOP</td><td>$200 million</td><td>$38 million</td></tr>
<tr><td>AB 617</td><td>$250 million</td><td>$47 million</td></tr>
<tr><td>Safe & Affordable Drinking Water Program</td><td>$130 million</td><td>$24 million</td></tr>
<tr><td colspan="3">*Previously jointly administered</td></tr>
</table>

These cuts put California at risk of major backsliding on our progress toward our affordability and climate goals. Over the last decade, CARB reports that implemented projects funded by Tier 3 programs have delivered the following GHG emission reductions and benefits:

- AHSC
  - 6.6 million MTCO2e GHG emissions reduced
  - $4.85 billion invested, with $4.0 billion benefitting priority populations
  - 22,877 units of affordable housing funded
- TIRCP
  - 23.4 million MTCO2e GHG emissions reduced
  - $2.74 billion invested, with $1.58 billion benefitting priority populations
  - 263 transit projects implemented
- LCTOP
  - 7.4 million MTCO2e GHG emissions reduced
  - $1.23 billion invested, with $1.14 billion benefitting priority populations
  - 1,123 projects and services implemented
- AB 617
  - 282,500 MTCO2e GHG emissions reduced
  - $527 million invested, with $442.68 million benefitting priority populations
  - 9,004 projects implemented
- SAFER
  - $1.8 billion invested, with 100% benefiting priority populations
  - Investments in 320 water systems serving 3.3 million people

Given the GHG reductions from these programs outlined above, reducing this funding will jeopardize the state's ability to meet its own stated 2030 GHG reduction targets. **We, therefore, urge you to work with our organizations to develop and implement a plan to use additional general fund money to honor the state's ongoing funding commitments to the AHSC, TIRCP, LCTOP, AB 617, and SAFER.**

Beyond this budget year, CARB's action will have devastating effects, further reducing GGRF by billions of dollars every year and potentially zeroing out the hard-fought funding that was deliberately committed to the AHSC, TIRCP, LCTOP, AB 617 programs and SAFER. **Because of this**, **we also urge the Legislature and Administration to work with us to find a permanent solution for GGRF in future fiscal years so that Tier III programs receive the full funding committed in SB 840 to make California more affordable and accessible for all.**

We look forward to engaging with you in the weeks ahead to protect this critical funding.

Sincerely,

Michael Pimentel
Executive Director
California Transit Association

Jack Lucero Fleck
Board President
350 Bay Area

Wesley Reutimann
Deputy Director
Active SGV

Holly Benson
President and CEO
Adobe Communities

Chione Flegal
Executive Director
Housing California

Vivian Wan, MSW
Chief Executive Officer
Adobe Housing Development

Jessica Hay
Legislative Advocate
AFSCME, AFL-CIO

Shane Gusman
Legislative Advocate
Amalgamated Transit Union

Tyler Munzing
Executive Director
American Council of Civil Engineers – California

Heng Lam Foong and Kyle Tsukahira
Co-Director
Asian Pacific Islander Forward Movement

Victoria J. Brady
Chief Executive Officer
Cabrillo Economic Development Corporation

Joshua Arce
Executive Director
California Alliance for Jobs

Jacklyn Cuddy
Executive Director
California Association for Coordinated Transportation

Bill Higgins
Executive Director
California Association of Councils of Governments

Silvia Solis Shaw
Executive Director
California Cities Transportation Initiative

Nate Schaffran
Executive Director
California Coalition for Community Investment

Alicia Sebastian
Executive Director
California Coalition for Rural Housing

Bob Zdenek
Interim Executive Director
California Community Economic Development Association

Maddie Ribble
Co-Director for Policy
California Community Land Trust Network

Guillermo Robles
President
California Council of the Blind

Elmer Lizardi
Legislative Advocate
California Federation of Labor Unions, AFL-CIO

Ray Pearl
Executive Director
California Housing Consortium

Andrew Dawson
Senior Manager of Policy Advocacy
California Housing Partnership

James A. Thuerwachter
Legislative Advocate
California State Council of Laborers

Nolan Gray
Senior Director of Legislation and Research
California YIMBY

Gabriella Ruiz
Policy Manager
Chinatown Community Development Center

Colin Parent
CEO and General Counsel
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Treasurer
Citizens' Climate Lobby San Francisco

Lesly Beatty
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Colin Fiske
Executive Director
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Tara Barauskas, LEED AP
Executive Director
Community Corporation of Santa Monica

Elissa Dennis
Executive Director
Community Economics, Inc.

Sean Spear
President & CEO
Community HousingWorks

Seana O'Shaughnessy
President / CEO
Community Housing Improvement Program

Sharon Rapport
Director, California State Policy
Corporation for Supportive Housing

Eric Harris
Associate Executive Director of External Affairs
Disability Rights California

Marleen Fonseca
Executive Director
EAA Union

Laura Hall
President & CEO
EAH Housing

Jeff Levin
Senior Director of Policy
East Bay Housing Organizations

Heather Hood
VP and Market Lead, Northern California
Enterprise Community Partners

Jimar Wilson
VP and Market Leader, Southern California
Enterprise Community Partners

Mary Lim, J.D.
Executive Director
Genesis Interfaith Community Organizing

Jordan Grimes
Legislative Director
Greenbelt Alliance

Cristian Ahumada
Executive Director and CEO
Holos Communities

Alexander Russell, M.B.A.
Chief Executive Officer
Homes & Hope

Noni Ramos
Chief Executive Officer
Housing Trust Silicon Valley

Robert Estrada
National President
Inlandboatmen's Union of the Pacific
Marine Division ILWU

Kelsey Brewer
Vice President, Business Development and Government Affairs
Jamboree Housing Corporation

Cesar Covarrubius
Executive Director
Kennedy Commission

Ian Gabriel
Director of Collective Impact
Lift to Rise

Carlos A. Singer
Chief Policy Officer
Los Angeles Area Chamber of Commerce

Kenny Rodgers
Deputy Market Director, Coachella Valley
Low-Income Investment Fund

Captain Sly Hunter
Regional Representative
Masters, Mates & Pilots
AFL-CIO

Ariel Beliak
President & CEO
Merritt Community Capital Corporation

Renner Johnston
President / Partner
Mogavero Architects

Eli Lipmen
Executive Director
Move California

Eli Lipmen
Executive Director
Move LA

Sarah Iannarone
Executive Director
Move Santa Barbara County

Craig Adelman
CEO
Mutual Housing California

Alex Visotzky
Senior Policy Fellow, California
National Alliance to End Homelessness

J.T. Harechmak
Policy Director
Non-Profit Housing Association of Northern California

Kenneth Triguiero
CEO & President
People's Self-Help Housing

Matthew Baker
Policy Director
Planning & Conservation League

Laurel Paget-Seekins
Senior Transportation Policy Advocate
Public Advocates

Amanda Walsh
Vice President of Government Affairs
Orange County Business Council

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Rebuild SoCal Partnership

Courtney Pal
Policy Manager
Resources for Community Development

Robert W. Heidt Jr.
President & CEO
Sacramento Metropolitan Chamber of Commerce

Jonathan Matz
California Senior Policy Manager
Safe Routes to School Partnership

Adina Levin
Executive Director
Seamless Bay Area

Keith Dunn
Executive Director
Self-Help Counties Coalition

Tom Collishaw
President & CEO
Self-Help Enterprises

Louie Costa
Safety and Legislative Director
SMART – Transportation Division

Jackson Loop
Policy Director
Southern California Association of Non-Profit Housing

Laura Tolkoff
Transportation Policy Director
SPUR

Andrew Slocum
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Southern California Obtainable Housing

Marc T. Vukcevich
Director of State Policy
Streets for All

Sarah Hubbard
Executive Director
Sustainable San Mateo County

Shane Gusman
Legislative Director
Teamsters

Carter Lavin
Co-Founder
Transbay Coalition

Zack Deutsch-Gross
Executive Director
Transform

Chris Avila
Chairperson
Transport Workers Union of America, California State Conference

Jessica Yasukochi
Chief Operating Officer
Valley Industry & Commerce Association

cc: Members and Staff, California State Legislature
Members, California Air Resources Board
Jamie Callahan, Deputy Chief of Staff, Office of Governor Gavin Newsom
Trey Reffett, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Sarah Swig, Deputy Cabinet Secretary and Senior Advisor, Office of Governor Gavin Newsom
Joe Stephenshaw, Director, California Department of Finance
Steve Cliff, Executive Officer, California Air Resources Board
Toks Omishakin, Secretary, California State Transportation Agency
Erin Curtis, Executive Director, Strategic Growth Council

OCTA

AFFILIATED AGENCIES

Orange County Transit District

Local Transportation Authority

Service Authority for Freeway Emergencies

Consolidated Transportation Service Agency

Congestion Management Agency

July 8, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Monique Limón
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

RE: Preserve Transit Funding Commitments Under California's Cap-and-Invest Program

Dear Governor Newsom, Pro Tem Limon, and Speaker Rivas:

On behalf of the Orange County Transportation Authority (OCTA), I write to urge the Administration and Legislature to honor the transportation funding commitments established through SB 840 (Chapter 121, Statutes of 2025) following the California Air Resources Board's recent adoption of amendments to the Cap-and-Invest Program. Through SB 840, the Legislature established an expenditure framework that maintained ongoing funding commitments for the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP), recognizing that public transportation remains one of California's most effective tools for reducing emissions and expanding access to opportunity. The California Air Resources Board's *2025 Annual Report to the Legislature on California Climate Investments Using Cap-and-Trade Auction Proceeds* reinforces this conclusion, highlighting the substantial greenhouse gas reductions achieved through investments in TIRCP, LCTOP, and other transit programs.

Unfortunately, less than a year after the enactment of SB 840, the California Air Resources Board adopted amendments that are expected to significantly reduce Greenhouse Gas Reduction Fund funding available for programs supported through the Cap-and-Invest expenditure plan. While OCTA recognizes the Administration's desire to address concerns about affordability and industrial competitiveness, the resulting reduction in funding threatens the very transportation investments that the Legislature committed to preserving through the reauthorization process.

For transit agencies, funding certainty is essential. Major capital projects are planned and delivered over many years, and transit operations require dependable funding streams to maintain service levels and implement new mobility programs. Agencies across California relied upon the commitments established through SB 840 when developing project delivery schedules, operating plans, and investment strategies.

For Orange County, these commitments support critical transportation investments that directly benefit residents and advance the State's climate goals. LCTOP funding currently supports OCTA's Youth Ride Free Program, OC Streetcar operations, and hydrogen fueling infrastructure in Santa Ana. The Youth Ride Free Program alone removes transportation barriers for thousands of young people traveling to school, internships, and jobs while reducing transportation costs for working families.

Similarly, TIRCP funding supports significant regional investments, including the Coastal Rail Infrastructure Resiliency Project, which funds emergency track stabilization and coastal resiliency improvements along the Los Angeles – San Diego – San Luis Obispo Rail Corridor to address coastal erosion, stabilize vulnerable infrastructure, and maintain uninterrupted passenger rail service. TIRCP funding also supports rail station improvements and other projects that strengthen passenger rail reliability and resilience along one of California's most important transportation corridors. These projects were developed with the expectation that the State would maintain its funding commitments under the Cap-and-Invest framework.

OCTA is also concerned about the State's ability to deliver the remaining commitments established through SB 125. The remaining $690 million in Zero-Emission Transit Capital Program funding is critical to helping transit agencies deploy zero-emission fleets and supporting infrastructure. In Orange County, these funds support the deployment of zero-emission buses, clean-energy infrastructure, and rooftop solar installations at OCTA facilities. Failure to deliver these commitments would undermine implementation of the Innovative Clean Transit (ICT) Regulation by limiting transit agencies' ability to make the capital investments necessary to meet the State's zero-emission fleet transition requirements.

The Legislature made a deliberate policy decision in 2025 to continue investing Cap-and-Invest funding in public transportation because these programs produce measurable greenhouse gas reductions while delivering mobility, affordability, and economic benefits to communities throughout California. Preserving these commitments remains just as important today as it was during the reauthorization debate.

Accordingly, OCTA respectfully urges the Administration and Legislature to develop and implement a plan that preserves the transportation funding commitments established through SB 840, protects previously approved TIRCP and LCTOP investments, and ensures completion of the remaining SB 125 transit funding commitments. Doing so will provide transportation agencies with the certainty necessary to continue delivering projects and services that advance California's climate, mobility, and economic objectives. If you or your staff have any questions, please contact Kristin Jacinto, Executive Director of Government Relations, at (714) 560-5754 or kjacinto@octa.net.

Thank you for your consideration.

Respectfully,

Jamey M. Federico
Chair

JMF:cb

c: Members, Orange County State Legislative Delegation
Darrell E. Johnson, Chief Executive Officer
Topp Strategies

ATTACHMENT D

OCTA

AFFILIATED AGENCIES

Orange County Transit District

Local Transportation Authority

Service Authority for Freeway Emergencies

Consolidated Transportation Service Agency

Congestion Management Agency

July 2, 2026

CalSTA
LOSSAN Rail Corridor Working Group Team
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

Via email: LOSSAN.SB1098@calsta.ca.gov

Subject: **OCTA Comments on the SB 1098 LOSSAN Rail Corridor Working Group Report (June 2026)**

Dear CalSTA LOSSAN Rail Corridor Working Group Team:

The Orange County Transportation Authority (OCTA) extends its gratitude for the continued opportunity to participate in and provide input on the development of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Working Group Public Comment Draft Report (Report), dated June 10, 2026. This Report was prepared pursuant to SB 1098 (Chapter 777, Statutes of 2024). OCTA recognizes the California State Transportation Agency's (CalSTA) commitment to engaging the LOSSAN Rail Corridor partners throughout this effort and appreciates the collaborative approach taken to identify strategies that strengthen reliability, resiliency, and long-term service delivery throughout the LOSSAN Rail Corridor.

OCTA values the extensive stakeholder outreach conducted to date and is encouraged to see that many of the themes previously discussed have been reflected in the current draft. OCTA appreciates the report's emphasis on coastal resiliency, streamlined emergency response procedures, coordination with the California Coastal Commission, corridor-wide asset management, and improved interagency collaboration. These recommendations represent important progress toward strengthening the long-term reliability and resiliency of the LOSSAN Rail Corridor.

OCTA would like to offer the following comments to strengthen the partnership between CalSTA and the LOSSAN Rail Corridor agencies:

- **Clarify Roles and Responsibilities:** Refine the report to more clearly distinguish the respective roles of the state, corridor owners, passenger rail operators, and freight railroads. While OCTA owns portions of the LOSSAN right-of-way in Orange County, passenger and freight rail operators are responsible for operational decisions, including service suspension, restoration, and day-to-day rail operations. Clearly defining these responsibilities will improve the Report's discussion of emergency response authorities and decision-making responsibilities.

- **Enhance Permitting Recommendations:** Strengthen recommendations to streamline permitting and environmental review for projects that preserve and enhance existing rail infrastructure, particularly coastal resiliency and emergency stabilization projects.
- **Support Coastal Resiliency Initiatives:** OCTA supports the Report’s recommendations related to coastal resiliency, emergency response, and coordination with state and federal agencies. Continued refinement should focus on expediting project delivery, streamlining emergency procedures, and ensuring the long-term protection of this critical transportation corridor.
- **Leverage Existing Governance Structures:** Emphasize opportunities to continue corridor coordination and service delivery within the existing governance framework before pursuing significant institutional restructuring.
- **Recognize Funding as the Primary Constraint:** Acknowledge that funding limitations remain a primary obstacle to advancing corridor priorities and capital improvements.

OCTA appreciates CalSTA's interest on this important effort and looks forward to continued collaboration as recommendations are further refined and advanced. OCTA remains committed to working with CalSTA, LOSSAN member agencies, passenger rail operators, freight railroads, and other stakeholders to improve corridor resiliency, maintain safe and reliable rail operations, and support the long-term viability of the LOSSAN Rail Corridor and the success of passenger rail service it provides.

Sincerely,

Dan Phu

Dan Phu
Director, Transportation Planning and Analysis

DP:rs

Orange County Transportation Authority Legislative Matrix

2026 State Legislation Session
August 20, 2026

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
BILLS WITH POSITIONS			
AB 334 (Petrie-Norris – D) Operators of toll facilities: interoperability programs: vehicle information.	Would authorize operators of toll facilities on federal-aid highways engaged in an interstate interoperability program to provide only the information regarding a vehicle's use of the toll facility that is intended to implement interstate interoperability.	**INTRODUCED:** 01/28/2025 **LOCATION:** Senate Committees on Transportation and Judiciary **LAST AMEND:** 07/17/2025 **STATUS:** 09/13/2025 In SENATE. Failed Deadline pursuant to Rule 61(a)(14).	Support (partial list) Support: Transportation Corridor Agencies (sponsor), Metropolitan Transportation Commission, Orange County Business Council, San Bernardino County Transportation Authority, Association of California Cities Orange County, Automobile Club of Southern California

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►AB 1569 (Davies – R) Pupil safety: electric bicycle: safety and training program.	Would require the Department of Education in consultation with the California Highway Patrol to develop a standardized electric bicycle safety and training program for students in grades 7 through 12.	**INTRODUCED:** 01/12/2026 **LOCATION:** *Senate Committee on Appropriations* **LAST AMEND:** 04/13/2026 **STATUS:** *06/24/2026* *In SENATE. Referred to Committee on Appropriations.*	Support (partial list) Support: City of Irvine, City of San Clemente, Streets for All, League of California Cities, Auto Club of Southern California
AB 1855 (Gonzalez – R) California Environmental Quality Act: exemption: passenger rail service.	Would expand the California Environmental Quality Act (CEQA) exemption for passenger rail projects by removing certain zero-emission and Tier 4 rolling stock requirements and modifying right-of-way eligibility criteria.	**INTRODUCED:** 02/11/2026 **LOCATION:** Assembly Committee on Natural Resources **STATUS:** 04/23/2026 In ASSEMBLY. Failed Deadline pursuant to Rule 61(b)(5).	Support Support: Riverside County Transportation Commission (sponsor)

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►AB 1944 **(Lee – D)** Zero-emission transit buses: axle weight.	Would establish a phased extension of axle weight allowances for zero-emission transit buses procured between January 1, 2027, and December 31, 2031, to support fleet transition requirements.	**INTRODUCED:** *02/13/2026* **LOCATION:** *Senate Floor* **HEARING:** *08/03/2026* **STATUS:** *06/10/2026* *In SENATE. Ordered to third reading.*	Support Support: California Transit Association (sponsor), Monterey-Salinas Transit District, Sacramento Regional Transit Center, San Diego Metropolitan Transit System *Oppose: League of California Cities*
►AB 2051 **(Wicks–D)** Public resources: Coastal Resilience Permitting Working Group.	Would require the Secretary of the Natural Resources Agency, in consultation with the Secretary for Environmental Protection, to convene a Coastal Resilience Permitting Working Group for the purpose of developing a Coastal Resilience Permitting Roadmap for coastal resilience projects proposed in specified areas.	**INTRODUCED:** 02/18/2026 **LOCATION:** *Senate Committee on Appropriations* **LAST AMEND:** *07/06/2026* **HEARING:** *08/03/2026* **STATUS:** *07/06/2026* *In SENATE. Amended. Re-referred to Committee on Appropriations.*	Support Support: Bay Area Council (sponsor), Bay Area Planning Coalition (co-sponsor), Port of San Francisco, California State Association of Counties (CSAC), San Francisco International Airport, Valley Water

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**AB 2059 (Wilson – D)** California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation.	Would establish a cap on the cost of mitigation measures required to address transportation impacts under CEQA related to vehicle miles traveled (VMT). As amended, the bill would cap required VMT mitigation costs for transportation projects in rural counties at five percent of estimated total project cost and deem costs above that threshold economically infeasible.	**INTRODUCED:** 02/18/2026 **LOCATION:** *Senate Committee on Appropriations* **LAST AMEND:** 04/22/2026 **HEARING:** *08/03/2026* **STATUS:** *07/02/2026* *In SENATE. Re-referred to Committee on Appropriations.*	Support If Amended Support: Transportation California Oppose: 350 Bay Area Action, Active San Gabriel Valley, Center for Biological Diversity, ClimatePlan, Coalition for Clean Air, Leadership Counsel for Justice & Accountability, MoveLA, Planning and Conservation League, San Diego 350.Org, Sierra Club, Streets for All, Transform
►**AB 2513 (Petrie-Norris – D)** Wildfire: Regional Forest and Fire Capacity Program: regional landscape grants.	Would authorize the Department of Conservation to directly award regional landscape grants to support implementation of regional wildfire resilience strategies.	**INTRODUCED:** 02/20/2026 **LOCATION:** *Senate Committee on Rules* **LAST AMEND:** 04/16/2026 **HEARING:** *08/10/2026* **STATUS:** *07/29/2026* *In SENATE. Hearing postponed by committee.*	Support (partial list) Support: County of Orange Area Safety Task Force, County of Orange, *League of California Cities, California State Association of Counties, Irvine Ranch Conservancy*

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**AB 2560 (Schultz – D)** Climate Action Plan for Transportation Infrastructure: goals.	Would codify the Climate Action Plan for Transportation Infrastructure goals and apply them to major state transportation funding programs, including the Interregional Transportation Improvement Program, Transit and Intercity Rail Capital Program, Local Partnership Program, Trade Corridor Enhancement Program, Active Transportation Program, and Solutions for Congested Corridors Program.	**INTRODUCED:** 02/20/2026 **LOCATION:** *Senate Committee on Appropriations* **HEARING:** *08/03/2026* **STATUS:** *06/24/2026* *In SENATE. Re-referred to Senate Committee on Appropriations.*	Oppose (partial list) Oppose: Self-Help Counties Coalition, American Council of Engineering Companies, California Association of Councils of Governments, Riverside County Transportation Commission, Self Help Counties Coalition, Transportation California, California Alliance for Jobs Support: Streets for All, Greenlining Institute, Move LA, Coalition for Clean Air

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**SB 741 (Blakespear – D)** Low Carbon Transit Operations Program	Would reform and streamline the Low Carbon Transit Operations Program by revising eligible uses of program funds, including the maintenance and expansion of transit services, transit fare subsidies, and network and fare integration technology improvements, while reducing administrative requirements on transit agencies.	**INTRODUCED:** 02/21/25 **LOCATION:** *Assembly Committee on Appropriations* **LAST AMEND:** *07/01/2026* **HEARING:** *08/05/2026* **STATUS:** *07/01/2026* *In ASSEMBLY. Read second time and amended. Re-referred to Committee on Appropriations.*	Support Support: California Transit Association (sponsor)*, Contra Costa Transportation Authority, Metropolitan Transit System (San Diego), Santa Barbara Metropolitan Transit District, Santa Cruz Metropolitan Transit District, Streets for All, Sunline Transit Agency*
SB 752 (Richardson – D) Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.	Would extend tax exemption on retailers for specified zero-emission technology transit buses until January 1, 2028.	**INTRODUCED:** 02/21/25 **LOCATION:** Senate Appropriations Committee **STATUS:** 02/02/2026 In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.	Support (partial list) Support: CTA (sponsor), Alameda-Contra Costa Transit District, Foothill Transit, San Francisco Municipal Transportation Agency, Riverside Transit Agency, San Diego Metropolitan Transit System

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**SB 935 (Choi – R)** Local agency design-build projects: authorization.	Would indefinitely extend design-build authority for local agencies by repealing the January 1, 2031, sunset on existing authority.	**INTRODUCED:** 01/29/2026 **LOCATION:** *Senate - Chaptered* **STATUS:** *07/16/2026 Approved by the Governor. Chaptered by Secretary of State. Chapter 102, Statutes of 2026*.	Support Support: American Council of Engineering Companies California, Cal Cities, CSAC, Design Build Institute of America Western Pacific Chapter, League of California Cities, Rural County Representatives of California, Orange County Fire Authority, Association of California Cities Orange County

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**SB 1087 (Cabaldon – D)** Transportation planning: sustainable communities strategies: transportation funding programs.	Would make changes to existing Regional Transportation Plan/Sustainable Communities Strategy guidelines and requirements, including how greenhouse gas emissions (GHG) reduction targets are set, the timeline for updating the plans, and how GHG reduction strategies are evaluated, and would extend GHG reduction targets to 2045 and make changes to certain transportation funding programs to support implementation of the strategies.	**INTRODUCED:** 02/13/2026 **LOCATION:** *Assembly Committee on Appropriations* **LAST AMEND:** *06/25/2026* **HEARING:** *08/05/2026* **STATUS:** *06/30/2026* *In ASSEMBLY. Re-referred to Committee on Appropriations.*	Support If Amended Support (partial list): Association of Bay Area Governments (co-sponsor), Sacramento Area Council of Governments (co-sponsor), San Diego Association of Governments (co-sponsor), Southern California Association of Governments (co-sponsor), Riverside County Transportation Commission, California Association of Councils of Governments Oppose: Equitable Land Use Alliance, Families and Homes San Jose, California Building Industry Association, Coalition for Clean Air

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
►**SB 1167 (Blakespear – D)** Vehicles: electric bicycles.	Would prohibit certain motorized vehicles from being marked or sold as electric bicycles and establish enhanced labeling, disclosure, and safety requirements.	**INTRODUCED:** 02/18/2026 **LOCATION:** *Assembly Desk* **LAST AMEND:** *07/01/2026* **HEARING:** *08/05/2026* **STATUS:** *07/01/2026* *In ASSEMBLY. Read second time and amended. Re-referred to Committee on Appropriations.*	Support (partial list) Support: CalBike (co-sponsor), People for Bikes (co-sponsor), Streets Are For Everyone (SAFE) (co-sponsor), Streets for All (co-sponsor), California District Attorneys Association, California Emergency Nurses Association, California Medical Association, City of Oceanside, City of Vista, Oceanside Unified School District, San Diego County Bicycle Coalition, San Diego District Attorney’s Office, County of Orange

BILLS BEING MONITORED

AB 266 (Davies, R) Freeway Service Patrol Act: sponsorship agreement.

Introduced: 01/17/2025

Last Amended: 06/02/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 6/30/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Senate 2 YEAR

Summary: The Freeway Service Patrol Act authorizes and provides funding for freeway service patrols, operated pursuant to an agreement between the Department of the California Highway Patrol, the Department of Transportation, and a regional or local governmental entity, to provide emergency roadside assistance on traffic-congested urban freeways throughout the state. The act requires each tow truck participating in a freeway service patrol to bear a specified logo that identifies the Department of the California Highway Patrol and the Department of Transportation, and, at the option of the entity, the participating regional or local entity. This bill would require the Department of Transportation, the Department of the California Highway Patrol, and participating and eligible regional and local entities to, each time the guidelines for program operations are updated after January 1, 2026, consider developing or revising and including in the guidelines operational requirements for sponsorship agreements between a participating regional or local entity and any private third party that allow for the display of the sponsor’s name and logo on participating tow trucks, as provided.

AB 334 (Petrie-Norris, D) Operators of toll facilities: interoperability programs: vehicle information.

Introduced: 01/28/2025

Last Amended: 07/17/2025

Status: 09/13/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2025)(May be acted upon Jan 2026)

Location: 09/11/2025 - Senate 2 YEAR

Summary: Current law requires the Department of Transportation, in cooperation with the Golden Gate Bridge, Highway and Transportation District and all known entities planning to implement a toll facility, to develop and adopt functional specifications and standards for an automatic vehicle identification system in compliance with specified objectives, and generally requires any automatic vehicle identification system purchased or installed after January 1, 1991, to comply with those specifications and standards. Current law authorizes operators of toll facilities on federal-aid highways engaged in an interoperability program to provide, regarding a vehicle’s use of the toll facility, only the license plate number, transponder identification number, date and time of the transaction, and identity of the agency operating the toll facility. This bill would instead authorize an operator of a toll facility on federal-aid highways engaged in an interstate interoperability program to provide to an out-of-state toll agency or interstate interoperability tolling hub only the information regarding a vehicle’s use of the toll facility that is license plate data, transponder data, or transaction data, and that is listed as “required” by specified national interoperability specifications. If the operator needs to collect other types of information to implement interstate interoperability, the bill would prohibit the operator from selling or otherwise providing that information to any other person or entity, as specified.

AB 340 (Ahrens, D) Employer-employee relations: confidential communications.

Introduced: 01/28/2025

Last Amended: 03/05/2025

Status: 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

Location: 08/29/2025 - Senate 2 YEAR

Summary: Current law that governs the labor relations of public employees and employers, including, among others, the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, and provisions relating to higher education, prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions of current law further prohibit denying to employee organizations the rights guaranteed to them by current law. This bill would prohibit a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation.

AB 443 (Bennett, D) Energy Commission: integrated energy policy report: curtailed solar and wind generation: hydrogen production.

Introduced: 02/06/2025

Status: 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 7/14/2025)(May be acted upon Jan 2026)

Location: 08/29/2025 - Senate 2 YEAR

Summary: Current law requires the State Energy Resources Conservation and Development Commission, beginning November 1, 2003, and biennially thereafter, to adopt an integrated energy policy report that contains an overview of major energy trends and issues facing the state, presents policy recommendations based on an in-depth and integrated analysis of the most current and pressing energy issues facing the state, and includes an assessment and forecast of system reliability and the need for resource additions, efficiency, and conservation, as specified. Current law also requires the commission, beginning November 1, 2004, and biennially thereafter, to prepare an energy policy review to update analyses from the integrated energy policy report or to raise energy issues that have emerged since the release of the integrated energy policy report, as specified. This bill would require the commission, as part of the 2027 edition of the integrated energy policy report, to include an assessment of the potential for using curtailed solar and wind generation to produce hydrogen, as provided.

AB 596 (Ortega), which pertained to elections and ballot disclosures for statewide initiatives, failed to advance; therefore, this bill was removed from the matrix.

AB 599 (Connolly, D) Short-Line Railroad Improvement Program.

Introduced: 02/13/2025

Last Amended: 06/11/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 12. Noes 0.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/30/2026 - Senate Appropriations

Summary: Existing law requires the California Transportation Commission to establish a competitive funding program, commonly known as the Short-Line Railroad Improvement Program, to provide funds to the Department of Transportation or regional transportation planning agencies, or both, for short-line railroad projects such as railroad reconstruction, maintenance, upgrade, or replacement. Existing law appropriates up to $7,200,000 from the Trade Corridors Improvement Fund to the program and makes those moneys available for encumbrance or expenditure until June 30, 2028. This bill would extend the availability of those moneys for expenditure by one year. By extending the expenditure date of those moneys, the bill would make an appropriation.

AB 735 (**Carrillo, D**) **Planning and zoning: logistics use developments: truck routes.**

Introduced: 02/18/2025

Last Amended: 09/09/2025

Status: 09/13/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2025)(May be acted upon Jan 2026)

Location: 09/13/2025 - Senate 2 YEAR

Summary: Current law, beginning January 1, 2026, prescribes various statewide warehouse design and build standards for any proposed new or expanded logistics use developments, as specified, including, among other things, standards for building design and location, parking, truck loading bays, landscaping buffers, entry gates, and signage. Current law defines various terms, including “21st century warehouse,” and “tier 1 21st century warehouse,” for purposes of those provisions as logistics uses that, among other things, comply with specified building and energy efficiency standards, including requirements related to the availability of conduits and electrical hookups to power climate control equipment at loading bays, as specified. Current law, subject to specified exceptions, defines “logistics use” for these purposes to mean a building in which cargo, goods, or products are moved or stored for later distribution to business or retail customers, or both, that does not predominantly serve retail customers for onsite purchases, and heavy-duty trucks are primarily involved in the movement of the cargo, goods, or products. This bill would clarify that a 21st century warehouse and a tier 1 21st century warehouse are required to comply with those standards as are in effect at the time that the building permit for a development of a 21st century warehouse is issued and make other clarifying changes relating to permissibility of use of conduits and electrical hookups at loading bays at those locations. The bill would revise the definition of “logistics use” and instead define “logistics use development” for these purposes to mean a building that is primarily used as a warehouse for the movement or the storage of cargo, goods, or products that are moved to business or retail customers, or both, that does not predominantly serve retail customers for onsite purchases, and heavy-duty trucks are primarily involved in the movement of the cargo, goods, or products.

AB 891 (**Zbur, D**) **Transportation: Quick-Build Pilot Program.**

Introduced: 02/19/2025

Last Amended: 06/25/2025

Status: 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/25/2025)(May be acted upon Jan 2026)

Location: 08/25/2025 - Senate 2 YEAR

Summary: Would establish the Quick-Build Pilot Program to expedite development and implementation of low-cost improvements on the state highway system, as specified. The bill would require the Department of Transportation, on or before December 31, 2027, to develop and publish guidance for the deployment of district quick-build improvements. The bill would require the department, on or before December 31, 2028, to identify and commit to funding a minimum of 6 quick-build improvements statewide.

AB 902 (**Schultz, D**) **Transportation projects: barriers to wildlife movement.**

Introduced: 02/19/2025

Last Amended: 07/10/2025

Status: 08/29/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/18/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Senate 2 YEAR

Summary: Current law requires the Department of Transportation (Caltrans), for any project on the state highway system in a connectivity area that adds a traffic lane or that has the potential to significantly impair wildlife connectivity, to perform an assessment, in consultation with the Department of Fish and Wildlife (DFW), to identify potential wildlife connectivity barriers and any needs for improved permeability, as specified. Current law requires the implementing agency to remediate barriers to wildlife connectivity in conjunction with the project if any structural barrier to wildlife connectivity exists or will be added by the project for target species in the connectivity area, as provided. Current law authorizes Caltrans to use compensatory mitigation credits to satisfy this requirement if DFW concurs with the use of those credits. This bill would require a lead agency to incorporate appropriate wildlife passage features into a transportation infrastructure project in a connectivity area, as specified. By requiring a lead agency to expand the scope of its transportation project, the bill would impose a state-mandated local program.

AB 911(Carrillo), which pertained to exempting specific emergency telecommunications medium- and heavy-duty vehicles from certain Advanced Clean Fleets zero-emission mandates, has stalled; therefore, this bill was removed from the matrix.

