



# **Orange County Transportation Authority**

## **Legislative and Communications Committee Agenda**

### **Thursday, February 19, 2026 at 9:00 a.m.**

Board Room, 550 South Main Street, Orange, California

#### **Committee Members**

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

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the Orange County Transportation Authority (OCTA) Clerk of the Board's office at (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

#### **Agenda Descriptions**

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

#### **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.octa.net](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

#### **Meeting Access and Public Comments on Agenda Items**

Members of the public can either attend in-person or access live streaming of the Committee meetings by clicking this link: <https://octa.legistar.com/Calendar.aspx>

#### **In-Person Comment**

Members of the public may attend in-person and address the Board regarding any item within the subject matter jurisdiction of the Orange County Transportation Authority. Please complete a speaker's card and submit it to the Clerk of the Board and notify the Clerk regarding the agenda item number on which you wish to speak. Speakers will be recognized by the Chair at the time of the agenda item is to be considered by the Board. Comments will be limited to three minutes. The Brown Act prohibits the Board from either discussing or taking action on any non-agendized items.

# LEGISLATIVE AND COMMUNICATIONS COMMITTEE MEETING AGENDA

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## Written Comment

Written public comments may also be submitted by emailing them to ClerkOffice@octa.net, and must be sent by 5:00 p.m. the day prior to the meeting. If you wish to comment on a specific agenda item, please identify the item number in your email. All public comments that are timely received will be part of the public record and distributed to the Board. Public comments will be made available to the public upon request.

## Call to Order

## Pledge of Allegiance

Committee Vice Chair Foley

## Closed Session

There are no Closed Session items scheduled.

## Special Calendar

### 1. Conference Call with State Legislative Advocate Moira Topp

Moira Topp

#### **Overview**

An update of legislative items in Sacramento will be provided.

### 2. Committee Meeting 2026 Schedule

Donald P. Wagner

#### **Overview**

Committee Chair Wagner will lead a discussion regarding the 2026 meeting schedule for the Legislative and Communications Committee.

#### **Recommendation(s)**

Approve the 2026 Legislative and Communications Committee meeting calendar.

#### **Attachments:**

[Calendar](#)

### 3. Roles and Responsibilities of the Legislative and Communications Committee

Darrell E. Johnson

#### **Overview**

Roles and responsibilities for the Legislative and Communications Committee are reviewed periodically for any appropriate changes or additions.

#### **Recommendation(s)**

Approve the 2026 Legislative and Communications Committee Roles and Responsibilities.

#### **Attachments:**

[Roles and Responsibilities](#)

## LEGISLATIVE AND COMMUNICATIONS COMMITTEE MEETING AGENDA

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### Consent Calendar (Item 4)

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.

#### 4. Approval of Minutes

Clerk of the Board

##### **Recommendation(s)**

Approve the minutes of the November 20, 2025 Legislative and Communications Committee meeting.

##### **Attachments:**

[Minutes](#)

### Regular Calendar

#### 5. State Legislative Status Report

Sofia Perez/Kristin Jacinto

##### **Overview**

The Orange County Transportation Authority provides regular updates to the Legislative and Communications Committee on policy issues directly impacting its overall programs, projects, and operations. This report includes a recommended position on legislation that would clean up definitions related to previous transit-oriented development legislation. An update is also provided on potential sponsor legislation related to charter bus service during special events. A summary is also provided on the Governor's proposed fiscal year 2027 state budget proposal.

##### **Recommendation(s)**

Adopt an OPPOSE UNLESS AMENDED position on SB 677 (Wiener, D-San Francisco), which would clean-up definitions related to previous transit-oriented development legislation, SB 79 (Chapter 512, Statutes of 2025).

##### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

## LEGISLATIVE AND COMMUNICATIONS COMMITTEE MEETING AGENDA

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### 6. Federal Legislative Status Report

Clara Brotcke/Kristin Jacinto

#### **Overview**

The Orange County Transportation Authority regularly updates the Legislative and Communications Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This report includes a number of updates and information including an overview of the funding deal reached as it pertains to programs included in the Transportation, Housing and Urban Development appropriations bill and an update on the litigation between the State of California and the federal government regarding the California High-Speed Rail Project. Information is also provided on advocacy related to restoring the formula suballocation process for the State Transportation Block Grant Program and the Congestion Mitigation and Air Quality Program, as well as a summary on a federal determination of noncompliance for the State of California, which could result in withholding of transportation funds.

#### **Recommendation(s)**

Receive and file as an information item.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

[Attachment E](#)

### 7. State Transit Transformation Task Force Final Report

Dulce Mejicanos/Kristin Jacinto

#### **Overview**

The State Transit Transformation Task Force has submitted their final report to the Legislature. The December 2, 2025, report includes recommendations that address key issues such as transit service improvements, funding, fare coordination, workforce development, and infrastructure investments. A summary of the report is included herein.

#### **Recommendation(s)**

Receive and file as an information item.

#### **Attachments:**

[Staff Report](#)

[Attachment A](#)

[Attachment B](#)

## Discussion Items

### 8. Public Comments

## **LEGISLATIVE AND COMMUNICATIONS COMMITTEE MEETING AGENDA**

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**9. Chief Executive Officer's Report**

**10. Committee Members' Reports**

**11. Adjournment**

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

**9:30 a.m. (pending approval) on Thursday, March 19, 2026**

OCTA Headquarters

Board Room

550 South Main Street

Orange, California



## ORANGE COUNTY TRANSPORTATION AUTHORITY

## 2026 LEGISLATIVE AND COMMUNICATIONS COMMITTEE

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DECEMBER						
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OCTA, OCTD, OCLTA, and OCSAFE regular Board meeting

9:30 a.m.: OCTA Headquarters, 550 South Main Street, Board Room - Conf. Room 07-08, Orange CA

L &amp; C

9:30 a.m.

Holidays

## 2026 Legislative and Communication Committee Calendar - Proposed Exceptions

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### **Standard monthly meeting dates and times are as follows:**

Legislative and Communications (L&C) Committee – Third Thursday at 9:30 a.m.

<b>Month</b>	<b>Proposed Exceptions to Standard Meeting Dates</b>
January	No change.
February	No change.
March	No change.
April	No change.
May	No change.
June	No change.
July	No change.
August	No change.
September	No change.
October	No change.
November	No change.
December	No change.

*Committee meeting calendars are pending approval by each committee at their first meeting with new committee assignments.*

# Proposed Legislative Committee Roles and Responsibilities February 19, 2026

1. Recommends to the Board of Directors (Board) multi-level strategy and action plans for advancing priorities of the Orange County Transportation Authority (OCTA) at local, state, and federal levels of government;
2. Reviews and makes recommendations to the Board ~~of Directors~~ for the annual legislative platforms and positions for legislative, state budget, and federal appropriations proposals;
3. In coordination with the Chair of the Board ~~of Directors~~, advocates and testifies at the state and federal level on issues of importance to OCTA;
4. Establishes relationships with legislative delegations at the state and federal levels;
5. Makes recommendations to Board ~~of Directors~~ on use and procurement of professional services and contractors to support planning and delivery of OCTA projects, programs, and services within the purview of this committee;
6. Recommends to the Board ~~of Directors~~ consultants to serve as legislative advocates in Sacramento and Washington, D.C.
- ~~7. Provides guidance with public communication program goals, plans, and messages, and ensures they cultivate two-way communications with diverse and underserved communities, and are in compliance with Title VI and Environmental Justice requirements;~~
- ~~8. Reviews public communications, media relations, and community relations programs in support of OCTA initiatives;~~
- ~~9. Reviews marketing and customer engagement programs that are designed to create awareness or promote usage of OCTA transportation services and programs; and~~
- ~~10. Monitors public and customer feedback, as well as communications program results and recommend course corrections as appropriate.~~

Added

Moved from another committee

~~Removed~~





**Committee Members Present**

Donald P. Wagner, Chair  
Janet Nguyen  
Kathy Tavoularis  
Mark Tettemer

**Staff Present**

Darrell E. Johnson, Chief Executive Officer  
Jennifer L. Bergener, Deputy Chief Executive Officer  
Sahara Meisenheimer, Clerk of the Board Specialist, Senior  
Martin Browne, Employee Rotation Program  
Andrea West, Clerk of the Board  
James Donich, General Counsel  
OCTA Staff

**Committee Members Present  
Via Teleconference**

Katrina Foley, Vice Chair  
Fred Jung

**Committee Members Absent**

None

**Call to Order**

The November 20, 2025, Legislative and Communications (L&C) Committee meeting was called to order by Committee Chair Wagner at 9:06 a.m.

**Roll Call**

The Clerk of the Board conducted an attendance roll call and announced a quorum of the L&C Committee meeting.

**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 5)**

**2. Approval of Minutes**

A motion was made by Director Nguyen, seconded by Director Tettemer, and following a roll call vote, declared passed by those present to approve the minutes of the October 16, 2025 Legislative and Communications Committee meeting.

Committee Vice Chair Foley was not present to vote on this item.

**3. Performance Evaluation of State Legislative Advocate, Topp Strategies**

A motion was made by Director Nguyen, seconded by Director Tettemer, and following a roll call vote, declared passed by those present to receive and file the



staff evaluation of the state advocacy services of Topp Strategies as an information item and provide any additional comments.

Committee Vice Chair Foley was not present to vote on this item.

**4. Performance Evaluation of Federal Legislative Advocate, Potomac Partners, DC**

A motion was made by Director Nguyen, seconded by Director Tettemer, and following a roll call vote, declared passed by those present to receive and file the staff evaluation of the federal advocacy services of Potomac Partners, DC as an information item and provide any additional comments.

Committee Vice Chair Foley was not present to vote on this item.

**5. Status Report of State Legislation Enacted in 2025**

A motion was made by Director Nguyen, seconded by Director Tettemer, and following a roll call vote, declared passed by those present to receive and file as an information item.

Committee Vice Chair Foley was not present to vote on this item.

**Regular Calendar**

**6. Orange County Transportation Authority's 2025-26 State and Federal Legislative Platforms**

Kristin Jacinto, Executive Director of Government Relations, provided a report on this item and noted that on page two, paragraph one, the staff report was updated to clarify the recommended revisions in Attachments A and B, which are designated by bold text.

A motion was made by Director Tavoularis, seconded by Director Tettemer, and following a roll call vote, declared passed by those present to:

- A. Adopt the revised final draft of the 2025-26 State and Federal Legislative Platforms.
- B. Direct staff to distribute the adopted platforms to elected officials, advisory committees, local governments, affected agencies, the business community, and other interested parties.



## **Discussion Items**

### **7. Marketing and Communications Update**

Ryan Armstrong, Department Manager, Marketing and Customer Engagement, provided a presentation on this item.

No action was taken on this item.

### **8. Public Comments**

There were no public comments.

### **9. Chief Executive Officer's Report**

Darrell E. Johnson, Chief Executive Officer, reported on the following:

- Coastal Rail Update
- The December 18, 2025 L&C Committee meeting may be cancelled

### **10. Committee Members' Reports**

Director Nguyen extended an invitation to the Orange County Board of Supervisors Holiday Open House on December 10, 2025 between 11:00 a.m. and 3:00 p.m.

### **11. Adjournment**

The meeting adjourned at 9:34 a.m.

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

**9:00 a.m. on Thursday, December 18, 2025**

OCTA Headquarters

Board Room

550 South Main Street

Orange, California

ATTEST

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Sahara Meisenheimer  
Clerk of the Board Specialist



**February 19, 2026**

**To:** Legislative and Communications 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 and Communications Committee on policy issues directly impacting its overall programs, projects, and operations. This report includes a recommended position on legislation that would clean up definitions related to previous transit-oriented development legislation. An update is also provided on potential sponsor legislation related to charter bus service during special events. A summary is also provided on the Governor's proposed fiscal year 2027 state budget proposal.

### **Recommendation**

Adopt an OPPOSE UNLESS AMENDED position on SB 677 (Wiener, D-San Francisco), which would clean up definitions related to previous transit-oriented development legislation, SB 79 (Chapter 512, Statutes of 2025).

### **Discussion**

SB 677 (Wiener, D-San Francisco): Housing development: transit-oriented development.

SB 677 is a clean-up bill related to the implementation of SB 79 (Chapter 512, Statutes of 2025), the Abundant and Affordable Homes Near Transit Act, which significantly altered California land-use law by authorizing increased housing density near Transit Oriented Development (TOD) in urban transit counties. SB 79 was enacted to increase housing development near transit by establishing statewide minimum development standards for housing near qualifying transit facilities by making housing a permitted use and limiting local land-use controls in these areas. While SB 79 has not been implemented, the majority of its provisions take effect on July 1, 2026, with further enforcement provisions to follow on January 1, 2027. Prior to those dates, metropolitan planning organizations, including the Southern California Association of Governments

(SCAG), must create maps delineating the TOD stops, and the California Department of Housing and Community Development (HCD) is to develop guidance. As written, both SB 79 and SB 677 lack sufficient clarity regarding critical definitions and implementation standards.

Rather than addressing the concerns in the policy framework adopted in SB 79, SB 677 expands on technical definitions that result in additional impacts on local jurisdictions and transit agencies. Under SB 79, in order to meet the definition of an urban transit county, a county must have at least 15 passenger rail stations. Passenger rail remains undefined in the bill. Once a county is defined as an urban transit county, TOD stops would be subject to the provisions of the bill. The bill does not clearly resolve whether Orange County will meet the definition of an urban transit county because the statute requires a minimum number of passenger rail stations but does not define what constitutes a passenger rail station.

Two categories of TOD stops are included:

- “Tier 1 TOD Stop” is a stop served by heavy rail transit or very high-frequency commuter rail, defined as commuter rail service (excluding Amtrak) operating at least 72 passenger trains per day in each direction.
- “Tier 2 TOD Stop” is a stop served by light rail transit, including streetcar service, high-frequency commuter rail, defined as public commuter or intercity rail service averaging at least 48 passenger trains per weekday in both directions at the station, or bus rapid transit service.

The changes and clarifications in SB 677 do not address the key concerns related to the implementation of the legislation. Key issues with SB 79 include unclear and evolving definitions related to urban transit counties, commuter and intercity rail service frequency, the potential over-application of Tier 1 TOD standards to Metrolink and Amtrak stations, increased litigation risk for local jurisdictions, and substantial reliance on forthcoming guidance from HCD and SCAG.

More broadly, this framework poses significant risks to existing transit service and future transit projects by overriding local decision-making around transit corridors, potentially incentivizing agencies to reduce service levels or forgo transit development to preserve local land-use authority. As a result, the bills create a more challenging environment to deliver current and future high-quality transit in Orange County. Alternative interpretations of urban transit county classifications and commuter rail frequency could result in inconsistent application of state law, expose local jurisdictions and transit agencies to legal challenges, and complicate long-term planning decisions. This framework complicates coordination with corridor cities and community stakeholders and risks undermining the collaborative partnerships necessary for successful project delivery.

Recommended amendments to SB 677 include:

- Delaying SB 79's effective dates set for implementation and enforcement to allow for additional stakeholder discussion and definition refinement.
- Clarifying a narrow application limited to the Bay Area rather than a uniform statewide mandate.
- Explicit exemption of Orange County as an urban transit county.
- Basing participation and related implementation and enforcement provisions on a voluntary basis, by allowing local jurisdictions to "opt-in" to the mandate.

SB 907 (Wiener, D-San Francisco) has been introduced as a related spot bill, which has been referred to committee and remains in early development pending continued stakeholder discussions and potential amendments.

Due to SB 677 not adequately resolving ambiguities or implementation challenges associated with SB 79, an OPPOSE UNLESS AMENDED position is consistent with the Orange County Transportation Authority's (OCTA) fiscal year (FY) 2027 State Legislative Platform (Platform) principles to "Support legislation to amend the implementation of SB 79 by updating definitions and making other changes as needed to ensure continued community support for transit projects." A thorough analysis and copy of the text of this legislation is included as Attachment A. Other transportation agencies have taken similar positions, including Los Angeles County Metropolitan Transportation Agency (LA Metro) and the San Diego Association of Governments.

#### Update on Sponsor Bill Related to Charter Service

As part of the Platform, the OCTA Board of Directors (Board) approved a potential sponsor bill to revise its governing statute to allow the operation of a charter bus service to support major regional events, including the 2026 Fédération Internationale de Football Association (FIFA) World Cup and the 2028 Olympic and Paralympic Games in the City of Los Angeles. This legislation would allow OCTA to have similar statutory authorization to LA Metro. Since the Platform was adopted, however, OCTA staff has continued to work with the Federal Transit Administration and LA Metro to discuss the operating plans for the FIFA World Cup, and the requirements associated with federal restrictions on transit agencies operating charter service. At this time, OCTA believes the services it will operate out of Orange County will not violate federal prohibitions on charter bus service, specifically when the service is open to the general public and the fare charged is consistent with OCTA's normal fares.

OCTA is maintaining communication with state delegation members as the parameters of the service are negotiated with LA Metro, and as any federal direction is provided. If circumstances change, OCTA staff will request the Board revisit the potential for sponsor bill to clarify any state statutory hurdles that may exist.

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### Summary of the Governor's January Budget

On January 9, 2026, Governor Gavin Newsom released his proposed state budget for FY 2027. A memo detailing the budget proposal was sent to the Board on January 9, 2026 (Attachment B). The Governor's proposal estimates general fund revenues at approximately \$227.4 billion, with expenditures of approximately \$248.3 billion, and includes total reserves of about \$23 billion. The budget assumptions reflect a projected deficit of approximately \$2.9 billion in FY 2027, which the Administration attributes to ongoing economic uncertainty, revenue volatility, and the cumulative impact of prior year commitments despite stronger-than-anticipated late-year tax receipts. While the Administration characterizes the budget as balanced on a budgetary basis, it signals that additional adjustments and refinements are expected as part of the May Revision.

The Governor's budget generally maintains existing funding commitments for transportation programs and projects but does not propose significant new resources for public transit. Overall transportation funding reflects constrained discretionary capacity, with reduced projections for Cap-and-Invest revenues and declining State Transit Assistance (STA) estimates, contributing to increased uncertainty for transit capital and operational planning.

The proposed budget reflects lower funding assumptions for transit programs that rely on cap-and-invest revenues and statewide formulas. Projected cap-and-invest funding levels are below amounts anticipated in recent legislation and previously identified Zero-Emission Transit Capital Program (ZETCP) funding for FYs 2027 and 2028 is not included, \$690 million statewide, creating uncertainty for zero-emission bus and infrastructure investments. STA funding is also estimated to decline year-over-year, with final allocations subject to revenue performance.

The Governor's budget includes numerous Budget Change Proposals (BCP); however, staff highlights only two that are most directly relevant to Orange County. One BCP proposes increased reimbursement authority for the California Department of Transportation to support maintenance of toll facilities in Orange County, including the Interstate 405 Express Lanes, State Route 91 (SR-91) Express Lanes and related SR-91 and State Route 241 connections. A second, administrative BCP provides one-time resources to implement SB 364 (Chapter 313, Statutes of 2026), updating Outdoor Advertising Act regulations to allow permit processing adjacent to completed highway realignment projects.

In addition, since the release of the Governor's January budget proposal, proposed trailer bill language has been released which authorizes the Metropolitan Transportation Commission (MTC) to provide loans to transit agencies in their area facing cash flow challenges. The proposed trailer bill would authorize the MTC to use funds from previously awarded but not yet allocated Transit and Intercity Rail Capital program funds to the area as loans for operational costs. This loan is intended to bridge the gap to sustain service until

a regional sales tax measure is voted on later this year. The loans would be backed by regional share STA funding, and repayment would be for a 12-year period, with the first two years being interest only.

