



**October 16, 2025**

**To:** Legislative and Communications Committee

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

**Subject:** Federal Legislative Status Report

### **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 status report includes information on fiscal year 2026 appropriations, a summary of congressional support for OCTA's role in the 2028 Olympic and Paralympic Games planning, and information on correspondence between United States Transportation Secretary Sean Duffy and multiple transit agencies regarding safety and security on large transit systems. Additionally, a summary on the redistribution of federal dollars from the California High Speed Rail project is provided.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

#### **Fiscal Year 2026 Appropriations Update**

As of October 1, the federal government has entered a shutdown following the expiration of fiscal year (FY) 2025 funding without agreement on FY 2026 appropriations. The House advanced a continuing resolution (CR) to extend funding into November, but the measure did not secure sufficient support in the Senate. Senate Democrats countered with their own version of a CR that included an extension of expiring healthcare tax credits, but this approach also failed to advance.

The immediate impacts from the shutdown vary by agency. At the Department of Transportation (DOT), the Federal Transit Administration (FTA) and Federal Highway Administration remain operational because their employees are funded through the Highway Trust Fund and advance appropriations provided under the

2021 Infrastructure Investment and Jobs Act (IIJA). Formula and discretionary reimbursements for previously executed grants will continue, but no new discretionary grants will be approved during the shutdown. In addition, furloughs at partner agencies such as the Environmental Protection Agency and the Department of Labor (DOL) may impact processing of funds. Notably, 13(c) labor certifications for transit grants will not proceed while DOL staff remain furloughed. Within the Federal Railroad Administration (FRA), safety inspectors and other essential staff continue to work, and the Office of Railroad Development is operating with IIJA funding. However, the FRA is limited to providing technical assistance and overseeing environmental compliance and cannot process new contracts, issue new funding obligations, or advance pending grant agreements during the shutdown.

The Office of Management and Budget (OMB) has also directed agencies to prepare for reductions in force that could permanently eliminate positions and programs deemed inconsistent with the President's priorities. Agencies have been asked to identify discretionary-funded activities that lapse with the shutdown and to initiate notices to employees in those areas. Even if Congress later enacts appropriations, the OMB's guidance indicates that only the minimum number of employees needed to carry out statutory functions will be retained. As of the writing of this staff report, DOT has not made public any reduction-in-force plan.

As of the writing of this staff report, the path forward remains uncertain. Staff will continue monitoring developments closely to assess both the duration of the shutdown and any lasting changes in federal program administration that may affect OCTA's operations.

#### **Congressional Support for OCTA Participation in the 2028 Olympic and Paralympic Games Mobility Planning**

On September 12, 2025, Representative Derek Tran (CA-45), whose district includes parts of both Los Angeles and Orange counties, sent a letter to LA28 Chair Casey Wasserman urging that OCTA be formally included in executive-level planning for the 2028 Olympic and Paralympic Games (Games). The letter is included as Attachment A. Specifically, Representative Tran requested that OCTA be granted a seat on the Games Mobility Executives Team. This request follows OCTA's own formal appeals to be included in the Games Mobility Executives Team, including letters submitted in 2024 and again in July 2025.

The letter highlights Orange County's key role in supporting Games activities, including serving as host for the Honda Center in the City of Anaheim and Trestles State Beach, as well as providing significant hospitality and tourism infrastructure. Representative Tran underscored OCTA's importance as the county's primary transit operator, a shareholder in Metrolink, the managing agency for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency,

and the operator of the 405 and 91 Express Lanes. He stressed that OCTA's participation is critical to ensuring coordinated investment, efficient service delivery, and an integrated network that supports both Games operations and long-term regional mobility. As of the writing of this staff report, no formal response has been provided by LA28.

#### Department of Transportation Actions on Transit Safety and Accountability

On September 10, 11, and 18, 2025, the DOT issued formal letters to the City of Charlotte, Charlotte Area Transit System (CATS), Chicago Transit Authority (CTA), and the Massachusetts Bay Transportation Authority (MBTA), requesting detailed information regarding each agency's safety and security practices. These letters are included as Attachments B, C, D, and E, respectively.