AB 954 (Bennett, D) Interregional transportation strategic plan: bicycle highways.

Introduced: 02/20/2025

Last Amended: 06/30/2025

Status: 09/11/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 8/29/2025)(May be acted upon Jan 2026)

Location: 09/11/2025 - Senate 2 YEAR

Summary: Current law requires transportation projects included in the interregional transportation improvement program (ITIP) to be consistent with the interregional transportation strategic plan (ITSP). Current law requires the Department of Transportation to submit the ITSP to the California Transportation Commission for approval and requires the ITSP, among other things, to be directed at achieving a high functioning and balanced interregional transportation system and consistent with the California Transportation Plan. This bill would require, to the extent feasible and consistent with the California Transportation Plan, the department to assess incorporating bicycle highways into strategic interregional corridors within the ITSP.

AB 1018 (Bauer-Kahan, D) Automated decision systems.

Introduced: 02/20/2025

Last Amended: 09/05/2025

Status: 09/13/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2025)(May be acted upon Jan 2026)

Location: 09/13/2025 - Senate 2 YEAR

Summary: The California Fair Employment and Housing Act establishes the Civil Rights Department within the Business, Consumer Services, and Housing Agency and requires the department to, among other things, bring civil actions to enforce the act. Current law requires, on or before September 1, 2024, the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. This bill would generally regulate the development and deployment of an automated decision system (ADS) used to make consequential decisions, as defined. The bill would define “automated decision system” to mean a computational process derived from machine learning, statistical modeling, data analytics, or artificial intelligence that issues simplified output, including a score, classification, or recommendation, that is designed or used to assist or replace human discretionary decision making and materially impacts natural persons. This bill would require a developer of a covered ADS, as defined, to take certain actions, including conduct impact assessments of the covered ADS and provide deployers to whom the developer transfers the covered ADS with certain information, including a high-level summary of the results of those impact assessments.

AB 1145 (**Gonzalez, Jeff, R**) **Vehicles: local regulation: Department of Transportation.**

Introduced: 02/20/2025 (Spot bill)

Last Amended: 06/17/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 12. Noes 0.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/30/2026 - Senate Appropriations

Summary: Existing law authorizes local authorities, for those highways under their jurisdiction, to adopt rules and regulations by ordinance or resolution, on various matters, including regulating traffic by means of specified official traffic control devices and prohibiting the use of particular highways by certain vehicles. Existing law authorizes specified proposed ordinances or resolutions to be effective as to any state highway or part thereof if the proposed ordinance or resolution is submitted to the Department of Transportation approval prior to the enactment, as specified. This bill would require the Department of Transportation, when reviewing and approving or rejecting an ordinance or resolution that has been submitted to the department for approval by a local authority, to consider the costs of the proposed ordinance or resolution compared to any possible alternative solution to the issue that the proposed ordinance or resolution is addressing and to provide written reasons and justifications for a rejection.

AB 1237 (McKinnor), which pertained to swimming pool safety, building codes, and specific condo/hotel room balcony or patio rules, has been re-referred to the Committee on Appropriations; therefore, this bill was removed from the matrix.

AB 1244 (Wicks), which pertained to CEQA transportation impact mitigation for the Transit-Oriented Development Implementation Program, has not yet advanced to floor consideration; therefore, this bill was removed from the matrix.

AB 1331 (**Elhawary, D**) **Workplace surveillance.**

Introduced: 02/21/2025

Last Amended: 09/04/2025

Status: 09/13/2025 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2025)(May be acted upon Jan 2026)

Location: 09/13/2025 - Senate 2 YEAR

Summary: Current law establishes the Division of Labor Standards Enforcement within the Department of Industrial Relations. Current law authorizes the division, which is headed by the Labor Commissioner, to enforce the Labor Code and all labor laws of the state the enforcement of which is not specifically vested in any other officer, board or commission. This bill would limit the use of workplace surveillance tools, as defined, by employers, including by prohibiting an employer from monitoring or surveilling workers in employee-only, employer-designated areas, as specified. The bill would provide workers with the right to leave behind workplace surveillance tools that are on their person or in their possession when entering certain employee-only areas and public bathrooms and during off-duty hours, as specified. The bill would prohibit a worker from removing or physically tampering with any component of a workplace surveillance tool that is part of or embedded in employer equipment or vehicles.

AB 1337 (Ward), which pertained to removing the current exemption from the Information Practices Act of 1977 for many local public agencies (e.g., cities, counties, school districts), has stalled; therefore, this bill has been removed from the matrix.

AB 1383 **(McKinnor, D)** **Public employees' retirement benefits.**

Introduced: 02/21/2025

Last Amended: 07/01/2026

Status: 07/01/2026 - From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/24/2026 - Senate Appropriations

Summary: The Public Employees' Retirement Law (PERL) establishes the Public Employees' Retirement System (PERS) to provide a defined benefit to members of the system based on final compensation, credited service, and age at retirement, subject to certain variations. Existing law creates the Public Employees' Retirement Fund, which is continuously appropriated for purposes of PERS, including depositing employer and employee contributions. Under the California Constitution, assets of a public pension or retirement system are trust funds. The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. In this regard, PEPRA restricts the amount of compensation that may be applied for purposes of calculating a defined pension benefit for a new member, as defined, by restricting it to specified percentages of the contribution and benefit base under a specified federal law with respect to old age, survivors, and disability insurance benefits. Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations. This bill, for service performed on and after January 1, 2027, would prohibit the pensionable compensation for calendar year 2027 used to calculate the defined benefit paid to a new member of a retirement system subject to PEPRA who retires from the system from exceeding specified percentages of the contribution and benefit base under the specified federal law with respect to old age, survivors, and disability insurance benefits.

AB 1421 **(Wilson, D)** **Vehicles: Road Usage Charge Technical Advisory Committee.**

Introduced: 02/21/2025

Last Amended: 01/05/2026

Status: 01/29/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 49. Noes 21.) In Senate. Read first time. To Com. on RLS. for assignment.

Location: 01/29/2026 - Senate Rules

Summary: Current law requires the Chair of the California Transportation Commission to create a Road Usage Charge Technical Advisory Committee in consultation with the Secretary of Transportation to guide the development and evaluation of a pilot program assessing the potential for mileage-based revenue collection as an alternative to the gas tax system. Current law additionally requires the Transportation Agency, in consultation with the commission, to implement the pilot program, as specified. Current law repeals these provisions on January 1, 2027. This bill would require the commission, in consultation with the Transportation Agency, to consolidate and prepare research and recommendations related to a road user charge or a mileage-based fee system. The bill would require the commission to submit a report, as specified, on the research and recommendations described above to the appropriate policy and fiscal committees of the Legislature by no later than January 1, 2027.

AB 1564 (Ahrens, D) Employer-employee relations: confidential communications.

Introduced: 01/12/2026

Last Amended: 05/18/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 1.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Existing law that governs the labor relations of public employees and employers, including, among others, the Meyers-Milias-Brown Act, the Ralph C. Dills Act, provisions relating to public schools, and provisions relating to higher education prohibits employers from taking certain actions relating to employee organization, including imposing or threatening to impose reprisals on employees, discriminating or threatening to discriminate against employees, or otherwise interfering with, restraining, or coercing employees because of their exercise of their guaranteed rights. Those provisions of existing law further prohibit denying to employee organizations the rights guaranteed to them by existing law. This bill would prohibit a public employer from questioning a public employee, a representative of a recognized employee organization, or an exclusive representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization’s representation.

AB 1569 (Davies, R) Pupil safety: electric bicycle: safety and training program.

Introduced: 01/12/2026

Last Amended: 04/13/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 13. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Would require, on or before March 1, 2028, the State Department of Education, in consultation with the Department of the California Highway Patrol, to develop a standardized electric bicycle safety and training program for pupils in grades 7 to 12, inclusive, as provided. In developing the program, the bill would authorize the State Department of Education and the Department of the California Highway Patrol to collaborate with local law enforcement agencies or local governments that have implemented electric bicycle training programs already to ensure the program reflects proven best practices. The bill would encourage local educational agencies and parent organizations to offer training demonstrations to pupils and parents on electric bicycle operations in collaboration with local law enforcement agencies or local governments, as specified.

AB 1578 (Jackson, D) State and local officials: sexual harassment training and education: anti-hate speech training.

Introduced: 01/12/2026

Last Amended: 05/22/2026

Status: 06/23/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 3.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: The California Fair Employment and Housing Act makes specified employment practices unlawful, including the harassment of an employee directly by the employer or indirectly by agents of the employer with the employer's knowledge. Existing law requires a specified employer with 5 or more employees to, by January 1, 2021, provide at least 2 hours of classroom or other effective interactive training and education regarding sexual harassment to all supervisory employees and at least one hour of classroom or other effective interactive training and education regarding sexual harassment to all nonsupervisory employees in California and, after that date, once every 2 years. Existing law requires an employer to include prevention of abusive conduct as a component of that training and education. This bill would additionally require, beginning on January 1, 2028, for an employer that is a state agency or local agency that the above-described training and education include, as a component of the training and education for elected officials, anti-hate speech training, as described.

AB 1599 (Ahrens, D) Public transit: California Transit Stop Registry: transit datasets.

Introduced: 01/16/2026

Last Amended: 06/04/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 13. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Would require the Department of Transportation to create, on or before June 1, 2027, the California Transit Stop Registry as a centralized, statewide dataset of standardized information regarding transit stops that includes, but is not limited to, each transit stop's name, location, available amenities, and unique identifier, as specified.

AB 1608 (Wilson, D) Office of the Inspector General, High-Speed Rail.

Introduced: 01/20/2026

Last Amended: 03/10/2026

Status: 07/02/2026 - In committee: Hearing postponed by committee.

Location: 07/01/2026 - Senate Appropriations

Summary: Existing law creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state. Existing law creates the High-Speed Rail Authority Office of the Inspector General and authorizes the High-Speed Rail Authority Inspector General to initiate an audit or review regarding oversight related to delivery of the high-speed rail project undertaken by the authority and the selection and oversight of contractors related to that project. Existing law authorizes the Inspector General to select, appoint, and employ officers and employees necessary to carry out the functions of the office, as specified. This bill would rename the office as the Office of the Inspector General, High-Speed Rail and revise the title of the Inspector General as the Inspector General of the High-Speed Rail. This bill would authorize the Inspector General to adopt and make use of the classifications, associated salary ranges, and other forms of compensation established or otherwise used by other state agencies identified by the Inspector General as performing comparable oversight work, as specified.

<u>AB 1729</u> (<u>Lee, D</u>) State employment: telework programs.

Introduced: 02/05/2026

Last Amended: 05/18/2026

Status: 06/23/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 13. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Existing law requires every state agency to develop and implement a telecommuting plan as part of its telecommuting program in work areas where telecommuting is identified as being both practical and beneficial to the organization. Existing law requires the Department of General Services to establish a unit for purposes of overseeing telecommuting programs that is required to, among other things, develop and update policy, procedures, and guidelines to assist agencies in the planning and implementation of telecommuting programs. Existing law requires the department to establish criteria for evaluating the state's telecommuting program. Existing law defines "telecommuting" for purposes of those provisions. This bill would revise and recast those provisions. The bill would replace the term "telecommuting" with "telework," as defined. The bill would also require the Department of General Services to establish a telework dashboard that displays the cost-effectiveness and efficiency benefits of state telework programs.

AB 1736 (Pellerin), which pertained to prohibiting lobbyist employers from creating false impressions of public support or opposition or sending communications to state officials using fake identities or unauthorized names, was chaptered and enacted into law; therefore, this bill has been removed from the matrix.

<u>AB 1786</u> (<u>Harabedian, D</u>) Public contracts: best value construction contracting for counties, cities, and the San Gabriel Valley Council of Governments.

Introduced: 02/10/2026

Last Amended: 06/18/2026

Status: 06/30/2026 - Read second time. Ordered to third reading.

Location: 06/30/2026 - Senate THIRD READING

Summary: Existing law establishes a program to allow counties to select a bidder on the basis of best value, as defined, for construction projects in excess of $1,000,000. Existing law also authorizes counties to use a best value construction contracting method to award individual annual contracts, not to exceed $3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Existing law establishes procedures and criteria for the selection of a best value contractor and requires that bidders verify specified information under oath. Existing law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2029. Existing law repeals the program provisions on January 1, 2030. This bill would, instead, authorize a county, city, or the San Gabriel Valley Council of Governments to select a bidder on the basis of best value, as described above, for construction projects in excess of $500,000, would make various conforming changes to the above-described provisions, and would extend the operation of those provisions until January 1, 2032.

AB 1802 (Stefani, D) Land use: mitigation lands: endowments.

Introduced: 02/10/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Amend, and do pass as amended and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (July 1). Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: The Planning and Zoning Law authorizes a state or local public agency to authorize a governmental entity, a special district, a nonprofit organization, a for-profit entity, a person, or another entity to hold title to and manage an interest in property held for mitigation purposes, subject to certain requirements. Existing law authorizes a governmental entity, special district, or nonprofit organization that holds the property as described above to hold an endowment conveyed for the property, except as specified. Existing law subjects the holder of an endowment to certain requirements, including that the holder certify to the project proponent or the holder of the mitigation property or a conservation easement and the local or state agency that required the endowment that it meets specified requirements. Existing law repeals these provisions on January 1, 2027. This bill would delete the above repeal date, thereby extending those provisions indefinitely.

AB 1803 (Lowenthal, D) Employment: sexual harassment training and education: anti-hate speech training.

Introduced: 02/10/2026

Last Amended: 06/17/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 1.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Existing law requires a specified employer with 5 or more employees to, by January 1, 2021, provide at least 2 hours of classroom or other effective interactive training and education regarding sexual harassment to all supervisory employees and at least one hour of classroom or other effective interactive training and education regarding sexual harassment to all nonsupervisory employees in California and, after that date, once every 2 years. Existing law requires an employer to include prevention of abusive conduct as a component of that training and education. This bill would additionally require that, beginning January 1, 2028, the above-described training and education include, as a component of the training and education, anti-hate speech training.

AB 1837 **(González, Mark, D)** **Video imaging of parking violations.**

Introduced: 02/11/2026

Last Amended: 06/15/2026

Status: 06/30/2026 - Read second time. Ordered to third reading.

Location: 06/30/2026 - Senate THIRD READING

Summary: Existing law authorizes a public transit operator in the state, until January 1, 2027, and authorizes the City and County of San Francisco indefinitely, to enforce parking violations in specified transit-only traffic lanes and at transit stops through the use of video imaging, and to install automated forward facing parking control devices on city-owned public transit vehicles for the purpose of video imaging parking violations occurring in transit-only traffic lanes, as specified. Existing law requires a public transit operator, prior to issuing notices of parking violations, to issue warning notices for the first 60 days and to make a public announcement of the program. Existing law requires a designated employee, or a contracted law enforcement agency, to review video image recordings for the purpose of determining whether a parking violation occurred in a transit-only traffic lane or at a transit stop and to issue a notice of violation to the registered owner of a vehicle within 15 calendar days, as specified. Existing law makes these video image records confidential and provides that these records are available only to public agencies to enforce parking violations. Existing law requires a public transit operator that implements an automated enforcement system to enforce parking violations in transit-only traffic lanes and at transit stops to submit a report to specified committees of the Legislature by no later than January 1, 2025. This bill would extend the authorization for the use of video imaging to enforce parking and stopping violations until January 1, 2034. The bill would require that a public transit operator issue warnings for 60 days prior to issuing notices of violations when it uses video imaging for enforcement of a violation that it has not previously used video imaging to enforce. The bill would require a public transit operator that uses video imaging to enforce parking violations to report to the Legislature, as specified. The bill would exempt the City and County of San Francisco from this requirement.

AB 1838 **(Berman, D)** **Public contracts: local agencies: responsive bidders.**

Introduced: 02/11/2026

Last Amended: 06/11/2026

Status: 06/29/2026 - In committee: Referred to APPR. suspense file.

Location: 06/29/2026 - Senate APPR. SUSPENSE FILE

Summary: Existing law governs the procurement process for contracts of specified public entities. Existing law requires a local agency that requires that contracts be awarded to the lowest responsible bidder meeting, or making a good faith effort to meet, participation goals for minority, women, or disabled veteran business enterprises to provide in the general conditions under which bids will be received that any person making a bid or offer to perform a contract shall include specified information in that bid or offer. This bill would require a contractor, as a condition of submitting a bid to a local agency for a public works contract, to fully disclose any history of wage and hour violations, as specified, and provide supporting documentation, as described. The bill would authorize a contractor that fails to provide the required disclosures and supporting materials to be disqualified from the bid. The bill would require a local agency to establish a process for a contractor to appeal their bid disqualification, as specified.

AB 1883 (Bryan, D) Workplace surveillance tools.

Introduced: 02/12/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Would, with certain exceptions, prohibit an employer from using a workplace surveillance tool that uses artificial intelligence to, among other things, collect neural data or recognize an individual's emotional state. The bill would define an employer to include a governmental entity, including, among other entities, charter cities and the University of California. This bill would require the Labor Commissioner to enforce the bill's provisions, would authorize an employee to bring a civil action for specified remedies for a violation of the bill's provisions, and would authorize a public prosecutor to enforce the provisions. The bill would subject an employer who violates the bill's provisions to a civil penalty of up to $500 for each violation. The bill would define various terms for purposes of its provisions. This bill would exempt from its provisions the use of a tool to the extent that its use is to ensure safety or is reasonably necessary to comply with, a federal statute, federal regulation, or binding federal contract relating to the development of aircraft for use in the national airspace or the development of products or services for national security, military, space, or defense purposes. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

AB 1919 (Pellerin, D) Santa Cruz Metropolitan Transit District: transactions and use tax: qualified voter initiative.

Introduced: 02/12/2026

Status: 06/30/2026 - Read second time. Ordered to third reading.

Location: 06/30/2026 - Senate THIRD READING

Summary: Current law provides for the establishment of the Santa Cruz Metropolitan Transit District, with specified powers and duties related to the operation of public transit services serving the County of Santa Cruz. Current law, among other things, authorizes the board of directors of the district to impose transactions and use taxes in accordance with the Transactions and Use Tax Law by an ordinance approved by the electors voting on the measure at a special election called by the board of directors for that purpose. This bill would also authorize those special taxes to be imposed by a qualified voter initiative. The bill would require the special election for a tax measure proposed by the board of directors or a qualified voter initiative to be consolidated with a statewide general election by the board of supervisors of the County of Santa Cruz and would require the tax measure to be submitted to the voters in accordance with specified elections provisions.

AB 1944 (Lee, D) Zero-emission transit buses: axle weight.

Introduced: 02/13/2026

Status: 06/10/2026 - Read second time. Ordered to third reading.

Location: 06/10/2026 - Senate THIRD READING

Summary: Current law prohibits the maximum gross weight on any one axle of a bus from exceeding 20,500 pounds, except the maximum limit for the curb weight on any one axle of a transit bus procured through a solicitation process pursuant to which a solicitation was issued on or after January 1, 2019, is set at 22,000 pounds. Current law sets specified higher maximum limits up to 25,000 pounds for the curb weight on any one axle of an articulated transit bus or zero-emission transit bus procured through a solicitation process pursuant to which a solicitation was issued during specified periods between January 1, 2016, and December 31, 2021, inclusive, and sets the 22,000-pound maximum limit for an articulated transit bus or zero-emission transit bus procured through a solicitation process pursuant to which a solicitation was issued on or after January 1, 2022. This bill would, until January 1, 2032, establish specified higher weight limitations up to 25,000 pounds for zero-emission transit buses procured through a solicitation process pursuant to which a solicitation was issued at various specified periods between January 1, 2027, and December 31, 2031 inclusive.

AB 1947 (Ta, R) Surplus land.

Introduced: 02/13/2026

Last Amended: 06/08/2026

Status: 06/23/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Existing law requires each state agency, each year, to make a review of all proprietary state lands, except, among other categories of land, land held for highway purposes, over which it has jurisdiction to determine what land is in excess of its foreseeable needs and report thereon to the Department of General Services, including, among other things, land that is not currently being utilized, or is currently being underutilized, by the state agency for any ongoing state program. This bill would remove the exception for land held for highway purposes and specifically require the Department of Transportation to submit the report described above. The bill would require the report to include the market value of the properties reviewed by the agency.

AB 1961 (Ahrens, D) Civil actions: protective orders: workplace violence.

Introduced: 02/13/2026

Last Amended: 06/18/2026

Status: 06/29/2026 - In committee: Referred to APPR. suspense file.

Location: 06/29/2026 - Senate APPR. SUSPENSE FILE

Summary: Existing law authorizes an employer or collective bargaining representative of an employee who has suffered harassment, unlawful violence, or a credible threat of violence from any individual, to seek a workplace violence restraining order on behalf of the employee and, at the discretion of the court, any number of other employees at the workplace or at other workplaces of the employer. Existing law authorizes one or more representative parties to bring suit for the benefit of a class of parties if the question is one of a common or general interest, of many persons, or when the parties are numerous, and it is impracticable to bring them all before the court. This bill would authorize an employer to seek a workplace violence restraining order on behalf of all employees at the employer’s workplace or a location at which a group of employees perform their primary job duties if harassment, unlawful violence or a credible threat of violence is directed at that workplace or location.

AB 1976 (Wicks, D) Streets and highways: pedestrian and bicycle facilities.

Introduced: 02/13/2026

Last Amended: 06/17/2026

Status: 07/02/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (July 1). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/02/2026 - Senate Appropriations

Summary: Existing law grants the legislative body of a city certain powers with respect to city streets and highways, including the power to construct and maintain those streets and highways. Existing law grants the board of supervisors of a county general supervision, management, and control of county highways and authorizes the board of supervisors to lay out, construct, improve, and maintain county highways. This bill would prohibit a city or county from holding a community input meeting to reconsider, delay, or prevent implementation of a proposed pedestrian or bicycle safety project after that project has passed 90% design, as specified. After or upon the award of a contract for, or when county or city staff, as applicable, are directed to begin, the construction of a pedestrian or bicycle safety project, the bill would prohibit the city or county from terminating the project unless the city or county makes at least one specified finding at a public meeting.

AB 2002 (Solache, D) Local government assistance: Regional Early Action Planning Fund.

Introduced: 02/17/2026

Last Amended: 06/18/2026

Status: 06/29/2026 - In committee: Referred to APPR. suspense file.

Location: 06/29/2026 - Senate APPR. SUSPENSE FILE

Summary: The Planning and Zoning Law requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. That law requires the Department of Housing and Community Development, in consultation with each council of governments, to determine the existing and projected need for housing in each region and further requires the appropriate council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. Existing law establishes the Local Government Planning Support Grants Program, administered by the department, for the purpose of providing regions and jurisdictions with one-time funding, including grants for planning activities to enable jurisdictions to meet the sixth cycle of the regional housing need assessment, as provided. This bill would establish the Regional Early Action Planning Fund in the State Treasury for the purpose of providing councils of governments, regional entities, and jurisdictions with one-time funding, including grants for planning activities, to enable those entities to meet the 7th and subsequent cycles of the regional housing need assessment. The bill would require the department to allocate funds, upon appropriation by the Legislature, from the Regional Early Action Planning Fund to each council of governments or regional entity responsible for allocating regional housing need that applies and qualifies for those moneys, as specified. The bill would authorize a council of governments or regional entity to expend funds awarded for certain purposes, including for activities that support the development, improvement, or implementation of the methodology for the 7th and subsequent regional housing needs assessment cycles, and for providing jurisdictions with technical assistance, planning, temporary staffing, or consultant needs associated with updating local planning and zoning documents, as provided.

AB 2015 (Wicks, D) Department of Transportation: third-party navigation applications: study and report.

Introduced: 02/17/2026

Last Amended: 04/14/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 3.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Would require the Department of Transportation, in consultation with the Transportation Agency and local authorities, to conduct a comprehensive study on the impact of third-party navigation applications on the state highway system and local street and road networks. The bill would require the study to analyze how third-party navigation applications affect congestion displacement, local infrastructure, safety metrics, and emergency response, as provided. The bill would require the department, on or before January 1, 2028, to submit the study, and a report of related policy recommendations for regulatory or legislative action to improve the alignment between third-party navigation applications and state and local traffic management goals, to the relevant fiscal and policy committees of the Legislature. The bill would repeal these provisions on January 1, 2032.

AB 2024 (Nguyen, D) Outdoor advertising displays: permits: landscaped freeways: relocation agreements.

Introduced: 02/17/2026

Last Amended: 06/15/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 13. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: The Outdoor Advertising Act prohibits a person, as defined, from placing an advertising display within the areas affected by the act without a permit. The act prohibits the Department of Transportation from denying or delaying the acceptance of a permit application for a new advertising display along a portion of a new alignment of an interstate or primary highway on the basis that the highway project has not been accepted as complete if the section of highway is open to the use of the public for vehicular travel within 1,000 feet of the location specified in the permit application. This bill would also prohibit the department from denying or delaying the review, processing, or determination of a permit application described above.

AB 2033 (Papan), which pertained to job order contracting for cities, failed to meet committee deadlines; therefore, this bill was removed from the matrix.

AB 2051 (Wicks, D) Public resources: Coastal Resilience Permitting Working Group.

Introduced: 02/18/2026

Last Amended: 07/06/2026

Status: 07/06/2026 - From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (July 1). Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Would require the Secretary of the Natural Resources Agency, in consultation with the Secretary for Environmental Protection, to convene a Coastal Resilience Permitting Working Group for the purpose of developing a Coastal Resilience Permitting Roadmap for coastal resilience projects proposed in specified areas. The bill would require the Coastal Resilience Permitting Working Group to consist of representatives from federal, state, and local agencies, including, among others, the California Coastal Commission, the California Environmental Protection Agency, and the Department of Fish and Wildlife. The bill would, on or before January 1, 2028, require the Secretary of the Natural Resources Agency to submit the Coastal Resilience Permitting Roadmap to the Governor and the relevant fiscal and policy committees of the Legislature. The bill would require, on or before April 1, 2027, the Secretary of the Natural Resources Agency, in collaboration with the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, the Department of Fish and Wildlife, and the California Regional Water Quality Boards with jurisdiction over the coast and the San Francisco Bay, to convene a Coastal Resilience Permit Advisory Group to support the deliberations of the Coastal Resilience Permitting Working Group.

AB 2059 (Wilson, D) California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation.

Introduced: 02/18/2026

Last Amended: 04/22/2026

Status: 07/02/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 0.) (July 1). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/02/2026 - Senate Appropriations

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA requires the Office of Land Use and Climate Innovation to prepare, develop, and transmit to the Secretary of the Natural Resources Agency for certification and adoption proposed revisions to the CEQA implementation guidelines to establish criteria for determining the significance of transportation impacts of projects within transit priority areas, and requires the criteria to promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses. CEQA requires the office to recommend potential metrics, including, among other metrics, vehicle miles traveled, to measure these transportation impacts. This bill would, except as provided, specify that a transportation project is presumed to have a less than significant transportation impact as determined by the vehicle-miles-traveled metric if at least 80% of the project lies within one or more nonmetropolitan counties.

AB 2066 (Rodriguez, Celeste, D) Triggering event: pregnancy.

Introduced: 02/18/2026

Status: 06/25/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (June 24). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/25/2026 - Senate Appropriations

Summary: Existing law provides for the regulation of disability insurers by the Department of Insurance. Existing law requires a health care service plan or disability insurer to allow an individual to enroll in or change their health benefit plan as a result of a specified triggering event. This bill would make pregnancy a triggering event for purposes of enrollment or changing a health benefit plan. Because a willful violation of this provision by a health care service plan would be a crime, the bill would impose a state-mandated local program.

AB 2069 (Krell, D) Sales and Use Tax Law: exemption: fairgrounds.

Introduced: 02/18/2026

Last Amended: 04/20/2026

Status: 05/14/2026 - Joint Rule 62(a), file notice suspended. In committee: Held under submission.

Location: 05/13/2026 - Assembly APPR. SUSPENSE FILE

Summary: Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes. This bill, the Fairground Act for Investment and Revitalization, on and after January 1, 2027, and before January 1, 2032, would exempt the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, tangible personal property for use in the construction, development, or ongoing operation of a qualified project, defined to mean a new development project, or new phase of an existing project, that is located on the land of a fairground, undertaken pursuant to a written agreement and approved by a governing body of a fairground, as provided.

AB 2074 **(Haney, D)** **Regional transit hub districts: downtown housing developments.**

Introduced: 02/18/2026 (Spot bill)

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (July 1). Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/02/2026 - Senate Appropriations

Summary: The Planning and Zoning Law generally regulates local government zoning and approval of certain types of housing development projects. The law authorizes a development proponent to submit an application for a development that is subject to a prescribed ministerial approval process if the development complies with certain procedural requirements and satisfies specified objective planning standards. The law also requires a housing development project within a specified distance of a transit-oriented development stop to be an allowed use as a transit-oriented housing development on any site zoned for residential, mixed, or commercial development, if the development complies with specified requirements, as applicable. This bill would, by July 1, 2027, require major transit cities to designate one or more regional transit hub districts and prescribe requirements for those districts, including requiring that a district make a downtown housing development an allowable use, as specified. The bill would define “downtown housing development” as a housing development project within a regional hub district that meets certain conditions, including that it meets specified labor standards. The bill would prescribe requirements for the developments, including that the developments are eligible for streamlined ministerial approval, as specified. The bill would require the California Housing Finance Agency to conduct a housing construction loan and financing study that includes specified components and deliver that study to the Legislature and specified committees by December 1, 2027, as specified.

AB 2168 **(Wicks, D)** **Active Transportation Program: guidelines.**

Introduced: 02/18/2026

Last Amended: 06/22/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 4.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/30/2026 - Senate Appropriations

Summary: Existing law requires the California Transportation Commission to develop guidelines and project selection criteria for the Active Transportation Program, including guidelines with regard to project eligibility that include, among other project types, safe routes to transit projects that will encourage transit by improving biking and walking routes to mass transportation facilities and schoolbus stops. This bill would, on and after January 1, 2028, instead require the guidelines with regard to project eligibility to include projects for safe routes to transit projects that encourage access to transit facilities and schoolbus stops by biking and walking, as specified, and projects that will expand access to transit in underserved or rural areas.

<u>AB 2263</u> (<u>Kalra, D</u>) Santa Clara Valley Transportation Authority: employee housing: transit-oriented joint development projects.

Introduced: 02/19/2026

Last Amended: 06/18/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 0.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/30/2026 - Senate Appropriations

Summary: Existing law establishes the Santa Clara Valley Transportation Authority (VTA) in order to meet the public transit problems of the County of Santa Clara. Existing law authorizes the VTA to purchase or otherwise acquire property for transit-oriented joint development projects, as provided. This bill would authorize the VTA to similarly purchase or acquire property for an employee housing project, as defined, for VTA employees and members of the public, as specified. The bill would authorize the VTA to construct affordable rental housing for employees and affordable for-sale housing that promotes housing opportunities for VTA employees, as specified.

<u>AB 2272</u> (<u>Caloza, D</u>) State contracting: subcontractors: prompt payment.

Introduced: 02/19/2026

Last Amended: 04/16/2026

Status: 06/23/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: The California Prompt Payment Act requires a state agency that acquires property or services pursuant to a contract with a business to make payment to the person or business on the date required by the contract and as specified, or be subject to a late payment penalty. Existing law requires state agencies to encourage claimants to promptly pay their subcontractors and suppliers, especially those that are small businesses. This bill would authorize a subcontractor or supplier performing work under a state contract to request payment status information from the awarding state agency regarding invoices submitted by the prime contractor, and would require a prime contractor to provide confirmation to the awarding agency, upon the agency’s request, regarding payments made to subcontractors.

<u>AB 2307</u> (<u>Sanchez, R</u>) Transportation: traffic signal synchronization pilot program: Western Riverside Council of Governments.

Introduced: 02/19/2026

Last Amended: 04/06/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 13. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Would, until January 1, 2032, authorize the Western Riverside Council of Governments, in required coordination with the Department of Transportation, to establish and administer a traffic signal synchronization pilot program for its member local agencies to evaluate a regional model for coordinating traffic signal timing between state highways and local street and road systems, as specified. The bill would require the Western Riverside Council of Governments, in coordination with the department, to evaluate the effectiveness of the pilot program, including assessing its impacts on congestion, travel time reliability, operational efficiency, and vehicle emissions and to submit, on or before January 1, 2028, a specified report to the Legislature relating to the pilot program. This bill would make legislative findings and declarations as to the necessity of a special statute for the local agencies that constitute the Western Riverside Council of Governments.

AB 2346 (Wilson, D) Vehicles: electric bicycles and speed limits.

Introduced: 02/19/2026

Last Amended: 06/18/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 12. Noes 0.) (June 23). Re-referred to Com. on JUD. Withdrawn from committee. Referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/24/2026 - Senate Appropriations

Summary: Existing law defines an electric bicycle as a bicycle equipped with fully operable pedals and an electric motor of less than 750 watts, and classifies electric bicycles into 3 classes with different restrictions for various purposes. This bill would require all class 2 electric bicycles manufactured, sold, or offered for sale on or after January 1, 2029, to be equipped with a speedometer. The bill would also require all electric bicycles manufactured, sold, or offered for sale on or after January 1, 2029, to be equipped with an integrated or detachable front lamp and a rear lamp, as specified. The bill would also require sellers and distributors of electric bicycles to disclose specified information at or before the point of sale.

AB 2360 (Arambula, D) State agencies: governmental linguistics.

Introduced: 02/19/2026

Last Amended: 05/18/2026

Status: 06/23/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 14. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Existing law requires each department, commission, office, or other administrative agency of state government to write each document, as defined, that it produces in plain, straightforward language, avoiding technical terms as much as possible, and using a coherent and easily readable style. This bill would instead require each state agency, as described above, to write each document it produces after January 1, 2027, either digitally or in print, in plain language, as specified, and would define "plain language" for purposes of that provision. The bill would authorize a state agency, as described above, to use standards created by the Office of Data and Innovation that identify how a state agency incorporates plain language principles and practices.