Overall, the FY 2027 budget provides limited clarity on future transit funding. Reduced cap-and-invest revenue projections, the absence of ZETCP funding, and declining or uncertain STA levels underscore continued funding uncertainty for Orange County transit programs as the budget advances through the May Revision and legislative process.

**Summary**

A recommended position on transit-oriented development legislation is provided along with a summary of the Governor's FY 2027 proposed state budget.

**Attachments**

- A. SB 677 (Wiener, D-San Francisco) Bill Analysis with Bill Language
- B. Orange County Transportation Authority Memo to Members of the Board of Directors, re: Governor's Fiscal Year 2027 State Budget Proposal, dated January 9, 2026
- C. Orange County Transportation Authority Legislative Matrix

**Prepared by:**

Sofia Perez  
Senior Government Relations Representative,  
Government Relations  
(714) 560-5819

**Approved by:**

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



**BILL:** SB 677 (Wiener, D-San Francisco)  
Introduced February 21, 2025  
Amended January 5, 2026  
Amended January 8, 2026

**SUBJECT:** SB 677 would revise definitions related to transit-oriented development from previously signed legislation SB 79 (Chapter 512, Statutes of 2025).

**STATUS:** Pending in Assembly  
Passed Senate Third Reading (24-10)  
Passed Senate Committee on Local Government (5-2)  
Passed Senate Committee on Housing (10-1)

**SUMMARY AS OF FEBRUARY 4, 2026:**

SB 677 is a clean-up bill to SB 79 (Chapter 512, Statutes of 2025), the Abundant and Affordable Homes Near Transit Act, which significantly changed California land-use law by authorizing increased housing density near transit-oriented development (TOD) stops with urban transit counties, as defined in the bill. SB 79 established statewide minimum development standards for housing near qualifying transit facilities by making housing a permitted use and limiting local discretionary land use controls in these areas. Much of SB 79's provisions will take effect on July 1, 2026, with some enforcement provisions taking place January 1, 2027. Prior to those dates, metropolitan planning organizations (MPO), including the Southern California Association of Governments (SCAG), must create maps delineating the TOD stops, and the California Department of Housing and Community Development (HCD) is to develop guidance. Due to several ambiguities in SB 79, including how and which counties meet the definition of an urban transit county, what rail and transit services count towards meeting the definition of TOD stop, how MPOs are to create the required maps, and how far away from the TOD stops the permitting provisions would apply, clean-up legislation is necessary.

Rather than addressing some of these critical questions, SB 677 narrowly amends SB 79. Under SB 79, in order to meet the definition of an urban transit county, a county must have at least 15 passenger rail stations. Passenger rail is undefined in the bill. Once a county is defined as an urban transit county, TOD stops would be subject to the provisions of the bill. Two categories of TOD stops are included:

- “Tier 1 TOD Stop,” is a stop served by “heavy rail transit” or “very high-frequency commuter rail,” defined to include a station with commuter rail service with at least 72 trains per day in both directions.
- “Tier 2 TOD Stop,” is a stop that is served by light rail transit, including streetcar service, “high-frequency commuter rail” service, defined to mean a commuter rail service operating a total of at least 48 trains per day across both directions, or bus rapid transit service.

SB 677 only amends the definition of “high-frequency commuter rail.” The amendment to the definition would clarify it only applies to public rail service and also includes intercity

rail stations. This potentially expands SB 79 application to more explicitly include stations that are served by intercity rail, that is not otherwise considered “Amtrak Long Distance Service.” The revised definition also clarifies that the service level of 48 passenger trains is to be based on an average per weekday service in all directions. Finally, the revised definition clarifies that this is not based on the entire service of that rail entity, but the service operating at that specific station. Similar clarification is not made to the definition of “very high-frequency commuter rail.

### **EFFECTS ON ORANGE COUNTY:**

SB 677 is intended as a clean-up measure to SB 79; however, it does not adequately address the Orange County Transportation Authority's (OCTA) key concerns related to the implementation of the legislation. Key issues with SB 79 include unclear and evolving definitions related to urban transit counties, commuter and intercity rail service frequency, the potential over-application of Tier 1 transit-oriented development (TOD) standards to Metrolink and Amtrak stations, increased litigation risk for local jurisdictions, and substantial reliance on forthcoming guidance from HCD and SCAG. Further, by overriding local decision making around transit corridors, this framework creates significant risk for existing transit service and future projects, creating an incentive to decrease service levels or forgo transit development to preserve local land-use authority.

These unresolved issues create uncertainty for local governments and transit agencies and complicate coordinated transportation and land-use planning efforts. For instance, under SB 79, it is unclear whether Orange County will meet the definition of “urban transit county.” Because “passenger rail station” is undefined in the bill, some have interpreted this to mean that a federal definition must be used. Under that definition, Orange County would not be classified as an urban transit county. However, alternative interpretations are that Orange County will be an urban transit county once the OC Streetcar becomes operational, due to its classification as light rail transit under SB 79. This lack of clarification presents enormous legal uncertainty.

Rather than clarifying these issues, SB 677 revises and expands the definition of “high-frequency commuter rail” to include commuter and intercity rail stations based on average weekday train counts. This change may increase the number of rail stations subject to higher-tier TOD classifications without providing clear implementation guidance or addressing how service fluctuations, shared corridors, or intercity rail operations should be evaluated.

For OCTA and its partners, these definitional uncertainties increase exposure to legal challenges and place additional pressure on local agencies to interpret and implement state law in advance of finalized guidance from HCD and SCAG. The continued reliance on future guidance, combined with uncertain statutory definitions, creates implementation risk and could lead to inconsistent application across jurisdictions. Further, SB 79 creates a paradigm where opposition may exist to transit service levels and new services to avoid application of SB 79. This undermines state and regional mobility, environmental and economic goals. In addition, because transit service may be altered at any time, a development could be built near a transit stop that currently meets the requirements but

later does not. This scenario would undermine the overall goals of SB 79. Instead, opportunities should be explored to further incentivize cities and local jurisdictions towards increased transit opportunities. Overall, this uncertainty complicates long-range planning for OCTA facilities and transit corridors and may undermine collaborative planning efforts with local governments.

To address the outstanding concerns associated with SB 79, amendments to SB 677 should focus on improving clarity, reducing unintended consequences, and preserving local support for transit investments. Recommended amendments to SB 677 include the following:

- Delaying SB 79's effective dates set for implementation and enforcement to allow for additional stakeholder discussion and definitional clarity.
- Clarifying a narrow application limited to the Bay Area rather than a uniform statewide mandate.
- Explicit exemption of Orange County as an urban transit county.
- Basing participation and related implementation and enforcement provisions on a voluntary basis, by allowing local jurisdictions to "opt-in" to the mandate.

As currently drafted, SB 677 is not adequate clean-up legislation for SB 79, and therefore an OPPOSE UNLESS AMENDED position is consistent with OCTA's 2026-27 State Legislative Platform principles to "Support legislation to amend the implementation of SB 79 (Chapter 512, Statutes of 2025) by updating definitions and making other changes as needed to ensure continued community support for transit projects."

**OCTA POSITION:**

Staff recommends: OPPOSE UNLESS AMENDED

AMENDED IN SENATE JANUARY 8, 2026

AMENDED IN SENATE JANUARY 5, 2026

AMENDED IN SENATE APRIL 9, 2025

AMENDED IN SENATE APRIL 1, 2025

**SENATE BILL**

**No. 677**

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**Introduced by Senator Wiener**

February 21, 2025

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An act to amend ~~Sections 65912.156, 65912.157, and 65912.158~~  
*Section 65912.156* of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 677, as amended, Wiener. Housing development: transit-oriented development.

*Existing law requires that a housing development project, as defined, within a specified distance of a transit-oriented development (TOD) stop, as defined, 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 certain applicable requirements, as provided. Among these requirements, existing law establishes requirements concerning height limits, density, and residential floor area ratio in accordance with a development's proximity to specified tiers of TOD stops, as provided, and requires a development to meet specified labor standards that require that a specified affidavit be signed under penalty of perjury, under specified circumstances. Existing law specifies that a development proposed pursuant to these provisions is eligible for streamlined, ministerial approval, as provided. Existing law defines, among other terms, the term "high-frequency commuter rail" for purposes of these provisions*

*to mean a commuter rail service operating a total of at least 48 trains per day across both directions, not including temporary service changes of less than one month or unplanned disruptions, and not meeting the standard for very high frequency commuter rail, at any point in the past three years. Existing law also defines the term “Tier 2 transit-oriented development stop” for these purposes to mean a TOD stop within an urban transit county, as defined, excluding a Tier 1 transit-oriented development stop, as defined, served by light rail transit, by high-frequency commuter rail, or by bus service meeting specified standards.*

*This bill would revise the definition of “high-frequency commuter rail” to instead mean a public commuter or intercity rail station with a total of at least 48 passenger trains on average per weekday across all directions, not including temporary service changes of less than one month or unplanned disruptions, and not meeting the standard for very high frequency commuter rail, at any point in the past three years. By increasing the duties of local officials, and by expanding the crime of perjury, this bill would impose a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for specified reasons.*

~~Existing law requires that a housing development project, as defined, within a specified distance of a transit-oriented development (TOD) stop, as defined, 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 certain applicable requirements, as provided. Among these requirements, existing law establishes requirements concerning height limits, density, and residential floor area ratio in accordance with a development’s proximity to specified tiers of TOD stops, as provided; prohibits a proposed development under these provisions from being located on sites where the development would require demolition of housing, or that was previously used for housing, that is subject to rent or price controls, as provided; and requires a development to meet specified labor standards that require that a specified affidavit be signed under penalty of perjury, under specified circumstances. Existing law specifies that a development proposed pursuant to these provisions is eligible for streamlined,~~

ministerial approval, as provided. Existing law defines, among other terms, the term “transit-oriented development stop” for purposes of these provisions to mean a major transit stop, as defined by specified law, and to additionally include stops on a route for which a preferred alternative has been selected or are identified in a regional transportation improvement program, that is served by specified types of transit services, exclusive of certain new transit routes or extensions not identified in the applicable regional transportation plan on or before January 1, 2026, as specified. Existing law also defines the term “Tier 2 transit-oriented development stop” for these purposes to mean a TOD stop within an urban transit county, as defined, excluding a Tier 1 transit-oriented development stop, as defined, served by light rail transit, by high-frequency commuter rail, or by bus service meeting specified standards.

This bill would revise the definition of “transit-oriented development stop” to instead mean a major transit stop, as defined, that is served by the above-described types of transit services, exclusive of any newly planned transit route or extension that was not identified in the applicable regional transportation plan on or before January 1, 2026, as specified. The bill would also revise the definitions of “transit-oriented development stop” and “Tier 2 transit-oriented development stop” to include stops served by high-frequency ferry service, as defined. The bill would delete the definition of “rail transit” and, instead, define the term “rail transit station” for purposes of these provisions, as specified. The bill would additionally prohibit a transit-oriented housing development under these provisions from being located on an existing parcel of land or site governed under the Mobilehome Residency Law, the Recreational Vehicle Park Occupancy Law, the Mobilehome Parks Act, or the Special Occupancy Parks Act. By increasing the duties of local officials, and by expanding the crime of perjury, this bill would impose a state-mandated local program.

Existing law authorizes a transit agency’s board of directors to adopt agency TOD zoning standards for district-owned real property located in a TOD zone, as defined, which establishes minimum zoning requirements for an agency TOD project for, among other things, residential floor area ratio, as provided.

This bill would remove the specification that the TOD zoning standards for floor area ratio be for residential floor area ratio only, thereby requiring that the ordinance establish floor area ratio standards generally for district-owned real property within the TOD zone.

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for specified reasons:~~

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 65912.156 of the Government Code is  
2     amended to read:

3     65912.156. For purposes of this chapter, the following  
4     definitions apply:

5     (a) "Adjacent" means within 200 feet of any pedestrian access  
6     point to a transit-oriented development stop.

7     (b) "Commuter rail" means a public-rail transit *rail* service not  
8     meeting the standards for heavy rail or light rail, excluding  
9     California High-Speed Rail and Amtrak Long Distance Service.

10    (c) "Department" means the Department of Housing and  
11    Community Development.

12    (d) "Heavy rail transit" means a public electric railway line with  
13    the capacity for a heavy volume of traffic using high-speed and  
14    rapid acceleration passenger rail cars operating singly or in multicar  
15    trains on fixed rails, separate rights-of-way from which all other  
16    vehicular and foot traffic are excluded, and high platform loading.  
17    "Heavy rail transit" does not include California High-Speed Rail.

18    (e) "High-frequency commuter rail" means a *public* commuter  
19    ~~or intercity rail service operating station with~~ a total of at least 48  
20    ~~passenger trains on average per-day weekday across-both all~~  
21    directions, not including temporary service changes of less than  
22    one month or unplanned disruptions, and not meeting the standard  
23    for very high frequency commuter rail, at any point in the past  
24    three years.

25    (f) "High-resource area" means an area designated as highest  
26    resource or high resource on the most recently adopted version of  
27    the opportunity area maps published by the California Tax Credit  
28    Allocation Committee and the department.

29    (g) "Housing development project" has the same meaning as  
30    defined in Section 65589.5, but does not include a project of which

1 any portion is designated for use as a hotel, motel, bed and  
2 breakfast inn, or other transient lodging. For the purposes of this  
3 subdivision, the term “other transient lodging” does not include  
4 either of the following:

5 (1) A residential hotel, as defined in Section 50519 of the Health  
6 and Safety Code.

7 (2) After the issuance of a certificate of occupancy, a resident’s  
8 use or marketing of a unit as short-term lodging, as defined in  
9 Section 17568.8 of the Business and Professions Code, in a manner  
10 consistent with local law.

11 (h) “Light rail transit” includes streetcar, trolley, and tramway  
12 service. “Light rail transit” does not include airport people movers.

13 (i) “Net habitable square footage” means the finished and heated  
14 floor area fully enclosed by the inside surface of walls, windows,  
15 doors, and partitions, and having a headroom of at least six and  
16 one-half feet, including working, living, eating, cooking, sleeping,  
17 stair, hall, service, and storage areas, but excluding garages,  
18 carports, parking spaces, cellars, half-stories, and unfinished attics  
19 and basements.

20 (j) “Low-resource area” means an area designated as low  
21 resource on the most recently adopted version of the opportunity  
22 area maps published by the California Tax Credit Allocation  
23 Committee and the department.

24 (k) “Rail transit” has the same meaning as defined in Section  
25 99602 of the Public Utilities Code.

26 (l) “Residential floor area ratio” means the ratio of net habitable  
27 square footage dedicated to residential use to the area of the lot.

28 (m) “Transit-oriented development zone” means the area within  
29 one-half mile of a transit-oriented development stop.

30 (n) “Tier 1 transit-oriented development stop” means a  
31 transit-oriented development stop within an urban transit county  
32 served by heavy rail transit or very high frequency commuter rail.

33 (o) “Tier 2 transit-oriented development stop” means a  
34 transit-oriented development stop within an urban transit county,  
35 excluding a Tier 1 transit-oriented development stop, served by  
36 light rail transit, by high-frequency commuter rail, or by bus service  
37 meeting the standards of paragraph (1) of subdivision (a) of Section  
38 21060.2 of the Public Resources Code.

39 (p) “Transit-oriented development stop” means a major transit  
40 stop, as defined by Section 21064.3 of the Public Resources Code,



1 and also including stops on a route for which a preferred alternative  
2 has been selected or which are identified in a regional  
3 transportation improvement program, that is served by heavy rail  
4 transit, very high frequency commuter rail, high frequency  
5 commuter rail, light rail transit, or bus service within an urban  
6 transit county meeting the standards of paragraph (1) of subdivision  
7 (a) of Section 21060.2 of the Public Resources Code. When a new  
8 transit route or extension is planned that was not identified in the  
9 applicable regional transportation plan on or before January 1,  
10 2026, those stops shall not be eligible as transit-oriented  
11 development stops unless they would be eligible as Tier 1  
12 transit-oriented development stops. If a county becomes an urban  
13 transit county subsequent to July 1, 2026, then bus service in that  
14 county shall remain ineligible for designation of a transit-oriented  
15 development stop.

16 (q) "Urban transit county" means a county with more than 15  
17 passenger rail stations.

18 (r) "Very high frequency commuter rail" means a commuter  
19 rail service with a total of at least 72 trains per day across both  
20 directions, not including temporary service changes of less than  
21 one month or unplanned disruptions, at any point in the past three  
22 years.

23 *SEC. 2. No reimbursement is required by this act pursuant to*  
24 *Section 6 of Article XIII B of the California Constitution because*  
25 *a local agency or school district has the authority to levy service*  
26 *charges, fees, or assessments sufficient to pay for the program or*  
27 *level of service mandated by this act or because costs that may be*  
28 *incurred by a local agency or school district will be incurred*  
29 *because this act creates a new crime or infraction, eliminates a*  
30 *crime or infraction, or changes the penalty for a crime or*  
31 *infraction, within the meaning of Section 17556 of the Government*  
32 *Code, or changes the definition of a crime within the meaning of*  
33 *Section 6 of Article XIII B of the California Constitution.*

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**All matter omitted in this version of the bill  
appears in the bill as amended in the  
Senate, January 5, 2026. (JR11)**

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MEMO

January 9, 2026

To: Members of the Board of Directors

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell Johnson", written over the printed name.

Subject: **Governor's Fiscal Year 2026-2027 State Budget Proposal**

This morning, Governor Gavin Newsom released his fiscal year (FY) 2026-27 State Budget proposal to the Legislature. The Governor's proposal projects a balanced budget for FY 2026-27, with General Fund revenues estimated at approximately \$227.4 billion and expenditures of approximately \$248.3 billion, supported by total reserves of approximately \$23 billion. While the Administration indicates the budget is balanced on a budgetary basis, it emphasizes that significant uncertainty remains and signals that additional detail and potential adjustments will be addressed in the May Revision.

While the Governor's Budget is balanced in FY 2026-27 and includes a discretionary reserve of approximately \$4.5 billion, the Administration projects a budget deficit of roughly \$22 billion in FY 2027-28, with additional shortfalls projected in the two years that follow. The Administration notes that this proposal reflects an initial framework and that the May Revision will include a revised plan intended to balance the budget in FYs 2026-27 and 2027-28, while maintaining adequate budget reserves.

The Governor's economic outlook does not currently project a recession but underscores several risks that could negatively impact revenues over the budget window. These risks include continued stock market volatility, uncertainty in capital gains and personal income tax collections, inflationary pressures, labor market conditions, and potential federal policy actions. To maintain fiscal stability, the proposed budget includes limited new discretionary spending and focuses on preserving existing commitments and maintaining reserves.

#### Climate Bond

The Governor's proposed budget continues to advance implementation of Proposition 4, the Climate Bond approved by voters in 2024, which provides funding for a broad range of climate resilience, natural resources, and climate adaptation investments statewide. As part of this effort, the budget proposes

\$107 million for coastal resilience to protect coastal communities from sea level rise, flooding, erosion, and habitat loss.

## Cap-and-Invest Program

The Governor's budget reflects recent statutory changes that extend and rebrand the State's Cap-and-Trade program as the Cap-and-Invest program through 2045. The budget incorporates a new tiered structure for the Greenhouse Gas Reduction Fund (GGRF) intended to prioritize statutory commitments and provide greater predictability for program funding.

The chart below summarizes the proposed Cap-and-Invest expenditure plan, including the new tiered structure and the allocation of auction proceeds across major program categories, including outyear projections.