AB 2372 (Hoover, R) Vehicles: tolls.

Introduced: 02/19/2026

Last Amended: 06/04/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 13. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Existing law provides for the exemption of authorized emergency vehicles from the payment of a toll or charge on a vehicular crossing, toll highway, or high-occupancy toll (HOT) lane when the authorized emergency vehicle is being driven under specified conditions, including, among others, the vehicle is displaying an exempt license plate and properly identified or marked as an authorized emergency vehicle, as specified. This bill would exempt a vehicle that is not displaying an exempt license plate if it is otherwise exempted from the above-described payment and is authorized as an emergency vehicle by the Department of the California Highway Patrol, as specified.

AB 2409 (Valencia, D) Digital assets: meme coins.

Introduced: 02/20/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Existing law prohibits a state officer or employee from engaging in any employment, activity, or enterprise that is clearly inconsistent, incompatible, in conflict with, or inimical to their duties. Existing law also prohibits specified local agency officers or employees from engaging in any employment, activity, or enterprise for compensation that is inconsistent, incompatible, or in conflict with, or inimical to, their duties, as specified. This bill would prohibit a public officer or public employee, as those terms are defined, from issuing a meme coin. The bill would prohibit a digital asset service provider, as defined, from listing for sale on behalf of, or for purchase by, a California resident a meme coin issued on or after January 1, 2027, that is offered by, or in partnership with, a federal public official or a state or local public officer.

AB 2411 (McKinnor, D) California Olympic and Paralympic Public Safety Command: agreements with state and local agencies.

Introduced: 02/20/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Existing law requires the Office of Emergency Services to establish the California Olympic and Paralympic Public Safety Command to facilitate the planning, resourcing, management, and delivery of safety and security at the 2028 Olympic and Paralympic Games in Los Angeles. Existing law repeals provisions relating to the 2028 Olympic and Paralympic Games on January 1, 2029. Existing law requires the Commission on Peace Officer Standards and Training to adopt rules establishing minimum standards relating to physical, mental, and moral fitness that govern the recruitment of certain peace officers. Existing law requires the commission to establish a certification program for certain peace officers, as provided. This bill would require the Office of Emergency Services to negotiate and enter into agreements to facilitate training, mutual cooperation, and sharing of information and resources related to the temporary deployment, as defined, of law enforcement personnel with other state and local agencies within and outside of the State of California for the purposes of ensuring public safety for the 2028 Olympic and Paralympic Games. The bill would prohibit out-of-state law enforcement personnel, as defined, to be deployed pursuant to these provisions unless specified conditions are met, including issuance of a temporary authorization by the commission, for the duration of the deployment, as provided, and a written memorandum of understanding between the command and the employing California law enforcement agency governing conditions the command deems necessary to ensure compliance with these provisions.

AB 2412 (Ta and Dixon), which pertained to state agencies, public communications, and generative artificial intelligence disclaimers, failed to meet committee deadlines; therefore, this bill was removed from the matrix.

AB 2413 (**Ransom, D**) **Large-format public advertisements: public expense.**

Introduced: 02/20/2026

Last Amended: 06/24/2026

Status: 06/30/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 5. Noes 0.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/30/2026 - Senate Appropriations

Summary: The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing and activities. The act defines “mass mailing” to mean over 200 substantially similar pieces of mail, and defines “mass electronic mailing” to mean sending more than 200 substantially similar pieces of electronic mail within a calendar month. The act prohibits a mass mailing from being sent at public expense if, among other things, the mailing features an elected officer affiliated with the agency that produces or sends the mailing, or includes the name, office, photograph, or other reference to the elected officer and is prepared or sent in cooperation, consultation, coordination, or concert with the elected officer. This bill would define “large-format public advertisement” as a billboard, wrap on a bus or other public transportation vehicle, advertisement affixed to a bus stop, and other public advertisements designated by the commission by regulation that are 24 inches by 36 inches or more in size. This bill would prohibit a large-format public advertisement from being published or displayed at public expense if, among other things, the advertisement includes the photograph of an elected officer affiliated with the agency that produces or purchases the large-format public advertisement.

AB 2484 (**Alvarez, D**) **San Diego Metropolitan Transit System: transactions and use tax: voter initiatives.**

Introduced: 02/20/2026

Last Amended: 05/18/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 4.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: The Mills-Deddeh Transit Development Act establishes the San Diego Metropolitan Transit Development Board, also known as the San Diego Metropolitan Transit System (MTS), governed by a 15-member board with specified powers and duties related to the operation of public transit services in the southern portion of the County of San Diego. The act authorizes MTS to impose a transactions and use tax of up to 0.5% for public transit purposes within its jurisdiction, or a portion of its jurisdiction, pursuant to the Transactions and Use Tax Law and subject to voter approval and various other requirements. This bill would also authorize those taxes to be imposed by a qualified voter initiative.

AB 2505 (Carrillo, D) Electrical corporations: hydrogen refueling stations.

Introduced: 02/20/2026

Last Amended: 06/30/2026

Status: 06/30/2026 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/24/2026 - Senate Appropriations

Summary: Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. Existing law requires each electrical corporation to file an advice letter for, and requires the commission to approve, a new tariff or rule that authorizes each electrical corporation to design and deploy all electrical distribution infrastructure on the utility side of the customer's meter for all customers installing separately metered infrastructure to support electric vehicle charging stations, other than those in single-family residences. This bill would require each electrical corporation, on or before April 1, 2027, to file an advice letter for, and require the commission, on or before September 1, 2027, to approve, a new or modified tariff or rule that authorizes the electrical corporation to design, construct, own, operate, and maintain all electrical distribution and service facilities located on the utility side of a customer's meter that are necessary to provide separately metered electrical service to hydrogen refueling stations, including hydrogen refueling stations located on premises that already receive electrical service for other uses. The bill would require that the tariff or rule authorize an electrical corporation to extend utility-side electrical distribution and service facilities from the existing distribution system to a dedicated revenue meter serving a heavy-duty hydrogen refueling station that serves vehicles that are 14,001 pounds or greater and authorize the installation of a dedicated revenue meter for the hydrogen refueling station load, as provided. The bill would require a facility installed pursuant to the tariff or rule to be treated, for cost allocation and customer contribution purposes, as line and service extensions, as provided.

AB 2512 (Valencia, D) Surplus Land Act: exemption: Angel Stadium.

Introduced: 02/20/2026

Last Amended: 03/19/2026

Status: 07/02/2026 - From committee: Do pass. To Consent Calendar. (Ayes 7. Noes 0.) (July 1).

Location: 07/01/2026 - Senate CONSENT CALENDAR

Summary: Existing law requires land to be declared either surplus land or exempt surplus land, as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures. Existing law establishes procedures for the disposal of surplus land, as provided. These procedures do not apply to the disposal of exempt surplus land. Existing law establishes various categories of exempt surplus land, as provided. This bill would require, if an exemption is granted to the City of Anaheim for the disposition of surplus land involving the sale or lease of Angel Stadium to the Los Angeles Angels, that any materials refer to that team as the Anaheim Angels. The bill would express the intent of the Legislature not to apply this requirement if the City of Anaheim is able to come to an agreement with the Major League Baseball team known as the Los Angeles Angels about their affiliation.

AB 2513 (Petrie-Norris, D) Wildfire: Regional Forest and Fire Capacity Program: local assistance grant program: regional landscape grants.

Introduced: 02/20/2026

Last Amended: 04/16/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Existing law requires the Wildfire and Forest Resilience Task Force, including the Natural Resources Agency, the California Environmental Protection Agency, the Office of Planning and Research, and the Department of Forestry and Fire Protection, in coordination with certain public agencies, to develop a comprehensive implementation strategy to track and ensure the achievement of the goals and key actions identified in California's Wildfire and Forest Resilience Action Plan, as provided. Existing law requires the task force, on or before March 1, 2026, and every 5 years thereafter, to update that action plan, as provided. Existing law establishes, in the Department of Conservation, a Regional Forest and Fire Capacity Program to support regional leadership to build local and regional capacity and develop, prioritize, and implement strategies and projects that create fire-adapted communities and landscapes, as provided. Existing law requires the department to, upon appropriation by the Legislature for purposes of the program, provide block grants to regional entities, as defined, to develop regional strategies that develop governance structures, identify wildfire risks, foster collaboration, and prioritize and implement projects within the region to achieve the goals of the program, as specified. Existing law authorizes the regional entities, as defined, to implement activities pursuant to this program, directly or by providing subgrants or contracts, and collaborative planning efforts with local entities to accomplish development of regional priority strategies, among other objectives. Existing law authorizes the department, department to, until July 1, 2025, to authorize advance payments of grants awarded pursuant to the program. This bill would authorize the Director of the Department of Conservation to directly award regional landscape grants to regional entities to implement the above-described regional priority strategies.

AB 2543 (Ransom, D) Emergency preparedness: fuel and transportation resources: assessment.

Introduced: 02/20/2026 (Spot bill)

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/30/2026 - Senate Appropriations

Summary: Existing law requires the Office of Emergency Services to include in the State Hazard Mitigation Plan an evaluation of risks from specified causes of a long-term electrical outage and, based on that analysis, requires the plan to identify cost-effective and feasible measures to lessen risks from those hazards, including, hardening the critical infrastructure of electrical utilities. This bill would require, on or before July 1, 2028, the Office of Emergency Services, in consultation with the State Energy Resources Conservation and Development Commission and the Office of Energy Infrastructure Safety, to submit an assessment to the relevant policy committees of the Senate and Assembly that (1) identifies and evaluates emergency types during which Californians' access to fuel and transportation resources may be limited in a manner that would impact public health and safety, (2) identifies fuel and transportation resources that are important to maintain during each emergency type based on specified factors, and (3) provides recommendations for actions the state should take in the event of an emergency to ensure that fuel and transportation resources necessary for public health and safety are available during the emergency, as provided.

AB 2552 (Ávila Farías, D) California Environmental Quality Act: Transit-Oriented Development Implementation Fund: contributions.

Introduced: 02/20/2026

Last Amended: 04/16/2026

Status: 04/29/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (April 29). Re-referred to Com. on APPR.

Location: 04/29/2026 - Assembly Appropriations

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. If a lead agency determines that a project will have a significant transportation impact, existing law authorizes the lead agency to mitigate the transportation impact to a less than significant level by helping to fund or otherwise facilitating housing or related infrastructure projects, including by contributing an amount, to be determined pursuant to guidance issued by the Office of Land Use and Climate Innovation, to the Transit-Oriented Development Implementation Fund for purposes of the Transit-Oriented Development Implementation Program. Existing law makes those moneys available to the Department of Housing and Community Development, upon appropriation by the Legislature, for the purpose of awarding funding for affordable housing or related infrastructure projects under the program in accordance with specified priorities. On or before July 1, 2026, and at least once every 3 years thereafter, existing law requires the office, in consultation with other state agencies, to issue guidance related to the implementation of these provisions, as provided. This bill would authorize a lead agency for a land use project to require an applicant to contribute to the Transit-Oriented Development Implementation Fund if certain cost conditions are met and the department and the office have validated the reductions in vehicle miles traveled that are attributable to the project, as specified.

AB 2560 (Schultz, D) Climate Action Plan for Transportation Infrastructure: goals.

Introduced: 02/20/2026

Last Amended: 04/15/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 4.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: Existing law establishes the Transportation Agency, which has the power of general supervision over specified state entities. Existing law requires the agency to develop and report on legislative, budgetary, and administrative programs to accomplish comprehensive, long-range, coordinated planning and policy formation in the matters of public interest related to the agency. This bill would establish specified goals for the Climate Action Plan for Transportation Infrastructure (CAPTI), consistent with state law.

AB 2576 **(Harabedian, D)** **Transit-oriented development: exclusions: historic sites.**

Introduced: 02/20/2026

Last Amended: 06/15/2026

Status: 07/02/2026 - From committee: Do pass. (Ayes 7. Noes 0.) (July 1).

Location: 05/13/2026 - Senate SECOND READING

Summary: Existing law provides that a housing development project shall be an allowed use as a transit-oriented housing development if specified conditions and requirements are met. Existing law provides that these provisions do not apply to a local agency until July 1, 2026, unless the local agency adopts an ordinance or local transit-oriented development alternative plan, as defined, deemed compliant by the Department of Housing and Community Development before July 1, 2026. Existing law specifies that, beginning on January 1, 2027, a local government that denies a housing development project meeting the requirements referenced above that is located in a high-resource area is presumed to be in violation of specified law and immediately liable for specified penalties. Existing law specifies exclusions from the provisions described above, including, among other sites prior to one year following the adoption of the 7th revision of the housing element, a site with a historic resource designated as of January 1, 2025, on a local register. This bill would also exclude from the provisions described above, a contributing site within a historic district included on the State Historic Resources Inventory designated before January 1, 2025, and a parcel individually listed as a historical resource included on the State Historic Resources Inventory designated before January 1, 2025.

AB 2595 **(Papan, D)** **San Mateo Electric Bicycle Safety Pilot Program.**

Introduced: 02/20/2026

Last Amended: 06/15/2026

Status: 06/25/2026 - Read second time. Ordered to third reading.

Location: 06/25/2026 - Senate THIRD READING

Summary: Existing law defines an electric bicycle and classifies electric bicycles into 3 classes with different restrictions. Under existing law, a “class 1 electric bicycle” is a bicycle equipped with a motor that provides assistance only when the rider is pedaling and ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour. Under existing law, a “class 2 electric bicycle” is a bicycle equipped with a motor that may be used exclusively to propel the bicycle and is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour. Under existing law, a “class 3 electric bicycle” is a bicycle equipped with a speedometer and a motor that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour. Existing law prohibits a person under 16 years of age from operating a class 3 electric bicycle. This bill, the San Mateo Electric Bicycle Safety Pilot Program, would, until January 1, 2031, authorize a local authority within the County of San Mateo, or the County of San Mateo in unincorporated areas, to adopt an ordinance or resolution that would prohibit a person under 12 years of age from operating a class 1 or 2 electric bicycle. For the first 60 days following the adoption of an ordinance or resolution for this purpose, the bill would make a violation of the ordinance or resolution punishable by a warning notice. After 60 days, the bill would make a violation of the ordinance or resolution punishable by a fine of $25, except as specified. This bill would make a parent or legal guardian with control or custody of an unemancipated minor who violates the ordinance or resolution jointly and severally liable with the minor for the amount of the fine imposed.

AB 2656 (Petrie-Norris, D) Public employees: notice: artificial intelligence performing service within scope of work.

Introduced: 02/20/2026

Last Amended: 07/01/2026

Status: 07/01/2026 - Read second time and amended. Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/29/2026 - Senate Appropriations

Summary: Executive Order No. N-12-23 requires specified state agencies, in collaboration with other state agencies and their workforce, to draft a report to the Governor examining the most significant, potentially beneficial use cases for deployment of generative artificial intelligence (GenAI) tools by the state. The executive order requires the report to explain the potential risks to individuals, communities, and government and state government workers, and requires the report to be regularly assessed and updated in consultation with, among others, the state government workforce or organizations that represent state government employees, as specified. Chapter 928 of the Statutes of 2024, the Generative Artificial Intelligence Accountability Act, requires specified state agencies to update the report, as needed, to respond to significant developments and to consult with specified parties, including organizations that represent state exclusive employee representatives. This bill would require certain state and local public employers to provide written notice to a recognized employee organization at least 45 days before taking an action to develop, purchase, or require the use of GenAI to perform a service that is within the scope of work of the job classification represented by the recognized employee organization.

AB 2717 (Caloza, D) Outdoor advertising displays: arenas: exemptions.

Introduced: 02/20/2026

Last Amended: 06/11/2026

Status: 06/24/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 12. Noes 1.) (June 23). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 06/23/2026 - Senate Appropriations

Summary: The Outdoor Advertising Act provides for the regulation by the Department of Transportation of advertising displays, as defined, within view of public highways. The act exempts from most of its provisions an advertising display used exclusively to advertise products, goods, or services that are either sold on the premises of an arena or marketed or promoted on the premises of an arena if, among other conditions, the arena has been authorized, as of January 1, 2021, by, or in accordance with, a local ordinance, including, but not limited to, a specific plan or sign district adopted in connection with the approval of the arena, as provided. The act requires an advertising display that is located on the premises of an arena and that was erected pursuant to the exemption also to be authorized by, or in accordance with, an ordinance, including, but not limited to, a specific plan or sign district, as provided. This bill would similarly exempt from most provisions of the act an advertising display used exclusively to advertise products, goods, or services that are either sold on the premises of an arena or marketed or promoted on the premises of the arena if, among other conditions, the arena has been authorized, as of January 1, 2032, by, or in accordance with a local ordinance or other discretionary approval, including, but not limited to, a specific plan or sign district that benefits the arena, as specified. The bill would require, before one of these advertising displays may be placed, a determination from the department or the Federal Highway Administration that the display will not cause a reduction in federal aid funds or otherwise be inconsistent with federal law, federal regulations, or an agreement between the state and a federal agency or department, as specified. This bill would limit both of these exemptions to an arena that is fully constructed or under construction on or before January 1, 2027.

AB 2788 (**Committee on Transportation**) **Transportation: omnibus bill.**

Introduced: 03/16/2026

Last Amended: 06/17/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 13. Noes 0.) (June 30). Re-referred to Com. on APPR.

Calendar: 08/03/26 S-APPROPRIATIONS 10 a.m. - 1021 O Street, Room 2200 CERVANTES, SABRINA, Chair

Location: 07/01/2026 - Senate Appropriations

Summary: Existing law authorizes a city or county in which a planned transportation facility was to be located on State Highway Route 238 in the City of Hayward and the County of Alameda to develop and file with the California Transportation Commission a local alternative transportation improvement program that addresses transportation problems and opportunities in the county, and provides for the use of revenues from the sale of excess properties acquired for the planned state facility in order to fund the local alternative transportation improvement program. Existing law prohibits the commission from approving a local alternative transportation improvement program submitted under these provisions after July 1, 2010. Existing law requires revenues from excess property sales for State Highway Route 238 to be deposited into a separate account in the Special Deposit Fund, a continuously appropriated fund, to be available for expenditure by local agencies for projects designated in the local alternative transportation improvement program. This bill would authorize the Alameda County Transportation Commission to file an amendment to the local alternative transportation improvement program for approval by the commission, and would authorize that amendment to propose to revise the projects listed in the program.

ACA 7 (**Jackson, D**) **Government preferences.**

Introduced: 02/13/2025

Last Amended: 06/10/2026

Status: 06/15/2026 - VOTE: Placed on suspense file (PASS)

Location: 06/15/2026 - Senate APPR. SUSPENSE FILE

Summary: The California Constitution, pursuant to provisions enacted by the Proposition 209, an initiative measure adopted by the voters at the November 5, 1996, statewide general election, prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting, as specified. This measure would, instead, limit the above prohibition to the operation of public employment, higher education admissions and enrollment, and public contracting. The measure would require that it appear on the ballot at the November 7, 2028, statewide general election.

ACA 12 (**Wallis, R**) **Road usage charges: vote and voter approval requirements.**

Introduced: 03/26/2025

Status: 03/27/2025 - From printer. May be heard in committee April 26.

Location: 03/26/2025 - Assembly PRINT

Summary: The California Constitution requires any change in state statute that increases the tax liability of any taxpayer to be imposed by an act passed by 2/3 of the membership of each house of the Legislature and prohibits specified taxes on real property from being so imposed. For these purposes, the California Constitution defines a “tax” as any state levy, charge, or exaction, except as described in certain exceptions. The California Constitution describes one of those exceptions as a charge imposed for entrance to or use of state property, or the purchase, rental, or lease of state property, except charges governed by a specified provision of the California Constitution. This measure, on or after its effective date, would provide that the exception described above does not include a road usage charge, as described, thereby requiring the imposition of this type of charge to be subject to the 2/3 vote requirement.

ACA 13 (DeMaio, R) Public finance: Balanced Budget Accountability Act of 2025.

Introduced: 04/22/2025

Status: 04/23/2025 - From printer. May be heard in committee May 23.

Location: 04/22/2025 - Assembly PRINT

Summary: The California Constitution generally requires appropriations from the General Fund to be enacted in a bill passed by a 2/3 vote in each house of the Legislature. Notwithstanding that requirement, the California Constitution authorizes the budget bill, other bills providing for appropriations related to the budget bill, and bills that make General Fund appropriations for the public schools, to be passed by a majority vote. This measure would repeal the exceptions to the requirement that a bill making General Fund appropriations must be passed by a 2/3 vote, thereby requiring any bill that makes General Fund appropriations to be passed by a 2/3 vote.

ACA 16 (Ellis, R) Budget bill: balanced budget: Members of the Legislature: salaries.

Introduced: 01/07/2026

Status: 01/08/2026 - From printer. May be heard in committee February 7.

Location: 01/07/2026 - Assembly PRINT

Summary: The Constitution requires the Legislature to include that revenue estimate in the budget bill. The Constitution also requires the Legislature to pass a budget bill by midnight on June 15 of each year. If that deadline is not met, the Members of the Legislature forfeit any salary or reimbursement for travel or living expenses from midnight on June 15 until the day that the budget bill is presented to the Governor. This measure would authorize the Controller, no later than 30 days after the date of the budget bill's passage, to determine that the budget bill violates the balanced budget provision. If the Controller makes that determination, the Members of the Legislature and the Governor would forfeit their salary and reimbursement for travel or living expenses from the day immediately following the date on which the Controller makes the determination until the date on which a budget bill is enacted.

SB 74 (Seyarto, R) Office of Land Use and Climate Innovation: Infrastructure Gap-Fund Program.

Introduced: 01/15/2025

Last Amended: 04/07/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 7/2/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Assembly 2 YEAR

Summary: Current law establishes the Office of Land Use and Climate Innovation in the Governor's office for the purpose of serving the Governor and the Governor's cabinet as staff for long-range planning and research and constituting the comprehensive state planning agency. Current law authorizes a local agency to finance infrastructure projects through various means, including by authorizing a city or county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. This bill would require the office, upon appropriation by the Legislature, to establish the Infrastructure Gap-Fund Program to provide grants to local agencies for the development and construction of infrastructure projects, as defined, facing unforeseen costs after starting construction. The bill would authorize the office to provide funding for up to 20% of a project's additional projected cost, as defined, after the project has started construction, subject to specified conditions, including, among other things, that the local agency has allocated existing local tax revenue for at least 45% of the initially budgeted total cost of the infrastructure project. When applying to the program, the bill would require the local agency to demonstrate challenges with completing the project on time and on budget and how the infrastructure project helps meet state and local goals, as specified.

SB 239 (Arreguín, D) Crimes: criminal threats.

Introduced: 01/30/2025

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 07/01/2026 - Assembly Appropriations

Summary: Existing law makes it a crime to willfully threaten to commit a crime that will result in death or great bodily injury to another person, as specified. Under existing law, this crime is punishable as a misdemeanor or by imprisonment in state prison as a felony. Existing law, for the purposes of sentencing for a felony violation of these provisions, authorizes the court to consider, as a factor in aggravation, that the defendant willfully threatened to commit a crime that would result in the death or great bodily injury of a state constitutional officer, a Member of the Legislature, or a judge or court commissioner, as specified. This bill would additionally authorize the court to consider, as a factor in aggravation, that the defendant willfully threatened to commit a crime that would result in the death or great bodily injury of an elections official of a city, county, city and county, or public district, or an elected local agency official, as specified.

SB 431 (Arreguín, D) Assault and battery: utility workers.

Introduced: 02/18/2025

Last Amended: 07/03/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 7/16/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Assembly 2 YEAR

Summary: Would make an assault or battery committed against a utility worker, as defined, who is engaged in the performance of their duties punishable by imprisonment in a county jail not exceeding one year, by a fine not exceeding $2,000, or by both that fine and imprisonment. By expanding the scope of these crimes, this bill would impose a state-mandated local program.

SB 445 (Wiener, D) High-speed rail: third-party agreements, permits, and approvals: regulations.

Introduced: 02/18/2025

Last Amended: 07/17/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Assembly 2 YEAR

Summary: Current law creates the High-Speed Rail Authority Office of the Inspector General (office) and authorizes the High-Speed Rail Authority Inspector General (inspector general) to initiate an audit or review regarding oversight related to delivery of the high-speed rail project undertaken by the authority and the selection and oversight of contractors related to that project. Current law requires the inspector general to submit annual reports to the Legislature and Governor regarding its findings. This bill would require the authority, on or before July 1, 2026, to develop and adopt internal rules, as defined, setting forth standards and timelines for the authority to engage utilities to ensure coordination and cooperation in relocating utility infrastructure or otherwise resolving utility conflicts affecting the delivery of the high-speed rail project. The bill would require the authority to ensure that the internal rules, among other things, identify the circumstances under which the authority would be required seek to enter into a cooperative agreement with a utility that, where relevant, identifies who is responsible for specific utility relocations, as specified.

SB 508 (Valladares), which pertained to amending CEQA to strengthen transportation impact mitigation requirements, has stalled; therefore, this bill was removed from the matrix.

SB 526 (Perez), which pertained to health facilities and affiliate clinic licensing, has stalled; therefore, this bill was removed from the matrix.

SB 545 (Cortese, D) High-speed rail: economic opportunities.

Introduced: 02/20/2025

Last Amended: 06/27/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Assembly 2 YEAR

Summary: Would require the Governor's Office of Business and Economic Development, on or before January 1, 2027, to commission a study on economic opportunities along the corridor of the California high-speed rail project, as defined, and other high-speed rail projects in California that are planned to directly connect to the California high-speed rail project, as provided, and to submit a progress report to the chairpersons of the Senate Committee on Transportation and the Assembly Committee on Transportation for input. The bill would require, on or before January 1, 2028, the study to be completed and a report on the study's findings and recommendations to be submitted to the appropriate policy and fiscal committees of the Legislature. The bill would require an infrastructure district, as defined, that uses its revenue to finance the construction of the high-speed rail project to dedicate a majority of its revenue to infrastructure projects within the jurisdiction of the local agencies that establish the district.

SB 549 (Allen), which pertained to expanding the definition of heritage schools, failed to meet fiscal committee deadlines; therefore, this bill was removed from the matrix.

SB 563 (Valladares, R) State parks: Off-highway Motor Vehicle Recreation: grants: eligible applicants.

Introduced: 02/20/2025

Last Amended: 03/26/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 7/2/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Assembly 2 YEAR

Summary: The Off-Highway Motor Vehicle Recreation Act of 2003 creates the Division of Off-Highway Motor Vehicle Recreation and requires the division to develop and implement a grant and cooperative agreement program for specified purposes, including to support the planning, acquisition, development, maintenance, administration, operation, enforcement, restoration, and conservation of trails, trailheads, areas, and other facilities associated with use of off-highway motor vehicles. Under current law, eligible grant and cooperative agreement applicants include, among others, cities, counties, districts, state agencies, agencies of the United States, and federally recognized and state-recognized Native American tribes, as specified. This bill would expand eligible grant and cooperative agreement applicants to include special districts that employ sworn personnel, as provided.

SB 569 (Blakespear, D) Bikeways: reversions and modifications.

Introduced: 02/20/2025

Last Amended: 06/24/2026

Status: 07/01/2026 - Read second time. Ordered to third reading.

Location: 07/01/2026 - Assembly THIRD READING

Summary: Existing law grants the legislative body of a city certain powers with respect to city streets and highways, including the power to construct and maintain those streets and highways. Existing law grants the board of supervisors of a county general supervision, management, and control of county highways and authorizes the board of supervisors to lay out, construct, improve, and maintain county highways. Existing law authorizes the governing body of a city, county, or local agency to, among other things, establish bikeways, as defined and classified. Existing law requires the Department of Transportation, in cooperation with county and city governments, to establish minimum safety design criteria for the planning and construction of each type of bikeway and of roadways where bicycle travel is permitted, and requires all city, county, regional, and other local agencies responsible for the development or operation of bikeways or roadways where bicycle travel is permitted to utilize the minimum safety design criteria. This bill would prohibit a bikeway constructed, in whole or part, using moneys from the State General Fund allocated to any city, county, regional, or other local agency from being reverted to a nonactive transportation use or modified in a manner that reduces the safety, accessibility, or mobility of nonmotorized users, for a minimum of 20 years from the date of the allocation or its actual useful life, as documented in its project design or local building or permit application materials, whichever is less.

SB 667 (Archuleta, D) Railroads: safety: report.

Introduced: 02/20/2025

Last Amended: 06/03/2026

Status: 07/01/2026 - July 1 set for first hearing. Placed on suspense file.

Location: 07/01/2026 - Assembly APPR. SUSPENSE FILE

Summary: Existing law requires the Public Utilities Commission to annually report to the Legislature on sites on railroad lines in the state that the commission finds to be hazardous, including a list of all railroad sites in the state that it determines pose a local safety hazard. Existing law authorizes the commission to submit in the annual report the list of railroad sites submitted in the immediate prior year annual report, and to amend or revise that list from the immediate prior year as necessary. In determining which railroad sites pose a local safety hazard, existing law requires the commission to consider, among other things, whether any local safety hazards at railroad sites have been eliminated or sufficiently remediated to warrant removal of the site from the list. This bill would require the commission, on or before July 1, 2029, to review the list of railroad sites and, in the annual report, to include an evaluation of each site on the list and determine whether changes in conditions, operations, or safety data warrant the removal, modification, or addition of any site.

SB 677 (Wiener-Caloza), which pertained to streamlining housing approvals and addressing delays in housing financing, particularly for affordable housing, failed to meet fiscal committee deadlines; therefore, this bill was removed from the matrix.

SB 739 (Arreguín, D) Transportation network companies: California Clean Miles Standard and Incentive Program.

Introduced: 02/21/2025

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (July 1). Read second time and amended. Re-referred to Com. on APPR.

Location: 07/02/2026 - Assembly Appropriations

Summary: The Passenger Charter-party Carriers' Act provides for the regulation of charter-party carriers of passengers by the Public Utilities Commission and includes specific requirements applicable to transportation network companies, which are defined as certain organizations that, using an online-enabled application or platform, connect passengers with drivers using a personal vehicle. The act establishes the California Clean Miles Standard and Incentive Program, which requires, by January 1, 2020, that the State Air Resources Board establish a baseline for emissions of greenhouse gases for vehicles used on the online-enabled applications or platforms by transportation network companies on a per-passenger-mile basis, as provided. The act requires, by January 1, 2021, that the state board establish, and the commission implement, annual targets and goals, in accordance with specified requirements, starting in 2023 for the reduction under that baseline for emissions of greenhouse gases per passenger mile driven on behalf of a transportation network company. The act makes a violation of the act, or an order or direction of the commission pursuant to the act, a crime. This bill would require, by January 1, 2028, the state board to adopt, and the commission to implement, updated annual targets and goals starting in 2029 for the reduction under that baseline for emissions of greenhouse gases per passenger mile driven on behalf of a transportation network company in accordance with specified requirements. The bill would prohibit the commission from finding a transportation network company in violation of the program under specified circumstances.

SB 741 (Blakespear, D) Low Carbon Transit Operations Program.

Introduced: 02/21/2025

Last Amended: 07/01/2026

Status: 07/01/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 06/29/2026 - Assembly Appropriations

Summary: Existing law creates the Low Carbon Transit Operations Program to provide operating and capital assistance for transit agencies to reduce the emissions of greenhouse gases and improve mobility. Existing law requires the Department of Transportation to administer the program and to adopt guidelines, in coordination with the State Air Resources Board, that describe the methodologies to be used by a recipient transit agency to demonstrate that proposed expenditures will meet specified program expenditure requirements and establish the reporting requirements for documenting ongoing compliance with those expenditure requirements. This bill would repeal the requirement for the department to adopt guidelines.

SB 769 (Caballero, D) The Golden State Infrastructure Corporation Act.

Introduced: 02/21/2025

Last Amended: 07/02/2025

Status: 09/04/2025 - Ordered to inactive file on request of Assembly Member Aguiar-Curry.

Location: 09/04/2025 - Assembly INACTIVE FILE

Summary: The Bergeson-Peace Infrastructure and Economic Development Bank Act authorizes the California Infrastructure and Economic Development Bank, governed by a board of directors, to make loans, issue bonds, and provide other financial assistance for various types of infrastructure and economic development projects. Current law establishes the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, to support the bank. This bill would enact the Golden State Infrastructure Corporation Act and would establish the Golden State Infrastructure Corporation, within the State Treasurer's Office, as a not-for-profit corporation for the purpose of administering the act and financing infrastructure projects. The bill would require the corporation to be governed by a board of directors, with a prescribed membership, and would require the business and affairs of the corporation to be managed by an executive director appointed by the Treasurer. This bill would prescribe the powers and duties of the corporation, including entering into financing transactions, borrowing money or issuing bonds, and setting and charging fees for obtaining financing from the corporation. Under the bill, the state would not in any way be liable for any obligation of the corporation, and the corporation would not be required to pay any taxes, except as provided.

SB 772 (Cabaldon, D) Infill Infrastructure Grant Program of 2019: applications: eligibility.

Introduced: 02/21/2025

Last Amended: 07/17/2025

Status: 08/28/2025 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/20/2025)(May be acted upon Jan 2026)

Location: 08/28/2025 - Assembly 2 YEAR

Summary: Existing law establishes the Infill Infrastructure Grant Program of 2019 (program), which requires the Department of Housing and Community Development, upon appropriation of funds by the Legislature, to establish and administer a grant program to allocate those funds to eligible applicants to fund capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project, qualifying infill area, or catalytic qualifying infill area. Existing law requires the department to administer a specified competitive application process for capital improvement projects for large jurisdictions, as defined. For these purposes, existing law defines a qualifying infill project to include a residential or mixed-use residential project located within an urbanized area on a vacant site where at least 75% of the perimeter of the site adjoins parcels that are developed with urban uses. This bill would expand the definition of qualifying infill project to include a residential or mixed-use residential project located within an urbanized area on a vacant site where at least 75% of the perimeter of the site adjoins parcels that have been previously developed with urban uses.

<u>SB 897</u> (<u>Choi, R</u>) Vehicles: abandoned vehicles.

Introduced: 01/16/2026

Status: 07/01/2026 - Read second time. Ordered to consent calendar.

Location: 06/29/2026 - Assembly CONSENT CALENDAR

Summary: Current law authorizes a county satisfying specified conditions to establish a service authority for the abatement of abandoned vehicles and to impose a $1 vehicle registration fee for the abatement of abandoned vehicles. The fees imposed and the moneys received by the service authority from the Abandoned Vehicle Trust Fund, a continuously appropriated fund, can only be used for the abatement, removal, and disposal of abandoned, wrecked, dismantled, or inoperative vehicles from private or public property. The service authority is authorized to adopt an ordinance establishing procedures for the abatement, removal, and disposal, as a public nuisance, of an abandoned, wrecked, dismantled, or inoperative vehicle and for the recovery of costs. This bill, notwithstanding these provisions, would authorize the City of Laguna Woods to use the amount of abandoned vehicle abatement funds received from the fee imposed by the service authority that formerly operated in the County of Orange, and the interest accrued thereon, for purposes of enforcing provisions of this code on public highways.

<u>SB 922</u> (<u>Laird, D</u>) Vehicles: local agency charges: use of streets or highways.

Introduced: 01/28/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Do pass as amended. (Ayes 8. Noes 2.) (July 1). Read second time and amended. Ordered to second reading.

Location: 07/02/2026 - Assembly SECOND READING

Summary: Existing law prohibits a local agency from imposing a tax, permit fee, or other charge for the privilege of using its streets or highways, other than a permit fee for an extralegal load unless the local agency had imposed the fee prior to June 1, 1989. This bill would explicitly state that a fee, charge, surcharge, or component thereof imposed upon the provider of, or ratepayer for, public services by or for a local agency to recover the cost of street maintenance and repair and other costs associated with the use of its streets, roads, or highways to provide those public services is not a tax, permit fee, or other charge that is prohibited by the provision described above. The bill would provide that nothing in the Vehicle Code prohibits a local agency from imposing or collecting this fee, charge, or surcharge.

SB 935 (Choi, R), which pertained to eliminating the sunset date for local design-build authority, has been passed and signed into law; therefore, it was removed from the matrix.

<u>SB 947</u> (<u>McNerney, D</u>) Employment: automated decision systems.

Introduced: 02/02/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 06/30/2026 - Assembly Appropriations

Summary: Existing law requires the Department of Technology to conduct, in coordination with other interagency bodies as it deems appropriate, a comprehensive inventory of all high-risk automated decision systems (ADS) that have been proposed for use, development, or procurement by, or are being used, developed, or procured by, any state agency. Existing law establishes the Labor and Workforce Development Agency, which is composed of various departments responsible for protecting and promoting the rights and interests of workers in California, including the Division of Labor Standards Enforcement, led by the Labor Commissioner, within the Department of Industrial Relations. This bill would prohibit an employer, as defined, from using an ADS to perform certain functions and would limit the purposes for and way in which an ADS may be used. The bill would authorize a worker to request, and require an employer to provide, a copy of the most recent 12 months of the worker’s own data primarily used by an ADS to make a disciplinary, termination, or deactivation decision, as specified. The bill would require an employer that primarily relied upon an ADS to make a disciplinary, termination, or deactivation decision to provide the affected worker with a written postuse notice, as specified. This bill would prohibit an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against any worker for taking certain actions asserting their rights under the bill.

SB 951 **(Reyes, D)** **Employment: technological displacement: notice.**

Introduced: 02/02/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 11. Noes 2.) (July 1). Read second time and amended. Re-referred to Com. on APPR.

Location: 07/02/2026 - Assembly Appropriations

Summary: Existing law establishes the Labor and Workforce Development Agency, which is composed of various departments responsible for protecting and promoting the rights and interests of workers in California, including the Division of Labor Standards Enforcement, led by the Labor Commissioner, within the Department of Industrial Relations. Existing law establishes the Employment Development Department (EDD), which is administered by the Director of Employment Development. Under existing law, the Director of Employment Development is vested with specified duties, purposes, responsibilities, and jurisdiction related to job creation activity functions, among other things. Existing law, the California Worker Adjustment and Retraining Act (Cal/WARN Act), prohibits an employer from ordering a mass layoff, relocation, or termination at a covered establishment unless, 60 days before the order takes effect, the employer gives written notice of the order to the employees affected by the order and to the EDD and certain local officials. Existing law makes an employer who fails to give specified notice regarding a mass layoff, relocation, or termination subject to a civil penalty of not more than $500 for each day of the employer's violation. This bill would revise the Cal/WARN Act to also require an employer giving notice of a mass layoff, relocation, or termination caused in whole or in substantial part by an artificial intelligence (AI) system or other automated technology replacing or automating employment positions to include certain information in the notice, including the job functions performed by workers that will be automated by AI.

SB 994 **(Cabaldon, D)** **Local agencies: nondisclosure agreements.**

Introduced: 02/05/2026

Last Amended: 06/22/2026

Status: 07/02/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 9. Noes 0.) (July 1). Re-referred to Com. on APPR.

Location: 07/02/2026 - Assembly Appropriations

Summary: Existing law, the legislative code of ethics, prohibits Members of the Legislature from entering into, or requesting that another party enter into, a nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation. Existing law also makes any nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation entered into after January 1, 2026, void and unenforceable. Existing law provides an exception for nondisclosure agreements, or portions thereof, that prevent only the disclosure of trade secrets, financial information, or proprietary information, as specified. This bill would prohibit a local agency official, as defined, acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to public business that precludes their ability to share information with fellow local agency officials serving on the same council, board, commission, district, or agency. The bill would require a local agency official in violation of that provision to, among other things, disclose the existence of the nondisclosure agreement, as specified, and would provide that these requirements imposed on a local agency official also apply to a local agency official acting in their official capacity who entered into, or requested that another individual enter into, a nondisclosure agreement described above before January 1, 2027.

<u>SB 1013</u> (<u>Cervantes, D</u>) Automated license plate recognition systems.

Introduced: 02/10/2026 (Spot bill)

Last Amended: 06/15/2026

Status: 07/02/2026 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 2.) (July 1). Re-referred to Com. on APPR.

Location: 07/02/2026 - Assembly Appropriations

Summary: Existing law prohibits a public agency, which includes the state, a city, a county, a city and county, or any agency or political subdivision of the state, a city, a county, or a city and county, including, but not limited to, a law enforcement agency, from selling, sharing, or transferring automated license plate recognition (ALPR) information, except to another public agency, and only as otherwise permitted by law. Existing law defines ALPR information as information or data collected through the use of an ALPR system. This bill would provide that “public agency” does not include a transportation agency, a public transit operator, or a local department of transportation or public works department, as specified. The bill would, beginning January 1, 2027, require new, updated, expansions of, or addendums of contractual agreements with ALPR vendors, manufacturers, or suppliers to mandate that no default access is provided to any national ALPR database and that an agency’s collected scans are by default not accessible to any other agency, and would impose new requirements on sharing between California state law enforcement agencies. The bill would authorize a law enforcement agency to use ALPR information only for purposes of locating vehicles or persons when either are reasonably suspected of being involved in the commission of a public offense or locating an individual who has been reported as missing to a law enforcement agency.

<u>SB 1035</u> (<u>Strickland, R</u>) Motor vehicle fuel tax: greenhouse gas reduction programs: suspension.

Introduced: 02/11/2026

Status: 03/18/2026 - March 18 set for first hearing. Failed passage in committee. (Ayes 2. Noes 2.) Reconsideration granted.

Location: 02/18/2026 - Senate Environmental Quality

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions to ensure that the statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. Pursuant to the act, the state board has adopted the Low Carbon Fuel Standard regulations. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Current law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. This bill would suspend the Low Carbon Fuel Standard regulations for one year. The bill would also exempt suppliers of transportation fuels from regulations for the use of market-based compliance mechanisms for one year.

SB 1046 (Blakespear, D) Occupational safety: transboundary pollution.

Introduced: 02/11/2026 (Spot bill)

Last Amended: 04/09/2026

Status: 07/01/2026 - July 1 set for first hearing. Placed on suspense file.

Location: 07/01/2026 - Assembly APPR. SUSPENSE FILE

Summary: The California Occupational Safety and Health Act of 1973 exists for the purpose of assuring safe and healthful working conditions for all California workers by authorizing the enforcement of effective standards, assisting and encouraging employers to maintain safe and healthful working conditions, and providing for research, information, education, training, and enforcement in the field of occupational safety and health. Existing law establishes the Occupational Safety and Health Standards Board within the Department of Industrial Relations for the adoption of occupational safety and health standards and establishes the Division of Occupational Safety and Health in that department for the enforcement of those occupational safety and health standards, as prescribed. This bill would require the division, on or before January 1, 2030, to propose to the board for its review and adoption, a standard that protects the health and safety of employees who risk high or prolonged exposure to transboundary pollution, as defined, in outdoor occupational environments, as specified. The bill would require the board to consider identifying an exposure threshold for hydrogen sulfide at which acute or chronic health effects occur to reference in the standards and may consider exposure thresholds for other relevant pollutants.

SB 1054 (Cabaldon, D) Unemployment insurance: reporting requirements.

Introduced: 02/12/2026

Last Amended: 06/18/2026

Status: 06/25/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 24). Re-referred to Com. on APPR.

Location: 06/24/2026 - Assembly Appropriations

Summary: Existing law provides for unemployment compensation benefits for eligible individuals in the state who are unemployed through no fault of their own. Existing law requires an employer, as defined, to make contributions for unemployment insurance premiums and to file specified reports with the Director of Employment Development, including, among other reports, a report of contributions, a quarterly return, and a report of wages paid, as specified. This bill would require the Employment Development Department to work with employers to enhance the reporting of employment and earning data, as specified, and, where feasible, to align and streamline definitions and requirements for the report of wages, deploy user-friendly application programming interfaces, and implement other means to simplify reporting processes. The bill would require, beginning July 1, 2027, every employer with 10 or more employees and every individual or organization that, as an agent, reports wages on behalf of one or more employers with 10 or more employees, as specified, to include in the report of wages, information on total monthly wage, industry, occupation, worker type, and hours worked for each employee, as provided. This bill would require the department, on or before July 1, 2027, to adopt and develop appropriate procedures for the sharing of hours worked and other necessary employment data to support employment-related verifications for initial eligibility for, and ongoing receipt of, public benefits, and to enable access to relevant wage data, as specified.

SB 1087 (Cabaldon, D) Transportation planning: sustainable communities strategies: transportation funding programs.

Introduced: 02/13/2026

Last Amended: 06/25/2026

Status: 06/30/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 2.) (June 29). Re-referred to Com. on APPR.

Location: 06/29/2026 - Assembly Appropriations

Summary: Existing law requires certain transportation planning agencies to prepare and adopt regional transportation plans directed at achieving a coordinated and balanced regional transportation system. Existing law requires a regional transportation plan to include a policy element, a sustainable communities strategy prepared by a metropolitan planning organization, an action element, and a financial element, as provided. Existing law requires those transportation planning agencies to adopt and submit every 4 years, except as provided, an updated regional transportation plan to the California Transportation Commission and the Department of Transportation. Existing law requires a sustainable communities strategy to achieve regional targets set by the State Air Resources Board for the reduction of greenhouse gas emissions from the automobile and light truck sector in the region for 2020 and 2035, respectively, and requires the state board to update those targets every 8 years, consistent with each metropolitan planning organization's timeframe for updating its regional transportation plan, as specified. Existing law establishes certain procedural requirements for setting and updating those targets and authorizes the state board to revise the targets every 4 years based on changes in specified factors. This bill would instead require, commencing with the first or 2nd regional transportation plan prepared on or after January 1, 2027, as determined by the applicable metropolitan planning organization, the regional transportation plan to include an 8-year sustainable communities strategy prepared by the metropolitan planning organization.

SB 1123 (Wiener), which pertained to the Starter Home Revitalization Act amendments, was chaptered and enacted into law; therefore, this bill has been removed from the matrix.

SB 1149 (Durazo, D) Employees: bereavement leave.

Introduced: 02/18/2026

Last Amended: 05/14/2026

Status: 07/01/2026 - July 1 set for first hearing. Placed on suspense file.

Location: 07/01/2026 - Assembly APPR. SUSPENSE FILE

Summary: Existing law makes it an unlawful employment practice for an employer to refuse to grant a request by any employee to take up to 5 days of bereavement leave upon the death of a family member, as defined, to refuse to hire, or to discharge, demote, fine, suspend, expel, or discriminate against, an individual because of the individual's exercise of the right to bereavement leave or because of the individual's giving information or testimony as to their own or another person's bereavement leave, or to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any of these rights, as specified. This bill would include a designated person identified by the employee, as specified, in the definition of "family member" and authorize an employer to limit an employee to one designated person per 12-month period for purposes of these provisions relating to bereavement leave.

SB 1159 (Cabaldon, D) Artificial intelligence: transparency and governance.

Introduced: 02/18/2026

Last Amended: 06/25/2026

Status: 07/02/2026 - Read second time. Ordered to third reading.

Location: 07/02/2026 - Assembly THIRD READING

Summary: The California Constitution provides that people have the right of access to information concerning the conduct of the people's business. Various provisions of existing law, including the California Public Records Act, the Legislative Open Records Act, the Bagley-Keene Open Meeting Act, and the Ralph M. Brown Act, provide, with some exceptions, for public access to government records and meetings of government bodies. Among those acts, the California Public Records Act defines "person" to include any natural person, corporation, partnership, limited liability company, firm, or association. This bill would specify that, for purposes of the California Public Records Act, the Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, the Legislative Open Records Act, the Administrative Procedure Act, the California Coastal Act of 1976, and CEQA, "person," "interested person," "participant," "member of the public," as applicable, and any other similar terms under each act referring to those who may engage with governmental agencies, do not include artificial intelligence, as defined, systems, autonomous agents, or robots, whether physical or digital.

SB 1167 (Blakespear, D) Vehicles: electric bicycles.

Introduced: 02/18/2026

Last Amended: 07/01/2026

Status: 07/01/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 06/29/2026 - Assembly Appropriations

Summary: Existing law defines an electric bicycle as a bicycle equipped with fully operable pedals and an electric motor that does not exceed 750 watts of power. Existing law classifies electric bicycles into 3 classes with different restrictions for various purposes, and requires, among other things, a class 3 electric bicycle to be equipped with a speedometer. Existing law prohibits certain vehicles that do not meet the definition of an electric bicycle from being advertised, sold, offered for sale, or labeled as an electric bicycle, as specified. This bill would amend the type of vehicles that are prohibited from being advertised, sold, offered for sale, or labeled as electric bicycles, including, among others, motor-driven cycles and mopeds.

SB 1172 (Hurtado, D) Bradley-Burns Uniform Local Sales and Use Tax Law: tax sharing agreements.

Introduced: 02/18/2026

Last Amended: 07/01/2026

Status: 07/02/2026 - Read second time. Ordered to third reading.

Location: 07/02/2026 - Assembly THIRD READING

Summary: Existing law prohibits a local agency from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of any tax revenue resulting from the imposition of a sales and use tax under the Bradley-Burns Uniform Local Sales and Use Tax Law to any person for any purpose when the agreement results in a reduction in the amount of revenue under the Bradley-Burns Uniform Local Sales and Use Tax Law that, in the absence of the agreement, would be received by another local agency and the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency. Existing law also requires a local agency entering into an agreement that results in a reduction of the amount of revenue under the Bradley-Burns Uniform Local Sales and Use Tax Law that, in the absence of the agreement, would be received by another local agency to take certain actions with respect to that agreement, including posting the proposed agreement on its internet website for at least 30 days prior to ratification or approval of that agreement by its governing body. This bill would prohibit a person from paying compensation to a consultant with respect to a specific tax sharing agreement, as defined, that exceeds the lower of 5% of the total tax revenues shared pursuant to the tax sharing agreement and $250,000. The bill would define a tax sharing agreement for this purpose to mean any agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of any tax revenue resulting from the imposition of a sales and use tax under the Bradley-Burns Uniform Local Sales and Use Tax Law to any person for any purpose.

SB 1174 (Valladares, R) Public contracts: Department of Transportation: bid preferences: employee stock ownership plans.

Introduced: 02/18/2026

Last Amended: 06/15/2026

Status: 07/01/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (June 30). Re-referred to Com. on APPR.

Location: 06/30/2026 - Assembly Appropriations

Summary: Existing law establishes the Department of Transportation and requires it to improve and maintain the state highways. Existing law authorizes the department to enter into any contracts required for the performance of its duties, as provided. Existing law establishes bid preferences in public contracting for certain types of bidders, including, but not limited to, small business and microbusiness bidders. This bill would, on and after January 1, 2028, require the department to provide certain bid preferences to a contractor or subcontractor with an employee stock ownership plan (ESOP) in which 30% or more is owned by the ESOP when the contractor or subcontractor bids or is part of a bid on a state-funded construction contract, as specified.

SB 1175 (Rubio, D) Lobbyist registration and termination.

Introduced: 02/18/2026

Last Amended: 06/18/2026

Status: 06/30/2026 - In Senate. Concurrence in Assembly amendments pending.

Location: 06/30/2026 - Senate CONCURRENCE

Summary: The Political Reform Act of 1974 requires individual lobbyists to prepare certifications, as specified, for filing with the Secretary of State. If any change occurs in the information contained in a lobbyist certification, or if a lobbyist terminates all activity that required certification, existing law requires the lobbyist to submit an amended certification or notice of termination to the lobbyist’s lobbying firm or lobbyist employer for filing with the Secretary of State within specified timelines. Existing law also requires lobbyist employers and other persons who make specified payments to influence legislative or administrative action to file reports containing information about themselves and about the type and amount of payments, as specified. Existing law requires the Secretary of State to develop an online filing and disclosure system that, once operative, must be used for the filing of these reports. This bill would instead require the lobbyist to submit the amended certification or notice of termination directly to the Secretary of State.

SB 1177 (Cortese), which pertained to amending Section 226 of the Labor Code to create an exemption from certain wage statement requirements for airline cabin crew members covered by the federal Railway Labor Act is still pending; therefore, this bill was removed from the matrix.

SB 1187 (Durazo, D) Open meetings.

Introduced: 02/19/2026

Last Amended: 07/06/2026

Status: 07/06/2026 - From committee: Do pass as amended. (Ayes 10. Noes 0.) (July 1). Read second time and amended. Ordered to second reading.

Location: 07/06/2026 - Assembly SECOND READING

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. Existing law, beginning July 1, 2026, requires eligible legislative bodies, as defined, to have in place a system for electronically accepting and fulfilling requests for meeting agendas and documents. Existing law additionally requires these legislative bodies to translate the agenda for each meeting of that body and to reasonably assist members of the public who wish to translate a public meeting or receive interpretation, as specified. This bill would instead delete the above-described requirements on eligible legislative bodies.

SB 1205 (Valladares, R) Public contracts: retention: architecture or engineering services.

Introduced: 02/19/2026

Last Amended: 04/09/2026

Status: 06/24/2026 - June 24 set for first hearing. Placed on suspense file.

Location: 06/24/2026 - Assembly APPR. SUSPENSE FILE

Summary: Existing law imposes various requirements regarding the formation, content, and enforcement of public works contracts. Existing law generally requires that retention proceeds withheld from payment by a public entity be released within 60 days after the date of completion of the work of improvement, except as specified in case of a dispute. Existing law limits the allowable amount of retention proceeds withheld in a contract between a public entity and the original contractor, a contract between the original contractor and a subcontractor, and a contract between subcontractors, as specified. Existing law defines “public entity” differently for these various purposes. This bill would prohibit any retention payments from exceeding 5% of the payment for contracts under design-bid-build, and amendments thereto, entered into on or after January 1, 2027, directly between a public entity and an individual or legal entity permitted by law to practice the profession of architecture or engineering.

SB 1213 (Reyes, D) Zero- and near-zero-emission medium- and heavy-duty vehicles: incentives: transparency.

Introduced: 02/19/2026

Last Amended: 07/01/2026

Status: 07/01/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 06/30/2026 - Assembly Appropriations

Summary: Existing law establishes the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, to be administered by the State Air Resources Board in conjunction with the State Energy Resources Conservation and Development Commission. The program funds eligible projects, including, among others, projects for technology development, demonstration, precommercial pilots, and early commercial deployments of zero- and near-zero-emission medium- and heavy-duty truck technology, including projects that help to facilitate clean goods movement corridors. Existing law establishes the Clean Transportation Program, administered by the Energy Commission, to provide, among other things, competitive grants and revolving loans to specified entities for those entities to develop and deploy innovative technologies that transform California’s fuel and vehicle types to help attain the state’s climate change policies. This bill would require, within the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, the state board and the Energy Commission, beginning January 1, 2027, to condition the inclusion of any medium- or heavy-duty vehicle model in specified incentive programs, including the Clean Transportation Program, on the receipt of the pricing data as specified.

SB 1228 (Rubio, D) Advertising displays: exemptions: redevelopment agency projects.

Introduced: 02/19/2026

Last Amended: 06/30/2026

Status: 06/30/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 06/24/2026 - Assembly Appropriations

Summary: The Outdoor Advertising Act prohibits, except as provided, placing or maintaining an advertising display on property adjacent to a portion of a freeway that has a specified coverage area of landscaping or trees at the same or elevated grade of the main-traveled way, as provided. The act does not prohibit a city, county, or city and county from designating the districts or zones in which an advertising display may be placed or prohibited as part of a land use or zoning ordinance. The act also does not prohibit a local governmental entity from entering into an agreement to relocate an advertising display for any purpose. This bill would exempt certain advertising displays developed within the boundary limits of, and as part of, an individual redevelopment agency project from the prohibition on placing or maintaining an advertising display on property adjacent to a portion of a freeway that has landscaping or trees, from a city’s, county’s, or city and county’s land use or zoning ordinance, and from a local governmental entity’s relocation agreement, as those are described above. The bill would require an advertising display subject to this exemption to remain in the same location and would prohibit the advertising display from being modified, as specified.

SB 1250 (Cortese, D) State highway system: wildlife connectivity.

Introduced: 02/19/2026

Last Amended: 05/14/2026

Status: 06/30/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 1.) (June 30). Re-referred to Com. on APPR.

Location: 06/30/2026 - Assembly Appropriations

Summary: Existing law vests the Department of Transportation (Caltrans) with full possession and control of the state highway system and requires Caltrans to improve and maintain the state highways. Existing law requires Caltrans, in consultation with the California Transportation Commission, to prepare a robust asset management plan to guide selection of projects for the state highway operation and protection program. Existing law requires the commission, in connection with the plan, to adopt targets and performance measures reflecting state transportation goals and objectives. This bill would require the targets and performance measures adopted by the commission to include targets and performance measures reflecting state transportation goals and objectives for wildlife connectivity assets that reflect the need for new assets and conditions of existing assets that improve or maintain the connectivity of wildlife crossings on the state highway system.

SB 1256 (Jones), which pertained to amending CEQA and the Subdivision Map Act to address overlapping legal claims, is currently engrossed and in progress; therefore, this bill was removed from the matrix.

SB 1266 (Stern, D) Crimes: theft.

Introduced: 02/19/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 07/01/2026 - Assembly Appropriations

Summary: The Safe Neighborhoods and Schools Act, enacted by Proposition 47, as approved by the voters at the November 4, 2014, statewide general election, requires the theft of property that does not exceed $950 to be punished as a misdemeanor, except as specified. Proposition 47 authorizes amendment of its provisions by a 2/3 vote of the Members of each house of the Legislature so long as the amendments are consistent with and further the intent of the act. Under existing law, it is grand theft to steal, take, or carry away copper materials of another valued at more than $950. This bill would amend Proposition 47 to require, for the purposes of this provision, value to be calculated as the cost to the victim to repair and replace the stolen materials, including equipment that was damaged or destroyed by the stealing, taking, or carrying away, as specified.

SB 1275 (McNerney, D) Sales and use tax exemption: vehicle license fee imposition: motor vehicles.

Introduced: 02/20/2026

Last Amended: 04/09/2026

Status: 05/14/2026 - May 14 hearing: Held in committee and under submission.

Location: 05/04/2026 - Senate APPR. SUSPENSE FILE

Summary: Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes. This bill would, on and after July 1, 2027, and before July 1, 2032, exempt from those taxes the gross receipts from the sale of, and the storage, use, or other consumption of a used motor vehicle sold by specified dealers or their affiliates or a new motor vehicle.

SB 1287 (Hurtado, D) Personal Income Tax Law: Corporation Tax Law: credits: shortline railroad expenditures and railroad infrastructure.

Introduced: 02/20/2026

Last Amended: 04/09/2026

Status: 05/14/2026 - May 14 hearing: Held in committee and under submission.

Location: 05/04/2026 - Senate APPR. SUSPENSE FILE

Summary: The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws. This bill, the Shortline Railroad Modernization Act of 2026, would allow credits against those taxes for each taxable year beginning on or after January 1, 2027, and before January 1, 2032, to a qualified taxpayer in an amount equal to 50% of the qualified shortline railroad expenditures and for each taxable year beginning on or after January 1, 2028, and before January 1, 2033, in an amount equal to 50% of the qualified new rail infrastructure expenditures, as defined and specified.

SB 1292 (Richardson), which pertained to an enhanced curb management system, is currently engrossed and in progress; therefore, this bill was removed from the matrix.

SB 1293 (Alvarado-Gil, R) State highways: projects: notice.

Introduced: 02/20/2026

Last Amended: 04/06/2026

Status: 06/30/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 15. Noes 0.) (June 29). Re-referred to Com. on APPR.

Location: 06/29/2026 - Assembly Appropriations

Summary: Would require the Department of Transportation to provide written notice of certain construction or maintenance projects within the right-of-way of a state highway in a county with a population of 60,000 people or fewer to a person who resides in, or a business that is located within, 5 miles of the project limits, as specified. The bill would also require the department to place the notice on its internet website.

SB 1324 (Blakespear, D) Passenger and freight rail: LOSSAN Rail Corridor: working group report.

Introduced: 02/20/2026

Last Amended: 03/23/2026

Status: 06/30/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 15. Noes 0.) (June 29). Re-referred to Com. on APPR.

Location: 06/29/2026 - Assembly Appropriations

Summary: Existing law authorizes the department, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a joint powers board assumes responsibility for administering state-funded intercity rail service in certain rail corridors, including the LOSSAN Rail Corridor. Existing law defines the LOSSAN Rail Corridor as the intercity passenger rail corridor between San Diego, Los Angeles, and San Luis Obispo. Pursuant to this authority, the department entered into an interagency transfer agreement with the LOSSAN Rail Corridor Agency to administer intercity passenger rail service in the LOSSAN Rail Corridor. Existing law requires the Secretary of Transportation to convene a working group composed of representatives of certain types of entities, including, among others, representatives from county transportation commissions and metropolitan planning organizations from specified counties. Existing law requires the working group to submit consensus recommendations and feedback in a report to the Legislature on or before February 1, 2026, on various topics relating to rail service in the LOSSAN Rail Corridor. This bill would instead require the working group to submit this report to the Legislature on or before February 1, 2027.

SB 1326 (Wahab, D) California Environmental Quality Act: tribal cultural resources: mitigation measures.

Introduced: 02/20/2026

Last Amended: 06/11/2026

Status: 06/23/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 13. Noes 0.) (June 22). Re-referred to Com. on APPR.

Location: 06/22/2026 - Assembly Appropriations

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, before releasing an environmental review document for a project, to begin consultation with a California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed project, as provided. CEQA authorizes the parties, as a part of the consultation, to propose mitigation measures capable of avoiding or substantially lessening potential significant impacts to a tribal cultural resource or alternatives that would avoid significant impacts to a tribal cultural resource. CEQA defines a tribal cultural resource as including, among other things, a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American tribe that is included or determined to be eligible for inclusion in the California Register of Historical Resources or included in a local register of historical resources, as provided. This bill would modify the definition of tribal cultural resource to, among other things, include a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American tribe that is identified by the Native American Heritage Commission as a sacred place, as provided, or included in a local tribal register and provided to the lead agency by a consulting California Native American tribe.

SB 1337 (Richardson, D) State Energy Resources Conservation and Development Commission: air districts and local governments: transportation fuels refining facilities: memoranda of understanding.

Introduced: 02/20/2026

Last Amended: 06/29/2026

Status: 06/29/2026 - Read second time and amended. Re-referred to Com. on APPR.

Location: 06/24/2026 - Assembly Appropriations

Summary: Existing law requires the State Energy Resources Conservation and Development Commission, on or before January 1, 2024, and every 3 years thereafter, to submit an assessment to the Legislature that, among other things, identifies methods to ensure a reliable supply of affordable and safe transportation fuels in California and evaluates the price of transportation fuels, including branded and unbranded retail prices, alternate formulations of gasoline with lower carbon impact, and other products suitable for production from refineries in California, as provided. Existing law establishes the Division of Petroleum Market Oversight within the commission to, among other things, provide independent oversight and analysis of the transportation fuels market for the protection of consumers by identifying market design flaws, market power abuses, and any other manner by which market participants act to harm competition or act contrary to the best interests of the consumers in the state. Existing law requires the director of the division, when requested, to appear before the appropriate policy committees of the Legislature to provide an update on the division’s performance as compared to its objectives, the status of competition in the transportation fuels markets, and other information the committees' request. This bill would require the commission, on or before January 31, 2029, to enter into memoranda of understanding with relevant air districts and local governments with transportation fuels refining facilities within their jurisdictions to enable the coordination that is needed to ensure the transportation fuels sector is successfully managed and maintains environmental, public health, labor, economic, and consumer protections.

SB 1361 (Durazo, D) Transit-oriented housing developments: local governments: transit agencies and projects.

Introduced: 02/20/2026

Last Amended: 06/23/2026

Status: 07/02/2026 - From committee: Do pass. (Ayes 8. Noes 1.) (July 1).

Location: 06/10/2026 - Assembly Local Government

Summary: Existing law requires a housing development project to be an allowed use as a transit-oriented housing development if certain requirements are met. Existing law provides that these provisions do not apply to a local agency until July 1, 2026, unless the local agency takes specified actions. Existing law prohibits a local government from adopting any requirement that applies to a project solely or partially on the basis that the project is seeking approval as a transit-oriented housing development, as specified. This bill would additionally prohibit a local government with an existing or planned transit-oriented development stop from taking specified actions with respect to transit agencies and transit projects.

SB 1375 (Cortese, D) California Environmental Quality Act: exemption: urban intermodal rail station project.

Introduced: 02/20/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 13. Noes 0.) (June 22). Read second time and amended. Re-referred to Com. on APPR.

Location: 06/22/2026 - Assembly Appropriations

Summary: Existing law exempts from the California Environmental Quality Act (CEQA) a public project for the improvement, institution, or increase of passenger rail service, including the maintenance, construction, or rehabilitation of stations, terminals, or existing operations facilities that will be exclusively used by zero-emission trains or specified rolling stock or locomotives, as provided. This bill would exempt from CEQA, except as specified, a public urban, intermodal rail station project within a long-urbanized area within the statewide passenger rail network, at which high-capacity light, commuter, and intercity rail services converge that meets specified conditions, including, among other requirements, a requirement for compliance with various environmental laws and for the adoption of a plan for how any displacement from the project will be fully addressed, as provided. The bill would require a lead agency, if it determines that a project is not subject to CEQA pursuant to this exemption, and it determines to carry out the project, to file a notice of exemption with the Office of Land Use and Climate Innovation and the county clerk of the county in which the project is located, as provided. The bill would permit exemption only for projects for which a notice of exemption is filed before January 1, 2032. Because a lead agency would be required to determine the applicability of this exemption, the bill would impose a state-mandated local program.

SB 1382 (Alvarado-Gil, R) Department of Transportation: mountain passes: openings.

Introduced: 02/20/2026

Last Amended: 04/06/2026

Status: 06/30/2026 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To consent calendar. (Ayes 15. Noes 0.) (June 29). Re-referred to Com. on APPR.

Location: 06/29/2026 - Assembly Appropriations

Summary: Existing law requires the Department of Transportation, on or before July 1, 1992, to adopt and implement a deicing policy for state highways, as specified. Existing law specifically requires the department to remove snow from a specified portion of Interstate Route 80, as specified. This bill would require, on or before April 1 of each year, the department, to the extent feasible, to notify an affected local official of the department’s proposed schedule for opening a mountain pass, as defined. The bill would require the department to develop a public outreach plan to inform the public about the closing and opening of a mountain pass, as specified.

SB 1388 (Durazo), which pertained to the Affordable Housing Risk Reduction Program, is currently in progress and pending; therefore, it was removed from the matrix.

SB 1408 (**Arreguín, D**) **Contra Costa Transportation Authority: transactions and use tax.**

Introduced: 02/20/2026

Last Amended: 04/14/2026

Status: 07/01/2026 - Read second time. Ordered to third reading.

Location: 07/01/2026 - Assembly THIRD READING

Summary: Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy a transactions and use tax for general purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%. This bill would authorize, until January 1, 2045, the Contra Costa Transportation Authority to impose a transactions and use tax for the support of countywide transportation programs at a rate of no more than 1% that would, in combination with other transactions and use taxes, exceed the above-described combined rate limit of 2%, if the ordinance proposing the tax is approved by the voters, subject to applicable voter approval requirements, as specified.

SB 1423 (**Stern, D**) **Regional planning: standardized spatial planning datasets.**

Introduced: 02/20/2026

Last Amended: 06/22/2026

Status: 07/02/2026 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 1.) (July 1). Re-referred to Com. on APPR.