**2026-27 Cap-and-Invest Expenditure Plan**

(Dollars in Millions)

Tier	Program	2026-27	2027-28	2028-29	2029-30
<b>Tier 1 Appropriations</b>	Manufacturing Tax Credit	\$159	\$163	\$168	\$174
	State Operations	\$120	\$124	\$127	\$131
	State Responsibility Area Fee Backfill	\$88	\$88	\$88	\$88
	Legislative Counsel Climate Bureau	\$3	\$3	\$3	\$3
<b>Tier 2 Appropriations</b>	High Speed Rail Authority	\$1,000	\$1,000	\$1,000	\$1,000
	\$1 billion reserved for discretionary appropriations:				
	- CAL FIRE General Fund Shift <sup>1/</sup>	\$750	\$500	\$500	\$0
	- SB 840 Commitments	\$250	\$0	\$0	\$0
	- Remaining Amount Available for Tier 2 Discretionary Funding	\$0	\$500	\$500	\$1,000
<b>Tier 3 Appropriations<sup>2/</sup></b>	Affordable Housing	\$396	\$435	\$475	\$516
	Transit and Intercity Rail Capital Program	\$283	\$311	\$339	\$369
	Community Air Protection	\$177	\$194	\$212	\$231
	Sustainable Communities and Agricultural Land Conservation	\$170	\$186	\$204	\$221
	Low Carbon Transit Operations Program	\$141	\$155	\$170	\$184
	Healthy and Resilient Forests	\$141	\$155	\$170	\$184
	Safe & Affordable Drinking Water Program	\$92	\$101	\$110	\$120

<sup>1/</sup> Remaining \$500 million for the CAL FIRE General Fund shift in 2026-27 is funded with additional discretionary funding from interest earnings.

<sup>2/</sup> Tier 3 funding is based on auction proceeds estimates which are based on recent auction results. This scenario is presented as an example only and should not be considered as a market price forecast.

While the proposed Cap-and-Invest expenditure plan reflects the Administration's updated revenue assumptions and program priorities, the projected funding levels are lower than the amounts contemplated under SB 840 (Chapter 121, Statutes of 2025). Under SB 840, the Transit and Intercity Rail Capital Program was to receive \$400 million annually and the Low Carbon Transportation Program was to receive \$200 million annually. These updated estimates indicate more conservative Cap-and-Invest revenue projections.

In addition, the proposed expenditure plan does not reflect previously identified Zero-Emission Transit Capital Program (ZETCP) funding commitments for FY 2026-27 and FY 2027-28. Under prior assumptions, statewide ZETCP funding was expected to total \$230 million in FY 2026-27 and \$460 million in

FY 2027-28, supported by GGRF revenues. Based on these prior funding assumptions, Orange County had anticipated receiving approximately \$38 million to support investments such as zero-emission buses, charging and fueling infrastructure, and on-site energy improvements, including rooftop solar.

The absence of these previously anticipated ZETCP funding levels introduces additional uncertainty for transit agencies' near-term capital planning and will require further clarification as the budget process continues, particularly through the May Revision and subsequent legislative deliberations.

As part of the Cap-and-Invest expenditure plan, the Governor also proposes the modernization of the Affordable Housing and Sustainable Communities Program, splitting the proceeds between affordable housing and sustainable communities, with the latter focusing on regional priorities related to land use, housing and transportation. The budget also proposes shifting up to \$560 million annually in Cap-and-Invest proceeds to the Housing Development and Finance Committee. This change is intended to streamline administration, better leverage complementary housing subsidies, and accelerate delivery of climate-aligned affordable housing.

#### State Transit Assistance (STA)

The budget estimates approximately \$717.9 million in STA funding for FY 2026-27, a decrease from the \$801.4 million in FY 2025-26. Orange County is expected to receive approximately \$38.8 million in STA funding in FY 2026-27, an estimated decrease from last year's amount of approximately \$43.3 million. In addition, the budget continues to include funding for the SB 1 (Chapter 5, Statutes of 2017) State of Good Repair program, estimating \$140.7 million being available in FY 2025-26, with about \$7.6 million being available for Orange County. The budget also includes funding for the Low Carbon Transit Operations Program in FY 2026-27, estimated to be \$141.7 million statewide, down from \$237.6 million this year. Orange County will receive about \$7.7 million if the estimate holds for FY 2026-27. Since these amounts are based on actual revenue receipts and Cap-and-Invest auction proceeds, these initial estimates are subject to change.

#### Bay Area Transit Loan

The Governor's proposed budget continues to propose a Bay Area transit loan intended to support near-term transit operations in the Bay Area. However, unlike proposals from the FY 2025-26 budget cycle that focused on a general fund backed loan, this proposal would allow funding to loan funding from STA via the Metropolitan Transportation Commission to meet cash flow challenges.

It is currently unclear if this loan would impact statewide STA or only the Bay Area shares.

Staff will continue to analyze the Governor's budget proposal and evaluate potential impacts to OCTA programs and funding as additional detail becomes available. An update on the proposed budget will be presented at the Legislative and Communications Committee meeting on February 19, 2026. For additional information, please visit <http://www.ebudget.ca.gov/>.

DEJ:mm/dm

c: Executive Staff



## Orange County Transportation Authority Legislative Matrix

2026 State Legislation Session  
February 19, 2026

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<b>BILLS WITH POSITIONS</b>			
<b>► AB 334</b> <b>(Petrie-Norris – D)</b> 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.	<b>INTRODUCED:</b> 01/28/25 <b>LOCATION:</b> <i>Senate Committees on Transportation and Judiciary</i> <b>LAST AMEND:</b> 07/17/25  <b>STATUS:</b> 09/13/2025 <i>In SENATE. Failed Deadline pursuant to Rule 61(a)(14).</i>	Support (partial list)  Support: Transportation Corridor Agencies (sponsor), Metropolitan Transportation Commission (MTC), 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
<p>► <b>SB 677</b> <b>(Wiener – D)</b> <i>Housing development: transit-oriented development.</i></p>	<p><i>Would revise the definition of high-frequency commuter rail to include commuter and intercity rail stations based on average weekday train frequency, potentially expanding the number of transit-oriented development stops subject to state-mandated housing standards under SB 79.</i></p>	<p><b>INTRODUCED:</b> 02/21/25 <b>LOCATION:</b> Assembly <b>LAST AMEND:</b> 01/08/2026</p> <p><b>STATUS:</b> 01/26/26 <i>In ASSEMBLY. Read first time. Held at desk.</i></p>	<p><i>Staff recommend OPPOSE UNLESS AMENDED (partial list)</i></p> <p><i>Support: Abundant Housing Los Angeles (co-source), Bay Area Council (co-source), California Yimby (co-source), Inner City Law Center (co-source), Spur (co-source), Streets for All (co-source), Housing Action Coalition</i></p> <p><i>Oppose: California Association of Counties, League of California Cities, City of Glendale, City of Encinitas, Equitable Land Use Alliance, Los Angeles County Metropolitan Transportation Authority, San Diego Association of Governments</i></p>



BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► <b>SB 741</b> <b>(Blakespear – D)</b> Coastal resources: coastal development permit: exemption: Los Angeles – San Diego – San Luis Obispo Rail Corridor.</p>	<p>Would expand the existing exemption from the California Coastal Act's coastal development permitting process to include certain emergency projects undertaken, carried out, or approved by a public agency to maintain, repair, or restore existing railroad track along the Los Angeles – San Diego – San Luis Obispo Rail Corridor.</p>	<p><b>INTRODUCED:</b> 02/21/25 <b>LOCATION:</b> Assembly Committee on Natural Resources <b>LAST AMEND:</b> 04/21/25</p> <p><b>STATUS:</b> 07/02/2025 <i>In ASSEMBLY. Hearing canceled at the request of author.</i></p>	<p>Oppose</p> <p>Support: California Coastal Protection Network, City of Los Alamitos, Save Our Beaches – San Clemente, Surfrider Foundation</p> <p>Oppose: Association of California Cities Orange County, Orange County Council of Governments, County of Orange, Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency</p>
<p>► <b>SB 752</b> <b>(Richardson – D)</b> Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.</p>	<p>Would extend tax exemption on retailers for specified zero-emission technology transit buses until January 1, 2028.</p>	<p><b>INTRODUCED:</b> 02/21/25 <b>LOCATION:</b> Senate Appropriations Committee</p> <p><b>STATUS:</b> 02/02/2026 <i>In SENATE. Returned to Secretary of Senate pursuant to Joint Rule 56.</i></p>	<p>Support (partial list)</p> <p>Support: CTA (sponsor), Alameda-Contra Costa Transit District, Foothill Transit, San Francisco Municipal Transportation Agency, Riverside Transit Agency, San Diego Metropolitan Transit System</p>

## BILLS BEING MONITORED

*AB 10 (Essayli), which pertained to the California Coastal Commission, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 23 (DeMaio), which pertained to The Cost of Living Reduction Act of 2025, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

**AB 35 (Alvarez, D) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.**

**Introduced:** 12/02/2024

**Last Amended:** 01/14/2026

**Status:** 01/27/2026 - In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 01/27/2026 - Senate Rules

**Summary:** The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs. Current law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Current law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency. This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency's internet website.

**Subject:** Environment

*AB 259 (Rubio), which pertained to local agency teleconferences, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 266 (Davies), which pertained to The Freeway Service Patrol Act, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 334 (Petrie-Norris), which pertained to operators of toll facilities, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 340 (Ahrens), which pertained to confidential communications, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 351 (McKinnor), which pertained to campaign contributions, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 596 (Ortega), which pertained to ballot disclosures, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 735 (Carrillo), which pertained to truck routes, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 891 (Zhur), which pertained to the Quick-Build Pilot Program, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 902 (Schultz), which pertained to barriers to wildlife movement, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 911 (Carrillo), which pertained to emergency telecommunications, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 914 (Garcia), which pertained to air pollution, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 954 (Bennett), which pertained to bicycle highways, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1018 (Bauer-Kahan), which pertained to automated decision systems, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1058 (Gonzalez), which pertained to the Motor Vehicle Fuel Tax Law, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1145 (Gonzalez), which pertained to State Highway Route 74, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1237 (McKinnor), which pertained to event ticket transit tickets, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1243 (Gonzalez), which pertained to Polluters Pay Climate Superfund Act of 2025, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1244 (Wicks), which pertained to the Transit-Oriented Development Implementation Program, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1268 (Macedo), which pertained to the Motor Vehicle Fuel Tax Law, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1331 (Elhawary), which pertained to workplace surveillance, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*AB 1337 (Ward), which pertained to the Information Practices Act of 1977, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

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

**Introduced:** 02/21/2025

**Last Amended:** 01/22/2026

**Status:** 01/29/2026 - Read third time. Passed. Ordered to the Senate. (Ayes 70. Noes 2.) In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 01/29/2026 - Senate Rules

**Summary:** 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. 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, on and after January 1, 2027, would require a retirement system subject to PEPRA to adjust pensionable compensation limits to be consistent with specified percentages of the contribution and benefit base under the specified federal law with respect to old age, survivors, and disability insurance benefits. The bill would require a new member of STRS to be subject to specified limits of the Teachers' Retirement Law.

**Subject:** Employment

**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.

**Subject:** Miscellaneous

**AB 1557 (Papan, D) Vehicles: electric bicycles.**

**Introduced:** 01/08/2026

**Status:** 01/09/2026 - From printer. May be heard in committee February 8.

**Location:** 01/08/2026 - Assembly PRINT

**Summary:** Current 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. This bill would clarify that an electric bicycle is a bicycle equipped with fully operable pedals and an electric motor that is not capable of exceeding 750 watts of peak power.

**Subject:** Active Transportation

**AB 1569 (Davies, R) Pupil safety: electric bicycle parking: safety program.**

**Introduced:** 01/12/2026

**Status:** 01/13/2026 - From printer. May be heard in committee February 12.

**Location:** 01/12/2026 - Assembly PRINT

**Summary:** Current law prohibits a person from driving or parking a vehicle or animal upon the driveways, paths, parking facilities, or grounds of specific public entities, including a public school or an educational institution exempted, in whole or in part, from taxation, except with the permission of, and subject to any condition or regulation that may be imposed by, the governing body of the specified public entity. Current law authorizes a public agency to adopt rules or regulations to restrict, or specify the conditions for, the use of bicycles, motorized bicycles, electric bicycles, skateboards, electrically motorized boards, and roller skates on public property under the jurisdiction of that agency. This bill would require each school that allows pupils in kindergarten or any of grades 1 to 12, inclusive, to park a class 1, 2, or 3 electric bicycle, as defined, on campus during regular school hours to require pupils to complete the electric bicycle safety and training program developed by the Department of the California Highway Patrol, as provided, or a related safety course, as specified, as a condition for parking on campus. The bill would also require a pupil to submit proof of completion of the above-described course to their school before parking their class 1, 2, or 3 electric bicycle on the school campus during school hours. The bill would exempt schools that adopted a policy related to electric bicycle safety, on or before January 1, 2027, from the above-described requirements.

**Subject:** Active Transportation

**AB 1578 (Jackson, D) State and local officials: antihate speech training.**

**Introduced:** 01/12/2026

**Status:** 01/13/2026 - From printer. May be heard in committee February 12.

**Location:** 01/12/2026 - Assembly PRINT

**Summary:** Current law requires each state agency to offer at least semiannually, and certain state officials to attend once every 2 years, an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. Current law requires each state agency to maintain records indicating the specific attendees, each attendee's job title, and dates of their attendance for each orientation course offered for a period of not less than 5 years after each course is given. This bill would require, beginning on January 1, 2028, a state official to complete at least one hour of antihate speech training and education within 6 months of taking office and subsequently every 4 years thereafter.

**Subject:** Miscellaneous

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

**Introduced:** 01/16/2026

**Status:** 01/17/2026 - From printer.

**Location:** 01/16/2026 - Assembly PRINT

**Summary:** Would require the Department of Transportation to create, on or before December 31, 2026, 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.

**Subject:** Transit

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

**Introduced:** 01/20/2026

**Status:** 01/21/2026 - From printer. May be heard in committee February 20.

**Location:** 01/20/2026 - Assembly PRINT

**Summary:** Current law creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state. Current 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. Current 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. This bill would authorize the Inspector General to contract for goods and services that the Inspector General deems necessary for the furtherance of the purposes of the office.

**Subject:** Transit

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

**Introduced:** 02/13/2025

**Last Amended:** 05/07/2025

**Status:** 01/22/2026 - Assembly Rule 63 suspended. From committee: Be adopted. (Ayes 11. Noes 4.) (January 22). Read second time. Ordered to third reading.

**Calendar:** 02/02/26 #6 A-THIRD READING FILE - ASSEMBLY BILLS

**Location:** 01/22/2026 - Assembly THIRD READING

**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.

**Subject:** Employment

**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.

**Subject:** Funding

**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.

**Subject:** Funding

**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.

**Subject:** Employment, Funding

**SB 2 (Jones, R) Low-carbon fuel standard: regulations.**

**Introduced:** 12/02/2024

**Last Amended:** 03/12/2025

**Status:** 03/19/2025 - March 19 set for first hearing. Failed passage in committee. (Ayes 3. Noes 2.) Reconsideration granted.

**Location:** 01/29/2025 - Senate Environmental Quality

**Summary:** The California Global Warming Solutions Act of 2006 requires the State Air Resources 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. This bill would void specified amendments to the Low-Carbon Fuel Standard regulations adopted by the state board on November 8, 2024, or as subsequently adopted, as specified. This bill would declare that it is to take effect immediately as an urgency statute.

**Subject:** Environment

*SB 10 (Padilla), which pertained to toll revenues, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 74 (Seyarto), which pertained to the Infrastructure Gap-Fund Program, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 94 (Strickland), which pertained to the Motor Vehicle Fuel Account, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

**SB 239 (Arreguín, D) Open meetings: teleconferencing: subsidiary body.**

**Introduced:** 01/30/2025

**Last Amended:** 04/07/2025

**Status:** 01/27/2026 - Read third time. Passed. (Ayes 29. Noes 11.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 01/27/2026 - Assembly DESK

**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. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as specified. Current law, until January 1, 2026, authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation, as prescribed, if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions, as specified. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. The bill would require the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body, as specified. The bill would require the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform, as specified.

**Subject:** Public Meetings

*SB 431 (Arreguin), which pertained to utility workers, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 445 (Wiener), which pertained to High-speed rail regulations, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*



**SB 508 (Valladares, R) California Environmental Quality Act: transportation impact mitigation.**

**Introduced:** 02/19/2025

**Last Amended:** 09/09/2025

**Status:** 09/09/2025 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on B. & P.

**Location:** 09/09/2025 - Assembly Business and Professions

**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, current 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. Current law authorizes the deposit of those contributions into the fund beginning on or before July 1, 2026, as determined by the Department of Housing and Community Development, and makes those moneys available to the department, 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, current law requires the office, in consultation with other state agencies, to issue guidance related to the implementation of these provisions, as provided. Current law makes related findings and declarations. This bill would require a contribution to the fund to be deemed full and complete mitigation for that portion of the project's significant transportation impact mitigated by the contribution to the fund and a legally sufficient mitigation measure under CEQA. The bill would authorize the deposit of those contributions into the fund beginning on the date of the issuance of the initial guidance by the office.

**Subject:** Environment

*SB 526 (Menjivar), which pertained to air quality, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 545 (Cortese), which pertained to High-speed rail economic opportunities, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 549 (Allen), which pertained to the Resilient Rebuilding Authority for the Los Angeles Wildfires, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 563 (Valladares), which pertained to off-highway grants, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 569 (Blakespear), which pertained to homeless encampments, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

**SB 667 (Archuleta, D) Railroads: safety: wayside detectors.**

**Introduced:** 02/20/2025

**Last Amended:** 01/22/2026

**Status:** 01/27/2026 - Read third time. Passed. (Ayes 26. Noes 11.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 01/27/2026 - Assembly DESK

**Summary:** The Federal Railroad Safety Act (FRSA) authorizes the United States Secretary of Transportation to prescribe regulations and issue orders for railroad safety and requires the United States Secretary of Homeland Security, when prescribing a security regulation or issuing a security order that affects the safety of railroad operations, to consult with the United States Secretary of Transportation. The FRSA provides for state participation in the enforcement of the safety regulations and orders issued by the United States Secretary of Transportation or the United States Secretary of Homeland Security, pursuant to an annual certification, and authorizes the respective secretaries to make an agreement with a state to provide investigative and surveillance activities. The FRSA provides that, to the extent practicable, laws, regulations, and orders related to railroad safety and security are required to be nationally uniform, but authorizes a state to adopt or continue in force a law, regulation, or order related to railroad safety or security until the United States Secretary of Transportation, with respect to railroad safety matters, or the United States Secretary of Homeland Security, with respect to railroad security matters, prescribes a regulation or issues an order covering the subject matter of the state requirement. A state is additionally authorized to adopt or continue in force an additional or more stringent law, regulation, or order related to railroad safety or security, when necessary to eliminate or reduce an essentially local safety or security hazard, that is not incompatible with a federal law, regulation, or order, and that does not unreasonably burden interstate commerce. This bill would require a railroad corporation to install and operate a network of wayside detector systems on or adjacent to any track used by a freight train, require that each wayside detector system include a hot wheel bearing detector, and prescribe the maximum spacing for individual detection devices along a continuous track.

**Subject:** Transit

**SB 677 (Wiener, D) Housing development: transit-oriented development.**

**Introduced:** 02/21/2025

**Last Amended:** 01/08/2026

**Status:** 01/26/2026 - Read third time. Passed. (Ayes 24. Noes 10.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.