Location: 07/02/2026 - Assembly Appropriations

Summary: Existing law establishes the Office of Land Use and Climate Innovation in the Governor's office for the purpose of serving the Governor and the Governor's cabinet as staff for long-range planning and research and constituting the comprehensive state planning agency. This bill would require the office, on or before July 1, 2027, to compile, standardize, maintain, and make publicly available through a consolidated online platform a core set of statewide standardized spatial planning datasets, as defined. The bill would require the datasets to include specified categories of information, including hazardous risk data, natural resource sensitivity data, and agricultural value data, as provided. The bill would also require the office, on or before January 1, 2028, to develop and provide guidance for agencies to inform how to use and integrate the datasets in regional planning processes and products. The bill would require the office to update those datasets at least every 3 years, as provided.

SB 1424 (**Archuleta, D**) **Sales and use taxes: zero-emission vehicle fueling or charging.**

Introduced: 02/20/2026

Last Amended: 06/17/2026

Status: 06/30/2026 - June 29 set for second hearing. Placed on suspense file. June 29 hearing. Held in committee and under submission.

Location: 06/30/2026 - Assembly REV. & TAX SUSPENSE FILE

Summary: Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state of, or on the storage, use, or other consumption in this state of, tangible personal property purchased from a retailer for storage, use, or other consumption in this state. The Sales and Use Tax Law provides various exemptions from those taxes, including a partial exemption for the sale of, or the storage, use, or consumption of, qualified tangible personal property purchased for use by a qualified person to be used primarily in any stage of the manufacturing, processing, refining, fabricating, or recycling of tangible personal property, beginning at the point any raw materials are received by the qualified person and introduced into the process and ending at the point at which the manufacturing, processing, refining, fabricating, or recycling has altered tangible personal property to its completed form, including packaging, if required. Existing law (backfill requirement) requires an amount that equals the estimated revenue loss to the General Fund from the allowance of the above-described exemptions, with the concurrence of the Department of Finance, to be transferred from the Greenhouse Gas Reduction Fund to the General Fund, as prescribed. This bill would, beginning July 1, 2027, define "processing" to include the altering, converting, conditioning, or other preparation of hydrogen or electricity for the purposes of selling the hydrogen for fueling or the electricity for charging a vehicle and would define "qualified tangible personal property" to include hydrogen fueling station equipment and charging station equipment and component parts used as an integral part of those activities.

SB 1425 (Cortese, D) High-Speed Rail Authority: property: operating right-of-way.

Introduced: 02/20/2026

Last Amended: 07/02/2026

Status: 07/02/2026 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 11. Noes 3.) (July 1). Read second time and amended. Re-referred to Com. on APPR.

Location: 07/01/2026 - Assembly Appropriations

Summary: The California High-Speed Rail Act creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties, including the power to acquire rights-of-way through purchase or eminent domain, as specified. This bill would establish a permit program, administered by the authority, for encroachments on the authority's operating right-of-way. The bill would make any person who installs or performs an encroachment within the authority's operating right-of-way, without a permit, guilty of a misdemeanor, except as provided. The bill would also make any person who willfully damages any feature of the high-speed train system or any portion of the authority's operating right-of-way guilty of a misdemeanor. The bill would provide for civil penalties for specified categories of encroachment and, unless authorized by law or an encroachment permit, would make it unlawful to manage water flows in certain ways that impact the high-speed train system or the authority's operating right-of-way, as specified. The bill would authorize the authority or the Attorney General to recover these civil penalties. The bill would require all moneys, including moneys from permit fees and civil penalties, collected pursuant to its provisions to be deposited into the High-Speed Rail Property Fund, except for the award of any reasonable attorney's fees and costs provided to the recovering agency to recoup the cost of litigation, as provided.

SCR 84 (Blakespear, D) California Rail Month.

Introduced: 05/19/2025

Last Amended: 03/12/2026

Status: 07/02/2026 - Ordered to inactive file on request of Assembly Member Garcia.

Location: 07/02/2026 - Assembly INACTIVE FILE

Summary: Would recognize May 2026 as California Rail Month.

SCR 108 (Archuleta, D) Deputy David Piquette Memorial Highway.

Introduced: 01/08/2026

Last Amended: 05/14/2026

Status: 07/02/2026 - Read. Adopted. Ordered to the Senate. In Senate. Concurrence in Assembly amendments pending.

Location: 07/02/2026 - Senate CONCURRENCE

Summary: Would designate a specified portion of State Route 91 in the County of Orange as the Deputy David Piquette Memorial Highway. The measure would request that the Department of Transportation determine the cost of appropriate signs showing this special designation and, upon receiving donations from nonstate sources sufficient to cover the cost, to erect those signs.

SCR 124 (Wiener), which pertains to addressing transportation access for persons with epilepsy, has stalled; therefore, this resolution was removed from the matrix.

OCTA

August 20, 2026

To: Legislative Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Federal Legislative Status Report

Overview

The Orange County Transportation Authority regularly updates the Legislative Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This report provides an overview of the Water Resources Development Act of 2026 and provisions supporting the Los Angeles – San Diego – San Luis Obispo Rail Corridor, an update on the Office of Management and Budget's proposed revisions to the Uniform Guidance governing federal financial assistance, and recent developments related to surface transportation reauthorization, including the Administration's policy priorities and the Orange County Transportation Authority's advocacy to preserve local project selection authority for federal transportation funding.

Recommendation

Receive and file as an information item.

Discussion

Water Resources Development Act of 2026

On July 14, 2026, the House Transportation and Infrastructure Committee unanimously approved the Water Resources Development Act (WRDA) of 2026, which is the biennial legislation that authorizes the U.S. Army Corps of Engineers (USACE) water resources projects and provides policy direction for the Corps' Civil Works Program. The legislation authorizes new feasibility studies, construction projects, and environmental infrastructure assistance nationwide and now awaits consideration by the full House. The Senate Environment and Public Works Committee approved its version of WRDA on July 15, 2026, and the two chambers will work to reconcile differences before final passage.

Representative Mike Levin (D-CA) successfully secured two provisions in the House bill that support ongoing efforts to improve the long-term resiliency of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor work in City of San Clemente (City). The first authorizes a USACE feasibility study for the City shoreline to evaluate coastal storm risk management and shoreline erosion protection measures. The study is an important step toward identifying and advancing long-term shoreline protection solutions that could help safeguard the LOSSAN Rail Corridor from coastal erosion and storm impacts while positioning the project for future federal funding opportunities.

The second provision authorizes $20 million in environmental infrastructure assistance for water and wastewater infrastructure projects in the cities of Mission Viejo, Rancho Santa Margarita, and San Clemente, including water supply, water recycling, and stormwater management improvements. In addition, Representative Levin's office worked with committee staff to amend the existing 2007 Orange County environmental infrastructure authorization by adding environmental restoration as an eligible activity and increasing the authorization from $10 million to $18 million. Because the City is already encompassed within the existing Orange County authorization, these changes could support future coastal resiliency efforts related to the City shoreline. Work will need to be done to secure appropriations consistent with this authorization.

OCTA staff continues to monitor the advancement of the final WRDA package and will continue to monitor opportunities to leverage these authorizations to support long-term coastal rail resiliency efforts for the LOSSAN Rail Corridor.

Office of Management and Budget Proposed Federal Financial Assistance Rule

On May 29, 2026, the Office of Management and Budget (OMB) published a proposed rule to revise the Uniform Guidance governing federal financial assistance. According to the OMB, the proposal is intended to improve transparency, accountability, and oversight of federal grants, cooperative agreements, and other forms of federal financial assistance by establishing government-wide requirements for grant administration. The proposed rule would expand agency authority to terminate discretionary grants, require additional pre-award review of grant awards by senior political appointees, establish new compliance requirements for grant recipients, and make other revisions to the federal grantmaking process.

The proposal has generated significant concern among state and local governments, transportation agencies, and industry organizations regarding its potential impacts on federally funded infrastructure projects. The Capital Investment Grants (CIG) Working Group and the American Public Transportation Association, both of which OCTA is a member, submitted comments urging the OMB to withdraw or substantially revise the proposal. Copies of these comments are included as Attachments A and B. The comments argue that the proposed rule would create uncertainty for discretionary grant programs by allowing awards to be terminated based on changing agency priorities rather than project performance, increase administrative burdens, delay project delivery, and increase financing and construction costs for major infrastructure projects, including those funded through the Federal Transit Administration's CIG Program.

The proposed rule has also been subject to some questions by Congress. Senate Appropriations Committee Chair Susan Collins (R-ME) requested that the OMB extend the public comment period and withdraw portions of the proposal that would expand agencies' authority to terminate grants, increase political review of grant awards, and impose additional administrative requirements on recipients. House Appropriations Committee democrats similarly urged the OMB to withdraw the proposal, arguing it would politicize federal grantmaking and create uncertainty for grant recipients.

Separately, a federal district court recently ruled that existing OMB regulations do not permit federal agencies to terminate grants solely because an administration's policy priorities have changed. While the decision applies to the current guidelines rather than OMB's proposed revisions, it represents potential legal opinions on the matter as the Administration continues to pursue changes to federal grant management. OCTA staff continues to monitor the rulemaking process and any potential impacts on federal transportation funding opportunities.

Surface Transportation Reauthorization and Federal Funding Update

With current federal surface transportation authorization set to expire on September 30, 2026, Congress continues laying the groundwork for the next multi-year surface transportation reauthorization bill. The legislation, which reauthorizes federal highway, transit, rail, and safety programs, establishes national transportation policy and funding levels for programs administered by the U.S. Department of Transportation (DOT). If Congress is unable to complete a long-term bill before the authorization expires, lawmakers are expected to consider a short-term extension to avoid disruptions to federal transportation programs.

On July 22, 2026, DOT Secretary Sean Duffy transmitted the Administration's surface transportation reauthorization priorities to congressional leadership, which is included as Attachment C. The proposal calls for a comprehensive multi-year authorization while outlining policy priorities that the Administration has requested Congress include in either a long-term bill or any short-term extension. Among the Administration's recommendations are strengthening transit safety and security by providing the FTA with additional authority to condition federal transit funding on improvements in safety and crime reduction, advancing automated vehicle deployment through a new federal pilot program, incorporating railway safety reforms, expanding highway and freight infrastructure investments, and restoring Highway Trust Fund solvency through structural funding changes. As part of that effort, the Administration proposes eliminating the Mass Transit Account of the Highway Trust Fund and consolidating all federal fuel tax revenues into the Highway Account. The proposal has generated significant concern among transit stakeholders and members of Congress, who argue that eliminating the Mass Transit Account could jeopardize the long-standing federal funding structure that supports public transportation programs. However, key congressional leadership has already discounted the idea gaining traction. The proposal also recommends consolidating numerous competitive grant programs, modifying or eliminating several Infrastructure Investment and Jobs Act (IIJA) programs, and streamlining federal transportation funding opportunities.

While Congress continues to develop a long-term reauthorization bill, lawmakers are also working to prevent a lapse in federal transportation funding through a Continuing Resolution (CR) of the annual appropriations bills. The House has passed a CR that would fund the federal government through December 4, 2026, at fiscal year 2026 funding levels but does not include an extension of surface transportation authorization. The Senate's draft CR would go through December 11, 2026, while also providing a clean extension of current Highway Trust Fund authorizations, maintaining base fiscal year 2026 funding levels. However, the Senate CR would not extend advance appropriations under the IIJA, meaning transportation programs would continue to operate at base authorization levels. Without an extension of surface transportation authorization, certain federal transportation programs could face disruptions even if Congress enacts a CR to fund the federal government, underscoring the need for Congress to address both appropriations and program authorizations. The proposal also includes language prohibiting OMB from finalizing its proposed rule revising the Uniform Guidance for federal financial assistance.

As discussions on reauthorization continue, OCTA is working with regional transportation partners to advance legislative priorities that preserve local flexibility and improve the delivery of federal transportation funding. In July, OCTA joined the five other Southern California county transportation commissions in signing a joint letter, included as Attachment D, supporting Representative Julia Brownley's (D-CA) proposed amendment to the BUILD America 250 Act that would authorize county transportation agencies in the Southern California Association of Governments' (SCAG) region to directly receive Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) program funds and select projects within their respective regions.

For nearly three decades, the SCAG region operated under a framework in which the California Department of Transportation suballocated STBG and CMAQ funding to county transportation commissions, allowing local agencies to prioritize and deliver projects based on regional transportation needs. However, a 2021 federal corrective action prohibited the State from suballocating these funds and prevented metropolitan planning organizations from delegating project selection authority to county transportation commissions, centralizing project selection at the regional level. According to the joint letter, this change has reduced local flexibility, delayed project delivery, and increased administrative complexity throughout the SCAG region. The proposed amendment would restore local project selection authority while maintaining metropolitan planning organization oversight of the regional Transportation Improvement Program, improving project delivery and ensuring federal funds are more efficiently obligated.

OCTA staff will continue working with the Orange County congressional delegation, regional transportation partners, and national stakeholder organizations throughout the surface transportation reauthorization process to advance policies that support Orange County's transportation priorities, preserve local decision-making authority, and maintain reliable federal transportation funding.

Summary

Information is provided on several recent federal legislative and regulatory actions. Included is an update on the Water Resources Development Act of 2026, the Office of Management and Budget’s proposed revisions to the Uniform Guidance for federal financial assistance, the ongoing surface transportation reauthorization process, including federal policy proposals and OCTA’s efforts to preserve local flexibility in the administration of federal transportation funding.

Attachments

A. Letter from Jeffrey F. Boothe, Chair, Capital Investment Grants Working Group, to The Honorable Russell T. Vought, Director, Office of Management and Budget, and Mr. Joel Savary and Mr. Andrew Reisig, Office of Management and Budget, Office of Financial Management, re: Comment on Proposed Revisions to 2 CFR § 200 and Section 200.340, dated July 13, 2026
B. Letter from Paul P. Skoutelas, President and CEO, American Public Transportation Association, to The Honorable Russell T. Vought, Director, Office of Management and Budget, and The Honorable Sean P. Duffy, Secretary, Department of Transportation, re: Comment to Federal Register Notice, OMB-2026-0034, Regulation of Federal Financial Assistance, dated July 13, 2026
C. Letter from Sean P. Duffy, The Secretary of Transportation, Washington, DC, to Shelley Capito, Chairman, Committee on Environment and Public Works, and others, re: Urgent Action Needed on Surface Transportation Reauthorization, dated July 22, 2026
D. Letter from Stephanie Wiggins, Chief Executive Officer, Los Angeles County Metropolitan Transportation Authority, and others, to The Honorable Sam Graves, Chairman, House Transportation and Infrastructure Committee, and The Honorable Rick Larsen, Ranking Member, House Transportation and Infrastructure Committee, re: Support for Amendment to Authorize Local Funding Distribution and Selection of Projects from the Surface Transportation Block Grant and Congestion Mitigation and Air Quality Improvement Programs, dated July 10, 2026
E. Potomac Partners DC, Monthly Legislative Report – June 2026
F. Potomac Partners DC, Monthly Legislative Report – July 2026

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ATTACHMENT A

Capital Investment Grants
WORKING GROUP

July 13, 2026

Honorable Russell T. Vought, Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Mr. Joel Savary & Mr. Andrew Reisig
Office of Management and Budget
Office of Financial Management
725 17th Street, NW
Washington, DC 20503

RE: Comment on Proposed Revisions 2 CFR §200 and Section §200.340

Dear Director Vought, Mr. Savary and Mr. Reisig:

Thank you for the opportunity to submit comments in response to the proposed Regulation for Financial Assistance (91 *Fed. Reg. 32198) ("Proposed Regulation")* published on May 29, 2026. The Capital Investment Grants Working Group ("Working Group") is a national coalition of nearly forty cities, counties, transit agencies and private sector firms that support the Federal Transit Administration ("FTA") Capital Investment Grants ("CIG") which is the largest federal discretionary grant program. The CIG program was authorized at $4.6 billion per year in the Infrastructure Investment and Jobs ("IIJA") and has consistently been funded annually at more than $3 billion through the appropriations bills. We write to express our grave concerns regarding the Proposed Regulation and the adverse impacts on the CIG program.

The Working Group opposes the current draft of the Proposed Rule, and we request that it be withdrawn, or, at a minimum, we urge a substantial revision prior to being published as final rule. The CIG program is governed by 49 U.S.C. §5309 and that statute sets forth a very rigorous process and specific project justification criteria. The rigor of the project approval process makes it unique among the federal government discretionary grant programs and the level of non-CIG funding commitment also separates it from other federal formula and discretionary grant programs. The entire Proposed Rule appears to completely fly in the face of stated Administration policy to reduce red tape and eliminate unnecessary regulatory oversight. If anything, the Proposed Rule adds a completely new and additional layer of government regulation that will delay and, in many cases, cause the termination of promising infrastructure projects.

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CIG funds support a national pipeline of heavy rail, light rail, commuter rail, streetcar, and bus rapid transit projects, each representing years of planning and billions of dollars in state and local investment committed in reliance on the federal commitment. The Full Funding Grant Agreement (FFGA) and the Small Starts grants are unlike ordinary federal awards. A grant agreement is signed only after a project has satisfied the program's statutory criteria, including rigorous rating metrics, completed design, and secured local funding commitments. Once signed, it commits the federal government to future reimbursements and, concurrently, permits the sponsor to execute construction contracts and notices to proceed that obligate it to spend, in many cases, billions of dollars. Although each reimbursement depends on a future appropriation, Congress has consistently appropriated the funds necessary to meet CIG reimbursements. The market has therefore treated these grant agreements as guaranteed funding, and that guarantee is precisely what lowers lender risk, reduces interest rates, and holds down construction bids to the benefit of taxpayers.

The proposed rule disrupts that foundation. By extending discretionary termination and new suspension authority into the post-agreement construction phase, on grounds as open-ended as evolving agency priorities or the national interest, the rule converts a commitment the market has always treated as firm into one revocable at will. It provides no defined, project-performance-based criteria for when that authority would be exercised.

The predictable result is that projects either pause or become dramatically more expensive. Faced with the possibility that federal reimbursement could be withdrawn mid-construction, some sponsors will decline to expose local funds and will halt; others will proceed only after contractors and lenders price the new risk into their bids and financing. Stripping the certainty of the grant agreement means higher interest rates, and higher construction bids, as firms and lenders demand compensation for the risk of losing federal funds after contracts are signed. The taxpayer bears the result in higher-cost projects and, where funding is actually withdrawn, in half-built projects unable to deliver the service they promised.

Paused public constructions are not benign. Partially constructed guideway, stations, tunnels, and systems left in suspension create physical hazards that must be secured and maintained, and they defer the very safety and state-of-good-repair benefits the projects were designed to deliver. The longer a project sits in limbo, the greater the exposure.

These are not abstract commitments. Consider a project advanced to construction that is supported by non-federal funding, in some cases by a local ballot initiative, that has cleared its environmental review under the National Environmental Policy Act ("NEPA"), reached 100 percent design, and begun construction. Withdrawing federal funding after a sponsor has passed each of those milestones strands the very investments the program required it to make, and it does so for reasons that have nothing to do with how the project is performing.

The rule's treatment of costs already incurred makes matters worse. In general, obligations a sponsor properly incurred before a termination takes effect remain allowable, judged as though the award had continued or had expired normally at the end of its period of performance. That protection carries a qualification: it does not extend to costs incurred in anticipation of the termination. Once a sponsor can see that a discretionary termination is possible, it becomes unclear whether the costs it keeps incurring, prudently and in reliance on a signed agreement, would still be reimbursed. That is the very certainty the grant agreement was meant to provide.

Termination would also place a new burden on the recipient. Once an award is terminated, the sponsor must make all reasonable efforts to discontinue, cancel, or otherwise reduce its remaining financial obligations, and must document those efforts for the agency. For a capital project under active construction, unwinding millions of dollars in signed contracts and notices to proceed is neither quick nor inexpensive, and the rule transfers the cost and risk the local sponsor.

The economic consequences extend well beyond any single project. A sweeping pause of major federally funded infrastructure negates both the long-term efficiency gains that completed projects would produce and the substantial construction-phase economic activity -- the jobs, procurement, and regional spending -- that these projects generate while they are built. Uncertainty of this kind, applied across the national CIG pipeline at once, risks a broad and simultaneous slowdown rather than isolated delay.

Further, it has a substantially deleterious effect on the construction market resulting in the loss of jobs and financial losses for the private sector. A general downsizing of major federally funded construction shrinks the readiness and scale of the nation's heavy-construction workforce, specialized contractors, and supply chains. That capacity is not easily rebuilt once dispersed, and it is a national asset in both economic and security terms. Policies that chill sustained investment in it leave the country less able to build when it must.

Finally, the structural problem is larger than transit. Major infrastructure projects take many years to plan, design, and build, sometimes spanning two or three administrations. If any administration can cancel a project mid-construction because its priorities have shifted, the federal government's ability to make credible long-term commitments to any major project is undermined, whether transit, highway, airport, pipeline, or power. The reliability of the federal commitment is fundamental to advancing projects, and this Proposed Rule completely abandons that commitment.

We would also note that the rule, by its own terms, does not require the discretionary termination provision where including it would conflict with a Federal statute. We ask OMB to consider whether the statutory framework governing CIG full funding grant agreements under 49 U.S.C. 5309 falls within that exception and, if it does, to say so expressly in the final rule.

We further urge OMB to exempt executed CIG FFGAs and SSGAs from the discretionary termination and suspension provisions of Section 200.340. If OMB declines a categorical exemption, it should at a minimum limit post-agreement termination and suspension of CIG awards to defined criteria tied to a project's own performance or compliance and expressly exclude open-ended priorities and national-interest grounds once an agreement is signed.

Beyond our specific concerns regarding the CIG program, we share additional comments on other provisions of the Proposed Rule.

Failure of identify Specific Deficiencies or Prescribe Corrective Actions. The proposed revisions do not specifically identify deficiencies or prescribe corrective actions. These revisions are also being generalized to apply to all Federal agencies, creating a chaotic situation and confusion for existing recipients of Federal discretionary grants and potential applicants about what may be applicable to the Federal agency and its grant programs within the Federal Government. Therefore, the revisions are not intended to ensure that every discretionary award program is designed by Federal agencies to effectively achieve its underlying statutory purpose as authorized by Congress, but to impose the policies and priorities set by the President on applicants and recipients of Federal discretionary grants. The proposed revisions explicitly require Federal agencies to consider advancing the President's policy priorities as part of the merit review of discretionary grant applications. Any perceived conflict with key Executive Branch policies expressed in Presidential Executive Orders will most likely not result in a grant award.

Extend the Comment Period. The OMB allowed about four months to submit comments on the proposed revisions, with an effective date of October 1, 2026. This period is inadequate to assess the full impacts of the proposed revisions. Also, the following statement in the OMB's Federal Register Notice seeking comments on the proposed revisions makes it clear that what is being proposed is already being implemented: "All executive agencies have received clear policy direction through the President's Executive orders and other executive actions, which they will follow in their administration of discretionary award programs." This explains why, since January 2025, the FTA has not advanced projects to the next phase of the grant application and evaluation process or to grant agreement, even though these projects have met all Federal statutory and grantor agency requirements included in the FTA CIG process. Therefore, the two other stated objectives from the OMB's proposed revisions (transparency and accountability) are questionable.

Negative Impact on the Grant Cycle. The proposed revisions negatively affect the entire grant cycle, from pre-award through post-award to closeout. They create greater uncertainty for agencies seeking and receiving grant awards from the Federal Government, increase the risk of suspension or termination of grants after award, expand compliance and oversight obligations, and reduce predictability and long-term funding stability.

Negative Impact Existing Processes and Procedures. As applicable to the U.S. Department of Transportation ("USDOT") and its 10 operating administration agencies, the proposed revisions will also negatively impact existing processes and procedures, including the content of Notices of Funding Opportunities ("NOFOs"), evaluation criteria and selection process, conditions for grant award, terms for suspension and termination, and timing and conditions for payments. The proposed revisions will also negatively impact the project cycle, from planning through programming to project implementation and completion, resulting in delays, cost increases, and cash flow issues due to the reimbursement nature of Federal grants and the ability of project sponsors to make payments to their own staff, consultants, and contractors. The proposed revisions will also negatively impact the project sponsor's creditworthiness and rating due to the additional risk created by the proposed revisions to secure Federal grants, making it more difficult and expensive to finance projects and make payments, including higher interest rates for loans such as those from the USDOT/Build America Credit Bureau Transportation Infrastructure Finance and Innovation Act (TIFIA) Program or through the private sector.

Proposed Rule Supersedes All Existing Discretionary Grants and Project Criteria. The USDOT, through the Office of the Secretary and the FTA, Federal Railroad Administration ("FRA"), and Federal Highway Administration ("FHWA"), has successfully planned, designed, and implemented federal discretionary grant programs authorized by Congress (most recently through the Infrastructure Investment and Jobs Act) to achieve the policies, priorities, and objectives stated in the authorizing legislation. These agencies have developed guidelines for discretionary grant programs, as well as circulars and other documentation that provide instructions to grantees on how grants are administered.

These agencies have also developed and issued NOFOs that are easy to understand and provide opportunities for technical assistance to potential applicants and grantees, including through webinars. OMB's proposed revisions would require USDOT and its modal administration agencies, including FHWA and FTA, to revise their guidelines for discretionary grant programs, as well as circulars and other documentation for the administration of grants by recipients. The proposed revisions would apply to discretionary grant programs that result in a grant award for an application submitted in response to a NOFO, as well as to those that involve a multi-phase/multi-year grant application process, such as the FTA's Capital Investment Grants (CIG) Program.

USDOT NOFOs, including the Infrastructure for Rebuilding America ("INFRA") and Better Utilizing to Infrastructure to Leverage Development ("BUILD") programs, clearly and in plain language detail the evaluation criteria and the review and selection process. The NOFOs specify the statutory requirements and describe the methodology for determining whether projects satisfy these requirements, how projects will be rated against the selection criteria and other considerations, and how those criteria and considerations will be used to assign an overall rating. After the eligibility and merit criteria review in the Analysis Phase, the selection process continues through the Senior Review Phase, resulting in recommendations to the USDOT Secretary, who selects projects for grant award.

Another example is the FTA's CIG Final Policy Guidelines, as discussed above, which was last updated in November 2025, as well as the April 2026 Reporting Instructions that is applicable to Small Starts, New Starts, and Core Capacity grant applications. The grant application process goes through different phases and requires risk assessments and support from Project Management Oversight Contractors and Financial Management Oversight Contractors before a project is approved to move to the next phase and be considered for a grant award. On June 4, 2026, the FTA published its final rule that amended the definition of a "major capital project" and modified the applicability of project management oversight by raising the total cost threshold from $300 million to $400 million and the Federal investment threshold from $100 to $150 million. This amendment, contrary to the OMB's Proposed Rule, reduces the number of projects subject to project management oversight requirements and therefore reduces the regulatory burden.

Substantial Revision of All Awards Management Guidance for Recipients and Subrecipients. The OMB's proposed revisions would also require Federal agencies to amend existing guidance for recipients and subrecipients of Federal assistance to manage their projects and programs in accordance with Federal requirements. For example, the FTA's Award Management Requirements Circular (C 5010.1F), which incorporates OMB provisions, became effective on November 1, 2024, about nine months after the publication of the notice requesting comments on the proposed changes to the prior circular.

Remove Technical Merit for Grant Selection. The proposed revision requiring NOFOs to be drafted to "reasonably allow for all applicants to compete and succeed against institutions that have historically received consecutive awards in prior years" contradicts the OMB's emphasis on selecting recipients for discretionary grant awards based on the technical merit of their projects, readiness, and benefits. While this seeks to expand the field of potential grant recipients, it is contrary to the merit-based approach relied on by the Administration in other programs. Further, in the event that additional conditions, such as geographical location or size of the community, that should remain the prerogative of Congress to set those parameters by statute. Beyond any statutory requirements adopted by the Congress, the NOFOs should continue to be focused on technical merit and project readiness.

Arbitrary Termination of Grant Awards. OMB's proposed revisions emphasize that Federal agencies retain ongoing programmatic discretion to terminate a discretionary grant after an award is made if it does not achieve the goals of the grant program or the priorities of the Federal grantor agency, or if the agency otherwise determines that the grant is no longer in the Federal Government's interest. More concerning is that the Government's ability to terminate discretionary awards, contracts, and agreements can be for "convenience" and for "discretionary reasons." These are incredibly ambiguous standards and are not defined by statute or in this Proposed Rule.

Question Value of Statements of Interest. The OMB "encourages" Federal agencies to use Statements of Interest ("SOI") as part of their NOFOs when expecting a high application volume or lengthy proposals. While the stated objective of SOI is to reduce burden, a new requirement by Federal agencies for applicants seeking discretionary grant awards to prepare and submit SOI adds an additional layer of burden, including additional costs. It will also result in delays and uncertainty until the review of SOIs is completed and invitations to submit full proposals are sent to the project sponsors that were determined to be the most likely to be successful in delivering results based on the program objectives, including alignment with administration policies and priorities. This proposal does not align with the OMB's stated objectives of the proposed revisions (improving transparency and accountability and reducing recipient burden).

Pre-Issuance Review is Redundant. Similarly, the OMB's Proposed Rule seeks to establish a new pre-issuance review process to strengthen the requirements for the Federal agency merit review, ensuring that proposals selected for funding are consistent with the national interest and advance the President's policy priorities, among other principles, when the proposed senior appointees conduct these reviews. As applicable to USDOT discretionary grant programs and awards, this new layer of review is redundant, as it is already being followed. For example, for USDOT's INFRA and BUILD programs, after completion of the eligibility and merit criteria review as part of the Analysis Phase, the selection process continues through the Senior Review Phase, resulting in recommendations to the USDOT Secretary, who selects projects for grant award. Another example is the FTA's CIG Program, in which the selection of projects for grant awards goes through a rigorous evaluation and approval process that includes a period for FTA's leadership and Congressional review before the execution of the grant agreement.

Lack of Appeals of Mid-Project Reviews and Termination. The OMB asserts that the authority of Federal agencies, as provided by Congress throughout the award lifecycle, to make discretionary awards necessarily includes the ability to revisit earlier decisions and re-exercise agency judgment in light of changing circumstances, including reconsidering earlier decisions about awards. This includes adding discretionary termination and suspension provisions in the award instrument either at the time of award or through an amendment. However, it ignores the need to first identify corrective actions, establish an appeals process, and assess how the withdrawal, termination, or suspension of the grant award will affect the feasibility of implementing the project, as well as the impact on the project sponsor, its contractors, and the communities that would benefit from the project during and after its implementation.

Taking any such action for reasons such as the project, project sponsors, and/or grant not advancing the President's policy priorities and/or national interests as they exist at the time of the action by the Federal agency is not acceptable and contradicts Congressional intent and authorizing legislation for discretionary grant programs. The termination or suspension of grant awards will create significant financial uncertainties for project sponsors, including for securing non-Federal funding that the Federal grant could help leverage and be used to meet statutory non-Federal match requirements and Federal grantor agency priority for grant awards. With payments from the Federal grant award made to reimburse the project sponsor for eligible expenses, receiving such payments after grant withdrawal, suspension, or termination needs to be taken into consideration by the Federal grantor agency when making such decision.

Single Senior Level Pre-Issuance Review of Grants Will Delay Projects and is Arbitrary. The OMB's proposal requires Federal agency heads to designate one or more senior appointees to conduct a pre-issuance review of all discretionary awards and to follow a prescriptive list of principles that include: i) demonstrating how such awards advance the President's policy priorities; and ii) giving the awards to agencies with lower indirect cost rates. These two criteria do not reflect merit-based awarding. It strictly prohibits the senior appointees (or their designee) from ministerially ratifying or routinely deferring to the recommendations of others (including those from peer review panels or expert career staff) and instead requires them to use their independent judgment when evaluating Federal award proposals. Leaving the decision on discretionary grant awards to the judgment of one person contradicts the OMB's stated objectives of the proposed revisions and its emphasis on making selections for discretionary grant awards based on merit-based criteria. The proposal slows the grant application review process and creates new risks and potential burdens for project sponsors, including increased project costs and delays to the project's schedule.

Risk Assessment. The OMB's proposed revisions require Federal agencies to establish and maintain policies and procedures for conducting a risk assessment no earlier than 30 days before the Federal award to evaluate the risks posed by applicants. This proposal imposes an additional burden on project sponsors and Federal agencies, including costs, and will delay project implementation. It also contradicts other federal regulations, such as the FTA's final rule for Project Management Oversight (effective July 6, 2026), which reduces the number of projects subject to project management oversight requirements and therefore reduces the regulatory burden on project sponsors and recipients of Federal grant awards.

Thank you for your attention to the concerns we have express above. We welcome the opportunity to discuss these comments further prior to publication of any final rule.

Sincerely,

Jeffrey F. Boothe

Chair

Cc: The Honorable Sean Duffy
Secretary, Department of Transportation

Jamie Pfister
Acting Executive Director
Federal Transit Administration

American Public Transportation Association

July 13, 2026

The Honorable Russell T. Vought, Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

The Honorable Sean P. Duffy, Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Re: Comment to Federal Register Notice, OMB-2026-0034, Regulation of Federal Financial Assistance

Dear Director Vought and Secretary Duffy:

The American Public Transportation Association (APTA) represents the $102 billion public transportation industry, which directly employs more than 450,000 people and supports millions of private-sector jobs. Our members deliver essential daily mobility to tens of millions of Americans and rely on financial support from a variety of Federal grant programs, particularly from the U.S. Department of Transportation (DOT) and several of its modal administrations, including the Federal Transit Administration (FTA) and Federal Railroad Administration (FRA).

APTA submits this comment to highlight its serious concerns with the Office of Management and Budget's (OMB) Notice of Proposed Rulemaking (NPRM) proposing to amend 2 CFR 200 (the "Proposed Rule") and other parts of 2 CFR. OMB should withdraw the Proposed Rule or abandon its efforts to convert the Uniform Guidance into a binding regulation. Federal agencies must retain the discretion to adopt the Uniform Guidance as appropriate in their unique circumstances.