**Location:** 01/26/2026 - Assembly DESK

**Summary:** Current law requires that a housing development project, as defined, within a specified distance of a transit-oriented development (TOD) stop, as defined, 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 certain applicable requirements, as provided. Among these requirements, current law establishes requirements concerning height limits, density, and residential floor area ratio in accordance with a development's proximity to specified tiers of TOD stops, as provided, and requires a development to meet specified labor standards that require that a specified affidavit be signed under penalty of perjury, under specified circumstances. Current law specifies that a development proposed pursuant to these provisions is eligible for streamlined, ministerial approval, as provided. Current law defines, among other terms, the term "high-frequency commuter rail" for purposes of these provisions to mean a commuter rail service operating a total of at least 48 trains per day across both directions, not including temporary service changes of less than one month or unplanned disruptions, and not meeting the standard for very high frequency commuter rail, at any point in the past three years. Current law also defines the term "Tier 2 transit-oriented development stop" for these purposes to mean a TOD stop within an urban transit county, as defined, excluding a Tier 1 transit-oriented development stop, as defined, served by light rail transit, by high-frequency commuter rail, or by bus service meeting specified standards. This bill would revise the definition of "high-frequency commuter rail" to instead mean a public commuter or intercity rail station with a total of at least 48 passenger trains on average per weekday across all directions, not including temporary service changes of less than one month or unplanned disruptions, and not meeting the standard for very high frequency commuter rail, at any point in the past three years.

**Subject:** Transit

*SB 684 (Menjivar), which pertained to the Polluters Pay Climate Superfund Act of 2025, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 714 (Archuleta), which pertained to the Clean Energy Workforce Training Council, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 741 (Blakespear), which pertained to the Los Angeles-San Diego-San Luis Obispo Rail Corridor, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

*SB 772 (Cabaldon), which pertained to the Infill Infrastructure Grant Program of 2019, failed to meet committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.*

**SB 897 (Choi, R) Vehicles: abandoned vehicles.**

**Introduced:** 01/16/2026

**Status:** 01/20/2026 - From printer. May be acted upon on or after February 16.

**Location:** 01/16/2026 - Senate Rules

**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.

**Subject:** Public Works

**SB 908 (Wiener, D) Housing development: transit-oriented development.**

**Introduced:** 01/22/2026

**Status:** 01/23/2026 - From printer. May be acted upon on or after February 22.

**Location:** 01/22/2026 - Senate Rules

**Summary:** Current law generally regulates the development of transit-oriented housing developments near transit-oriented development stops. Current law defines various terms for these purposes. Current law requires the Department of Housing and Community Development to oversee compliance with those provisions, authorizes a local government to enact an ordinance to make its zoning code consistent with those provisions, as specified, and requires each metropolitan planning organization to create a map of transit-oriented development stops and zones within its region by tier, as specified. This bill would state the intent of the Legislature to enact subsequent legislation that would make technical and clarifying changes to those laws governing transit-oriented development, and to add a select set of San Francisco Bay area ferry terminals to the scope of those provisions.

**Subject:** Planning

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

**Introduced:** 01/08/2026

**Status:** 01/21/2026 - Re-referred to Com. on TRANS.

**Location:** 01/21/2026 - Senate Transportation

**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.

**Subject:** Miscellaneous, Public Works



**February 19, 2026**

**To:** Legislative and Communications Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Federal Legislative Status Report

*For*  
*[Signature]*

### **Overview**

The Orange County Transportation Authority regularly updates the Legislative and Communications Committee on policy and regulatory issues directly impacting the agency's programs, projects, and operations. This report includes a number of updates and information including an overview of the funding deal reached as it pertains to programs included in the Transportation, Housing and Urban Development appropriations bill and an update on the litigation between the State of California and the federal government regarding the California High-Speed Rail Project. Information is also provided on advocacy related to restoring the formula suballocation process for the State Transportation Block Grant Program and the Congestion Mitigation and Air Quality Program, as well as a summary on a federal determination of noncompliance for the State of California, which could result in withholding of transportation funds.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

Overview of H.R. 7148, the Consolidated Appropriations Act of 2026

On February 3, 2026, the President signed H.R. 7148 (Cole, R-OK), the Consolidated Appropriations Act of 2026. A part of this appropriations bill is a five-bill "minibus" appropriations package, which includes funding for Transportation, Housing and Urban Development (THUD). The bill passed with the Senate voting 71-29, and the House of Representatives voting 217-214. The THUD bill provides discretionary funding for federal transportation and housing programs and establishes annual policy direction for the U.S. Department of Transportation (DOT) and the U.S. Department of Housing and Urban Development.

While the Infrastructure Investment and Jobs Act (IIJA) authorized multi-year funding and contract authority for many surface transportation programs, annual appropriations bills remain necessary to fund discretionary programs, administrative expenses, and certain supplemental initiatives. The fiscal year (FY) 2026 THUD bill provides approximately \$108 billion in new budget authority for the DOT when accounting for discretionary appropriations, mandatory spending for trust fund programs and transfers, representing an overall increase of approximately \$1.6 billion over FY 2025. When combined with advance appropriations and transfers, total budget authority for the DOT exceeds \$140 billion for FY 2026.

Specifically, this includes approximately \$64.3 billion for Federal Highway Administration (FHWA) programs, an increase of \$1.9 billion, supported in part by the repurposing of more than \$1 billion IIJA advance appropriations, including funding previously designated for the National Electric Vehicle Infrastructure Formula Program. The bill provides approximately \$16.5 billion for the Federal Transit Administration programs, a \$165 million decrease from FY 2025 enacted levels. The Federal Railroad Administration (FRA) would receive approximately \$1.8 billion in new budget authority, reflecting a reduction of \$1.1 billion year over year, alongside transfers and rescissions, including the formal repeal of previously awarded but unobligated high-speed rail funding.

The FY 2026 THUD bill also includes several policy provisions, including preventing the application of the Rostenkowski Test, thereby avoiding a potential across-the-board reduction to FY 2026 transit formula funding for public transit agencies. Additionally, the bill also restricts the DOT from delaying or hindering the advancement or approval of projects seeking a Capital Investment Grant federal share exceeding 40 percent.

The FY 2026 THUD bill includes congressionally directed spending and community project funding. These provisions direct funding to specific transportation projects identified by members of Congress and approved through the appropriations process, subject to federal eligibility requirements and agency oversight. For FY 2026, OCTA-related earmarks included in the THUD bill would provide funding for the following projects:

- \$3 million for the State Route 55 Improvement Project (Interstate 5 to State Route 91), submitted by Representative Young Kim (R-Anaheim). The Project will reduce congestion and improve traffic by adding one general purpose lane in each direction and providing operational improvements at various locations throughout the project.
- \$1.7 million for the Interstate 5 (Interstate 405 to State Route 55) Improvement Project, also submitted by Representative Young Kim (R-Anaheim). The project will improve traffic operations and enhance safety on the mainline, on- and off-ramps, and in merge areas by adding one general purpose lane in each direction, adding new auxiliary lanes,

and modifying ramp configurations at certain interchanges to improve traffic flow and safety.

- \$850,000 for the Interstate 5 Improvement Project (San Diego County Line to Avenida Pico), submitted by Representative Mike Levin (D-Dana Point). The proposed build alternative for this project will maximize efficiency of the freeway mainline by increasing person and vehicle throughput on the I-5 corridor, by adding a high-occupancy vehicle lane within the project limits, implementing ramp improvements, widening existing bridges, and replacing two existing overhead crossings.
- \$250,000 for the Technology and Signal Upgrades Project, submitted by Representative Dave Min (D-Costa Mesa). The project will enhance operations through the deployment of advanced signal controllers countywide, which will improve operations, travel time, and reduce congestion and vehicular conflicts, improving safety for all users.

In addition to core transportation funding, the FY 2026 THUD bill includes targeted funding related to major international events. The bill provides \$100 million in FY 2026 discretionary funding for transit agencies to support planning activities, capital projects, and operating activities associated with the 2026 Fédération Internationale de Football Association (FIFA) World Cup. Bill language directs the DOT to apportion funds to eligible recipients based on stadium capacity relative to other host cities and the number of FIFA matches hosted at each venue. Eligible expenses are not required to be programmed in a State Transportation Improvement Program or Federal Transportation Improvement Program, and the federal share for grants under this provision may be up to 100 percent, subject to DOT guidance.

Based on this formula, it is estimated that the City of Los Angeles will receive about \$9.2 million. Clarity is still needed on how the funding will flow, and whether it will go directly to the Los Angeles County Metropolitan Transportation Agency (LA Metro). Staff continues to work with LA Metro on specifics, including planned funding for services operating out of Orange County.

The bill also provides \$94 million for transportation needs related to the 2028 Olympic and Paralympic Games, including transit planning, capital improvements, and operating assistance. Assistance may be provided to any eligible entity serving or supporting service to an Olympic or Paralympic venue through direct grants or cooperative agreements. This funding would be administered by the DOT through direct grants or cooperative agreements, rather than formula apportionments. Funds must be obligated no later than two FYs following the official close of the 2028 Olympic and Paralympic Games.

### California High-Speed Rail Federal Funding Litigation Update

In prior updates, OCTA reported on the FRA's rescission and subsequent proposed redistribution of federal grant funding previously awarded to the California High-Speed Rail Authority (CHSRA), as well as the State of California's legal challenge to that action. As previously noted, following the rescission, the federal government took multiple actions to address unobligated high-speed rail funds. A portion of the rescinded funding was made available through the Federal-State Partnership for Intercity Passenger Rail Program–National (FSP-National), reflecting a shift toward a broader, competitive framework for intercity passenger rail investment.

Since that update, the State of California has elected to dismiss its lawsuit challenging the FRA's decision to terminate the federal grant funding for the high-speed rail project. By withdrawing the litigation, the State has forgone pursuit of reinstatement of the rescinded federal funds. As a result, the federal funding determination remains in effect, and the previously withdrawn funds will not be restored to the project.

The State's decision to dismiss the lawsuit also enabled Congress to formally address long-standing unobligated high-speed rail funding as part of the FY 2026 appropriations process. The FY 2026 appropriations bill repeals \$928.6 million in federal high-speed rail funding that was originally appropriated approximately 17 years ago and formally awarded in November 2011 but never expended. Congressional materials identify this repeal as one of the primary budgetary offsets included in the final bill, made possible by the resolution of the litigation and the absence of a pending legal challenge to the federal funding determination.

### Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) Suballocation Authority Outreach Efforts

As has previously been reported to this Committee, OCTA and regional transportation partners have been pursuing a targeted legislative fix to restore local project selection authority for STBG and CMAQ program funds within the Southern California Association of Governments (SCAG) region. For more than three decades, California operated under a population-based suballocation framework established in state law, under which county transportation commissions selected STBG and CMAQ projects, while metropolitan planning organizations (MPO) retained responsibility for approving the regional transportation improvement program.

In 2021, a corrective action issued by FHWA prohibited MPOs from delegating project selection authority, centralizing STBG and CMAQ project selection at the regional level. In large and complex metropolitan planning areas such as SCAG, which encompasses six counties, nearly 200 cities, and more than 19 million

residents, this shift has disrupted long-range planning, delayed project delivery, and reduced local responsiveness.

Consistent with OCTA Board of Directors-approved federal surface transportation reauthorization principles, regional transportation agencies have continued coordinated congressional outreach to advance a legislative solution. On February 2, 2026, a coalition of county transportation commissions from the SCAG region, including OCTA, transmitted bipartisan sign-on letters to the leadership of the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure, urging inclusion of legislative language in the upcoming surface transportation reauthorization bill to restore local STBG and CMAQ project selection authority.

The letters, which are included as Attachment A and Attachment B, support reinstating the prior population-based distribution framework, limited to metropolitan planning areas with populations exceeding ten million in states that have codified distribution processes in statute. Under the proposed approach, county transportation commissions would resume responsibility for project selection, while MPOs would retain oversight and final approval of the transportation improvement program. The signatories emphasize that this structure would improve efficiency, reduce administrative layering, and accelerate delivery of shovel-ready projects, while preserving regional coordination and accountability.

#### Status of Federal Highway Funding Related to State Compliance Review

On January 7, 2026, the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) issued a Final Determination of Substantial Noncompliance to the State of California following a federal audit of the State's commercial driver's licensing program, which is included as Attachment C. According to the FMCSA, the audit identified deficiencies in State's administration of non-domiciled California driver's licenses that did not meet federal regulatory standards. The FMCSA and the California Department of Motor Vehicles agreed to a corrective action plan, which included rescinding licenses identified as noncompliant by a specified deadline. The FMCSA determined that the State did not complete the agreed-upon corrective actions within the required timeframe, resulting in a finding of substantial noncompliance.

As a result, the FMCSA is proposing to withhold approximately four percent of California's federal highway formula funding beginning in FY 2027. The withholding applies to funds apportioned through the National Highway Performance Program and the STBG Program, which support state and local transportation infrastructure projects. Under federal law, funds withheld due to a substantial noncompliance determination are not available for later apportionment unless the State achieves compliance. The FMCSA also indicated that continued noncompliance could result in increased withholding, up to eight percent of applicable federal funds, in future fiscal years.



At this time, the State has not announced how it may address the funding reduction or whether corrective actions will be completed to restore eligibility. OCTA will continue to monitor federal and state actions and evaluate potential impacts to regional transportation funding programs as more information becomes available.

***Summary***

Information is provided on the fiscal year 2026 appropriations package. An update on litigation between the State of California and the federal government regarding the California High-Speed Rail project is provided. A summary is provided on letters from SCAG-region transportation commissions to congressional committee leaders urging restoration of suballocation formulas for certain programs. A summary is also provided on a federal determination of noncompliance for the State of California, which could result in withholding of transportation funds.

**Attachments**

- A. Letter from Darrell Johnson, Chief Executive Officer, Orange County Transportation Authority, and others, to The Honorable Sam Graves, Chair, House Committee on Transportation and Infrastructure, and the Honorable Rick Larsen, Ranking Member, House Committee on Transportation and Infrastructure, re: Restore Certainty of STBG and CMAQ Formula Distribution for Large MPOs, dated February 2, 2026
- B. Letter from Darrell Johnson, Chief Executive Officer, Orange County Transportation Authority, and others, to The Honorable Shelley Moore Capito, Chair, Senate Committee on Environment and Public Works, and the Honorable Sheldon Whitehouse, Ranking Member, Senate Committee on Environment and Public Works, re: Restore Certainty of STBG and CMAQ Formula Distribution for Large MPOs, dated February 2, 2026
- C. Notice from Derek D. Barrs, Administrator, U.S. Department of Transportation Federal Motor Carrier Safety Administration, to the Honorable Gavin Newsom, Governor of California, and Mr. Steve Gordon, Director, California Department of Motor Vehicles, re: Notice of Final Determination of Substantial Noncompliance, dated January 7, 2026
- D. Potomac Partners DC, Monthly Legislative Report – December 2025
- E. Potomac Partners DC, Monthly Legislative Report – January 2026

**Prepared by:**

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

**Approved by:**

Kristin Jacinto  
Executive Director,  
Government Relations  
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February 2, 2026

The Honorable Sam Graves  
Chair  
House Committee on Transportation and Infrastructure  
2165 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Rick Larsen  
Ranking Member  
House Committee on Transportation and Infrastructure  
2164 Rayburn House Office Building  
Washington, D.C. 20515

**Subject: Restore Certainty of STBG and CMAQ Formula Distribution for Large MPOs**

Dear Chair Graves and Ranking Member Larsen:

The undersigned county transportation commissions from the largest metropolitan planning area in the nation write to express support for including legislative language in the upcoming surface transportation authorization that would improve flexibility and transparency in the distribution and use of Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) program formula funds. This language was previously submitted to the House Transportation & Infrastructure Committee's public portal.

For three decades, STBG and CMAQ funds were distributed by population from the California Department of Transportation to the county transportation commissions, as required by state law. This California law reflects the understanding that county transportation commissions are better positioned to identify and select priority projects for STBG and CMAQ funding. Once selected, STBG and CMAQ funding were programmed on projects in the region's Transportation Improvement Program (TIP) prepared by its federally designated metropolitan planning organization (MPO), the Southern California Association of Governments (SCAG).

In 2021, however, the Federal Highway Administration (FHWA) ended this long-standing process by requiring MPOs—not county transportation commissions—to have project selection authority for STBG and CMAQ funding. In the case of our respective county transportation commissions, this project selection authority now rests with SCAG. While we respectfully disagree with FHWA's interpretation, the upcoming surface transportation authorization legislation provides an opportunity to correct this issue.

Restoring county transportation commission project selection authority will yield substantial efficiency gains by reducing administrative layers and directing more funding to actual project delivery. County transportation commissions are directly responsible for planning, funding, and implementing multimodal improvements within their jurisdictions; allowing the entities closest to project development to select projects shortens delivery timelines and ensures that STBG and CMAQ funds flow more quickly to shovel-ready needs in a manner that ensures full obligation of federal funds. The current process allows MPOs to retain a portion of these formula funds for regional planning and administrative functions that do not directly advance construction or congestion improvements. The current process also forces local agencies to pursue STBG and CMAQ funding on an annual basis rather than having the certainty to strategize the highest and best use of federal funds for priority projects over

The Honorable Sam Graves, Chair  
The Honorable Rick Larsen, Ranking Member  
February 2, 2026  
Page 2

multi-year periods. The cumulative effect is slower delivery and fewer dollars reaching local projects. Amending federal statute to allow county transportation commissions to once again select projects for STBG and CMAQ program funding will restore a process that is locally responsive, more efficient, and will allow for a selection of projects that better align with the mobility needs of residents, families, and businesses.

SCAG is a valued regional partner. The SCAG region is the largest and most complex metropolitan planning area in the nation, spanning six counties, nearly 200 cities, and over 19 million residents. A single, centralized regional project selection process cannot adequately address the breadth and scope of local transportation and air quality needs across over 38,000 square miles. Restoring the previous distribution framework for STBG and CMAQ formula funding would better serve the diversity and complexity of the region.

As Congress continues to develop a surface transportation authorization bill, we support reinstating the previous formula funding framework, limited to large MPOs with populations over 10 million in states that have codified distribution processes in statute.

The following is the proposed legislative language:

**Amend 23 U.S.C. §134(j) with:**

(5) Formula distribution in large metropolitan areas.

In metropolitan planning areas with a total population exceeding 10,000,000, as determined by the most recent decennial census, the state department of transportation shall distribute funds provided under sections 133 and 149 to county transportation commissions created under state statute for project selection, based on the following:

(A) The distribution process for funding under section 133 shall be based on population.

(B) The distribution process for funding under section 149 shall be based on a formula that accounts for population and attainment status.

(C) The metropolitan planning organization retains responsibility for the final approval of the transportation improvement program.

The proposed language may also serve as a future model as the nation's population continues to grow – promoting efficiency and local control in high-growth regions to bolster the American economy.

The undersigned county transportation commissions of the SCAG region urge your support for the inclusion of this language in the surface transportation authorization legislation – either during the House Transportation and Infrastructure Committee's consideration of the bill or on the House floor.

If you have questions regarding our proposal and request, please do not hesitate to contact our respective designated staff.

Sincerely,



**Aaron Hake**

**Executive Director**

**Riverside County Transportation Commission**

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The Honorable Sam Graves, Chair  
The Honorable Rick Larsen, Ranking Member  
February 2, 2026  
Page 3



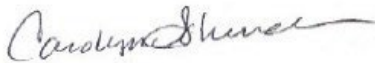
**Darrell Johnson**  
**Chief Executive Officer**  
**Orange County Transportation Authority**

Contact: Kristin Jacinto, Executive Director of Government Relations, (714) 560-5754, [kjacinto@octa.net](mailto:kjacinto@octa.net)



**David Aguirre**  
**Executive Director**  
**Imperial County Transportation Commission**

Contact: (760) 592-4494



**Carrie Schindler**  
**Executive Director**  
**San Bernardino County Transportation Authority**

Contact: Molly Wiltshire, Director of Legislative and Public Affairs, (909) 884-8276, [Mwiltshire@gosbcta.com](mailto:Mwiltshire@gosbcta.com)



**Martin Erickson**  
**Executive Director**  
**Ventura County Transportation Commission**

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[dpeschka@goventura.org](mailto:dpeschka@goventura.org)

CC: The Honorable Jay Obernolte, Member of Congress, CA-8  
The Honorable Vince Fong, Member of Congress, CA-20  
The Honorable Salud Carbajal, Member of Congress, CA-24  
The Honorable Raul Ruiz, Member of Congress, CA-25  
The Honorable Julia Brownley, Member of Congress, CA-26  
The Honorable Judy Chu, Member of Congress, CA-28  
The Honorable Laura Friedman, Member of Congress, CA-30  
The Honorable Gil Cisneros, Member of Congress, CA-31  
The Honorable Brad Sherman, Member of Congress, CA-32  
The Honorable Pete Aguilar, Member of Congress, CA-33  
The Honorable Jimmy Gomez, Member of Congress, CA-34  
The Honorable Norma Torres, Member of Congress, CA-35

The Honorable Sam Graves, Chair  
The Honorable Rick Larsen, Ranking Member  
February 2, 2026  
Page 4

The Honorable Ted Lieu, Member of Congress, CA-36  
The Honorable Linda Sánchez, Member of Congress, CA-38  
The Honorable Mark Takano, Member of Congress, CA-39  
The Honorable Young Kim, Member of Congress, CA-40  
The Honorable Ken Calvert, Member of Congress, CA-41  
The Honorable Robert Garcia, Member of Congress, CA-42  
The Honorable Maxine Waters, Member of Congress, CA-43  
The Honorable Nanette Barragán, Member of Congress, CA-44  
The Honorable Derek Tran, Member of Congress, CA-45  
The Honorable Lou Correa, Member of Congress, CA-46  
The Honorable David Min, Member of Congress, CA-47  
The Honorable Darrell Issa, Member of Congress, CA-48  
The Honorable Mike Levin, Member of Congress, CA-49



February 2, 2026

The Honorable Shelley Moore Capito  
Chair  
Senate Committee on Environment and Public Works  
410 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Sheldon Whitehouse  
Ranking Member  
Senate Committee on Environment and Public Works  
456 Dirksen Senate Office Building  
Washington, D.C. 20510

**Subject: Restore Certainty of STBG and CMAQ Formula Distribution for Large MPOs**

Dear Chair Capito and Ranking Member Whitehouse:

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In 2021, however, the Federal Highway Administration (FHWA) ended this long-standing process by requiring MPOs—not county transportation commissions—to have project selection authority for STBG and CMAQ funding. In the case of our respective county transportation commissions, this project selection authority now rests with SCAG. While we respectfully disagree with FHWA's interpretation, the upcoming surface transportation authorization legislation provides an opportunity to correct this issue.

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The Honorable Shelley Moore Capito, Chair  
The Honorable Sheldon Whitehouse, Ranking Member  
February 2, 2026  
Page 2

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The undersigned county transportation commissions of the SCAG region urge your support for the inclusion of this language in the surface transportation authorization legislation – either during the Senate Environment and Public Works Committee's consideration of the bill or on the Senate floor.

If you have questions regarding our proposal and request, please do not hesitate to contact our respective designated staff.

Sincerely,



**Aaron Hake**  
**Executive Director**  
**Riverside County Transportation Commission**

Contact: Tyler Madary, Legislative Affairs Manager, (951) 505-2272, [tmadary@rctc.org](mailto:tmadary@rctc.org)



The Honorable Shelley Moore Capito, Chair  
The Honorable Sheldon Whitehouse, Ranking Member  
February 2, 2026  
Page 3



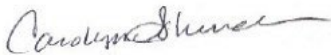
**Darrell Johnson**  
**Chief Executive Officer**  
**Orange County Transportation Authority**

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**Executive Director**  
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CC: The Honorable Alex Padilla, U.S. Senate  
The Honorable Adam Schiff, U.S. Senate



**U.S. Department  
of Transportation**  
**Federal Motor Carrier  
Safety Administration**

**1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590**

January 7, 2026

Via Electronic Mail and UPS  
The Honorable Gavin Newsom  
Governor of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

Mr. Steve Gordon, Director  
California Department of Motor Vehicles  
2415 1st Avenue  
Mail Station F101  
Sacramento, CA 95818

**NOTICE OF FINAL DETERMINATION OF SUBSTANTIAL NONCOMPLIANCE**

Dear Governor Newsom and Mr. Gordon:

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA or Agency) served the State of California a Preliminary Determination of Noncompliance (Preliminary Determination) in accordance with 49 CFR § 384.307(b) on September 26, 2025. The Preliminary Determination proposed a finding that the California Department of Motor Vehicles (DMV) has failed to meet the requirement for substantial compliance with the standards for issuing non-domiciled commercial learner's permits (CLPs) and commercial driver's licenses (CDLs)<sup>1</sup> set forth in 49 CFR § 384.212 and the standards for certain Commercial Driver's License Information System (CDLIS) reporting requirements in 49 CFR § 384.225.<sup>2</sup>

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<sup>1</sup> FMCSA notes that California issues non-domiciled CLPs and CDLs as "limited term" CLPs and CDLs. However, this final determination uses the term "non-domiciled" CLPs and CDLs to ensure consistent terminology with Federal regulations.

<sup>2</sup> On September 29, 2025, FMCSA issued an interim final rule (IFR) amending Federal regulations in 49 CFR parts 383 and 384 applicable to State Driver's Licensing Agencies' (SDLAs) issuance of non-domiciled CLPs and CDLs. *See* Restoring Integrity to the Issuance of Non-Domiciled Commercial Drivers Licenses, 90 Fed. Reg. 46509 (Sept. 29, 2025). On November 13, 2025, the U.S. Court of Appeals for the District of Columbia Circuit issued an Order in *Lujan v. FMCSA*, Case No. 25-1215, staying the effective date of the IFR pending court review. Because the transactions at issue occurred prior to publication of the IFR, the regulations cited in this final determination of noncompliance reflect the pre-IFR text of parts 383 and 384, specifically the 2024 edition of Title 49 of the Code of Federal Regulations, which is currently in effect.

FMCSA reviewed California’s “Response to the September 26, 2025, Letter Regarding Commercial Learning Permit and Commercial Driver’s License Issuance,” which DMV submitted on October 26, 2025, convened an informal conference with DMV officials on October 30, 2025 and engaged in email and telephonic communications with DMV officials on November 5 and 6, 2025. DMV informed FMCSA that it took initial steps to rescind approximately 17,000 noncompliant non-domiciled CLPs and CDLs. On November 13, 2025, FMCSA issued a Conditional Determination reiterating that DMV’s failure to complete, or undue delay in completing, the required corrective actions as set forth in the Preliminary Determination, including immediate rescission of all noncompliant non-domiciled CLPs and CDLs, would result in FMCSA issuing a Final Determination of Substantial Noncompliance.<sup>3</sup> Specifically, FMCSA’s Conditional Determination was predicated on DMV’s corrective actions—primarily, the timely rescission of approximately 17,000 noncompliant non-domiciled CLPs and CDLs.

On December 10, 2025, DMV submitted a “Response to November 13, 2025 Conditional Determination Regarding Non-Domiciled Commercial Driver’s License and Learning Permits Issuance,” which stated, among other things, that DMV issued cancellation notices to approximately 17,400 drivers and the cancellations would be effective on January 5, 2026. However, on December 30, 2025, contrary to the mutually agreed upon date with FMCSA, DMV unilaterally informed the public that noncompliant non-domiciled CLPs and CDLs that were due to be cancelled on January 5, 2026 would not be cancelled until March 6, 2026.<sup>4</sup> FMCSA subsequently reiterated to DMV that any extension was not approved and that failure or delay in the implementation of the required corrective actions would be contrary to the corrective action plan.

After considering DMV’s responses and its failure to adhere to the schedule for corrective action, FMCSA makes this Final Determination of Substantial Noncompliance with the standards for issuing non-domiciled CLPs and CDLs set forth in 49 CFR § 384.212(a). FMCSA considered DMV’s implemented and planned corrective actions and determined that they are inadequate to correct the deficiencies noted in the Preliminary Determination because they were not implemented on a schedule mutually agreed upon by the Agency and the State. FMCSA makes this final determination in accordance with 49 CFR §§ 384.307(d) and 384.309(a)(2). Accordingly, pursuant to 49 U.S.C. § 31314(c)(1) and 49 CFR § 384.401(a), FMCSA is withholding four percent of the National Highway Performance Program and the Surface Transportation Block Grant Program funds beginning in Fiscal Year (FY) 2027 that would

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<sup>3</sup> The September 26, 2025 Preliminary Determination and the November 13, 2025 Conditional Determination letters are incorporated by reference into this Final Determination of Substantial Noncompliance.

<sup>4</sup> *Important Changes to Limited-Term Legal Presence CDL Requirements*, State of California DMV, <https://www.dmv.ca.gov/portal/important-changes-to-limited-term-legal-presence-cdl-requirements> (last visited Jan. 7, 2026); *California DMV Extends Date of Nondomiciled CDL Action*, State of California DMV, <https://www.dmv.ca.gov/portal/news-and-media/california-dmv-extends-date-of-nondomiciled-cdl-action> (last visited Jan. 7, 2026).

otherwise be apportioned to California under 23 U.S.C. §§ 104(b)(1) and (2), which totals approximately \$158,318,508.<sup>5,6</sup>

## **I. Background<sup>7</sup>**

FMCSA initiated an annual program review (APR) of DMV's CDL program in August 2025 in accordance with 49 U.S.C. § 31311 and 49 CFR § 384.307. As set forth in the Preliminary Determination and restated in the Conditional Determination, of the non-domiciled driver records sampled during the 2025 APR, FMCSA found that approximately 25 percent failed to comply with requirements in 49 CFR parts 383 and 384. Accordingly, the September 26, 2025 Preliminary Determination proposed a finding that DMV failed to meet the requirement for substantial compliance with the standards for issuing non-domiciled CLPs and CDLs set forth in 49 CFR § 384.212. Specifically, FMCSA found that DMV issued non-domiciled CLPs or CDLs with an expiration date that exceeded the expiration of the driver's lawful presence documents and issued non-domiciled CLPs or CDLs to citizens of Mexico who were not present in the United States under the Deferred Action for Childhood Arrivals (DACA) program—drivers who are per se ineligible to hold a non-domiciled CDL. FMCSA also found that DMV failed to comply with the requirements for substantial compliance with 49 CFR § 384.225 because DMV issued “temporary” non-domiciled CLPs and CDLs to drivers without first validating the driver's lawful presence and without reporting issuance of the temporary credentials to CDLIS. FMCSA found that the repeated errors discovered during the 2025 APR evinced an unacceptable deviation from FMCSA's regulations when issuing non-domiciled CLPs and CDLs and indicated a systemic breakdown in DMV's issuance process for non-domiciled CLPs and CDLs. Accordingly, as set forth in the Preliminary Determination, FMCSA determined that DMV must take the following immediate corrective actions:

- Immediately pause issuing non-domiciled CLPs and CDLs;
- As soon as practicable, identify all unexpired non-domiciled CLPs and CDLs that were issued not in compliance with parts 383 and 384;
- Conduct an internal audit to identify all procedural and programming errors; training and quality assurance problems; insufficient policies and practices; and other issues that have resulted in widespread noncompliance in issuing non-domiciled CLPs and CDLs;
- Notify FMCSA of the audit findings and the number of unexpired noncompliant non-domiciled CLPs and CDLs;
- Take immediate action to correct the deficiencies identified in DMV's internal audit and in the Preliminary Determination;
- Take immediate action to void or rescind all unexpired noncompliant non-domiciled CLPs and CDLs and reissue the licenses in accordance with parts 383 and 384 in effect at the time of the reissuance;

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<sup>5</sup> FMCSA calculates this amount based on FY 2026 funding levels.

<sup>6</sup> 49 U.S.C. § 31314(d), 49 CFR § 384.403.

<sup>7</sup> The relevant statutory and regulatory authorities are set forth in the Preliminary Determination and Conditional Determination letters and are not repeated in this final determination.

- Resume issuing non-domiciled CLPs and CDLs only after the State ensures that all statutes, regulations, administrative procedures and practices, organizational structures, internal control mechanisms, resource assignments (facilities, equipment, and personnel), and enforcement practices meet each and every standard of subpart B of 49 CFR part 384 and 49 U.S.C. § 31311.

On October 26, 2025, DMV provided a “Response to the September 26, 2025, Letter Regarding Commercial Learning Permit and Commercial Driver’s License Issuance” (October Response). DMV’s October Response described the corrective actions that DMV had implemented or intended to implement. DMV’s October Response also argued that no regulations in 49 CFR parts 383 and 384 required the State to issue non-domiciled CLPs and CDLs with an expiration date that did not exceed the expiration date of the driver’s lawful presence documents and that FMCSA’s pre-IFR regulations did not prohibit DMV from issuing non-domiciled CLPs or CDLs to citizens of Mexico and Canada who are not present in the United States under the DACA program.

On October 30, 2025, FMCSA convened an informal conference with Director Gordon and other DMV representatives to provide California an opportunity to inform FMCSA of its implemented or planned corrective actions, as well as to present or to discuss any other information for FMCSA’s consideration. Further, through email and telephonic communications that occurred on November 5 and 6, 2025, DMV provided information about its action to rescind approximately 17,000 noncompliant non-domiciled CLPs and CDLs. In this regard, DMV stated that it initiated State proceedings to rescind approximately 17,000 noncompliant non-domiciled CLPs and CDLs where the license expiration exceeded the drivers’ lawful presence documents. DMV provided FMCSA with a template of its Notice of Commercial Driver’s License (CDL) Cancellation, stating that it was sent to approximately 17,000 recipients. The cancellation notice informed the drivers that DMV will cancel their CDLs 60 days from the date of the letter. DMV further stated that it would continue to review all non-domiciled CLPs and CDLs and anticipated completion by November 15, 2025.

FMCSA issued the Conditional Determination on November 13, 2025 based on DMV’s representation that it initiated proceedings to rescind approximately 17,000 noncompliant non-domiciled CLPs and CDLs within 60 days, which would have been on or around January 5, 2026. The Conditional Determination reiterated that the Agency appropriately issued the Preliminary Determination, and that DMV did not demonstrate substantial compliance with the standards for issuing non-domiciled CLPs and CDLs. The Conditional Determination accepted DMV’s corrective action of rescinding approximately 17,000 noncompliant non-domiciled CLPs and CDLs *within the mutually agreed-upon 60-day timeframe*. The Conditional Determination also emphasized, among other requirements, that the timely rescission of all unexpired non-domiciled CLPs and CDLs that failed to meet the requirements of parts 383 and 384, as interpreted by FMCSA, at the time of issuance is critically important to the overall framework of the required corrective action plan. As outlined in the Conditional Determination, “DMV’s failure to rescind and reissue all noncompliant non-domiciled CLPs and CDLs, including those issued to citizens of Canada and Mexico not present under the DACA program, will render its overall corrective action plan materially deficient and wholly inadequate to correct the deficiencies noted in the Preliminary Determination.”

The Conditional Determination also noted that the corrective action plan set forth in the Preliminary Determination required DMV to pause all non-domiciled CLP and CDL issuances immediately but that DMV failed to do so by continuing to upgrade non-domiciled CDLs by removing the K (intrastate only) restriction from the licenses of drivers upon their 21st birthday.<sup>8</sup> The Conditional Determination further informed DMV that its failure to implement, or undue delay in implementing, the required corrective actions would result in FMCSA issuing a Final Determination of Substantial Noncompliance and withholding up to four percent of certain Federal-aid Highway funds as well as possibly decertifying of California's CDL program. At no time did FMCSA approve an extension of the mutually agreed-upon January 5, 2026 cancellation date for the 17,000 noncompliant non-domiciled CDLs.

On December 10, 2025, DMV submitted a "Response to November 13, 2025 Conditional Determination Regarding Non-Domiciled Commercial Driver's License and Learning Permits Issuance" (December Response). As explained in Section II below, DMV's December Response described its corrective action plan and asserted that it has complied with FMCSA's corrective action requests. DMV explained that it issued notices to approximately 17,400 drivers, stating that it would cancel their non-domiciled CDL in 60 days if they could not present evidence of lawful presence meeting or exceeding the expiration date of their CDL. DMV's December Response explained that the 60-day period provided in the November 6, 2025 cancellation notices would expire on January 5, 2026. DMV stated that any remaining non-compliant licenses that were noticed on November 6, 2025 would be canceled and recorded in CDLIS on January 5, 2026.

FMCSA and DMV representatives continued to communicate, allowing California an opportunity to inform FMCSA of its implemented or planned corrective actions, as well as discuss DMV's license issuance process. On December 24, 2025, DMV informed FMCSA that the rescission date of January 5, 2026 needed to be changed to March 6, 2026. On December 30, 2025, without reaching a mutually agreed upon date with FMCSA other than January 5, 2026, DMV unilaterally informed the public that noncompliant non-domiciled CLPs and CDLs that were due to be cancelled on January 5, 2026 would not be cancelled until March 6, 2026. FMCSA subsequently reiterated to DMV that an extension was not approved and that failure or delay in the implementation of the required corrective actions would be contrary to the corrective action plan.

## **II. California's December Response to FMCSA's Conditional Determination and Corrective Actions**

FMCSA's Preliminary Determination set forth specific corrective actions DMV must undertake to avoid having amounts withheld from Highway Trust Fund apportionment under 49 U.S.C. § 31314 and to avoid CDL program decertification under 49 U.S.C. § 31312. The required corrective actions centered on DMV immediately pausing issuance of non-domiciled CLPs and CDLs; identifying non-domiciled CLPs and CDLs that were not issued in accordance with

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<sup>8</sup> The Conditional Determination cited a transaction that occurred on October 15, 2025, when DMV upgraded the non-domiciled CDL of a driver by removing the K restriction. The Conditional Determination went on to state that on October 21, 2025, this driver operated a semi-truck on a California freeway, struck a queue of stopped vehicles, and fatally injured three people and that the crash may have been avoided if California had complied with the corrective action of pausing non-domiciled CDL issuance required in the Preliminary Determination.

FMCSA's standards; conducting an internal audit to identify the reasons for noncompliance and notifying FMCSA of its findings; immediately acting to correct the deficiencies identified in the internal audit; acting to void or rescind all unexpired noncompliant non-domiciled CLPs and CDLs; and reissuing the licenses subject to the standards in parts 383 and 384 in effect at the time of the reissuance.<sup>9</sup> DMV would be permitted to resume non-domiciled CLP and CDL issuance only after becoming able to meet each and every standard of subpart B of part 384 and 49 U.S.C. § 31311.<sup>10</sup> Under 49 CFR § 384.307(c), DMV's corrective action must be adequate to correct the deficiencies noted in the Preliminary Determination and must be implemented on a schedule mutually agreed upon by FMCSA and DMV.