Public transportation infrastructure investment involves a complex, multi-layered financial system already governed by various Federal statutes, regulations, and guidance documents. Major infrastructure construction, capacity expansions, and state-of-good-repair work rely heavily on Federal funding. Executing these projects requires predictable, stable cash flow, which the Proposed Rule threatens. For decades, DOT has served as a reliable partner to recipients pursuing major public transportation infrastructure projects. These projects often require multi-year investments that can eclipse hundreds of millions, if not billions, of dollars. When undertaking such projects, public transportation agencies rely on the security provided by an obligated Federal grant to secure local matching funds, including through financing, and enter into long-term agreements. Similarly, thousands of private-sector construction companies, manufacturers, and other businesses rely on the certainty of Federal financial commitments to function as effective partners to public transportation agencies and passenger railroads.

APTA members take their role as stewards of taxpayer funds seriously. For decades, APTA and its members have worked closely with DOT and its modal administrations to manage Federal funds responsibly. DOT has instituted robust grant management processes and has applied the guidance in 2 CFR part 200 where appropriate.

APTA has serious concerns about the Proposed Rule and urges OMB to withdraw or substantially revise it for several reasons:

- The Proposed Rule exceeds OMB's statutory authority and would upend the longstanding relationship between DOT and its recipients and subrecipients for managing and executing public transportation infrastructure projects.

- The Proposed Rule's termination and suspension provisions and undefined policy-based grounds for termination will harm the public transportation industry's ability to deliver complex, critical projects that improve communities, create jobs, and support American families.

- The Proposed Rule will create unnecessary uncertainty about the reliability and continued availability of Federal funding and will destabilize private-sector operations and investments. Private businesses enter into long-term contracts with public transportation agencies based on the certainty of Federal commitments that, in turn, enable them to make hiring decisions, capital investments, and manufacturing commitments. They also are contrary to law for multiple reasons.

- The Proposed Rule imposes significant administrative burdens, including new payment justification requirements, E-Verify compliance obligations, and other grant administration changes, which could delay projects and increase costs.

- The Proposed Rule fundamentally shifts the Federal Government's approach to administering Federal financial commitments yet fails to account adequately for the substantial costs or identify any meaningful countervailing benefits that will result from the disruptive changes proposed.

- The compressed proposed implementation timeline will compound harmful consequences by rushing recipients to deploy untested, complex internal controls, creating greater financial risk.

For these and many other reasons identified below, APTA urges OMB to withdraw the Proposed Rule, or, at a minimum, make major modifications and clarifications before issuing a final rule by severing or modifying the Proposed Rule's most burdensome and unauthorized provisions.

I. The Proposed Rule Exceeds OMB's Statutory Authority and Will Upset the Productive Relationship Between DOT and Its Grant Recipients. [200.102, 200.106, 200.110]

APTA and its membership are concerned that the Proposed Rule would upend DOT's approach to Federal grantmaking and disrupt the longstanding productive relationship between DOT and public transportation agencies.

Congress empowered DOT to manage, regulate, and execute public transportation and infrastructure grants. Congress has expressly granted the Secretary of Transportation general authority to "prescribe terms for a project that receives Federal financial assistance under this chapter"[1] and "to issue regulations as necessary to carry out the purposes of this chapter."[2]

OMB's proposed amendment to Section 200.110 would subordinate Federal awarding agencies by asserting they may deviate from OMB's finalized uniform rules only if required by statute or granted express approval by OMB. This exceeds OMB's authority and conflicts directly with DOT's statutory grantmaking authority.

Congress' assignment of responsibilities to DOT makes good sense. APTA members' longstanding experience with DOT has resulted in a collaborative relationship that supports safe and effective public transportation operations and project delivery. Public transportation agencies, States, municipalities, and private-sector businesses have structured massive, multi-year infrastructure pipelines based heavily on the stability of DOT's implementation of grant procedures. The industry relies on DOT to vet any future financial guidelines to ensure they comport with the logistical and physical realities the industry faces. Mandates that do not account for those realities will hamper progress in DOT's and the public transportation industry's shared goals, rather than support sound financial management.

For these reasons, Congress limited the scope of OMB's authority to promulgating guidance, not issuing binding regulations, on grantmaking. OMB asserts that its centralizing authority over Federal financial assistance stems primarily from the Chief Financial Officers (CFO) Act, which authorizes it to "[p]rovide overall direction and leadership to the executive branch on financial management matters by establishing financial management policies and requirements."[3] OMB supplements its claim with the Federal Grant and Cooperative Agreement Act (FGCAA), which authorizes OMB to "issue supplementary interpretative guidelines to promote consistent and efficient use of procurement contracts, grant agreements, and cooperative agreements."[4]

Neither of these statutes provides OMB authority to preempt DOT's own statutorily conferred rulemaking authority over its grants or authorizes OMB to prescribe substantive national policy conditions that have no relation to financial accounting. The CFO Act authorizes OMB to "[p]rovide overall direction," not rulemaking authority, and only for "financial policies and requirements," not government-wide policy. Similarly, the FGCAA grants OMB authority only to provide "interpretative guidelines," again not binding regulation.

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[1] 49 U.S.C. § 5334(a)(1).
[2] 49 U.S.C. § 5334(a)(11).
[3] 31 U.S.C. § 503(a)(2). The CFO Act was the primary legal justification for the original promulgation of the Uniform Guidance. "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 78 Fed. Reg. 78590, 78608 (Dec. 27, 2013).
[4] 31 U.S.C. § 6307(1).

Congress knows how to confer rulemaking authority upon Federal agencies, and it has not done so through either provision. Indeed, OMB has previously acknowledged each agency's power to autonomously deviate from the Uniform Guidelines through its own rulemaking processes. That longstanding interpretation of OMB's authority is correct and should be upheld.[5]

OMB should either withdraw the Proposed Rule or abandon its efforts to convert the Uniform Guidance to a binding regulation by removing all text suggesting that the Proposed Rule binds other agencies and restoring references to nonbinding guidance of the type that Title 2 of the CFR has historically used. Alternatively, DOT could withdraw its delegation of authority to OMB and decline to adopt the Proposed Rule for its funding and financing awards. Federal agencies must retain the discretion to adopt the Uniform Guidance as appropriate in their unique circumstances.

II. The Proposed Rule Will Dramatically Increase Costs and Uncertainty for Public Transportation Agencies, Passenger Railroads, Private Businesses, and Projects Nationwide.

The Proposed Rule will have tremendous real-world consequences for all Federal recipients. Because of the size and complexity of the projects that public transportation agencies and passenger railroads undertake, APTA members have significant concerns about the practical implications of this Proposed Rule at virtually every stage of the grant process. Taken together, the changes proposed will impose substantial administrative and compliance burdens on public transportation agencies and increase the costs and uncertainty associated with their operations and capital projects.

A. <u>The Proposed Rule's Termination and Suspension Provisions and Policy-Based Grounds for Termination Will Cause Uncertainty, Financial and Operational Risk, Needless Delay, and Increased Costs for Major Public Transportation and Passenger Rail Projects. [200.331, 200.340(a)(1), 200.343(a)(1)]</u>

The Proposed Rule contains a series of provisions that will put Federal grants at risk based on subjective and undefined criteria, including:

- Allowing, in the proposed revisions to Section 200.340, a Federal awarding agency to terminate discretionary grant funding if the agency determines doing so is "in the interest of the Federal agency . . . including if a Federal award does not effectuate program goals, Federal agency priorities, or the national interest as they exist *at the time of the termination*."[6]

[5] Courts typically greet with skepticism any agency claim to discover in a long-extant statute an unheralded power to regulate a significant portion of the American economy. *Utility Air Regulatory Grp. v. EPA*, 573 U.S. 302, 324 (2014). By attempting this shift, OMB is seizing an enormous and transformative expansion of its regulatory authority without clear congressional authorization.

[6] Regulation for Federal Financial Assistance, 91 Fed. Reg. 32198, 32258 (proposed May 29, 2026) [hereinafter NPRM], NPRM § 200.340(a)(2). For ease of reference, where a section of the Proposed Rule is referenced, this public comment will simply note "NPRM," followed by the proposed section number.

- Imposing grant conditions unrelated to the core purposes of transportation grants—including requirements to ban diversity, equity, and inclusion (DEI) initiatives,[7] restrict disparate impact liability theories,[8] and establish viewpoint-based prohibitions on private entities' organization of expressive activities[9]—that may serve as a basis for grant suspension or termination.

- Conditioning Federal awards on recipients ensuring that subrecipients not act in a manner that could damage the "reputation" of the pass-through entity, Federal agency making the award, or Federal Government.[10]

- Empowering Federal agencies to suspend a Federal award for up to 90 days, with no appeal rights, if the agency determines that doing so is in the interest of the agency, and to terminate an award by providing only "[a] brief summary of the reason or reasons for finding that termination is in the interest of the Federal agency."[11]

The termination and suspension provisions will leave public transportation agencies and their private-sector partners at the mercy of ever-changing priorities that need not even be tied to the relevant funding statute. If these changes were adopted, a Federal agency could determine that an earlier award is simply inconsistent with present-day priorities and unilaterally terminate the award, without any statutory basis under the funding program or any actual violation of the grant agreement itself. That is inconsistent with the purpose of a full funding grant agreement, which, unusually among Federal instruments, commits the Federal Government to a schedule of future reimbursements. That commitment is what allows a project sponsor to execute construction contracts worth billions of dollars and what gives lenders and private-sector businesses the confidence to price their work at reasonable rates.

Practically, the mere threat—let alone the actual imposition—of termination or suspension creates significant operational and financial uncertainty and increases project costs.

- The risk of sudden suspension or termination will be priced into every construction project, every vehicle manufacturing project, and even routine capital projects, driving up costs. Public transportation agencies rely on multi-year awards to hire staff, enter into contracts, and deliver projects. Private-sector businesses enter into long-term contracts with public transportation agencies based on the certainty of their public-sector partners' Federal commitments. They cannot readily absorb the risk of potential termination of a contract on the discretion of an agency and not grounded in a contractor's performance or compliance. Stripping Federal commitments of their guarantees will impose an uncertainty surcharge on every Federally supported project, large and small, in the form of higher bids and financing costs, with no corresponding public benefit and to the detriment of taxpayers. On projects, every day counts, even a modest risk premium translates

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7 NPRM § 200.300.
8 NPRM § 200.218.
9 NPRM § 200.219.
10 NPRM § 200.332(i).
11 NPRM § 200.341(c)(1).

into substantial public cost, and the threat of losing funding for even a week, much less months or forever, can cost projects millions of dollars.[12]

- The lack of a reliable, stable funding source from the Federal Government will also create significant downstream risk for the U.S. public transportation manufacturing industry. Transit vehicle manufacturers must make long-term investments in domestic production capacity, workforce hiring, supplier agreements, tooling, engineering, and inventory based on agencies' Federally funded procurement programs. These investments are made based upon the reasonable expectation that, after Congress appropriates funding and Federal agencies obligate grants, Federal commitments are reliable and will remain in place absent recipient noncompliance. When grants may be suspended or terminated based on evolving policy priorities, rather than statutory or contractual performance, manufacturers lose the certainty necessary to make those investments and cannot efficiently plan production or make long-term capital investment. The result is reduced investment, delayed production, higher financing and manufacturing costs, increased pricing risk, delayed or reduced hiring, and reduced willingness throughout the supply chain to commit resources to future public transportation procurements. Those impacts extend beyond individual manufacturers, to reach thousands of American jobs across vehicle assembly, component manufacturing, steel fabrication, electronics, HVAC systems, seating, accessibility equipment, and other critical domestic industries. Increased uncertainty regarding Federal funding weakens this industrial base precisely when national policy has encouraged expanded domestic manufacturing and resilient American supply chains.

- These proposed changes will also impede public transportation agencies from effectively raising the non-Federal funds they need to support their projects and operations. Because Federal transportation grants require a local match, State and local grantees often must access additional financing by issuing municipal bonds. Credit agencies like Moody's have already raised the alarm that the Proposed Rule's expanded termination and suspension discretion introduces greater risk for transportation infrastructure projects attempting to secure this necessary financing.[13] Moody's has specifically identified FTA's Capital Investment Grant program as particularly at risk because the municipal bonds for those projects are underwritten based on the availability of stable, multi-year Federal funding.[14]

- Similar concerns will make it difficult for agencies to enter into public-private partnerships. Private partners will identify the same risk of arbitrary grant cancelations as lenders and may be unwilling to contract with Federal funding recipients. The Proposed Rule therefore threatens to cut off innovation in project delivery and hamper private investment in infrastructure.

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[12] The National League of Cities has echoed these concerns, stating that "[i]f funding is withdrawn midway through construction, communities could be left with unfinished projects while taxpayers shoulder unexpected costs." Caitlin Devitt, *Cities, States Warn of Credit Impact from Proposed Federal Grant Rule*, THE BOND BUYER, July 9, 2026, https://www.bondbuyer.com/news/cities-states-warn-of-credit-impact-from-proposed-federal-grant-rule.

[13] Caitlin Devitt, *Moody's Warns Proposed Political Review of Grants a Credit Negative*, THE BOND BUYER, June 15, 2026, https://www.bondbuyer.com/news/moodys-warns-proposed-political-review-of-grants-a-credit-negative.

[14] *Id.*

- The Proposed Rule will also impose significant administrative burdens on pass-through entities. The proposed requirement forcing recipients to ensure that subrecipients not take reputation-damaging action is a poor fit for public transportation agencies who frequently serve as pass-through entities to nonprofit subrecipients who provide workforce, housing, law enforcement, and social services. Those subrecipients often independently engage in other activities unconnected to the Federal award. APTA members lack the capacity to monitor those other activities. Even if they had the capacity, they could not do so, because the Proposed Rule does not provide any objective way to determine what actions are reputationally damaging.

- APTA is also concerned about the similar risks created by the combination of the requirement to classify each downstream entity as a contractor or subrecipient and the ability of the Federal agency to terminate Federal awards for a failure to report subawards on SAM.gov.[15] APTA requests that OMB eliminate these requirements or clarify that termination is not an appropriate remedy for SAM.gov classification or reporting errors. At minimum, a reasonable cure period for good-faith misclassifications is essential.

- Moreover, the constant possibility of discretionary suspension or termination of a grant creates problems in the Proposed Rule's retention of the provision, currently at Section 200.343(a) and proposed at Section 200.343(a)(1), disallowing costs resulting from financial obligations incurred "in anticipation" of a suspension or termination. With that possibility, recipients will never know when otherwise prudent spending on a project could be suddenly recharacterized as spending in anticipation of a suspension or termination and disallowed. This underscores the need to withdraw the proposed discretionary suspension and termination provisions. If they are not withdrawn, then OMB should revise the Proposed Rule to allow all costs properly incurred before a termination takes effect.

Furthermore, these proposals exceed OMB and DOT's statutory authority and are contrary to multiple constitutional and statutory requirements:

- In addition to OMB's general lack of authority to issue binding regulations, OMB lacks the authority to enact many provisions of the Proposed Rule, including those related to reputation and the national interest, because they are unrelated to financial management. As stated previously, the CFO Act authorizes OMB to establish an overall direction for financial management policies and coordinate managerial systems. The scope of activities OMB seeks to regulate on behalf of the undefined "national" interest and the "reputation" of the Federal Government extend far beyond the oversight of general financial management matters authorized by Congress. Moreover, the secondary statute OMB relies on for its rulemaking authority, 31 U.S. § 6307, has no bearing because it merely grants the agency power to promulgate financial "guidance" to the other agencies in their grant award programs. Neither Executive Order 14,332,[16] nor the December 2, 2025,

[15] NPRM §§ 200.331, 200.340(a)(1).
[16] NPRM, 91 Fed. Reg. at 32203.

Department of Justice's Office of Legal Counsel opinion,[17] can supply OMB with authority that it does not have, because "an executive order is not 'law' within the meaning of the Constitution."[18]

- OMB cannot implement such conditions through DOT's authorities either, as recent case law confirms that DOT lacks that power. Federal agencies may not "condition disbursement of funds in part on grounds not authorized by Congress, but rather on Executive Branch Policy."[19] Congress has not authorized DOT to condition disbursement of funds on grounds related to DEI, and so DOT—and OMB, if it is executing authority delegated to it by DOT—cannot do so.[20] OMB's attempt to insert these terms contravenes separation of powers concerns recently highlighted by multiple courts.[21]

- These proposals also raise concerns under the Spending Clause of the U.S. Constitution. If the Federal Government intends to impose a condition on the receipt of Federal funds, it "must do so unambiguously," and the condition must bear a direct relationship or nexus to the "federal interest in particular national projects or programs."[22] But OMB has not defined the national interest or explained what actions may damage the reputation of the Federal Government. Conditioning continued reimbursement on such a pliable concept cannot demonstrate the nexus and clarity required of a Federal grant condition.

- The proposed expansion of termination and suspension rights may authorize the unlawful impoundment of congressionally appropriated funds. Under the Impoundment Control Act of 1974,[23] the Executive Branch may not unilaterally cancel, withhold, or delay the obligation of duly appropriated funds to substitute its own policy preferences for those of Congress. The proposal to allow Federal agencies discretion to terminate or suspend awards based on vague "national policy requirements" creates a mechanism for impermissible *de facto* programmatic impoundment.

APTA urges OMB to delete subsections (a)(2) and (e) of the proposed Section 200.340, which are incompatible with sound financial planning and the Federal mission of supporting transportation projects. At a minimum, OMB must add more definite standards and appeal and remediation processes. OMB should also modify the proposed Sections 200.331, 200.340(a)(1), and 200.343(a)(1) as described above.

B. <u>The Proposed Rule Would Disrupt Grant Awards. [200.205(b), 200.206(b)]</u>

The new pre-issuance reviews proposed in Sections 200.205(b) and 200.206(b), where a senior appointee must ensure awards are consistent with agency priorities and the national interest and the Federal agency must evaluate a recipient's risk based on a recipient's affiliations and "[h]istory of questionable practices,"

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[17] *Id.*
[18] *Marin Audubon Soc'y v. FAA*, 121 F.4th 902, 908 (D.C. Cir. 2024) (internal quotes omitted).
[19] *King County v. Turner*, 785 F. Supp. 3d 863, 886 (W.D. Wash. 2025).
[20] *Id.* at 888.
[21] *See, e.g.*, *id.*; *City of Fresno v. Turner*, No. 25-cv-07070, 2025 U.S. Dist. LEXIS 167189, at *10 (N.D. Cal. Aug. 27, 2025) (collecting cases); *City of Seattle v. Trump*, 808 F. Supp. 3d 1204, 1214–17 (W.D. Wash. 2025).
[22] *South Dakota v. Dole, 483 U.S. 203, 212 (1987).*
[23] Codified at 2 U.S.C. §§ 681–699.

is unnecessary, disruptive, and insufficiently clear. As just one example, the FTA's Capital Investment Grant program has supported high-quality major public transportation capital projects for decades.[24] These projects are subject to a rigorous review process pursuant to clearly defined factors set forth in statute and FTA guidance. By the time they are awarded, FTA has ensured that they are a sound and justifiable use of Federal money.

Proposed Sections 200.205(b) and 200.206(b)(2) will needlessly interfere with well-functioning existing processes and introduce uncertainty and potential disruption.

- Additional review threatens to delay the grantmaking process, jeopardizing the steady flow of funds to public transportation projects.

- Additional review is unnecessary, given that FTA already has existing procedures to ensure that discretionary grants are awarded to technically sound projects that advance the Federal Government's interests.

- The proposal may conflict with various Federal transportation statutes, including 49 U.S.C. § 5309(c)(1), to the extent that the Proposed Rule requires FTA and DOT to take into account factors beyond those that Congress directed.

- Various risk review factors—such as the history of "questionable practices" and membership in organizations that "undermine public safety"—are unclear, which will make it difficult for grantees to comply.

- Certain of the questionable practices referring to activities inconsistent with civil rights or religious liberty laws also raise concern insofar as they may penalize applicants for failing to predict changes in those laws or their interpretation.

- The potential for affiliates of a grant applicant to create reputational risks also presents a problem for public transportation agencies given their distinctive governance structures. Specifically, because many public transportation agencies are overseen by a board with members who are either elected or appointed by elected officials, those board members may engage in political and expressive activities entirely separate from their board service, protected by the First Amendment, and potentially required by virtue of their principal office or employment. Public transportation agencies should not be penalized for their board members' separate political activities.

- The use of indirect costs as a review factor is inapplicable in the public transportation context. Large and small agencies have different rates of indirect costs based solely on their size. Indirect costs are, to an extent, outside of the control of public transportation agencies. Additionally, FTA has historically approved overhead rates for FTA-funded capital projects, and the use of an FTA-approved rate should not hurt Federal recipients going forward.

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[24] *See* 49 U.S.C. § 5309.

APTA urges OMB to delete Section 200.205(b) from any final rule and not to modify the existing risk review under Section 200.206(b)(2). As an alternative to deleting Section 200.205(b), OMB should add a binding timeline to the pre-issuance review and provide clear standards that align with those set forth in statute. OMB should also clarify that Federal formula funding programs, such as FTA's Formula Grants for Rural Areas, are exempt from the pre-award review provisions. As an alternative to not modifying Section 200.206(b)(2), OMB should add safe-harbor provisions protecting compliance with Federal law as it was interpreted at the time of the action, provide more specific definitions of activities that "undermine public safety or national security," and limit the risk assessment to exclude public transportation board members' activities outside of their board service.

C. The Proposed Limitations on Reimbursable Expenses Will Hamper Public Transportation Development and Likely Increase Costs. [200.432, 200.444, 200.450, 200.454, 200.461]

The Proposed Rule imposes new limits on reimbursable expenses that are particularly impactful to transportation infrastructure projects.

- By restricting professional development and general cost of government expenses and requiring that a Federal agency approve a specific event at the time of issuance of an award,[25] the Proposed Rule threatens to erode the technical capacity of public transportation agencies. It is impossible for a public transportation agency to predict at the time of the grant application which technical symposiums its engineers will benefit from several years after starting the project. By freezing professional development at the outset of a project, the Proposed Rule prevents agencies from adapting to new developments, degrading quality, safety, and cost-effectiveness.

- The Proposed Rule's restrictions on using Federal funds for general costs of government and advertising introduce a severe risk of cost-shifting onto pass-through entities.[26] For major public transportation projects, the line between a direct project administrative cost and a general government expense can be tough to distinguish. Delivering a multi-billion-dollar public transportation expansion requires extensive internal staff time from State and local government on activities such as environmental impact reviews, rights-of-way acquisitions, specialized zoning coordination, and continuous public engagement. APTA and its membership strongly believe these activities ought to be reimbursable under Federal grants and are concerned the Proposed Rule, as written, lacks clarity as to whether critical cross-governmental activities inherent to public transportation projects will be treated as non-reimbursable "general costs of government."

- Certain entities may be constituted specifically to deliver a particular project and may have general costs of government that are, fundamentally, attributable to a Federal project. OMB should clarify that such costs are allowable.

[25] NPRM §§ 200.432, 200.454.
[26] NPRM §§ 200.444, 200.461.

- The Proposed Rule's restrictions on the use of funds for communications with the public and State government threaten to sweep too broadly.[27] Public transportation agencies must regularly communicate with State agencies and the impacted public to implement Federally funded projects. Routine project and program coordination communications with either group could be classified as prohibited advocacy if they touch on State policy questions. The Proposed Rule offers no workable standard for distinguishing between communications supporting public transportation service and "public messaging." The broad prohibitions will, in practice, be harder to implement and less effective than the specific terms of the current Uniform Guidance.[28]

If Federal agencies refuse to reimburse standard expenses to keep public transportation projects compliant and on schedule, public transportation agencies risk being forced to absorb these massive staffing costs locally. This would create, in effect, an unfunded Federal mandate.

APTA therefore seeks modification and clarification of Sections 200.432, 200.444, 200.450, 200.454, and 200.461.

D. <u>The Proposed Rule Would Introduce New Bottlenecks into the Grant Reimbursement Process. [200.305]</u>

The Proposed Rule's attempts to modify existing FTA processes will introduce inefficiencies. After an FTA grant is executed, recipients operate on a strict reimbursement basis. Federal funds are drawn down via the FTA's Electronic Clearing House Operation (ECHO) system. Under the existing framework, ECHO allows grantees to request reimbursements for incurred eligible costs, with automated processing delivering funds to the grantee rapidly. Instead of reviewing justifications with each payment, FTA reviews backup documentation for expenses during triennial audits. The speed of the reimbursement is critical to maintain the cash flow needed to pay contractors, subcontractors, and workers on schedule.

OMB proposes to unnecessarily modify this efficient model by adding a new section 200.305, which could introduce two bottlenecks into the payment process.

First, Section 200.305 would require that all payment requests from non-State recipients include a "brief, written justification" describing the specific purposes and reward-related work for every single payment request.[29] The requirement to justify every payment could, if interpreted to require agencies to prescreen every reimbursement request, interfere with FTA's efficient and successful ECHO process. If FTA can no longer rely on its ECHO process, it will likely be unable to ensure the smooth flow of reimbursements to recipients, jeopardizing recipients' ability to pay contractors and subrecipients. APTA therefore requests that OMB clarify that the "brief, written justification" does not require manual review before a reimbursement is disbursed, to avoid jeopardizing relationships between agencies and their private-sector partners.

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[27] NPRM § 200.450(c)(1)(iv), (v).
[28] *See* 2 CFR § 200.450(c)(1).
[29] NPRM § 200.305.

Moreover, APTA sees potential capacity and redundancy problems in the requirement to justify each payment. If the justifications need not be more detailed than the justifications FTA requires in its triennial audits, then requiring them with each payment is duplicative and would upset an existing, well-functioning system. If OMB is seeking to implement stricter requirements, then APTA is concerned that many of its members do not have the administrative capacity to increase the amount of time they spend on justifying expenses. The NPRM fails to account for the impact on the accessibility of Federal grants to small agencies. The justification requirement should be withdrawn, or at a minimum clarified or modified to mitigate those impacts.

Second, the Proposed Rule would mandate that State recipients use the Department of the Treasury's Do Not Pay system or an alternative before payment disbursement to third parties.[30] The proposed new requirement ignores, however, that many FTA funding recipients already have strong procedures in place that do not rely on the Do Not Pay system in particular. Although the Proposed Rule states that alternative options may be acceptable, public transportation agencies need more clarity regarding acceptable options. Without guidance on what alternatives are acceptable, the option to use an alternative is not meaningful, because the risk of choosing an unacceptable alternative is too great.

APTA recommends that OMB modify Section 200.305 to eliminate these bottlenecks or make clear that existing FTA processes satisfy the new requirements.

E. <u>The Proposed Rule's E-Verify Mandates Are Unclear and Burdensome. [200.303]</u>

APTA likewise has concerns with the Proposed Rule's E-Verify mandates. The proposed revisions to Section 200.303 introduce requirements for recipients and subrecipients to participate in the Department of Homeland Security's E-Verify program. The application of this requirement to public transportation agencies introduces potentially significant bottlenecks and is not based on clear statutory authority.

Transportation infrastructure projects often rely on complex delivery structures involving many contractors and subcontractors, with hundreds or thousands of employees. If the requirement to participate in E-Verify to confirm the eligibility of all "contractors" is interpreted as covering numerous lower-tier subcontractors or suppliers, that burden could be massive. Moreover, the Proposed Rule shifts the burden of compliance monitoring onto public transportation agencies and prime contractors, rather than the Federal Government, which is charged with enforcing immigration law.

The problem is compounded by the scope of the mandate, which covers individuals "performing work . . . under a Federal award."[31] The Proposed Rule fails to define whether the E-Verify mandate applies solely to employees directly charging hours to the Federal grant, or if it applies to a recipient's entire workforce through commingled operations. Without precise definitions, risk-averse State agencies risk over-enforcing the provision, demanding E-Verify compliance from all tangential vendors and adding substantial administrative burden and cost to public transportation agencies and their projects.

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[30] NPRM § 200.303(g).
[31] NPRM § 200.303.

OMB should withdraw the proposed Section 200.303 because imposing broad E-Verify mandates is a significant policy, and not one that OMB has statutory authority to enact. At minimum, OMB should make clear that recipients are not responsible for monitoring E-Verify compliance of subcontractors,[32] and that only workers who work exclusively or predominantly on a Federal project are subject to the mandate.

F. The Prohibitions on DEI and Disparate Impact Liability Interfere with Statutory Mandates. [200.205, 200.218, 200.300]

In addition to lacking a lawful basis, the restrictions targeted at DEI or disparate impact liability in proposed Sections 200.205, 200.218 and 200.300 are overbroad. They ignore that Federal recipients are bound by statutory mandates. Already, recent regulatory changes have created substantial uncertainty in the public transportation industry, including with respect to planning requirements and routine monitoring of outcomes based on protected characteristics.

APTA members are bound by nondiscrimination law, along with statutes and regulations governing transportation planning. OMB's additional restrictions threaten to muddy the waters through prohibitions on amorphous concepts, making compliance with key civil rights laws more difficult.

The proposed prohibition on the use of funds to support DEI in Section 200.300(b) raises concerns for large public transportation agencies that conduct outreach and engagement efforts and partner with social service agencies to administer human services programs. OMB does not explain what it means to facilitate DEI practices or principles. Public transportation agencies that partner with social service agencies to administer housing assistance, homeless services, behavioral health, and public health programs use approaches tailored to the documented characteristics and needs of the populations the programs are authorized to serve.

OMB should therefore eliminate Section 200.218 and Section 200.205(b)(2), and either eliminate the references to DEI and DEIA in Section 200.300 or include in any final rule an express statement that culturally competent service delivery, language access services, and population-specific outreach are not prohibited by Section 200.300(b).

G. The Proposed Mandates Regarding First Amendment Activities Are Unclear. [200.219]

APTA seeks clarification regarding the proposed Section 200.219. Many APTA members are state actors bound by the First Amendment, and those APTA members take their responsibilities seriously. However, it is unclear whether the proposed Section 200.219 imposes requirements beyond that of the First Amendment.

If it does, the Proposed Rule imposes a burden on public agencies without any authorization for doing so. Notwithstanding the Federal Government's role in ensuring Federal grantees comply with civil rights law, including First Amendment protections, the First Amendment also prevents the Federal Government from

[32] If OMB intends to impose such a requirement, it should permit recipients to monitor contractors' compliance through contractors' certifications, rather than through more intrusive and time-intensive means.

dictating others' speech policies. Nor does OMB have the statutory authorization to use Federal funding to promote speech beyond that which is constitutionally guaranteed.

APTA therefore requests that OMB, through additional explanation or the use of definitions or examples, explain what entities are "public" and "non-public," the authority for imposing speech mandates on non-public entities, the extent to which Section 200.219 reaches recipients' property unconnected to a Federal award, and what restrictions on expressive activities are permissible in the transportation context.

H. Additional Provisions Require Substantial Modification.

APTA has concerns with a number of other provisions in the Proposed Rule.

1. *The Conflict-of-Interest Provisions Are Overbroad and Unnecessary. [200.112]*

The proposed two-year conflict of interest restriction in Section 200.112 of the Proposed Rule reflects the pitfalls of setting government-wide policies without taking into account industry-specific needs. The proposed requirement to disclose former employees of a Federal agency ignores that those employees may have had no involvement with grantmaking in the Federal agency or the grant application within the applicant agency. This restriction could hamper recipients' ability to recruit qualified candidates from the Federal Government for key roles, including, notably, safety.

Those leaving Federal service are already bound by existing ethics policies that include conflict-of-interest restrictions. Those provisions are sufficient to ensure integrity in Federal grantmaking processes. OMB should not implement the additional two-year restriction. APTA requests that OMB remove or modify Section 200.112.

2. *The Proposed Rule's Prohibition on Certain Foreign Collaborations Presents Implementation Difficulties. [200.220]*

Section 200.220 of the Proposed Rule imposes a vague prohibition on Federal grantees that requires clarification. That section provides that "Federal funds may not be obligated or expended by a recipient or subrecipient to support a bilateral or multilateral collaboration, agreement, program, or activity with a covered foreign country or covered foreign entity." In the transportation context, Federal funds may be used by both recipients and contractors, because Federally funded transportation projects often involve complex procurement structures, including prime contractors, subcontractors, equipment manufacturers, technology providers, professional service firms, and suppliers of specialized rail components. If the prohibition also prohibits those counterparties from transacting with certain foreign entities, it could prove difficult to implement and monitor.

APTA therefore requests that OMB clarify that Section 200.220 does not bind contractors and vendors and does not impose monitoring requirements on recipients and subrecipients. In addition, APTA requests that the final rule include a reasonable implementation period to prevent disruption to ongoing procurements and projects.

3. Recipients Should Not Be Required to Overhaul Internal Control Frameworks. [200.303(a)]

The Proposed Rule eliminates references to "Standards for Internal Control in the Federal Government" and the "Internal Control-Integrated Framework" from Section 200.303(a). Those standards are widely recognized frameworks for internal controls that grant recipients, including APTA members, have relied on in designing their internal control systems. While APTA appreciates that the regulatory preamble allows Federal agencies and recipients to consider these frameworks as general reference points, to reduce the considerable uncertainty that recipients may face, APTA requests that OMB confirm within Section 200.303(a) that internal controls complying with these frameworks are sufficient, but not necessary, to meet that Section's requirements.

4. The Provisions Regarding Private Causes of Action Would Undermine Established Dispute Resolution Procedures. [200.339(b)]

APTA is concerned with revisions to Section 200.339(b) that would permit Federal agencies to cooperate with private causes of action against a Federal funding recipient. A Federal agency is invested in the success of a Federally funded project and in the enforcement of Federal law. While the Federal agency must be empowered to take action in response to a violation of Federal law or a grant agreement, it is improper for a Federal agency to work with third parties in a way that could undercut its contractual commitments to a Federal recipient. Moreover, the proposed provision contains no limits on the sharing of information that may have been provided to the Federal regulator with an expectation of confidence.