In its December Response, DMV continued to assert that FMCSA's regulations did not require California to issue non-domiciled CLPs and CDLs with an expiration date that did not exceed the expiration date of the driver's lawful presence documents, though DMV acknowledged that California State law includes such a requirement. DMV continued to argue that it interprets 49 CFR § 383.23(b)(1) to permit issuance of non-domiciled CLPs and CDLs to citizens of Mexico and Canada so long as they do not have a license from those jurisdictions and present the documentation required under 49 CFR §§ 383.71(f) and 383.73(f). The December Response also disputes FMCSA's interpretation of the regulations that the removal of a K (intrastate only) "restriction" is an upgrade and contends that it did not fail to pause issuance of non-domiciled CLPs and CDLs immediately.<sup>11</sup> FMCSA previously addressed these arguments in the Preliminary Determination and in the Conditional Determination and reaffirms the Agency's positions set forth therein.

In addition, DMV's December Response recites the corrective actions that it has implemented or intends to implement. DMV explained that upon receipt of the Preliminary Determination, it complied with the corrective action requiring an immediate pause in issuing non-domiciled CLPs and CDLs and that no non-domiciled CLPs or CDLs have been issued since FMCSA's September 26, 2025 letter. Yet, DMV goes on to state that it ceased automatically removing the K restriction from all CDLs on October 30, 2025 and that it reinstated the K restrictions it had removed. DMV also reported that it completed an audit of approximately 65,000 records of non-domiciled CDL holders and has identified all unexpired non-domiciled CDLs that were issued out of compliance with parts 383 and 384. In this regard, DMV advised that it identified approximately 20,100 non-domiciled CDLs where the expiration date on the CDL exceeded the driver's legal presence documentation at the time of issuance, and further identified approximately 1,600 CDLs that were issued to Mexican and Canadian nationals who were not

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<sup>9</sup> Preliminary Determination at Sec. IV.

<sup>10</sup> *Id.*

<sup>11</sup> DMV states that FMCSA did not convey the Agency's position that removal of a "K" restriction constitutes an upgrade until October 23, 2025. However, under 49 CFR part 383, in effect at the time California lifted the restriction, removal of a restriction that would result in an *expansion* of the license holder's driving privileges, such as removal of the "K" intrastate only restriction, was an upgrade. This was not a new position. At the time the upgrade occurred, the corrective action plan required DMV to pause all non-domiciled CLP and CDL issuances. If California had complied with the corrective action of pausing non-domiciled CDL issuance required in the Preliminary Determination, the driver, *supra* note 8, would not have held an interstate CDL, and the crash may have been avoided. As stated in the Conditional Determination, DMV upgraded this driver's non-domiciled CDL without applying the standards of the IFR, which was in effect at the time the upgrade occurred. If DMV had applied the standards of the IFR, as required at the time, the driver would have been ineligible for a non-domiciled CDL.

present in the United States under the DACA program and, therefore, were ineligible to hold a non-domiciled CDL. DMV also stated that it would send the 1,600 Mexican and Canadian non-domiciled CDL holders who are not present under DACA 60-day cancellation notices on December 15, 2025, which would have been effective on February 13, 2026.

Further, regarding DMV's practice of issuing temporary non-domiciled CLPs or CDLs before validating the driver's lawful presence, DMV notes that those temporary CLPs and CDLs in effect as of September 26, 2025 have expired, because those credentials were only valid for a maximum of 60 days. DMV also notes that DMV has stopped issuing temporary CLPs and CDLs for both standard and non-domiciled CDLs.

Moreover, DMV advised that it audited its procedures and systems and identified various programming and computer errors that resulted in the deficiencies FMCSA outlined in its Preliminary Determination letter. More specifically, DMV explained that DMV system automation resulted in the faulty calculation of non-domiciled CDL expiration dates. DMV explained that it issued non-domiciled credentials to non-DACA Mexican and Canadian citizens because it misunderstood FMCSA's determination that States may not issue a non-domiciled CLP or CDL to citizens of Mexico or Canada, because FMCSA has determined that the Canadian Provinces and Territories and the United Mexican States issue CDLs in accordance with standards that are consistent with 49 CFR part 383.<sup>12</sup> DMV attributes its issuance of temporary or interim credentials to California law and field office procedure. DMV pledged to update and end these practices and described its efforts to correct these deficiencies.

In its December Response, DMV confirmed that it issued cancellation notices to approximately 17,400 drivers on November 6, 2025, informing the drivers that it would cancel their CDLs in 60 days if they could not present evidence of their lawful presence meeting or exceeding the expiration date of their CDLs. DMV explained that the 60-day period provided in the cancellation notices would expire on January 5, 2026. DMV stated that any remaining non-compliant licenses that were noticed on November 6, 2025 would be canceled and recorded in CDLIS on January 5, 2026.

Following the December Response, FMCSA and DMV representatives continued to communicate, allowing DMV an opportunity to inform FMCSA of its implemented or planned corrective actions, as well as to discuss DMV's license issuance process. On December 18, 2025, FMCSA advised DMV that any extension of the initial January 5, 2026 revocation deadline must be submitted in writing, because this would deviate from the commitment outlined in the December Response. In a December 22, 2025 follow-up email, FMCSA explicitly asked DMV whether it changed its position on license cancellations or whether cancellations will be effective January 5, 2026, as initially communicated. FMCSA again directed DMV to notify FMCSA in writing of a proposed extension of the deadline. On December 24, 2025, DMV informed FMCSA that due to ongoing dialogue between DMV and FMCSA, the rescission date of January 5, 2026 would need to be changed. DMV subsequently advised that it would move the cancellation date to March 6, 2026, to allow time for the parties to work through the compliance process and FMCSA's requested follow-up inquiries.

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<sup>12</sup> See 49 CFR §§ 383.23, fn. 1; 383.71(f)(1)(i); and 383.73(f)(1).



On December 30, 2025, DMV unilaterally informed the public that noncompliant non-domiciled CLPs and CDLs that were due to be cancelled on January 5, 2026 would not be cancelled until March 6, 2026.<sup>13</sup> DMV advised the public that impacted drivers will receive letters shortly informing them of the extension.<sup>14</sup> DMV did so without assent from FMCSA. In an email on the same date, FMCSA advised DMV that an extension to March 6, 2026 was unacceptable because extending the timeline for the cancellation of improperly issued CLPs and CDLs is a continuing safety concern. The following day, DMV responded that it did not initially receive a response to its December 24, 2025 proposed extension. Rather than following up with FMCSA by email or requesting a meeting, as DMV has done in the past, DMV instead decided to issue a press release informing the public of the extension to March 6, 2026. To date, DMV has not issued a retraction of its December 30, 2025 press release.

Regarding the actions DMV has taken as outlined above and the others it committed to take in the December Response, FMCSA acknowledges DMV's attempts at coming into compliance with FMCSA's designated corrective actions. However, as stated in the Conditional Determination, DMV cannot demonstrate substantial compliance with the standards for issuing non-domiciled CLPs and CDLs until it has completed the required corrective actions within the mutually agreed-upon schedule. Prior to FMCSA issuing the Conditional Determination, DMV explicitly stated that it sent the cancellation notices to approximately 17,000 recipients on September 6, 2025, with a deadline on January 5, 2026. These letters were material to the Agency's decision to issue the Conditional Determination because they demonstrated DMV's prompt corrective action to an identified issue. In the December Response, DMV confirmed the deadline date, indicating continued progress toward compliance. However, two weeks later, without seeking approval from FMCSA about its proposed extension, DMV attempted to independently change a key term of its corrective action plan and the mutually agreed upon timeline; and did so, in a press release. DMV moved the anticipated deadline two months later to March 6, 2026.

Moreover, DMV's January 5, 2026 commitment to rescind the noncompliant non-domiciled credentials was not the only commitment to corrective action DMV has failed to deliver upon. In DMV's December Response, DMV asserted that "the 60-day period for the non-domiciled CDL cancellation notices scheduled to be sent on December 15, 2025, will expire on February 13, 2026."<sup>15</sup> FMCSA has discovered the following language in an FAQ heralding a "60-Day Extension for Approximately 17,000 Nondomiciled CDLs" on DMV's website: question, "When will DMV cancel my CDL?"<sup>16</sup> Response, "DMV is extending the cancellation dates of January

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<sup>13</sup> *Important Changes to Limited-Term Legal Presence CDL Requirements*, State of California DMV, <https://www.dmv.ca.gov/portal/important-changes-to-limited-term-legal-presence-cdl-requirements> (last visited Jan. 7, 2026); *California DMV Extends Date of Nondomiciled CDL Action*, State of California DMV, <https://www.dmv.ca.gov/portal/news-and-media/california-dmv-extends-date-of-nondomiciled-cdl-action> (last visited Jan. 7, 2026).

<sup>14</sup> *Id.*

<sup>15</sup> December Response, at 7.

<sup>16</sup> *Important Changes to Limited-Term Legal Presence CDL Requirements*, State of California DMV, <https://www.dmv.ca.gov/portal/important-changes-to-limited-term-legal-presence-cdl-requirements> (last visited Jan. 7, 2026).

5, 2026 and February 13, 2026 to close of business, March 6, 2026.”<sup>17</sup> DMV failed to mention in its correspondence with FMCSA between December 18 and 31, 2025 that it also planned to extend the cancellation dates of additional drivers whose non-domiciled CDLs were scheduled to be cancelled on February 13, 2026. FMCSA opposes this extension as well and urges DMV, as an important safety partner, to honor its initial commitments to complete these vital corrective actions by the dates that FMCSA and DMV mutually agreed upon, January 5 and February 13, 2026, respectively.

FMCSA acknowledges that DMV has implemented or indicates that it plans to implement some of the corrective actions required in the Preliminary Determination. However, as DMV is aware, the rescission and reissuance of all unexpired noncompliant non-domiciled CLPs and CDLs in accordance with parts 383 and 384, in effect at the time of reissuance, is critically important to the overall framework of the required corrective action plan. DMV acknowledges that more than 65,000 drivers held a California-issued non-domiciled CLP or CDL. Of those, DMV identified approximately 20,100 non-domiciled CDLs that expire past the date of the driver’s legal presence at the time of license issuance; and of those, 17,400 were scheduled to be cancelled on January 5, 2026, with a remaining 2,700 scheduled to be cancelled on February 13, 2026. As FMCSA has already noted, these corrective actions were the basis for FMCSA’s issuance of a Conditional Determination, a mutual recognition that DMV was moving toward coming into compliance with parts 383 and 384, while acknowledging DMV has more work to do.<sup>18</sup>

DMV is well aware of its obligation to not only provide documentation of corrective action as required by the Agency, but that corrective action must be adequate to correct the deficiencies noted in the program review and be implemented on a schedule mutually agreed upon by the Agency and the State.<sup>19</sup> DMV failed to implement the crucial corrective action of rescinding and reissuing the licenses in accordance with 49 CFR § 384.212, FMCSA and DMV’s mutually agreed upon timeline, and DMV’s own commitments. Instead, DMV unilaterally extended the timeline for cancellation of improperly issued CLPs and CDLs, flouted the mutually agreed upon terms of the State’s corrective action, and is in substantial non-compliance with parts 383 and 384. As a result, thousands of drivers continue to hold noncompliant California-issued non-domiciled CLPs or CDLs. This is unacceptable and a significant safety risk. Because DMV has failed to undertake the necessary step of rescinding and reissuing noncompliant non-domiciled CLPs and CDLs, as promised and agreed upon, FMCSA determines that DMV’s corrective actions undertaken thus far are inadequate to correct the deficiencies noted in the Preliminary Determination.

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<sup>17</sup> *Id.*

<sup>18</sup> FMCSA has repeatedly requested an audit report identifying every driver to whom DMV has issued a non-compliant CLP or CDL. However, DMV only agreed to provide a sample of the identified drivers, which is inadequate for FMCSA to verify compliance. FMCSA also requested details to verify that DMV did not issue any non-domiciled CLPs or CDLs between September 29, and October 28, 2025, but DMV refused to provide details to demonstrate compliance during this period. Furthermore, DMV has not provided the required details regarding the approximately 2,000 drivers who achieved U.S. citizenship or permanent residency prior to the January 5, 2026 deadline, the sustainability of DMV’s short-term solution, or realistic timeframes for implementation of the long-term programmatic changes.

<sup>19</sup> 49 CFR 384.307(c).

### III. Withholding of Funds Based on Noncompliance

FMCSA determines that DMV has failed to meet the requirement for substantial compliance with the standards for issuing non-domiciled CLPs and CDLs set forth in 49 CFR § 384.212 and the standards for reporting “temporary” or “interim” non-domiciled CLP and CDL issuance to CDLIS in 49 CFR § 384.225. Accordingly, pursuant to 49 U.S.C. § 31314(c)(1) and 49 CFR § 384.401(a), FMCSA is withholding four percent of the National Highway Performance Program and the Surface Transportation Block Grant Program funds beginning in Fiscal Year (FY) 2027 that would otherwise be apportioned to California under 23 U.S.C. §§ 104(b)(1) and (2), which totals approximately \$158,318,508. Under 49 U.S.C. § 31314(d) and 49 CFR § 384.403, funds withheld following a substantial noncompliance determination are no longer available for apportionment to California. Further, DMV may also be subject to decertification of its CDL program in accordance with 49 U.S.C. § 31312 and 49 CFR § 384.405.

If DMV persists in substantial noncompliance with the standards set forth in 49 CFR §§ 384.212 and 384.225 in subsequent years, FMCSA may withhold up to eight percent of the National Highway Performance Program and the Surface Transportation Block Grant Program funds beginning in Fiscal Year (FY) 2028 that would otherwise be apportioned to California under 23 U.S.C. §§ 104(b)(1) and (2), which totals approximately \$316,637,016.<sup>20</sup>

### IV. Conclusion

FMCSA is deeply disappointed by DMV’s failure to implement *all* required corrective actions set forth in the Preliminary Determination. The withholding of Federal funds is the direct and necessary consequence of California’s own actions and its demonstrated disregard for Federal safety standards. The Agency remains committed to working with DMV officials to bring California’s CDL program into substantial compliance to ensure that further withholding of funds or decertification of California’s CDL program is unnecessary.

Please direct all questions regarding this Notice to Philip Thomas, Deputy Associate Administrator for Safety, at [philip.thomas@dot.gov](mailto:philip.thomas@dot.gov).

Sincerely,



Derek D. Barrs  
Administrator

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<sup>20</sup> FMCSA calculates this amount based on FY 2026 funding levels.



## Monthly Legislative Report – December 2025

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### Advocacy Meetings

**Transportation and Infrastructure (T&I) Committee, Majority Staff** – In December, we continued targeted follow-up with the Chairman’s staff to assess progress on the surface transportation reauthorization bill, with particular focus on the proposed distribution of CMAQ and STBG funds. We also engaged with committee staff on transit funding priorities expected to be addressed in the forthcoming surface transportation legislation.

**House and Senate Appropriations Staff** – In December, we continued to meet with appropriations staff to discuss progress on the Fiscal Year 2026 (FY26) appropriations bills, including the potential inclusion of Community Project Funding (CPF) requests. Staff indicated that committee leaders currently plan to include CPF in the final FY26 appropriations bills. In addition, appropriators are exploring contingency options to preserve CPF project lists in the event bicameral negotiations stall and an additional continuing resolution (CR) becomes necessary.

**Office of Congresswoman Young Kim (R-CA)** – In December, we met with the Congresswoman’s transportation and appropriations staff to discuss the status of OCTA’s FY26 Community Project Funding (CPF) requests for the State Route 55 Improvement Project and the I-5 Improvement Project. We also reviewed progress on surface transportation reauthorization, including discussions on establishing an annual registration fee for electric vehicles and hybrid vehicles to strengthen the Highway Trust Fund.

**Office of Congressman Ken Calvert (R-CA)** – In December, we continued to meet with the Congressman’s Legislative Director to discuss progress on the FY26 appropriations bills and the anticipated timing of January floor votes on the initial appropriations minibuss package.

**Offices of Senator Alex Padilla and Adam Schiff (D-CA)** – In December, we participated in a regional stakeholder call with the Senators’ offices to discuss proposals addressing the distribution of CMAQ and STBG funds for large Metropolitan Planning Organizations (MPOs).

**Senate Environment and Public Works (EPW) Committee Staff** – In December, we met with committee staff to discuss progress on surface transportation reauthorization and the anticipated timing of potential committee hearings in the early part of the new year as well as the potential for a markup of a draft bill in March.

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## **January 2026 Congressional To-Do and Schedule**

Congress will return on January 6<sup>th</sup> to begin the second session of the 119th Congress, with the agenda initially shaped by foreign policy developments and FY26 appropriations work, both of which will affect the legislative bandwidth for transportation issues.

The Administration's recent military action in Venezuela is expected to dominate early-month attention. Congressional briefings are anticipated, and Senate Democrats are preparing responses asserting congressional war powers, including a potential vote on a resolution requiring authorization for further military action. While largely outside transportation jurisdiction, this issue may compress floor time and delay consideration of other legislation in January.

On the House side, Members will resume legislative business Tuesday evening. Republicans are expected to advance several FY26 appropriations bills, with bipartisan, bicameral negotiations underway on the Energy-Water, Interior-Environment, and Commerce-Justice-Science bills. These measures are being finalized against the backdrop of the January 30 expiration of the current continuing resolution (CR), raising the likelihood that additional funding packages or a short-term CR will be required directly relevant to US Department of Transportation (USDOT) program stability and grant timing.

House leadership may also face procedural pressure from a discharge petition on Affordable Care Act (ACA) subsidies, which could force an unscheduled floor vote and further complicate the early month's agenda.

In the Senate, floor time will initially be consumed by executive and judicial nominations, several of which are queued for confirmation votes. Additional Congressional Review Act resolutions targeting ACA marketplace rules and an Environmental Protection Agency regulation are also pending, potentially crowding the calendar.

Early January is likely to be dominated by high-profile foreign policy and funding deadline issues, but FY26 appropriations negotiations are actively moving behind the scenes. Transportation stakeholders should expect continued uncertainty around timing ahead of broader spending agreements tied to the January 30<sup>th</sup> Continuing Resolution deadline.

## **FY26 Appropriations Update**

In early January, the House Appropriations Committee is expected to advance a bipartisan, bicameral three-bill FY 2026 appropriations package covering Commerce-Justice-Science (CJS), Energy and Water Development, and Interior-Environment. The package reflects continued progress toward completing all 12 FY26 appropriations bills under regular order and provides full-year funding in several key areas, helping reduce the likelihood of near-term government shutdowns.

The measure was negotiated jointly by House and Senate appropriators and reconciles differences between the two chambers' versions of the bills. While these accounts do not

include surface transportation programs, they are significant because they demonstrate momentum on FY26 funding and establish a pathway for additional appropriations packages that will include Transportation-HUD (THUD) to move shortly.

Importantly for local and regional stakeholders, the initial package includes Community Project Funding (CPF) and targeted investments in water infrastructure, ports, flood control, land management, and public safety. Advancing these bills keeps the committee on schedule to complete all FY26 appropriations in advance of the January 30 expiration of the current continuing resolution (CR).

House leadership is expected to schedule floor consideration of this three-bill package the first week of January, positioning it for expedited passage. The Senate is expected to take up the measure shortly thereafter, with leadership signaling interest in continuing to move FY26 bills in grouped packages rather than relying on a single omnibus.

As mentioned earlier Appropriators we spoke to this month have indicated that additional FY26 packages including bills that contain THUD are expected to follow within the next two weeks. While final timing remains fluid, this sequencing suggests that transportation programs could be addressed before the end of January or alternatively be included in a short-term CR extension if negotiations require additional time.

### **House Advances Permitting Reform and Environmental Streamlining Legislation**

In mid-December, the House finalized work on a package of permitting reform legislation aimed at streamlining federal environmental reviews and improving infrastructure delivery timelines. Congressional leadership resolved outstanding concerns related to offshore wind, allowing the legislation to move forward as part of a broader effort to address grid reliability and federal permitting delays.

For California transportation agencies, the package includes H.R. 4776, the SPEED Act, a bipartisan National Environmental Policy Act (NEPA) reform measure that would narrow the universe of projects subject to full NEPA review, limit NEPA litigation, and reduce duplicative process with the use of categorical exemptions (CEs), potentially accelerating delivery schedules for major infrastructure projects and reducing duplicative federal-state environmental processes.

The House package also includes H.R. 3632, the Power Plant Reliability Act of 2025, which would authorize the Federal Energy Regulatory Commission (FERC) to delay power plant retirements in order to maintain grid reliability, and H.R. 3616, the Reliable Power Act, which would give FERC a central role in reviewing and approving the grid impacts of new federal or state regulations before they can be finalized.

While the energy-focused bills generated Democratic opposition largely over concerns that they favor legacy fossil fuel generation over emerging technologies such as battery storage the NEPA reform provisions have attracted bipartisan interest and remain the most relevant

to transportation and infrastructure agencies that could also become a key component of the Surface Transportation Reauthorization process in early 2026.

If enacted, the SPEED Act could materially benefit OCTA by shortening project delivery timelines, reducing duplicative environmental reviews, and providing greater certainty for federally funded transportation projects in California. The prospects for the bill in the Senate remain uncertain with Senate committee jurisdictional issues complicating potential expedited passage.

### **U.S. Department of Transportation (USDOT) Opens \$1.5 Billion FY26 BUILD Grant Program**

As previously reported, the USDOT released a \$1.5 billion Notice of Funding Opportunity (NOFO) for the FY 2026 Better Utilizing Investments to Leverage Development (BUILD) grant program. Funded through the Infrastructure Investment and Jobs Act, BUILD supports major transportation projects with significant local or regional impact, including efforts to improve mobility, modernize aging infrastructure, and strengthen multimodal connections.

Individual capital awards are capped at \$25 million, with minimum requests of \$5 million for urban projects and \$1 million for rural projects; planning grants have no minimum. DOT is required to reserve at least 5 percent of funding for planning activities and 1 percent for Areas of Persistent Poverty or Historically Disadvantaged Communities, with no single state eligible to receive more than 15 percent of total funds. DOT anticipates an approximately even split between urban and rural projects. Federal cost share may reach up to 80 percent for urban projects and up to 100 percent for rural or equity-designated projects.

DOT will evaluate applications based on criteria that prioritize safety, state of good repair, economic competitiveness, and improved mobility, along with environmental benefits, community connectivity, and resilience. Projects demonstrating strong readiness, including progress on permitting, realistic schedules, and viable financial plans, will be more competitive. Coordination among public agencies and private-sector partners is also a key consideration. Eligible applicants include state and local governments, transit agencies, metropolitan planning organizations, port authorities, and Tribal governments. Eligible projects span highways and bridges, transit and rail improvements, port and freight infrastructure, intermodal facilities, and resilience-related upgrades such as stormwater and culvert improvements. Planning grants may fund feasibility studies, corridor planning, and environmental documentation.

**Applications are due February 24, 2026, at 5:00 p.m. ET.**

### **Federal Emergency Management Agency (FEMA) Awards \$250 Million to States Ahead of FIFA World Cup**

In late December, the Federal Emergency Management Agency (FEMA) announced a historic \$250 million grant award under its new Fiscal Year 2026 Counter Unmanned

Aircraft Systems (C-UAS) Grant Program, directing funding to the 11 states hosting FIFA World Cup 2026 matches, including California, as well as the National Capital Region. The funding is intended to strengthen state and local capabilities to detect, track, and mitigate unmanned aircraft systems during large-scale public events.

This rapid award is the fastest non-disaster grant FEMA has ever executed, and it underscores the Administration's strong focus on ensuring the safety and operational success of the FIFA World Cup 2026 and other major international events, including those taking place in Southern California. While the grant is security-focused, it reflects a broader federal commitment to coordinated planning across public safety, emergency management, and infrastructure systems that support mass-gathering events.

The program was established under the One Big Beautiful Bill Act of 2025 and aligns with recent executive actions aimed at protecting U.S. airspace during large public events. Funding will support state and local law enforcement, fire services, emergency medical services, and emergency management agencies as they prepare for the unprecedented scale of World Cup operations. FEMA has indicated that this initial \$250 million tranche is the first installment of a \$500 million, two-year investment, with additional funding to be distributed nationwide in FY27.

For OCTA, this announcement reinforces that the Administration is keenly focused on making the upcoming global events in Southern California a success, with early federal investments signaling heightened attention to readiness and coordination. As planning continues, we expect additional federal focus on transportation, mobility, and interagency coordination needs tied to event security, and regional connectivity. We will continue to monitor related federal actions and identify opportunities to align transportation priorities with broader federal event-readiness efforts.





## Monthly Legislative Report – January 2026

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### Advocacy Meetings

**Transportation and Infrastructure (T&I) Committee, Majority Staff** – In January, we continued regular meetings with the committee staff to discuss progress on the surface transportation reauthorization bill and reiterate policy priorities for OCTA.

**Federal Railroad Administration (FRA) Senior Policy Staff** – In January, we facilitated a meeting for OCTA with a senior FRA policy advisor to discuss FRA discretionary grant outlooks, issues surrounding the Los Angeles–San Diego–San Luis Obispo rail corridor (LOSSAN), and upcoming implementation considerations tied to major region events, to include LA28 transit readiness.

**Office of Representative David Min (D-CA)** – In mid-January, we facilitated a meeting for OCTA with Representative Min to review Fiscal Year 2026 (FY26) Community Project Funding priorities and broader surface transportation reauthorization issues. Discussion included the importance of restoring Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) program's predictable formula allocation to county transportation agencies, ways to advance federal investment in Orange County mobility and technology upgrades, as well as issues surrounding the LOSSAN corridor and rail operations.

**House Appropriations Majority Staff** – Throughout January, we met with House Appropriations Committee majority staff to discuss progress on the FY26 appropriations minibus, next steps for funding the U.S. Department of Transportation, and the potential impacts of a funding lapse.

**Office of Representative Ken Calvert (R-CA)** – OCTA met with Representative Calvert to discuss FY26 appropriations timing, the outlook for Transportation-Housing and Urban Development (THUD) funding, and OCTA's priority projects. The conversation also addressed the role of federal transportation investments in supporting regional mobility, goods movement, and economic competitiveness, as well as funding needs to support mobility for major events, including the World Cup soccer events and LA28. We also discussed surface transportation reauthorization requests to restore local control of STBG and CMAQ funds and project selection that is supported by the County Transportation agencies in the Southern California Association of Governments (SCAG) region.

**Office of Senator Adam Schiff (D-CA)** – OCTA met with Senator Schiff's staff to discuss Orange County's federal transportation priorities, including surface transportation reauthorization requests to restore local control of STBG and CMAQ funds and project selection, and Olympic and Paralympic Games readiness. OCTA highlighted the need for a federal partnership to support temporary transit capacity, safety, and mobility enhancements associated with LA28.

**Office of Senator Alex Padilla (D-CA)** – OCTA met with Senator Padilla’s staff to discuss reauthorization priorities and regional funding equity, with a focus on reinstating the STBG/CMAQ formula allocation framework. OCTA emphasized the impacts of the current centralized process on project delivery, and local accountability.

**Office of Representative Mike Levin (D-CA)** – OCTA met with Representative Levin in DC to discuss federal support for temporary transit capacity, safety, and mobility enhancements associated with LA28, as well as LOSSAN corridor vulnerabilities, and the need for sustained federal investment in rail and multimodal infrastructure. The discussion also touched on permitting efficiency to accelerate the delivery of critical projects. We followed up with staff to discuss a project request for the 2026 Water Resources Development Act (WRDA) to authorize shoreline protection and long-term, coastal resilience solutions. The approach would emphasize beach nourishment and sediment management along the LOSSAN corridor.

**Office of Representative Lou Correa (D-CA)** – OCTA met with Representative Correa to review Orange County transit and highway priorities, including potential managed lanes investments. OCTA also discussed safety and operational considerations tied to major events in the region.

**Office of Representative Young Kim (R-CA)** – OCTA met with Representative Kim to discuss FY26 appropriations, OCTA projects, and surface transportation reauthorization. Discussion included managed lanes policy, local control of STBG and CMAQ funds, and the need for local control of these funds in delivering federally funded projects efficiently.

**Office of Representative Derek Tran (D-CA)** – OCTA met with Representative Tran to introduce Orange County transportation priorities, including a discussion on the Interstate-5 managed lanes project. Topics included transit investment needs and the need to maintain predictable federal funding streams for local agencies.

**Office of Representative David Rouzer (R-NC)** – OCTA met with Representative Rouzer’s staff to discuss surface transportation policy issues, including reauthorization timing, formula funding distribution, and opportunities to streamline federal project delivery. OCTA highlighted the benefits of restoring local control over STBG and CMAQ funds.

**Federal Highway Administration (FHWA)** – OCTA met with FHWA staff to discuss OCTA’s experience with managed lanes projects and the Transportation Infrastructure Finance and Innovation Act (TIFIA) process. OCTA also highlighted the benefits of restoring local control over STBG and CMAQ funds in the meeting and other surface transportation reauthorization priorities.

**U.S. Department of Transportation (Senior Policy Staff)** – In late January, we met with senior U.S. Department of Transportation policy staff to discuss surface transportation reauthorization priorities and emerging federal policy issues affecting formula funding programs including STBG. The discussion also addressed recent actions by U.S.

Transportation Secretary Sean P. Duffy and the Federal Motor Carrier Safety Administration to ensure the removal of noncompliant Commercial Driver's License (CDL).

### **FY26 Appropriations Update**

In late January, Congress moved to complete long-delayed FY26 appropriations amid heightened tensions over immigration enforcement policy. On January 29, Senate leadership announced an agreement to advance the remaining appropriations bills after a six-bill House-passed minibuss stalled following immigration enforcement-related incidents.

Under the agreement, the Senate passed five of the six appropriations bills previously approved by the House, providing full-year funding through September for most federal agencies. The Department of Homeland Security (DHS) was separated from the package and funded through a short-term continuing resolution (CR) extending prior-year funding levels through February 13, as negotiations continue over immigration enforcement oversight and related policy reforms. The remaining five bills include provisions requiring timely obligation of funds and limiting the Administration's ability to reprogram funding or implement workforce reductions without congressional review.

Despite these efforts, the federal government entered a brief partial shutdown beginning January 30 due to a lapse in annual appropriations, including at the U.S. Department of Transportation (USDOT). Given the anticipated short duration, operational impacts were expected to be limited. At USDOT, the Federal Transit Administration reported no employee furloughs, while the Federal Railroad Administration furloughed a portion of its workforce during the brief funding lapse.

The House subsequently cleared the Senate-passed consolidated package (H.R. 7148) by a narrow margin on February 3<sup>rd</sup>, following a contentious rule vote complicated by internal Republican divisions and broader disputes over voter identification legislation. President Trump signed the approximately \$1.2 trillion package into law, formally ending the shutdown.

While full-year funding for Transportation-HUD and other major accounts provides stability for federal programs through the remainder of FY26, DHS funding remains unresolved. Congressional leaders in both parties have expressed skepticism that a comprehensive DHS funding agreement can be reached before the February 13 deadline, increasing the likelihood of additional short-term continuing resolutions for DHS in the coming weeks.

### **USDOT Withholding Federal Transportation Funds from California Over CDL Compliance Failures**

On January 7<sup>th</sup>, 2026, USDOT Secretary Sean P. Duffy announced that the Federal Motor Carrier Safety Administration (FMCSA) will withhold approximately \$160 million in federal transportation funding from California due to the state's failure to revoke thousands of unlawfully issued Commercial Driver's Licenses (CDLs) by the agreed-upon January 5<sup>th</sup>, 2026, deadline.

A nationwide FMCSA audit found that California's non-domiciled CDL program was not in compliance with federal safety regulations, resulting in the unlawful issuance of more than 20,000 active CDLs, including licenses issued to individuals who were ineligible or whose legal presence had expired. California had formally committed in November 2025 to revoke all illegally issued licenses within 60 days but did not meet that commitment.

As a result, FMCSA issued a Final Determination and is withholding funds from California under the National Highway Performance Program (NHPP) and the Surface Transportation Block Grant (STBG) until corrective actions are completed. Federal officials cited public safety concerns, emphasizing the risks of allowing noncompliant drivers to operate heavy commercial vehicles on U.S. roadways.

This action underscores heightened federal enforcement of trucking safety regulations and introduces uncertainty regarding the timing and availability of certain federal transportation funds for California projects.

### **Committee on Transportation and Infrastructure – Member Day Hearing January 14, 2026**

The House Committee on Transportation and Infrastructure held a full committee “Member Day” hearing to receive Member priorities for the second session of the 119th Congress, with a particular focus on surface transportation reauthorization, Water Resources Development Act (WRDA), aviation, freight, and transit investments.

In opening remarks, Chairman Sam Graves highlighted the Committee's 2025 accomplishments, including major Coast Guard investments, air traffic control modernization funding, pipeline safety reauthorization, Federal Emergency Management Agency (FEMA) reform, and environmental permitting reform, and emphasized that surface transportation reauthorization and WRDA are top legislative priorities for 2026, with a surface bill expected to be marked up early sometime in March. Key California Member testimony highlights included:

#### **Rep. Jim Costa (CA-21)**

- Emphasized freight movement, goods-movement corridors, and Central Valley infrastructure, including highways, rail, and water systems critical to agriculture and interstate commerce.
- Called for a surface transportation bill that prioritizes economic productivity, safety, and reliability for rural and goods-movement regions.

#### **Rep. Kevin Mullin (CA-15)**

- Focused on resilience, climate adaptation, and coastal infrastructure, highlighting the need for federal investment to address sea-level rise, flooding, and aging transportation assets.
- Supported strong multimodal funding for transit and active transportation in dense urban regions.

**Rep. Raul Ruiz (CA-25)**

- Highlighted rural and desert community needs, including road safety, emergency access, and infrastructure that supports health care access and economic development.
- Stressed the importance of equitable distribution of federal transportation funds across inland and underserved regions.

**Rep. Lateefah Simon (CA-12)**

- Emphasized public transit, equity, and mobility access, including investments in transit operations, fare affordability, and workforce development.
- Framed transportation as a tool for economic opportunity and environmental justice.

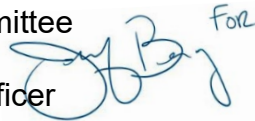
**Rep. Brad Sherman (CA-32)**

- Raised concerns about congestion, safety, and system modernization in major metropolitan regions.
- Supported federal investments that improve system efficiency, reduce delays, and strengthen regional competitiveness.

The hearing underscored that surface transportation reauthorization is moving quickly, with strong bipartisan engagement and a committee markup anticipated in March. California Members used the forum to highlight shared priorities around freight mobility, transit investment, safety, and equitable distribution of federal funds. In parallel, the opening of the WRDA submission window reinforces near-term opportunities to advance coastal protection, shoreline resilience, and infrastructure protection projects that directly support and safeguard critical transportation corridors.



**February 19, 2026**

**To:** Legislative and Communications Committee  
**From:** Darrell E. Johnson, Chief Executive Officer   
**Subject:** State Transit Transformation Task Force Final Report

### **Overview**

The State Transit Transformation Task Force has submitted their final report to the Legislature. The December 2, 2025, report includes recommendations that address key issues such as transit service improvements, funding, fare coordination, workforce development, and infrastructure investments. A summary of the report is included herein.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

On April 17, 2025, OCTA staff presented an update to the Legislative and Communications Committee on the State Transit Transformation Task Force (Task Force) established under SB 125 (Chapter 54, Statutes of 2023), including policy recommendations and potential implications for OCTA. Since that update, the Task Force has completed its work and submitted its final report (Report) to the Legislature on December 2, 2025.

The Legislature enacted SB 125 as part of the fiscal year (FY) 2023-24 State Budget, providing a multi-year \$5.1 billion statewide investment to support transit operations and capital improvements. This funding includes \$4 billion allocated through the Transit and Intercity Rail Capital Program on a population-based formula to regional transportation planning agencies, and \$1.1 billion through the Zero-Emission Transit Capital Program to support zero-emission transit vehicles and infrastructure. Assuming the Legislature appropriates the planned funding levels, over a five-year period (FY 2023-24 to FY 2027-28), the SB 125 Transit Program will allocate \$380.9 million to OCTA to support high-priority bus and rail operations, critical rail infrastructure, and zero-emission bus deployment.

In tandem with the funding provided through SB 125, the legislation directed the California State Transportation Agency (CalSTA) to establish a Task Force to develop policy recommendations aimed at increasing transit ridership, improving the transit experience, and addressing long-term operational sustainability. The statute required representation from a cross-section of stakeholders, including transit operators from urban and rural regions, Caltrans, local governments, metropolitan and regional transportation planning agencies, labor organizations, advocacy groups, academic institutions, and legislative transportation committees.

CalSTA announced the 25-member Task Force on December 8, 2023. While OCTA was not appointed as a formal Task Force member, OCTA staff participated through the Technical Working Group to provide technical input and ensure regional transit perspectives were reflected in the Task Force's deliberations. The Task Force convened 13 times throughout 2024 and 2025 and has fulfilled the policy objectives outlined in SB 125. These discussions focused on several themes, such as improving transit speed and reliability, enhancing safety, cleanliness, and rider experience, building and retaining the transit workforce, aligning land-use and transit investments, managing the transition to zero-emission buses, reducing administrative burden and modernizing oversight, and transit funding and fiscal sustainability. The Report reflects the Task Force's deliberations across these key policy themes and provides the analytical foundation for the Report's guiding principles and recommendations.

The Report presents a comprehensive assessment of California's public transit system and advances a broad set of guiding principles, strategies, and recommendations intended to improve service quality, operational sustainability, and long-term system performance. While the Report outlines policy directions across multiple topic areas, it is intentionally framed as a starting point for future legislative and budget discussions rather than a prescriptive implementation plan. Please see Attachment A for a summary of the recommendations included in the Report.

Following the release of the Report, the California Transit Association (CTA) submitted a formal response letter to the Chairs of the Senate and Assembly Transportation and Budget Committees. The CTA letter is included in Attachment B. OCTA helped inform the development of the letter and participated in CTA's internal working group that met to discuss the Task Force's recommendations in greater detail. In the letter, CTA acknowledges that the Task Force's background analysis and problem statement are comprehensive and consistent with SB 125's requirements, particularly in identifying the fiscal, operational, and regulatory challenges facing California transit agencies. However, CTA raised concerns that the recommendations themselves fall short of providing the Legislature with a clear roadmap for action, particularly on the most critical and complex issues facing transit agencies statewide. A central

theme of the CTA letter is the absence of identified sustainable funding sources to support the Task Force's recommendations. While the Report acknowledges the near-term fiscal crisis facing several transit agencies and outlines potential funding concepts, CTA notes that the Report does not include a need-based funding assessment or clearly identify how much new funding is required, over what timeframe, or from which sources. CTA emphasizes that reprogramming existing funds, value capture strategies, and operational efficiencies, while potentially helpful in some scenarios, are unlikely to close the structural funding gap without new, ongoing state transit funding.

CTA also highlights significant concerns related to the Innovative Clean Transit (ICT) regulation, noting that the Report appropriately documents the operational and financial strain associated with transitioning to zero-emission fleets, but does not resolve the fundamental mismatch between mandated timelines, available funding and technology readiness. CTA cautions that, in a constrained fiscal environment, compliance with ICT requirements has already forced agencies to divert limited resources away from operations, potentially exacerbating service reductions and financial instability.