Federal agencies and recipients involved in disputes must adjudicate those disputes through the means set out in law and Federal grant agreements. Federal agencies should not be permitted to circumvent those procedures by supporting third parties. APTA therefore requests that OMB remove Section 200.339(b) from any final rule.

5. The Prohibition on Fixed Amount Awards and Justification Requirements for Cost-Reimbursement Contracts Will Reduce Flexibility. [200.201, 200.320, 200.333]

The prohibition on fixed-amount awards and subawards in the proposed revisions to Sections 200.201 and 200.333 and the "strong discourage[ment]" and justification requirement for cost-reimbursement contracts under Section 200.320 reduce important flexibility for Federal funding recipients. Public transportation agencies are aware of the incentives that cost-reimbursement contracts create for contractors, and nonetheless may choose to use such a contract where other considerations justify the risk. That choice should not be subject to Federal approval. Conversely, the ban on fixed-amount awards and subawards ignores that recipients may rely on fixed-amount awards and subawards for good reason, and that there are alternative ways to promote transparency and accountability. FTA ensures accountability through audits. Additional restrictions on fixed amount awards are unnecessary, or should at least be waivable with Federal approval.

Additionally, while APTA appreciates that the regulatory preamble notes that the restrictions on fixed-amount awards and subawards are not retroactive, APTA notes that a retroactive prohibition on cost-reimbursement contracts could necessitate complex renegotiations of existing third-party contracts. OMB should therefore withdraw the proposed restrictions on fixed-amount awards and subawards and on cost-reimbursement contracts, or, if it does not, clarify that the restrictions on cost-reimbursement contracts do not have retroactive effect, and allow fixed-amount awards and subawards with Federal agency approval.

III. The Unduly Rushed Proposed Implementation Timeline Heightens APTA's Practical Concerns.

The many practical harms of this Proposed Rule, as well as the confusion it will create, are compounded by the rushed proposed timeline for implementation. OMB's intent to finalize and implement a final rule by October 1, 2026, is unrealistic and ignores the realities of state and local government procurement and budgeting. That problem is exacerbated by a lack of clarity regarding the Proposed Rule's retroactive effect or lack thereof.

APTA members will face difficulties, which in some circumstances may be insurmountable, in overhauling their practices by October 1, 2026, to comply with new requirements. Public transportation agencies cannot overhaul their payment systems to interface with the Department of the Treasury's databases, re-engineer vendor onboarding workflows to mandate boundless E-Verify tracking across contracting tiers, and restructure their accounting divisions to support drawdown justifications within a window of only a couple of months following potential finalization of the rule.

Furthermore, forcing a truncated implementation timeline creates severe downstream risks for recipient stewardship of Federal funds. Rushing recipients to deploy untested, complex internal controls by October 1, 2026, will create much greater risk of systemic accounting, data-entry, and procurement challenges. Far from advancing OMB's stated goals of enhanced transparency and data integrity, this hurried rollout actively undermines long-term Federal oversight by potentially hardwiring instability into the foundation of the new regulatory framework.

These problems are even greater if compliance with a final rule would require APTA members to change their practices with respect to existing grant agreements, or to announced awards and pending applications. The Proposed Rule is unclear regarding which provisions, if any, will apply to preexisting grant agreements.[33] Such retroactive effect would be concerning for two reasons. First, it is doubtful that OMB has the authority to issue a rule with such retroactive effect.[34] Second, projects slated for FY 2027 funding or applying for a grant have been actively designed, budgeted, and locally funded or financed over the preceding years through statutorily prescribed processes. Project sponsors have extended substantial resources in finding non-Federal funding sources, completing environmental reviews, and making at-risk expenditures under FTA pre-award authority or letters of no prejudice. By failing to expressly exempt active and pending grants and cooperative agreements from the proposed regulatory changes, the Proposed

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[33] All ongoing and renewable grant agreements cannot be affected by the Proposed Rule as written should it go into effect on October 1, 2026, unless recipients subsequently agree to the terms of the Proposed Rule. While Congress—through Federal agencies—may condition funding, a recipient must "voluntarily and knowingly assent to those conditions for them to bear any legal force." *West Virginia v. B.P.J.*, 609 U.S. __ (2026) (slip op. at 1) (Gorsuch, J., concurring) (quoting *Pennhurst State School and Hospital v. Halderman*, 451 U. S. 1, 17 (1981)). Additionally, it is doubtful that assent is voluntary when a recipient amends an active grant agreement, as recipients cannot easily abandon such agreements.

[34] *See Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 208 (1988) ("[A] statutory grant of legislative rulemaking authority will not, as a general matter, be understood to encompass the power to promulgate retroactive rules unless that power is conveyed by Congress in express terms.").

Rule creates significant uncertainties regarding recipients' obligations. This may force agencies to pause procurement and attempt (with little leverage) to renegotiate existing contracts. If a rule with retroactive application is adopted, agencies would lack the capacity needed to amend all of their active agreements within a 90-day window.

Four months between issuance of a NPRM and a final rule's effective date is highly unusual and would carry the potential for disruption in any context, let alone government-wide funding requirements. OMB should withdraw the Proposed Rule. At minimum, OMB should: (1) clarify that this rule will not apply to existing grant agreements, announced awards, or grant agreements resulting from pending applications; (2) extend the implementation timeline to give Federal funding recipients 18 months from the final rule's publication; and (3) consider phasing in portions of the final rule that are more complex to implement and providing safe harbors for good-faith attempts to comply during a transition period.

IV. OMB Has Not Engaged in Reasoned Decision-Making Supported by Cost-Benefit Analysis to Arrive at Its Burdensome Proposals.

APTA has serious concerns about the NPRM's failure to discuss, let alone quantify, the Proposed Rule's massive transitional and administrative costs. These omissions are a fundamental defect in the rulemaking process itself. Rather than evaluating the actual costs of forcing a nationwide infrastructure pivot in four months, the Proposed Rule ignores them.

The Regulatory Impact Analysis (RIA) expressly does not model the likely financial effects of the Proposed Rule, and instead seeks to rely solely on public comment submitted after the NPRM's publication.[35] When promulgating a rule of this magnitude, an agency must produce a rigorous economic analysis that adequately quantifies costs or adequately explain why those costs are unquantifiable, in order to "pay[] attention to the advantages *and* the disadvantages of agency decisions."[36] The RIA for this NPRM does not do so.

While the RIA discusses certain provisions expected to generate economic costs, it overgeneralizes and underestimates the costs themselves. For instance, the RIA expects the costs associated with changes to payment systems to be "minimal to modest" in most cases.[37] The report defines "minimal" as "[b]arely perceptible,"[38] and characterizes "modest" as "[s]mall but noticeable; limited scope or duration."[39] In reality, the mandates of the Proposed Rule will require public transportation agencies, passenger railroads, and the industry's private-sector businesses to undertake extensive, permanent, and resource-intensive overhauls of accounting and internal control systems.

And the consequences will have significant ripple effects throughout the construction and manufacturing industries, equipment and materials supply chains, and regional economies. Every Federally funded public transportation investment supports a broader ecosystem of American manufacturers, suppliers,

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[35] NPRM, Regulatory Impact Analysis [hereinafter RIA], at 17.
[36] *Michigan v. EPA*, 576 U.S. 743, 753 (2015) (emphasis in original).
[37] RIA at 13.
[38] *Id.* at 30.
[39] *Id.*

engineering firms, construction companies, and skilled workers that collectively depend on stable and predictable Federal investment. Introducing uncertainty into obligated Federal grants will increase costs throughout this ecosystem, discourage long-term private investment, and ultimately reduce the purchasing power of every Federal transportation dollar.

This failure to take a hard look at the economic impact of the Proposed Rule extends to the Small Entity Analysis (SEA) as well. OMB's assertion that the impact of tens of thousands of small business contractors transitioning to E-Verify is "modest and primarily administrative in nature" defies belief and demonstrates a failure to evaluate the true burden on small businesses in the transportation industry.[40]

V. Conclusion

The Proposed Rule would undercut the efficient delivery of public transportation projects and operations of local, regional, and national importance. The complex administrative mandates, coupled with the October 1, 2026, effective date, place a cumbersome compliance burden on public transportation agencies. The Proposed Rule likewise introduces uncertainty that may create a tangible economic risk, chilling the municipal bond market and complicating public transportation agencies' efforts to secure statutorily required non-Federal funding and financing. The Proposed Rule does all this with insufficient statutory authority and inadequate analysis of costs and benefits. Accordingly, OMB should either withdraw the Proposed Rule or substantially modify it, including but not limited to abandoning efforts to convert the Uniform Guidance into a binding regulation. Federal agencies must retain the discretion to adopt the Uniform Guidance as appropriate in their unique circumstances.

APTA appreciates the opportunity to comment on this Proposed Rule. If there are any questions regarding this comment, please contact APTA's General Counsel, Taria Barron, at tbarron@apta.com. Thank you for your consideration.

Sincerely,

Paul P. Skoutelas

Paul P. Skoutelas
President and CEO

cc: Mr. Joel Savary, Office of Management and Budget, Office of Federal Financial Management

Mr. Andrew Reisig, Office of Management and Budget, Office of Federal Financial Management

Dr. Anne Byrd, Assistant Secretary for Administration, Office of the Secretary, Department of Transportation

[40] NPRM, Small Entity Analysis, at 4.

The Honorable David A. Fink, Administrator, Federal Railroad Administration,
U.S. Department of Transportation

Mr. Matthew Cahill, Acting Deputy Administrator, Federal Transit Administration,
U.S. Department of Transportation

ATTACHMENT C

THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

July 22, 2026

Chairman Shelley Moore Capito Committee on Environment and Public Works	Ranking Member Sheldon Whitehouse Committee on Environment and Public Works
Chairman Ted Cruz Committee on Commerce, Science, and Transportation	Ranking Member Maria Cantwell Committee on Commerce, Science, and Transportation
Chairman Tim Scott Committee on Banking, Housing, and Urban Affairs	Ranking Member Elizabeth Warren Committee on Banking, Housing, and Urban Affairs

Dear Chairmen Capito, Cruz, Scott and Ranking Members Whitehouse, Cantwell, and Warren:

I am pleased to submit these proposals for surface transportation reauthorization to advance the President's vision for a bold transportation future. More than at any time since the introduction of passenger jet flight, we stand on the verge of fundamentally changing how Americans travel. President Trump's proposals deliver safer, smarter systems that expand economic opportunity and mobility for every American.

These recommendations tackle emerging challenges from our highways, bridges, transit systems, and freight networks for a stronger, more innovative future grounded in safety, speed, and fiscal responsibility.

Urgent Action Needed on Surface Transportation Reauthorization

Transportation is the backbone of the Nation's economy. Our roads, highways, and rails move millions of tons of freight and hundreds of millions of people every day—to work, to medical appointments, to shop, and to visit family.

With authorization for the U.S. Department of Transportation (DOT) surface transportation programs expiring on September 30, 2026, we continue to urge Congress to pass a comprehensive, multi-year surface transportation reauthorization bill that provides predictable funding for the Nation's vital transportation network. If a short-term extension of current authorities becomes necessary, we strongly urge Congress to adopt a set of critical policy priorities. We view these surface transportation reauthorization (STR) proposals not merely as stopgaps, but as essential markers and anchors for the longer-term surface transportation reauthorization bill.

I. STR Priorities Transmitted to Congress

To build big, beautiful infrastructure that gets America moving again, jumpstart our economy, and build a strong foundation for the future, we urge Congress to include the previously transmitted core STR priorities in any extension. See Appendix A for specific proposals that support the Administration's top policy priorities.

- **Strengthening Transit Safety and Security:** It is imperative that we crack down on transit systems that allow crime to run rampant, exposing workers and families to danger. To protect riders and workers, the Federal Transit Administration (FTA) must be granted authority to condition Federal funds on a transit agency's proven progress in reducing fare evasion, passenger assaults, and worker assaults, supported by a mandatory set-aside for safety and crime prevention. In addition, the Secretary should have greater authority to withhold funding when transit agencies fail to keep their systems safe.

- **Advancing Safe Automated Vehicle (AV) Innovation:** The United States has led the world in the development of AVs, and we must continue to support our Nation's innovators as they expand the deployment of this revolutionary technology, or they will be displaced by companies from other countries, including those where the same safeguards do not exist. We need to modernize regulations to safely accelerate AV development, establish a voluntary AV pilot program with preemptive authority to avoid a patchwork of State laws, lift restrictive deployment caps, and develop tailored Federal Motor Vehicle Safety Standards (FMVSS) for driverless vehicles. Rigorous safety oversight must be maintained through mandatory Safety Management Systems (SMS) and national data-sharing initiatives.

- **Ensuring Railway Safety:** The train derailment in East Palestine, Ohio, served as a tragic but salient reminder that our country must do more to ensure the safe and effective operation of our Nation's railways. The disaster, which involved the derailment of 38 cars and the evacuation of Americans living within a one-mile radius of the derailment, must never be allowed to happen again. Accordingly, commonsense and measured reforms must be codified by this Congress in order to ensure appropriate guardrails are in place to prevent future derailments that undermine confidence in our rail system and jeopardize the wellbeing of American communities. The Railway Safety Act offers those guardrails, and should be included in any legislative package that extends or reauthorizes surface transportation funding.

- **Expanding and Modernizing Infrastructure:** Congress should authorize a new competitive grant program targeted at expediting the completion and expansion of the Interstate system, mitigating nationally significant freight bottlenecks at highway interchanges, and deploying critical digital infrastructure and transportation technology at scale. The Administration's objective is to launch completion of the Interstate Highway System, including the start of construction for unbuilt, congressionally designated highways. This is key for ensuring that the U.S. remains economically dominant for the next century, as many of the highways of today were built during the Cold War with no subsequent maintenance of pace in improvement in the ensuing decades.

- **Restoring Highway Trust Fund Solvency:** Neither transit systems nor transit users pay into the Highway Trust Fund, despite its continued shortfalls. We propose eliminating the Mass Transit Account and consolidating all Federal fuel tax revenues into the Highway

Account. This will re-establish a direct user-pays model and address the Fund's looming structural deficit.

II. Additional Administration Priorities

We have a unique opportunity through reauthorization efforts to address key initiatives – particularly those related to transforming New York Penn Station, expanding private sector investment in transportation projects such as airports, and prioritizing motor vehicle travel over bicycle lanes.

- **Transform New York Penn Station:** New York Penn Station will be re-built into a brand-new, world-class station. To transform the station, we urge Congress to:
    - Authorize an additional $1 billion in Federal-State Partnership for Intercity Passenger Rail (FSP) Grant Program funding for New York Penn Station design and construction.
    - Incorporate the McDowell amendment to insert a new section into title 49 to permit Amtrak to enter into agreements requiring payments in lieu of taxes.
    - Increase the Railroad Rehabilitation and Improvement Financing (RRIF) cap from $35 billion to $50 billion.
    - Direct Amtrak to rename New York Penn Station.

- **Expand Private Sector Investments, Including Airports:** Our Nation's infrastructure, including our airports, needs further investment to usher in the Golden Age of Transportation. The private sector can unlock funding for improvements to transportation projects of regional and national significance.
    - To modernize and fund new infrastructure projects, replenish Private Activity Bond (PAB) allocation authority, with conforming eligibility with the Transportation Infrastructure Finance and Innovation Act (TIFIA) and RRIF programs, except for transit-oriented development and airports.
    - Remove the sunset of the airport-related projects eligibility for TIFIA credit assistance and expand the current, limited definition so more project sponsors can finance critical infrastructure.
    - Remove limitations on rail shipper access to RRIF financing for facilities along the National Rail Network to open significant new opportunities to attract private investment and enhance supply chain connectivity.

- **Protecting Consumer Choice:** We must protect the right of Americans to purchase and drive traditional vehicles by prohibiting any mandates that would require vehicles to be capable of wireless data transmission or automated driving.

- **Prioritize Motor Vehicle Travel Over Bicycle Lanes:** Dedicated bicycle lanes as part of "road diets" and other roadway reconfigurations reduce the number of vehicle travel lanes on a roadway. When vehicle throughput is sacrificed to accommodate bicycle lanes, the increased congestion can lead to longer travel times and wasted fuel; lower levels of service and worse system performance; longer emergency response times; increased barriers for personal mobility devices and vehicles with accessibility enhancements;

preferential treatment of the few bicycle travelers over the many motor vehicles; restricted large truck movements; less available space for delivery vehicles; and increased driver-cyclist conflict points at intersections. We urge Congress to restrict competitive and formula grant funding for bicycle lanes and other bicycle infrastructure that reduce travel throughput for motor vehicles and support removal of existing bike lanes that contribute to congestion.

- **Strengthening Commercial Motor Vehicle Enforcement:** To address critical safety investigator staffing shortfalls, the reauthorization should adjust the Federal Motor Carrier Safety Administration (FMCSA) high-priority program authorization levels to support the deployment of 815 additional enforcement personnel over the next five fiscal years, including 550 new safety investigators. This will scale up proactive safety oversight for over 800,000 motor carriers and 7.2 million commercial drivers. Additionally, we urge Congress to include policy language amending 49 U.S.C. § 31309 to authorize FMCSA to establish direct federal ownership and modernization of the Commercial Driver's License Implementation System (CDLIS), utilizing a user-fee framework to sustain long-term operations.

- **Consolidate Competitive Grant Programs:** The Infrastructure Investment and Jobs Act (IIJA) significantly expanded the number of competitive grant programs at DOT. Many are small programs that could be consolidated with other competitive grants. Streamlining competitive grant opportunities would both reduce the application burden for DOT funding recipients, and reduce the grant agreement administrative burden on both recipients and the Department. Appendix B provides specific proposals to consolidate programs administered by the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), the Maritime Administration (MARAD), the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the Office of the Secretary of Transportation (OST).

- **Pass Dalilah's Law to Improve Trucking Safety:** America's truck driving workforce is central to the economy, but we cannot accept drivers with unknown safety records or who cannot read our road signs or converse with law enforcement in English. We therefore urge Congress to pass Dalilah's Law to restrict the issuance of non-domiciled commercial driver's licenses (CDLs) only to individuals with approved employer-sponsored visas, and to require that all CDL knowledge and skills tests be administered in English.

- **Preserve Daylight and Save Lives by Improving Traffic Safety:** Adopting permanent Daylight Saving Time would eliminate the needless time, hassle, and cost involved in changing clocks twice a year, and a study found that it would prevent hundreds of traffic deaths every year by shifting daylight to times of day when more Americans drive.

Incorporating these focused priorities into surface transportation reauthorization efforts will provide immediate, transformative benefits to American transportation safety, infrastructure scalability, and consumer rights, and lay a robust foundation for a comprehensive multi-year reauthorization bill.

III. Existing IIJA Programs to Not Extend or Modify

IIJA included funding-related provisions that should not be continued in both the extension and multi-year surface transportation reauthorization bill. Many of these programs authorize funding for wasteful spending on climate change, equity, and other activities that fall outside the core responsibilities of the Department. In addition, their program eligibilities are redundant with other grant programs, or their purpose can be achieved through existing programs. These grant programs are an outsized burden for both DOT and the funding recipients to administer compared to the transportation-related benefits received. To get DOT back to basics, we urge Congress to not extend the authorization for 12 programs and modify three programs in IIJA. Funding for programs under Division J in IIJA should also not be continued. See Appendix C for the list of existing IIJA programs to either not extend or modify.

The Golden Opportunity of Surface Transportation Reauthorization

President Trump is ushering in the Golden Age of Transportation, and surface transportation reauthorization is the time to ensure America builds big and beautiful infrastructure. Although this Administration is eager to see a long-term funding bill passed by Congress, if an extension is likely that opportunity, it should not be wasted. We urge Congress to include Administration policy priorities as part of any extension or surface transportation reauthorization efforts.
We look forward to partnering with you as we honor America's 250th anniversary by paving the way for another 250 years of remarkable investment in our Nation's infrastructure.

Sincerely,

Sean P. Duffy

Enclosure

Appendix A: Top Administration STR Policy Priorities

Strengthening Transit Safety and Security

- **Condition Transit Funding on Improvements in Crime on Transit Authority Premises:** Grant the Federal Transit Administration the authority to withhold up to 100 percent of Federal formula funds if an agency fails to demonstrate progress in reducing crime and fare evasion, and replace existing set-asides with a new, mandatory set-aside for safety and crime prevention projects.

Advancing Safe Automated Vehicle (AV) Innovation

- **Establish an AV Pilot Program with Preemption Clarity:** Authorize the Secretary to create a voluntary pilot program allowing manufacturers to deploy AVs—including noncompliant vehicles—under structured Federal oversight and preemptive authority.

- **Lift Caps, Expand Duration of Deployment Exemptions, and Ensure Safety:** Amend 49 U.S.C. §§ 30113 and 30114 to eliminate the 2,500-vehicle annual cap, extend exemption terms to five years at the Secretary's discretion, apply a consistent safety equivalence standard to low-emission vehicles, and prohibit Foreign Entities of Concern from qualifying for exemptions.

- **Authorize Targeted "Make Inoperative" Relief for Dual Use Vehicles:** Amend 49 U.S.C. § 30122 to permit certain safety features to be made inoperative temporarily when necessary to facilitate safe automated driving systems (ADS) functionality, including smooth transitions between ADS and human control.

- **Require Rulemaking to Facilitate Self-Certification of Purpose-Built Vehicles:** Require the Secretary to establish a new FMVSS framework, specifically for purpose-built vehicles that will never be operated by a human driver.

- **Require Rulemaking to Establish Safety Documentation and Retention Requirements:** Require the Secretary to issue regulations requiring all ADS manufacturers to provide an emergency responder interaction guide, maintain a safety management system, report incident data, and retain ADS-related records – replacing the current Standing General Order (SGO).

- **Facilitate Secure Information Sharing with State and Local Governments:** Amend 49 U.S.C. § 30167 to authorize the National Highway Traffic Safety Administration (NHTSA) to share information on AV operations and incidents with State and local governments while maintaining protections for confidential business information (CBI).

- **Establish Shareable Driving Scenario Database:** Direct NHTSA to create and to maintain a national database of driving scenarios—populated by contributions from AV developers and other stakeholders—to accelerate safety learning and to enhance transparency in AV development and deployment.

- **Establish FMVSS for ADS Safety and Competence:** Direct NHTSA to promulgate FMVSS establishing minimum safety and performance requirements for ADS.

- **Establish Safety Management System (SMS) Requirements for ADS Testers and Fleet Operators:** Direct NHTSA to require automated driving systems (ADS) testers and fleet operators to implement and maintain an SMS to manage safety risk systematically during testing and deployment.

Protecting Consumer Choice

- **Freedom Car - Right to Drive Disconnected and Non-Automated:** Prohibit any Federal, State, tribal, or local authority from mandating that vehicles sold or operated on public roads be equipped with automated driving systems or be capable of transmitting data wirelessly.

Expanding and Modernizing Infrastructure

- **Interstate Construction Competitive Grant Program:** Establish a competitive grant program to fund projects that expedite the completion of unfinished segments of future Interstate corridors and expand existing Interstates to provide at least three lanes of traffic in each direction.

- **Combating Freight Bottlenecks at Highway System Interchanges:** Create a competitive grant program for highway projects to address significant freight bottlenecks, requiring that at least 50 percent of the funds be reserved specifically for nationally significant bottlenecks.

- **Digital Infrastructure Competitive Grant Program:** Create a new competitive grant program to fund the widespread implementation of surface transportation technology and digital infrastructure, such as intelligent transportation systems, artificial intelligence applications, and vehicle-to-everything communications.

Restoring Highway Trust Fund Solvency

- **Eliminate Mass Transit Account of the Highway Trust Fund:** Eliminate the Mass Transit Account within the Highway Trust Fund and consolidate all Federal fuel tax revenues into the Highway Account to re-establish a direct user-pays model and reduce the Highway Trust Fund's structural deficit.

Appendix B: STR Competitive Grant Consolidation Proposals

- **FHWA – BRIDGE Program:** Consolidate the Bridge Investment Program (BIP), with modifications, and the Competitive Highway Bridge Program to focus on projects that can be delivered faster.

- **FHWA – Consolidation of Competitive Grant Programs:** Consolidate the number of FHWA competitive grant programs to reduce duplication, overlap, and instead focus more clearly on areas of Federal interest. Eliminate competitive programs that are not effective, are sufficiently covered through eligibility in formula programs, or do not align with Administration priorities.

- **FRA – New Competitive Intercity Passenger Rail Grant Program:** Create one comprehensive intercity passenger rail (IPR) investment program by consolidating the following existing FRA passenger rail competitive grant programs: Federal-State Partnership for Intercity Passenger Rail (FSP), Corridor Identification and Development (CID), Restoration and Enhancement (R&E), and Interstate Rail Compacts (IRC). This new IPR program will emphasize increasing competition in the development, design, construction, and operation of IPR projects.

- **FTA – Back-to-Bus Basics - Lowering Costs and Streamlining Competitive Bus Grants:** Consolidate the Grants for Buses and Bus Facilities (5339(b)) and Low or No Emission (5339(c)) competitive grant programs into a single, more streamlined program that eliminates the set-asides for low and zero emission buses and associated facilities.

- **FTA – One Simple Ferry Program – Combining and Streamlining 3 Ferry Programs:** Establish and authorize a single FTA ferry program under proposed 49 U.S.C. 5341, which combines FTA's Passenger Ferry Program under 49 U.S.C. 5307(h) and projects and recipients eligible for funding under two additional programs established under IIJA advanced appropriations: the Electric or Low-Emitting Ferry Program and the Ferry Service for Rural Communities Programs. Eliminate any set-asides for low and zero emission ferries and associated infrastructure.

- **OST – Building Beautiful Infrastructure is Great (BBIG) Competitive Grant Program:** Consolidate five existing competitive grant programs administered by OST into a single multimodal program for major transportation infrastructure projects, the Building Beautiful Infrastructure is Great (BBIG) program. Two existing competitive grant programs are funded out of Title 23 and administered by OST (Rural Surface Transportation Grants (Rural) and the Nationally Significant Freight and Highway Projects (INFRA)) would be combined with the National Infrastructure Project Assistance (Mega) program into the new, multimodal Building Beautiful Infrastructure is Great (BBIG) Grants Program for transformative transportation infrastructure projects, which would be authorized in 49 U.S.C 6701 (the existing Mega grants statute). The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program administered by FRA and the Port Infrastructure Development Program (PIDP) administered by MARAD would be modified to limit eligibility to smaller rail and port projects; larger rail and port projects would thus be eligible only under the multimodal BBIG program.

- **OST – America's Beautiful Community Transportation Projects (ABC) Competitive Grant Program:** Consolidate four existing competitive grant programs administered by OST into a single multimodal program for smaller transportation infrastructure projects, the America's Beautiful Community Transportation Projects (ABC) program. Three existing competitive grant programs administered by OST (the Reconnecting Communities Pilot Program (RCP) and the smaller projects components of Rural Surface Transportation Grants (Rural) and Nationally Significant Freight and Highway Projects (INFRA)) would be sunset and combined with the Local and Regional Project Assistance (BUILD) program into the new America's Beautiful Community Transportation Projects (ABC) Grants Program for smaller infrastructure projects, which would be authorized in 49 U.S.C 6702 (the existing BUILD grants statute).

- **PHMSA – Non-Profit Training Grant Merger:** Merge the hazardous materials non-profit training grants, Hazmat Instructor Training (HMIT), Community Safety (CSG), and Assistance for Local Emergency Response Training (ALERT) into one grant with multiple eligibilities. In addition, remove the set aside for Community Safety grants from the Hazmat operations budget (Section 5128(d)) and instead fund the activities through the Hazmat Materials Emergency Preparedness Fund (Section 5128(b)).

Appendix C: Existing IIJA Programs Not to Extend or Modify

Existing IIJA Programs Not to Extend

- **Section 11204 – Prioritization Process Pilot Program.** The Prioritization Process Pilot Program authorizes for $10 million per year competitive grant program funding to support data-driven approaches to planning. The activities can be done through existing formula funding programs.

- **Section 11206 – Increasing Safe and Accessible Transportation Options.** The section requires a 2.5% formula-fund set aside from apportioned planning funds (State Planning and Research funds, and Metropolitan Planning funds) to go directly towards activities associated with Complete Streets activities, which include planning and prioritizing active transportation facilities including sidewalks and bikeways. States or Metropolitan Planning Organizations may opt out of this requirement if Complete Street policies are adopted. Recommend removing this requirement as this supports activities counter to Administration priorities, such as bicycle lanes.

- **Section 11401 – Grants for Charging and Fueling Infrastructure.** The Grants for Charging and Fueling Infrastructure program authorizes an increasing amount each year – starting at $300 million in FY22 and $700 million in FY26 – in competitive grant program funding to deploy EV charging infrastructure and other alternative fueling infrastructure. Funding EV charging infrastructure is not an Administration priority, and the implementation of this program was ineffective in deploying charging stations.
    - **Note: Division J contains the National Electric Vehicle Infrastructure (Formula Program & Competitive Program).** Division J appropriated $1 billion per year in formula funding to States, and appropriated $100 million per year in competitive grant funding, to deploy EV charging infrastructure. The program activities are market distorting, and funding EV charging infrastructure is not an Administration priority. In addition, the implementation of the program was ineffectual. Also recommend a rescission of the unobligated program funding.

- **Section 11403 – Carbon Reduction Program.** The Carbon Reduction formula grant program authorizes over $1.3 billion per year to reduce transportation emissions. This section is focused on climate change and is counter to Administration priorities. Recommend not extending this competitive grant program to more efficiently deliver more relevant pollution reductions through the Congestion Mitigation and Air Quality formula program.

- **Section 11406 – Healthy Streets Program.** The Healthy Streets competitive grant program authorizes $100 million per year to deploy cool pavements and porous pavements and expand tree cover. Recommend not extending this program because this program was not appropriated funding and therefore never launched. This program is also associated with Biden -diversity, equity, and inclusion initiatives that are not supported by this Administration.

- **Section 11509 – Reconnecting Communities Pilot Program.** The Reconnecting Communities Pilot competitive grant program authorizes nearly $100 million per year for projects that restore community connectivity. Recommend not extending because this program supports Biden-era diversity, equity, and inclusion initiatives. The infrastructure activities that provide transportation-related benefits can be done through existing competitive and formula funding programs.

- **Section 11522 – Invasive Plant Elimination Program.** The Invasive Plant Elimination competitive grant program authorizes $50 million per year to control existing invasive plants or prevent introduction of or encroachment by new invasive plants along and in areas adjacent to transportation corridors. This program should not be extended because this program was not appropriated funding and therefore never launched, and it does not provide a direct transportation benefit.

- **Section 11528 – Pollinator-Friendly Practices on Roadsides and Highway Rights-of-Way.** The Pollinator-Friendly Practices on Roadsides and Highway Rights-of-Way competitive grant program provides $2 million in funding per year for projects to benefit pollinators on roadsides including the planting of native grasses and wildflowers. This program should not be extended because it does not provide a direct transportation benefit.

- **Section 11529 – Active Transportation Infrastructure Investment Program.** The Active Transportation Infrastructure Investment competitive grant program authorizes $200 million in funding per year for projects to construct eligible projects to provide safe and connected active transportation facilities in an active transportation network or active transportation spine. Recommend not extending this program since the program's primary purpose is bicycle lanes, which are not an Administration priority.

- **Section 21203 – National Culvert Removal, Replacement, and Restoration Grant Program.** The National Culvert Removal, Replacement, and Restoration competitive grant program authorizes $200 million in funding per year for projects for the replacement, removal, and repair of culverts or weirs that restore fish passage. This program should not be extended since fish passage projects do not provide a direct transportation benefit. Roadway maintenance and re-designs can already account for culverts under roadways as an eligible expense.

- **Section 25005 – Strengthening Mobility and Revolutionizing Transportation Grant Program.** The Strengthening Mobility and Revolutionizing Transportation (SMART) competitive grant program funds demonstration projects for advanced technologies and systems. This program is authorized for $100 million per year. The program is not included in the FY27 President's Budget, and its activities can be funded through other research funding sources.

- **Section 25006 – Electric Vehicle Working Group.** Recommend removing this section that establishes an Electric Vehicle Working Group of Federal and industry stakeholders to strategize and report on electric vehicle adoption. This is a green infrastructure-related activity that goes against Administration priorities. Promoting the adoption of electric vehicles over other types of motor vehicles distorts the marketplace.

IIJA Programs to Modify

- **Section 11402 – Reduction of Truck Emissions at Port Facilities.** The Reduction of Truck Emissions at Port Facilities competitive grant program authorizes $50 million per year in competitive grant funding to reduce idling at port facilities. The scope of the program should be changed to remove references to port electrification. In addition, DOT recommends that the program name be updated to better reflect its purpose.

- **Section 11404 – Congestion Relief Program.** The Congestion Relief Program authorizes $50 million per year in competitive grant funding to advance innovative, integrated, and multimodal solutions to congestion relief in the most congested metropolitan areas of the United States. The program goals should be changed to remove a reference to "optimizing transit systems" and remove project eligibilities that include cordon pricing as well as transit and commuter buses. In addition, the name of the program should be Highway Congestion Relief Program. These modifications would best address congestion in ways that fit the role of the FHWA, and FTA can leverage existing programs to achieve the transit-related elements of this program.

- **Section 24112 – Safe Streets and Roads for All grant program.** The Safe Streets and Roads for All competitive grant program authorizes $200 million in funding per year to support local initiatives to prevent death and serious injuries on roads and streets. The Safe Streets and Roads for All grant program should be changed from a competitive grant program to a formula grant program for more efficient implementation. The current Federal burden to administer 2,000+ grant agreements is extensive and unnecessary.