With respect to Transportation Development Act reform, CTA acknowledges that the Report clearly identifies the shortcomings of existing farebox recovery and efficiency metrics and supports replacing them with alternative performance measures. However, CTA argues that the recommendations stop short of specifying what those new metrics should be or how they should be implemented, instead deferring key decisions to future working groups. CTA emphasizes that meaningful Transportation Development Act (TDA) reform prepared with new funding is essential to stabilizing transit operations and aligning state policy with post-pandemic travel patterns, state policy goals, and service outcomes.

Overall, CTA concludes that while the Task Force process successfully elevated critical issues facing transit agencies, the Report leaves substantial policy and funding questions unresolved. It is expected that legislative proposals may result from recommendations included in the Report, some of which may offer more specificity to the challenges the Report outlines. OCTA staff will continue to work with CTA and partner transit agencies to inform resulting legislation and funding conversations, including potential reforms to TDA, regulations impacting transit and funding initiatives.



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**Summary**

An update is provided on the State Transit Transformation Task Force's final report and its recommendations on the future of transit.

**Attachments**

- A. SB 125 (Chapter 54, Statutes of 2023) Transit Transformation Task Force – Final Report Summary
- B. Letter from Michael Pimentel, Executive Director, California Transit Association, to the Honorable Dave Cortese, Chair, Senate Transportation Committee, The Honorable Scott Wiener, Chair, Senate Budget & Fiscal Review Committee, The Honorable Lori Wilson, Chair, Assembly Transportation Committee, and the Honorable Jesse Gabriel, Chair, Assembly Budget Committee, dated November 3, 2025, re: California State Transportation Agency's Transit Transformation Task Force Report

**Prepared by:**

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**Approved by:**

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**SB 125 (Chapter 54, Statutes of 2023) Transit Transformation Task Force – Final Report Summary**

**Purpose:** This attachment summarizes the topic areas and key recommendations included in the SB 125 Transit Transformation Task Force Final Report.

<b>Topic Area</b>	<b>Key Recommendations</b>
<b>Transit Prioritization</b>	Expand and standardize transit priority infrastructure statewide to improve speed, reliability, and cost efficiency. Recommendations include bus-only lanes, transit signal priority, queue jumps, streamlined stop design, statewide procurement of transit-priority technology, by-right or expedited permitting on priority corridors, and enhanced state-level planning and engineering assistance.
<b>Service and Fare Coordination / Coordinated Scheduling, Mapping, and Wayfinding</b>	Reduce barriers for riders traveling across agency boundaries by supporting opt-in fare interoperability, coordinated scheduling, and improved wayfinding. Recommendations emphasize state-provided technical assistance, common data standards, identity verification for discounted fares, and tools to support interregional service planning without mandating uniform systems.
<b>First- and Last-Mile Access to Transit</b>	Improve access to transit stations through consistent and flexible funding for active transportation, streamlined permitting near transit hubs, reduced administrative burden, improved data collection on sidewalks and station-area conditions, and stronger coordination among state, regional, and local agencies.

<b>Safe and Clean Environment for Passengers and Operators</b>	Establish statewide safety and security standards and dedicate funding for safety infrastructure and personnel. Recommendations include de-escalation and violence-prevention training, increased lighting and surveillance, operator protection measures, safety ambassadors or crisis intervention staff, and coordination with health and human services agencies to address mental health, substance use, and homelessness-related challenges.
<b>Workforce Recruitment, Retention, and Development</b>	Address workforce shortages through expanded recruitment pipelines, partnerships with education and training institutions, modernized hiring and certification requirements, standardized credentials, apprenticeship and mentorship programs, and preparation of the workforce for zero-emission and emerging transit technologies.
<b>Capital Construction Costs and Timelines</b>	Reduce project costs and delivery timelines by streamlining permitting and environmental review, limiting scope changes, expanding alternative procurement methods, strengthening public-sector project delivery capacity, and providing statewide technical assistance and shared resources.
<b>Oversight and Reporting</b>	Reduce administrative burden by consolidating and standardizing state and federal reporting, aligning requirements with existing data systems, improving fund distribution timelines, increasing transparency through a statewide dashboard, and building statewide capacity to manage transit grants more efficiently.

<b>Transit Fleet and Asset Management</b>	Improve fleet reliability and asset management through statewide coordination on zero-emission bus procurement, standardized vehicle specifications, joint purchasing, shared facilities, streamlined procurement processes, expanded technical assistance, and improved asset management tools. Includes a recommendation to conduct a comprehensive review of the Innovative Clean Transit regulation to better align timelines, costs, and operational impacts with available funding.
<b>Accessible Transportation and the Needs of Older Adults and Persons with Disabilities</b>	Improve paratransit and dial-a-ride sustainability by enhancing coordination among providers, expanding one-seat ride options, modernizing booking and dispatch systems, improving eligibility verification, integrating accessible transportation planning with broader transit investments, and exploring funding and policy changes to better meet growing demand.
<b>Changes to Land Use, Housing, and Pricing Policies</b>	Encourage transit-supportive land use by aligning housing, parking, and pricing policies with transit investments. Recommendations include higher-density development near transit, reduced parking requirements, improved coordination between transportation and housing agencies, and incentives for local jurisdictions to support complete, transit-oriented communities.
<b>Transit-Oriented Development and Value Capture of Property</b>	Support long-term financial sustainability through transit-oriented development and value capture. Recommendations include expanding authority for joint development, air rights sales, tax increment financing, station-area development, and providing technical assistance to help agencies pursue revenue-generating opportunities.

<b>New Options for Revenue Sources</b>	Identify three broad approaches to strengthening transit funding: reprogramming existing revenues (including eligible federal highway funds), generating new value from transit assets, and exploring new public revenue mechanisms. Recommendations emphasize flexibility and sustainability but do not identify a specific funding source or payer.
<b>Reforming the Transportation Development Act (TDA)</b>	Modernize TDA by eliminating farebox recovery penalties, developing alternative peer-based performance metrics, improving funding predictability, aligning incentives across programs, simplifying reporting requirements, and increasing transparency. Recommendations include establishing a working group with statutory deadlines to develop and update new performance measures that better reflect post-pandemic travel patterns, equity, and service outcomes.

Note: The Task Force Final Report is intended as a policy roadmap and starting point for future legislative consideration. Implementation of the recommendations would require additional statutory, budgetary, and programmatic actions.



Connecting us.

November 3, 2025

The Honorable Dave Cortese, Chair  
Senate Transportation Committee  
State Capitol, Room 405  
Sacramento, CA 95814

The Honorable Scott Wiener, Chair  
Senate Budget & Fiscal Review Committee  
1020 N Street, Room 502  
Sacramento, CA 95814

The Honorable Lori Wilson, Chair  
Assembly Transportation Committee  
1020 N Street, Suite 112  
Sacramento, CA 95814

The Honorable Jesse Gabriel, Chair  
Assembly Budget Committee  
1021 O Street, Suite 8230  
Sacramento, CA 95814

**RE: California State Transportation Agency's Transit Transformation Task Force Report**

Chairs Cortese, Wiener, Wilson and Gabriel:

On behalf of the California Transit Association, I write to you today to respond to the Transit Transformation Task Force (Task Force) report, submitted by the California State Transportation Agency (CalSTA) to the Legislature, as required by state law.

The report is the culmination of nearly two years of work by the 25-member Task Force, established by CalSTA pursuant to Senate Bill 125 (Committee on Budget and Fiscal Review) [Chapter 54, Statutes of 2023], to solicit and develop recommendations to grow transit ridership and improve the transit experience for all transit riders. As required by law, the Task Force report includes a detailed analysis of the services provided by California transit operators, transit ridership demographics, existing transit funding sources and their eligible uses, the cost to maintain and operate the public transit network, the cost of federal and state mandates, workforce recruitment and retention, state and local policies that impact service efficiency, transit performance measures and oversight, as well as recommendations on 12 topics that represent hours of discussion, and ultimately, compromise between Task Force members.

**As detailed further in this letter, the Association views the report's analysis, as presented in the Executive Summary, Chapters 1-3, and Appendix A, as comprehensive and fully consistent with the requirements of SB 125. By contrast, the Association views the report's recommendations, as presented in Chapter 4 and Appendix B, including on the topics of transit funding and Transportation Development Act (TDA) reform, as topically consistent with the requirements of SB 125, but insufficiently detailed, failing short of providing the Legislature with its requested roadmap for legislative action.**

**Association's Engagement Approach:** As the organization that led the effort in 2023 to secure \$5.1 billion in emergency relief from the State of California for transit operators statewide and develop, in partnership with the Legislature, accountability requirements for this funding, the Association participated productively in the Task Force to inform its analysis and recommendations.

Of the Task Force members, 12 members are affiliated with the Association, including:

- **Kome Ajise**, Executive Director, Southern California Association of Governments
- **Rashidi Barnes**, CEO, Eastern Contra Costa Transit Authority
- **Alix Bockelman**, Chief Deputy Executive Director, Metropolitan Transportation Commission
- **Sharon Cooney**, Chief Executive Officer, San Diego MTS / Chair, Executive Committee, California Transit Association
- **Amy Hance**, Deputy Director General Services, City of Clovis
- **Kate Miller**, Executive Director, Napa Valley Transportation Authority (Retired)
- **Lorelle Moe-Luna**, Multimodal Services Director, Riverside County Transportation Commission
- **Seamus Murphy**, Executive Director, San Francisco Bay Water Emergency Transportation Authority
- **Michael Pimentel**, Executive Director, California Transit Association
- **Robert Powers**, General Manager, San Francisco Bay Area Rapid Transit District
- **Michael Turner**, Executive Officer – Government Relations, Los Angeles County Metropolitan Transportation Authority
- **Carl Sedoryk**, CEO, Monterey-Salinas Transit District

To inform the Association's participation on the Task Force, we established a 14-member internal Transit Transformation Advisory Committee (TTAC) in March 2024, comprised of the 8 transit operator representatives on the Task Force and 6 additional Association members sourced from our Executive and State Legislative Committees. Upon convening this body, we coordinated with our sister association, the California Association for Coordinated Transportation (CALACT), on a survey delivered to our joint membership in May 2024, which asked transit operators statewide to identify policy barriers and recommendations for the topics scheduled to be reviewed by the Task Force. In the months that followed, we directed this body to reviewing and vetting the survey results, the findings of academic literature and case studies, our past legislative programs, as well as Task Force meeting materials to develop the consensus recommendations we would bring, as an industry, to the Task Force at each meeting. The TTAC met a total of 17 times from March 2024 to September 2025.

We treated our engagement on the Task Force with the seriousness we believe you expected from our industry, recognizing that, in securing enactment of SB 125, we entered a compact with the state to use the short-term funding support provided by the bill as a runway to advancing policy and funding recommendations to further improve and transform public transit in our state. In our internal deliberations, we often spoke of the Task Force as providing a *"break the glass"* opportunity to elevate to the state the myriad challenges our industry faces, including the ways

in which the state's policy and regulatory landscape, the built environment, local control, and inadequate funding undermine the delivery of common sense and cost-effective solutions that could help transit operators deliver more effective and efficient service.

**Association's Response to Background and Analysis:** The Task Force report before you today benefits from the Association's input, and establishes a largely comprehensive landscape analysis of the challenges transit operators face, including the regulatory, administrative, and policy barriers that impede more effective transit project and service delivery; the external factors, like housing costs, land use decision-making, and remote work, impacting transit ridership; the external drivers of operational cost increases, like wages, insurance, and fuel; and the significant financial and operational impacts of transit operators' efforts to comply with the California Air Resources Board's Innovative Clean Transit regulation, which mandates that operators transition their bus fleets to dramatically more expensive zero-emission technologies without dedicated new funding support.

The Task Force report also appropriately outlines the near-term funding crisis faced by transit operators due to the continued prevalence of remote work, persistent inflation, and the state's mandated transition to zero-emission technology; the risk to once-stable transit funding sources, like the State Transit Assistance program which relies on the sales tax on diesel fuel; the potential cascading impacts of revenue losses on transit operators' financial stability; and the importance of new funding for transit operators to achieve financial stability and reach transformation – to the benefit of our riders, our communities, and our environment. The Task Force report also highlights an uncomfortable truth: in our current resource-constrained environment, the transition to zero-emission technology, which requires more expensive vehicles, new charging and refueling infrastructure, and the retraining and upskilling of our workforce, has begun to force, and will continue to force, operators to reallocate limited funds away from operations and exacerbate their already precarious fiscal positions.

**Association's Response to Recommendations:** The Task Force report provides, however, recommendations that are mixed in their benefit and impact to transit operators and the experience of our riders.

The report's recommendations on transit safety and security, transit prioritization, first-mile / last-mile connections to transit, land use and transit-oriented development reflect well our interests and input throughout the process, building on efforts we have led or supported at the state-level in previous years. These past efforts have largely sought to provide transit operators with new statutory and funding tools to address the safety and security issues experienced by our riders and workers, require coordination between the state and transit operators on transit prioritization projects, remove state and local barriers to transit project delivery, and incentivize greater coordination between localities and transit operators on housing and land-use decisions.

The report's recommendations on transit fleet and asset management, and reducing capital construction costs include a series of recommendations we support, including expanding master service agreements for rolling stock and transit technology, re-evaluating the impact of CARB's ICT regulation on transit operators as the state considers additional support to transit operators, expanding opt-in technical assistance, expanding the list of alternative procurement methods



available to transit operators, and streamlining permitting of transit projects, but otherwise advance solutions that we believe would have limited impact and benefit to our industry.

On the critical topics of transit funding and TDA reform, the Task Force report includes recommendations that are topically consistent with SB 125's requirements, but that we argue are insufficiently detailed to provide the Legislature with a roadmap for action in the years ahead. We believe that the lightness of these recommendations is the result of structural challenges associated with the Task Force process, including, the Task Force's scope of work; the Task Force's schedule for addressing these topics; and the Task Force's required adherence to Bagley-Keene, which deprived Task Force members of the opportunity to hold informal discussions and more regular meetings to debate policy frameworks and develop recommendations for consideration by the full Task Force.

We look forward to working with the Legislature in the years ahead to advance the many Task Force report's recommendations we support, further develop the Task Force recommendations we posit require additional direction and specificity, highlight the challenges associated with the Task Force report's recommendations with which we have concerns, and contextualize the comparative benefits of these recommendations overall (an analysis that is currently lacking in the Task Force's report). In this work, we will continue to emphasize the significant differences between transit operators – in funding and staffing resources, governance structure, and operating environment – and stress the importance of nuanced and flexibility state policies.

**Funding:** SB 125 requires the Task Force to identify *“new options for revenue sources to fund transit operations and capital projects to meet necessary future growth of transit systems for the next 10 years”* and *“strategies to achieve fleet and asset management goals and needs, including funding approaches.”*

As noted above, the Task Force report's background and analysis appropriately outline the existence of near-term funding challenges for California transit operators and the need for new transit funding for transit operators to achieve near-term financial stability and mid-to-long-term transformation. Unfortunately, the Task Force report does not identify transit operators' funding need through a primary analysis or reference to an existing and vetted needs assessment. Instead, the Task Force report identifies potential increases in operational and capital expenditures using for operational expenditures, assumptions for growth in vehicle revenue hours and cost efficiency; and for capital expenditures, assumptions for capital expenditure growth and the cost of new mandates. The Task Force report notes uncertainty in the future growth of transit funding streams and notes only *“the current level of funding may be adequate...or instead need to grow, at either historical, or above historical rates, to meet potential total costs.”*

We understand that CalSTA did not receive budget support to conduct such a needs assessment, but we continue to maintain that such analysis is foundational to scoping and delivering policy recommendations to address transit operators' funding needs. In the absence of this analysis and due to the limited opportunities afforded to Task Force members to develop and debate funding recommendations, the Task Report provides only limited funding recommendations to the Legislature for its consideration.

In short, these recommendations call on the Legislature to:

1. Establish new state transit funding to stabilize agencies in the near-term; support transformation, increased service levels, and capital needs in the mid-term; and deliver sustainable revenue models in the long-term.

Offers for consideration increases to the state-authorized sales tax, increases in fuel taxes, redirection of express lane toll revenue, and establishment of a hotel tax, personal income tax, corporate tax, or payroll tax.

2. Encourage or authorize regions to reprogram and refocus existing transportation revenue sources, including Local Transportation Funds, State Transit Assistance program funds, and Federal Highway Administration formula funds.
3. Consider establishing additional flexibility for transit operators to place measures on the ballot.
4. Establish new opportunities for transit operators to generate revenue through value-capture, including by selling air rights and through expanded increment financing tools.
5. Allow transit operators to generate new revenue by retaining residual grant funds derived from efficiencies.

**The Association believes strongly, like other Task Force members, that reprogramming existing transportation revenue sources, supporting additional flexibility to achieve self-help, supporting value capture, and encouraging efficiencies will make only minor progress toward transit operators' short-to-long-term funding needs. We believe that the Legislature must continue to work with the Association to establish new state transit funding for transit operators.**

***TDA Reform:*** SB 125 requires the Task Force to identify recommendations for “*reforming the Transportation Development Act, including, but not limited to, replacing the farebox recovery ratios and efficiency criteria with performance metrics that better measure transit operations.*”

The Task Force report's background and analysis highlights that the TDA consists of two primary funds, the Local Transportation Fund (LTF) and State Transit Assistance (STA), which rely on the farebox recovery ratio (FRR) and an operating cost per hour requirement as their primary performance metrics. These sections acknowledge that, in recent years, transit operators have struggled to meet the FRR and operating cost per hour requirement, which discourages service expansion and innovation. These sections further note that, when these measures are not met, transit operators are penalized under existing law and barred from having full usage of this funding for both operational and capital purposes. Finally, these sections note the importance, consistent with SB 125, of establishing alternative performance measures through TDA reform.

With a defined problem statement, the Task Force report's recommendations are generally specific. In short, these recommendations call on the Legislature to:

1. Remove farebox recovery penalty and instead require agencies establish plans to address any deficiencies through existing audit processes.
2. Eliminate the unmet needs process to require LTF funding to be spent on transit.
3. Establish a new working group with statutory deadlines to draft and finalize metrics and performance measure in lieu of farebox recovery and cost inflation penalties.

That said, we understand that these recommendations stipulate to still further process to draft and finalize metrics and performance measures to replace the existing performance measures under TDA. The Task Force's inability to advance a more substantive recommendation on alternative performance measures is, we believe, the direct result of the limited opportunities afforded to Task Force members to develop and debate such recommendations and the structure of the Task Force, which prevented necessary discussions between Task Force members and subject matter experts.

**The Association believes strongly, like other Task Force members, that TDA reform, coupled with new funding, is essential to the long-term stability of public transit. We believe that the Legislature must continue to work with the Association to develop alternative performance measure to the FRR and operating cost per hour requirements in TDA.**

In closing, while the Task Force report and process has delivered mixed results, please know that we remain deeply committed to continuing our engagement with the Legislature to improve and transform transit in California. Given the Task Force report's limitations, we look forward to working with the Legislature in 2026 to fill the gaps left by the report and to advance the recommendations on which we mutually agree. Together, we can deliver on the promise of a more equitable, sustainable, and efficient transit system that meets the needs of all Californians.

If you have any questions about this letter, please contact me at [michael@caltransit.org](mailto:michael@caltransit.org) or 916-446-4656 x1034.

Sincerely,



Michael Pimentel  
Executive Director

cc: Members and Consultants, Senate Transportation Committee  
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