July 10, 2026

The Honorable Sam Graves
Chairman, House Transportation and Infrastructure Committee
United States House of Representatives
1135 Longworth House Office Building
Washington, D.C. 20515

The Honorable Rick Larsen
Ranking Member, House Transportation and Infrastructure Committee
United States House of Representatives
2163 Rayburn House Office Building
Washington, D.C. 20515

Subject: **Support for Amendment to Authorize Local Funding Distribution and Selection of Projects from the Surface Transportation Block Grant and Congestion Mitigation and Air Quality Improvement Programs**

Dear Chairman Graves and Ranking Member Larsen:

As the County Transportation Commission (CTC) for each one of the six counties in the largest metropolitan planning area in the nation, we write to express our strong support for a priority surface transportation reauthorization request, as submitted via amendment by Representative Julia Brownley (D-CA) during the House Transportation Infrastructure Committee markup of the BUILD America 250 Act, that would authorize CTCs created by state law to receive federal Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality Improvement (CMAQ) program funds and select projects for funding from these programs within their regions. Importantly, this request reflects a unified regional position among all six CTCs within the Southern California Association of Governments (SCAG) region and has garnered strong bi-partisan support by members of Congress throughout the region. We would encourage reconsideration of this language when the BUILD America 250 Act is taken up on the House Floor.

For three decades, the SCAG region successfully operated under a locally driven framework in which the State Department of Transportation suballocated STBG and CMAQ funds to CTCs following the federal apportionment formula for each program. This approach empowered these local agencies to plan and deliver transportation projects tailored to their communities, while ensuring accountability and timely use of federal funds.

In 2021, a federal corrective action prohibited the State DOT from suballocating STBG and CMAQ program funds and Metropolitan Planning Organizations (MPOs) from delegating project selection to CTCs and other units of local government, effectively centralizing control at the regional level. In the SCAG region, which is home to over 18.8 million people across six counties and nearly 200 cities, this shift has disrupted long-range planning, delayed project delivery, and diminished local responsiveness. The approval of the proposed amendment will yield substantial efficiency gains by reducing administrative layers and directing more funding to project delivery, in a manner that expedites and ensures the full obligation of the federal funds. It will also ensure accountability and responsiveness to local needs while preserving MPO oversight and approval of the transportation improvement program for the region.

The undersigned County Transportation Commissions of the SCAG region encourage your support for the proposed amendment when the BUILD America 250 Act is taken up by the House Rules Committee and when the bill is considered on the House Floor.

Sincerely,

Stephanie Wiggins
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority

Darrell E. Johnson
Chief Executive Officer
Orange County Transportation Authority

Martin Erickson
Executive Director
Ventura County Transportation Commission

Carrie Schindler
Executive Director
San Bernardino County Transportation Authority

Aaron Hake
Executive Director
Riverside County Transportation Commission

David Aguirre
Executive Director
Imperial County Transportation Commission

c: The Honorable David Rouzer (NC-7), Chairman, House Transportation and Infrastructure Subcommittee on Highways and Transit
The Honorable Eleanor Holmes Norton (DC), Ranking Member, House Transportation and Infrastructure Subcommittee on Highways and Transit
The Honorable Julia Brownley (CA-26), Member, House Transportation and Infrastructure Committee
The Honorable Salud Carbajal (CA-24), Member House Transportation and Infrastructure Committee
The Honorable Laura Friedman (CA-30), Member, House Transportation and Infrastructure Committee
The Honorable Robert Garcia (CA-42), Member, House Transportation and Infrastructure Committee

ATTACHMENT E

Monthly Legislative Report – **June 2026**

Advocacy Meetings

Office of Representative Norma Torres (D-CA) – In June we met with staff from Rep. Torres' office to discuss potential legislative opportunities to restore local allocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) programs. The discussion focused on potential amendments to the surface transportation reauthorization bill, as well as the upcoming Fiscal Year 2027 (FY27) Transportation, Housing and Urban Development (THUD) Appropriations Act, and options for incorporating language that would effectively restore the pre-2021 suballocation methodology for these programs. We also briefed the office on the growing regional support for this effort, including the coordinated advocacy underway among the county transportation agencies within the Southern California Association of Governments (SCAG) region.

Office of Representative Salud Carbajal (D-CA) – We met with Rep. Carbajal's Legislative Director to provide an update on the ongoing effort and regional support to restore local allocation authority for the STBG and CMAQ programs. We discussed the legislative strategy for advancing this issue through the surface transportation reauthorization bill and the support from the county transportation agencies within the SCAG region.

Office of Representative David Rouzer (R-NC) – We continued discussions with Rep. David Rouzer's senior staff regarding the anticipated timing of House floor consideration of the BUILD America 250 Act and the potential amendment process. The conversation focused on legislative strategies for advancing changes to restore local allocation authority for the STBG and CMAQ programs in the SCAG region. We also highlighted the coordinated advocacy effort of the six Southern California county transportation agencies, emphasizing the unified regional consensus supporting restoration of the pre-2021 funding allocation methodology.

Office of Representative Jay Obernolte (R-CA) – We met with Rep. Jay Obernolte's staff to discuss potential bipartisan co-sponsorship of amendments to the surface transportation reauthorization bill that would restore local suballocation authority for the Surface STBG and CMAQ programs. We shared the amendment language previously offered during the House Transportation and Infrastructure (T&I) Committee markup and discussed the strategy for offering a similar amendment on the House floor with Rep. Brownley.

Office of Representative Julia Brownley (D-CA) – In June, we continued discussions with Rep. Julia Brownley's office regarding potential amendments to the BUILD America 250 Act that would restore local suballocation authority for STBG and CMAQ programs within the SCAG region. We provided additional background on the Federal Highway Administration's (FHWA) corrective action that prompted the change in funding allocations and discussed its impacts on Southern California. We also received an update on feedback from the House T&I Committee's Democratic staff regarding the proposed amendment language and explored potential refinements and legislative strategies for advancing the proposal during House floor consideration.

Office of Representative Pete Aguilar (D-CA) – We updated Rep. Pete Aguilar's staff on the legislative strategy to restore local suballocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) programs within the Southern California Association of Governments (SCAG) region. The discussion included the status of congressional outreach, regional support from the Southern California county transportation agencies, and potential opportunities to advance the proposal through the surface transportation reauthorization bill.

Office of Representative Mike Levin (D-CA) – We continued discussions with Rep. Mike Levin's office regarding provisions in the Water Resources Development Act (WRDA) that are relevant to OCTA's coastal resiliency priorities for the Los Angeles –San Diego–San Luis Obispo (LOSSAN) Rail Corridor. Specifically, we discussed the bill's authorization for a San Clemente Shoreline feasibility study for coastal storm risk management and shoreline erosion protection, as well as an Environmental Infrastructure authorization for water supply, water recycling, wastewater, and stormwater management projects serving the cities of Mission Viejo, Rancho Santa Margarita, and San Clemente. These provisions could help support long-term efforts to improve coastal resilience and protect critical transportation infrastructure within the LOSSAN Rail Corridor. In separate discission we updated the office on the strategy for restoring local suballocation authority for the STBG and CMAQ programs within the SCAG region.

Office of Representative Young Kim (R-CA) – We continued to update the office on the potential for Rep. Julia Brownley to offer amendments during House floor consideration of the surface transportation reauthorization bill to restore local suballocation authority for the STBG and CMAQ programs. We also discussed opportunities to develop bipartisan support for the amendment and the importance of demonstrating broad regional consensus to improve its prospects for inclusion in a final House bill.

Office of Representative Ken Calvert (R-CA) – We continued to provide updates to Rep. Ken Calvert's office on the legislative strategy for restoring local suballocation authority for the STBG and CMAQ programs within the SCAG region. Discussions focused on potential amendment strategies for the surface transportation reauthorization bill, as well as the appropriations process that could be used to restore the pre-2021 funding allocation methodology.

Office of Representative David Min (D-CA) – In June we updated Rep. Dave Min's office on the legislative strategy and potential amendments to the Build America 250 bill to restore local suballocation authority for STBG and CMAQ programs within the SCAG region.

Office of Representative Derek Tran (D-CA) – We updated Rep. Trans office on ongoing efforts to restore local funding allocation authority for the STBG and CMAQ programs. The discussion included the current legislative strategy, growing regional support, and potential next steps for advancing the proposal through the BUILD America 250 Act surface transportation reauthorization.

Office of Representative Lou Correa (D-CA) – We updated Rep. Lou Correa's office on ongoing efforts to restore local funding allocation authority for the STBG and CMAQ programs through the BUILD America 250 Act.

House Appropriations Majority Staff – We met several times with House Appropriations Committee majority staff to discuss the timing and outlook for the FY27 THUD Appropriations Act, including funding levels for key federal transportation programs. Discussions also focused on potential funding opportunities to support transportation infrastructure, operations, and security needs associated with the 2028 Olympic and Paralympic Games in the Southern California region, as well as the broader challenges facing the FY27 appropriations process.

Surface Transportation Reauthorization Update

The House Committee on Transportation and Infrastructure advanced the BUILD America 250 Act (H.R. 8870) by a 62-2 vote following a two-day markup in late May. During the markup, the Committee adopted Chairman Sam Graves' manager's amendment along with 19 additional amendments, including incorporation of the Railway Safety Act of 2026, creating the current base text for the legislation. As reported earlier, the bill would authorize approximately $580 billion in highway, bridge, public transit, and rail safety programs through FY 2031 and would replace authorities established under the Infrastructure Investment and Jobs Act (IIJA), which expire on September 30, 2026.

While the Transportation and Infrastructure Committee has completed most of its work, the bill must still move through the House Ways and Means Committee before it can be considered by the full House. Based on our discussions with committee staff, we believe revisions to the underlying legislation are already underway. Once the Ways and Means Committee completes markup of the bill's tax title, House leadership is expected to combine that title with additional changes and technical corrections into a revised package that would serve as the vehicle for House floor consideration.

The principal challenge for the bill continues to be timing. With only two legislative weeks scheduled in July and an already crowded House agenda, the availability of floor time remains a significant obstacle. Legislative productivity was further constrained at the end of June when a group of House Freedom Caucus members delayed consideration of several major bills, including the National Defense Authorization Act (NDAA), while pressing leadership to again pass the SAVE Act with the NDAA. A similar dynamic could continue into July, making progress on any major legislative package increasingly difficult.

As a result, several congressional offices have indicated that they are beginning to shift their focus toward the possibility of a short-term extension of current surface transportation law rather than completing a full reauthorization before the September 30 expiration. Unlike previous extensions, there is growing discussion that such a package could include a more substantial set of policy changes than past short-term extensions while providing additional time for Congress to negotiate a longer-term authorization. Most expect that work on an extension, if necessary, would accelerate when the House returns from the August recess in September. The ultimate path forward will depend in large part on how quickly the Senate advances its own reauthorization proposal and whether bicameral negotiations can begin before the current law expires.

The current uncertainty reinforces the importance of continuing engagement with House and Senate offices on key policy priorities, including restoration of the pre-2021 STBG/CMAQ suballocation structure. Whether Congress advances the BUILD America 250 Act or pivots to a legislative extension, opportunities may still exist to incorporate targeted policy provisions as negotiations continue through the summer and into September.

FY27 Appropriations Update

Congressional action on the FY27 appropriations process has slowed considerably at the end of June as both the House and Senate grapple with disagreements over overall discretionary spending levels. Although the House remains ahead of the Senate, having advanced most of its appropriations bills through committee, progress in both chambers stalled toward the end of June as broader legislative disputes and funding negotiations consumed valuable floor time.

In the House, Republican leadership had planned to continue floor consideration of several major measures before the Independence Day recess, including the FY27 National Defense Authorization Act (NDAA) and additional appropriations bills. However, those plans unraveled when a procedural rule needed to bring the NDAA legislation to the House floor failed on a 198-224 vote, after fourteen Republicans joined Democrats in opposition. The rule would have allowed consideration of the NDAA while also automatically attaching the SAVE Act, legislation requiring documentary proof of U.S. citizenship for voter registration, before sending the bill to the Senate. The procedural dispute effectively halted House floor action not only on the NDAA but also on several appropriations measures that had been scheduled for consideration before the recess. Although Speaker Mike Johnson (R-LA) initially indicated the House would remain in session to resolve the impasse, leadership ultimately recessed for the July Fourth holiday on June 30th, leaving the timing for House consideration of both defense authorization and appropriations legislation uncertain. The episode highlights how unrelated policy disputes continue to consume limited floor time and complicate efforts to maintain the traditional appropriations schedule.

The Senate has experienced even greater delays. The Senate Appropriations Committee postponed several scheduled June markups after negotiations between Chairwoman Susan Collins (R-ME) and Ranking Member Patty Murray (D-WA) failed to produce agreement on overall non-defense discretionary spending levels and subcommittee allocations. Those negotiations have been further complicated by the Administration's proposal for a significant increase in defense spending, making it more difficult to reach the bipartisan funding framework that has traditionally guided the Senate appropriations process. Senate leadership is now expected to begin marking up several appropriations bills when the chamber returns the week of July 13.

Another factor contributing to the Senate's delay was the hospitalization of Senator Mitch McConnell (R-KY), whose absence temporarily deprived Senate Republicans of a key vote on the Appropriations Committee. Without his vote, Republican leadership faced the possibility that several bills could fail during committee consideration, prompting additional postponements while leadership assessed its options.

The delays have also led some Senate Republicans to discuss advancing appropriations bills without bipartisan agreement. While that approach could move legislation through committee, it would not resolve the larger challenge of securing the 60 votes required for Senate passage, making bipartisan negotiations ultimately unavoidable. As a result, committee action without Democratic support would likely serve primarily as a negotiating position rather than a viable path to final enactment.

Taken together, the House floor delays and Senate committee impasse have significantly compressed the timeline for completing all twelve appropriations bills before the September 30 end of the fiscal year. Under the traditional schedule, both chambers seek to pass their respective appropriations bills before the August recess, allowing negotiators to reconcile differences during August and September. That timeline is becoming increasingly difficult to achieve. While appropriators remain committed to advancing individual funding bills where possible, the current trajectory suggests Congress is increasingly likely to rely on a continuing resolution (CR) to fund the government beyond September 30 while negotiations on full-year appropriations continue into the fall.

Administration Submits $87.6 Billion Supplemental Funding Request

On June 24, the Administration transmitted an $87.6 billion FY26 emergency supplemental appropriations request to Congress, stating that most of this request will address urgent needs related to Operation Epic Fury (OEF), in addition to other critical needs such as responding to the Ebola outbreak in Central Africa and supporting American farmers. The proposal includes approximately $67 billion for the Department of War, $11.1 billion for agricultural assistance, $2 billion for the Coast Guard, $1.5 billion for State Department diplomatic security, $1.4 billion for Ebola response, and $1 billion to assist in the final design and construction of a modernized Penn Station in New York City, along with several other domestic and national security priorities. The Administration urged Congress "to take action on these important and urgent requests as soon as possible" while also indicating it is "open to discussing additional relief for other urgent matters."

For transportation stakeholders, the supplemental could become a potential legislative vehicle for additional funding tied to major national priorities, including 2028 Los Angeles Olympic and Paralympic Games security and transportation investments, should Congress decide to expand the package. However, the path forward remains highly uncertain. As mentioned earlier, Congressional leaders are already struggling to advance the regular FY27 appropriations bills, with disagreements over overall spending levels, increasing expectations for a continuing resolution later this year. Combined with competing priorities the prospects for moving a large supplemental appropriations bill in its current form remain challenging in the near term. While Congress frequently uses supplemental measures to address emerging national priorities, any effort to add any transportation related funding would likely depend on whether broader bipartisan negotiations on the package materialize.

Reconciliation 3.0 Update

Following enactment of Reconciliation 2.0, House Republican leadership has begun laying the groundwork for a potential Reconciliation 3.0 package, although both the scope and timing remain uncertain. The budget reconciliation process is a special congressional procedure created under the Congressional Budget Act of 1974 that allows certain legislation affecting federal spending, revenues, or the debt limit to pass the Senate with a simple majority (51 votes) instead of the usual 60 votes required to overcome a filibuster. Reconciliation 2.0 was a targeted budget reconciliation package focused primarily on immigration and border security funding. The roughly $70 billion measure provides multi-year mandatory funding for Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP), including resources for personnel, detention capacity, transportation, border technology, and related enforcement operations through the remainder of President Trump's term.

Discussions on Reconciliation 3.0 have largely centered on providing additional defense funding similar to the FY26 supplemental request, replenishing munitions and military readiness accounts, and advancing additional government efficiency and fraud prevention initiatives. Some House Republicans have also proposed including targeted healthcare savings, program integrity reforms, and immigration-related provisions to offset new spending. While there has been discussion about incorporating elements of the SAVE Act, Senate budget rules significantly limit the ability to include broad election policy within a reconciliation bill. Despite continued optimism from House leadership, the outlook for advancing a third reconciliation package in July appears increasingly challenging. Republican leaders have not yet finalized a budget resolution providing reconciliation instructions with no clear path do so in July. At the same time, competing priorities including appropriations, the NDAA, and surface transportation reauthorization could consume much of the limited legislative calendar. Several Senate Republicans have also publicly questioned whether there is sufficient time or political consensus to move another party-line reconciliation bill before Congress shifts its attention to the 2026 midterm elections.

At this point, the likelihood of House action in July is moderate at best, with enactment before the August recess appearing highly unlikely. While House leadership continues to view Reconciliation 3.0 as an opportunity to address additional defense priorities and other Republican policy objectives, the combination of a compressed legislative calendar, narrow Republican majorities, and competing must-pass legislation suggests that the package could slip into the fall or ultimately be deferred until after midterm election in a lame-duck session of Congress.

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Monthly Legislative Report – **July 2026**

Advocacy Meetings

House Transportation and Infrastructure (T&I) Committee Staff – We met with House T&I Committee staff to share a joint letter from all six county transportation commissions in the Southern California Association of Governments (SCAG) region supporting Representative Julia Brownley's proposed amendment to the BUILD America 250 Act. The discussion emphasized that restoring county-level authority suballocation of the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) Improvement program funding and authority for project selection has unified regional support and would reduce administrative delays while accelerating the delivery of locally prioritized transportation projects.

Office of Representative David Rouzer (R-NC) – We followed up with Representative David Rouzer's staff to share the joint letter from all six county transportation commissions in the SCAG region supporting Representative Julia Brownley's proposed amendment to the BUILD America 250 Act. We also discussed a potential extension of the Infrastructure Investment and Jobs Act (IIJA) and other issues related to the legislation's anticipated consideration on the House floor.

Office of Representative Jay Obernolte (R-CA) – We followed up with Representative Jay Obernolte's staff regarding a potential floor amendment to the BUILD America 250 Act, should the legislation advance to the House floor in September or during the lame-duck session. The amendment would restore county-level suballocation authority for STBG and CMAQ program funds and select projects within the SCAG region. We also shared the joint letter from all six county transportation commissions and discussed a potential extension of IIJA.

Office of Representative Julia Brownley (D-CA) – We followed up with Representative Julia Brownley's staff to share a joint letter from all six county transportation commissions in the SCAG region supporting the Congresswoman's amendment, which was offered and withdrawn during the committee markup of the BUILD America 250 Act. We also discussed next steps for advancing the amendment and ongoing discussions with the Senate Environment and Public Works (EPW) Committee.

Office of Representative Norma Torres (D-CA) – We followed up with Representative Norma Torres's staff regarding a potential floor amendment to the BUILD America 250 Act should the legislation advance to the House floor in September or during the lame-duck session. We also shared the joint letter from all six county transportation commissions and discussed a potential extension of IIJA as part of a continuing resolution that could be considered in September.

Office of Representative Salud Carbajal (D-CA) – We shared the joint letter from all six county transportation commissions in the SCAG region regarding the STBG & CMAQ issue with the Congressman’s staff and discussed potential amendments and coordinated outreach to the House Transportation and Infrastructure Committee and Senate Environment and Public Works Committee.

Senator Schiff (D-CA) – We met with Senator Schiff and his transportation staff to discuss the status of House-Senate negotiations on the BUILD America 250 Act and a potential extension of IIJA authorizations in September.

Office of Representative Pete Aguilar (D-CA) – We followed up with Representative Aguilar’s staff to share the joint letter from all six county transportation commissions and discuss a potential extension of IIJA through a Continuing Resolution (CR) that Congress could consider in September.

Office of Representative Mike Levin (D-CA) – We continued to meet with Representative Mike Levin’s staff to discuss the Water Resources Development Act (WRDA) of 2026, including provisions authorizing a San Clemente shoreline feasibility study and authorized funding for water, wastewater, recycling, and stormwater infrastructure in Mission Viejo, Rancho Santa Margarita, and San Clemente. We also discussed potential improvements to the environmental infrastructure authorization included in the House WRDA and shared the joint letter from all six county transportation commissions in the SCAG region supporting the proposed STBG and CMAQ amendment reference above.

Office of Representative Young Kim (R-CA) – We shared the joint letter from all six county transportation commissions with staff and discussed a potential extension of IIJA as part of a CR. We also discussed next steps for possible House and Senate negotiations on the BUILD America 250 Act.

Office of Representative Ken Calvert (R-CA) – We continued discussions with Representative Calvert’s staff regarding next steps for a potential floor amendment to the BUILD America 250 Act addressing the distribution of STBG and CMAQ program funds in the SCAG region. We also shared the joint letter from all six county transportation commissions and discussed a potential clean extension of IIJA as part of a CR.

Office of Representative David Min (D-CA) – We updated staff on ongoing discussions with the House T&I Committee and shared the joint letter from all six county transportation commissions. We also discussed a potential extension of IIJA through a CR and next steps for possible House-Senate negotiations on the BUILD America 250 Act in the fall.

Office of Representative Derek Tran (D-CA) – We shared the joint letter from all six county transportation commissions regarding the STBG and CMAQ issue and provided an update on ongoing discussions with House Transportation and Infrastructure Committee staff concerning a potential amendment.

Office of Representative Lou Correa (D-CA) – We shared with staff the joint letter from all six county transportation commissions. We also discussed a potential extension of the Infrastructure Investment and Jobs Act (IIJA) through a continuing resolution and next steps for a possible amendment to the BUILD America 250 Act should the legislation advance to the House floor this fall.

House Appropriations Majority Staff – We continued to meet with House Appropriations Committee staff to discuss the House-passed CR and ongoing negotiations with the Senate over the potential inclusion of a clean extension of IIJA that does not include any new Administration requested changes.

Fiscal Year 2027 (FY27) Appropriations Update

With the House adjourned until September and the Senate expected to begin its recess period during the first week of August, congressional attention has shifted from the annual appropriations bills to preventing a government shutdown when current funding expires on September 30. On July 21, the House approved H.R. 9770, a relatively clean CR, by a vote of 220–205. The House measure would maintain most federal programs at FY 2026 funding levels through December 4, 2026, without the policy provisions or funding anomalies requested by the Administration.

Senate Appropriations Committee Chair Susan Collins (R-ME) and Vice Chair Patty Murray (D-WA) have since released a bipartisan alternative that would extend federal funding through December 11. The Senate is expected to use H.R. 6500, a separate House-passed measure, as the legislative vehicle for its CR. This approach reduces procedural time in the Senate but means that, if the Senate approves the revised bill, the House will need to vote again on the Senate language before it can be sent to the President. The measure will require 60 votes in the Senate, necessitating bipartisan support.

Of direct importance to OCTA, the Senate CR package includes the Surface Transportation Extension Act of 2026. The proposal would extend existing federal highway, transit, highway-safety, and related surface transportation programs through December 11. Highway Trust Fund and Mass Transit Account programs would receive a prorated share of FY 2026 authorization levels, and the expenditure authority of the Highway Trust Fund would be extended through December 12. The proposal also would:

- Extend the availability of certain expiring Federal Highway Administration funds through September 30, 2027.
- Preserve disbursement authority for certain previously appropriated Capital Investment Grant funds.
- Prevent the continued one-time repurposing of certain Infrastructure Investment and Jobs Act funds included in the FY26 appropriations law.
- Maintain the existing requirements, eligibilities, and administrative conditions governing surface transportation programs during the extension.

The extension would prevent an immediate lapse in federal highway and transit program authority. However, it would not renew the separate advance appropriations provided through Division J of the IIJA that expire at the end of FY26. As a result, the CR would maintain core formula programs temporarily but would not fully replace the supplemental transit, passenger-rail, and competitive grant resources provided during the five-year IIJA period.

Another significant difference is Section 157 of the Senate CR, which would maintain existing federal grant guidance and prevent OMB from implementing its proposed federal financial-assistance regulations through December 11. The proposed OMB rule would require senior-level “pre-issuance reviews” of grant opportunities and expand agencies’ ability to suspend or terminate awards. State and local government organizations have expressed concern that the proposal could politicize grant decisions and create additional delays for transportation and infrastructure funding. Both Senator Collins and Senator Murray identified the temporary prohibition as an important element of the Senate agreement that will receive a vote on the Senate floor before they adjourn for August recess.

Separately, the House Appropriations Committee has reported H.R. 9170, its full-year FY27 Transportation, Housing and Urban Development (THUD) appropriations bill, but the measure has not received a House floor vote. The bill provides $92.224 billion in discretionary funding, $10.659 billion below FY 2026. It includes $28.29 billion in discretionary funding for the Department of Transportation and $111.571 billion in total transportation budgetary resources when Highway and Airport Trust Fund obligation limitations are included. Key transportation amounts include:

- $64.531 billion for the Federal Highway Administration.
- $16.51 billion for the Federal Transit Administration, including $14.642 billion from the Mass Transit Account.
- $737 million for Capital Investment Grants.
- $973 million for Transit Infrastructure Grants, including $875 million for public transportation assistance associated with the 2028 Olympic and Paralympic Games.
- $3.043 billion for the Federal Railroad Administration, including $523 million for CRISI grants and $100 million for the Railroad Crossing Elimination Program.
- $550 million for BUILD discretionary grants.
- $725 million in Community Project Funding for highway projects and approximately $87 million for transit projects.

The House THUD bill also relies on the repurposing of approximately $7.86 billion in prior IIJA funding, underscoring the broader challenge created by the expiration of IIJA advance appropriations. The Senate Appropriations Committee has not yet released or marked up its FY27 THUD bill. Accordingly, the proposed CR substantially reduces the immediate risk of an October 1 shutdown but pushes final decisions on annual transportation funding and enactment of Community Project Funding and Congressionally Directed Spending requests until at least December. The principal issues to monitor will be final enactment of the surface transportation extension, treatment of expiring IIJA advance appropriations, preservation of transit and passenger-rail funding, implementation of the $875 million LA28 transportation allocation, and whether the final FY 2027 agreement protects formula funding and competitive grant opportunities.

Surface Transportation Reauthorization Update

A short-term extension of federal surface transportation programs is now increasingly likely. As mentioned earlier, the Senate's proposed FY27 Appropriations continuing resolution would extend the highway, transit, highway-safety, and related authorities established under the Infrastructure Investment and Jobs Act (IIJA) from September 30 through December 11, 2026. The Senate Appropriations Committee describes the provision as a "clean extension" of current surface transportation programs. The House is expected to follow suit when it returns in September, although the chambers will still need to resolve differences between their respective continuing resolutions.

The extension would prevent a lapse in federal transportation funding and provide states, transit agencies, contractors, and project sponsors with temporary continuity. However, it would not offer the long-term certainty needed for major capital planning. It would also preserve existing IIJA policies including the current STBG and CMAQ suballocation framework unless Congress adds targeted policy provisions to the final extension.

With an extension becoming imminent, the future of the BUILD America 250 Act remains uncertain. Despite the overwhelming House T&I committee vote, H.R. 8870 has not advanced to the House floor. The House Ways and Means Committee must still address the legislation's tax and Highway Trust Fund provisions. House leadership is then expected to combine the tax title with technical corrections and other negotiated revisions before scheduling the package for floor consideration. With the House now out of session until September and facing an already crowded fall agenda, there is little practical opportunity to complete that process before the current authorization expires.

While there are ongoing discussions among the Senate EPW Committee, Senate Banking Committee, and House T&I Committee regarding whether the chambers can reach agreement on at least some elements of the highway and transit titles how those negotiations will continue after the midterm elections remain uncertain. In contrast, there has been comparatively little bicameral discussion concerning the rail title of the legislation. The Senate Commerce Committee has not released a comprehensive rail proposal, and substantive negotiations with the House T&I Committee appear problematic. Although Senate Commerce Committee members have outlined some priorities involving freight investment, passenger rail, and rail safety, significant work would be required to reconcile those priorities with the rail provision included in H.R. 8870.

Some House T&I committee staff believe a compromise package could emerge during the lame-duck session following the November elections. The December 11 extension would create a narrow post-election window for such an agreement. However, the outcome of the midterm elections will heavily influence whether congressional leaders attempt to complete a bill in December or defer the entire reauthorization process until 2027. If action slips into the next Congress, H.R. 8870 would have to be reintroduced and the legislative process would effectively begin again, although the existing bill could remain the foundation for future negotiations.

The current uncertainty reinforces the importance of continued engagement with House and Senate transportation stakeholders on priority provisions, including restoration of the pre-2021 STBG and CMAQ suballocation structure. Because a clean extension would leave the existing allocation process unchanged, the most realistic opportunities will be to seek inclusion of targeted language in a negotiated policy extension, the final reauthorization package, or both.

At this stage, the most likely outcome is enactment of an extension through December 11, followed by an effort to determine whether a bipartisan compromise can be completed during the lame-duck session. The extension will avoid immediate disruption, but the ultimate path to enactment of a modified BUILD America 250 package in December or a restart of the process in 2027 remains highly uncertain.

U.S. Department of Transportation (USDOT) Transmits Reauthorization Priorities

On July 22, 2026, Transportation Secretary Sean Duffy sent a 12-page letter to Senate committee leaders outlining the Administration's priorities for the next surface transportation reauthorization or a potential extension before current authorization expires on September 30. The letter calls for eliminating the Highway Trust Fund's Mass Transit Account and redirecting federal fuel-tax revenue to highways. It also proposes allowing the Federal Transit Administration to withhold up to 100 percent of formula funding from transit agencies that fail to demonstrate progress in reducing crime, fare evasion, and assaults against passengers and transit workers. In addition, the Administration urged Congress to incorporate the Railway Safety Act into any long-term reauthorization or temporary extension.

Other recommendations include reducing federal support for Complete Streets initiatives, bicycle and pedestrian infrastructure, dedicated bicycle lanes, and electric-vehicle charging programs. The Administration also proposed narrowing eligibility for competitive congestion-relief grants by excluding public transit improvements and tolling projects. If incorporated into legislation, these proposals could significantly alter federal funding for multimodal transportation agencies. However, the recommendations represent the Administration's position and would require congressional approval through the reauthorization or extension process, which is unlikely.

Water Resources Development Act (WRDA) Update

The Water Resources Development Act (WRDA) of 2026 continues to advance with strong bipartisan support in both chambers. WRDA is the biennial legislation through which Congress authorizes U.S. Army Corps of Engineers feasibility studies, construction projects and policy reforms addressing ports, navigation, flood and coastal-storm protection, ecosystem restoration and other water-resource needs. Congress has enacted a bipartisan WRDA every two years since 2014, and the 2026 bill is positioned to continue that record.

The House Transportation and Infrastructure Committee introduced its bipartisan proposal, H.R. 9497, on June 26. The committee's markup was initially scheduled for July 1 but was postponed following changes to the House calendar. When the committee reconvened on July 14, it adopted Chairman Sam Graves' amendment in the nature of a substitute, approved a manager's package and considered several additional member amendments. Numerous other amendments were offered and withdrawn, allowing the committee to preserve the bill's bipartisan framework. The committee ultimately reported H.R. 9497 by a unanimous vote of 66–0. As amended, the House bill authorizes 133 new feasibility studies and 14 projects that have completed the Corps' review process and are ready for construction authorization. It also contains reforms intended to streamline Corps reviews, improve coordination with non-federal project sponsors, strengthen alternative project-delivery authorities and improve the availability of electronic permitting and environmental-review documents.

The Senate Environment and Public Works Committee followed with its version, S. 4949. During the July 15 markup, the committee adopted a bipartisan substitute amendment containing a negotiated manager's package. The committee then reported the amended legislation by a unanimous vote of 18–0. The Senate bill authorizes 61 feasibility studies and 15 new or modified construction projects. It also reauthorizes EPA drinking-water and wastewater programs, including the Clean Water and Drinking Water State Revolving Funds, and provides additional support for water-system cybersecurity, small and disadvantaged communities, dam safety and workforce development.

Several provisions in the House bill are particularly relevant to the LOSSAN corridor with coastal-storm risk management and shoreline-erosion protection study along the LOSSAN corridor. These authorizations do not directly fund railroad stabilization, and additional appropriations and Corps implementation decisions would still be required. Nevertheless, shoreline protection, drainage improvements and coastal-resilience planning could complement OCTA's efforts to protect the vulnerable LOSSAN rail corridor. The bill's broader project-delivery and permitting reforms could also help move future Corps-supported resilience projects more efficiently.

The House and Senate bills now await floor consideration before the chambers can reconcile their differences through a formal conference or another negotiated process. Overall, WRDA appears to have one of the stronger pathways to enactment before the November midterm election. The unanimous committee votes demonstrate that the principal challenge is likely to be floor time rather than significant partisan disagreement. Committee staff can continue comparing and reconciling the two versions during August, potentially positioning both chambers for floor action and completion of a final agreement in September. However, the September calendar will be crowded with FY27 appropriations, a potential continuing resolution, and other competing priorities. If WRDA cannot be completed before the election, committee staff believe it remains a strong candidate for consideration during the November or December lame-duck session.

Federal Railroad Administration (FRA) Announces Train Noise Emissions Standard Reform - High-Speed Rail

On July 31, the FRA announced the modernization of train noise emissions standards for high-speed rail. The FRA's new framework would include an alternative standard for trains operating between 160 and 220 mph. It would additionally include a special approval process for noise emissions from trains exceeding 220 mph. Previously, the standard focused only on engine and mechanical sounds but overlooked the wind noise they generated. This change will make it easier for high-speed trains to operate. One of the proposed plans for operation above 160 mph is Brightline West Service from Rancho Cucamonga, CA to Las Vegas, NV. The link to the framework is available HERE (for specifics on Brightline West, see Section 3: Technical Background).