Directives from the DOT cite recent violent incidents across all three systems and require the agencies to identify current and planned actions to reduce crime, address fare evasion, and ensure secure, clean operating environments for riders and workers. Each agency has also been directed to provide detailed documentation of FY 2025 and 2026 funding dedicated to safety and security, including federal capital and safety set-asides and other federal resources.

City of Charlotte leaders have responded by outlining expanded security staffing, additional law enforcement partnerships, and new patrol measures, while also noting governance changes that would transition CATS into an independent transit authority with a dedicated transit police department. The response letter from the City of Charlotte to FTA is included as Attachment F. Responses from CTA and MBTA are due to FTA Regional Administrators within the month.

These directives build upon actions taken in March 2025, when DOT issued letters to Washington, D.C. leadership, Amtrak, and the Washington Metropolitan Area Transit Authority urging enhanced security and compliance with federal standards. Similarly, in June 2025, the DOT issued a letter to Los Angeles County Metropolitan Transportation Authority Chief Executive Officer Stephanie Wiggins and a related letter to Los Angeles Mayor Karen Bass regarding safety protocols during public demonstrations and preparing for safety for major international events such as the Fédération Internationale de Football Association (FIFA) World Cup and LA28. These letters were previously reported on at OCTA's Legislative and Communications Committee in July 2025. Together, these letters highlight the current administration's priority for an increased federal oversight approach that prioritizes safety performance, transparency in funding use, and restoration of public confidence in transit systems nationwide.

Staff will continue monitoring federal communications to major urban transit systems to assess potential implications for OCTA's own operations and future funding considerations.

### Federal Redistribution of California High Speed Rail Funds

On September 22, 2025, the FRA withdrew the FY 2024 Federal State Partnership for Intercity Passenger Rail Program-National (FSP-National) Notice of Funding Opportunity (NOFO), originally published on September 30, 2024, and issued an amended FY 2024-25 NOFO in its place. The reissued notice makes available approximately \$5.07 billion in federal funding for intercity passenger rail projects not located on the Northeast Corridor, compared to about \$1.06 billion under the FY 2024 authorization.

A significant portion of this increase, approximately \$2.4 billion, consists of federal funds that had previously been awarded to the California High-Speed Rail Authority (CHSRA). In July 2025, U.S. Transportation Secretary Sean Duffy announced the rescission of these funds following a compliance review that found the project was not meeting federal grant requirements. In response, the CHSRA filed suit in federal court, and that litigation remains ongoing. On September 22, 2025, the FRA reallocated these rescinded funds into the FSP-National program as part of the amended NOFO. The reallocation of these funds highlights the federal government's shift away from California's state-led high-speed rail initiative and into a broader competitive framework for intercity passenger rail nationwide.

In addition to the ongoing litigation, the CHSRA project is under heightened federal oversight. In August 2025, the House Oversight Committee requested documents and briefings from the DOT to examine whether the CHSRA relied on accurate ridership and financial assumptions in its federal grant application. Secretary Duffy also directed FRA to conduct a compliance review of the projects use of federal funds to determine whether it continues to meet federal obligation.

The rescission of CHSRA funds and their redistribution into the FSP-National program illustrates the dynamic federal funding environment, where resources are being shifted as federal priorities evolve. OCTA staff will continue to monitor these developments.

**Summary**

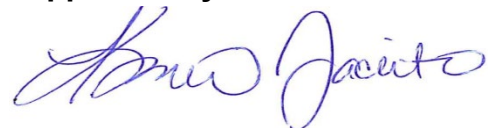
An update is provided on the 2026 annual appropriations process. Summaries are also provided on Department of Transportation transit safety actions taken nationally, the federal redistribution of California High Speed Rail dollars, and a letter demonstrating growing support for the Orange County Transportation Authority's role in the 2028 Olympic and Paralympic Games.

**Attachments**

- A. Letter from U.S. Representative Derek Tran to Casey Wasserman, Chairperson, LA28 Board, dated September 12, 2025
- B. Letter from Federal Transit Administration Administrator Marcus J. Molinaro to Vi Lyles, Mayor, City of Charlotte, dated September 10, 2025
- C. Letter from Federal Transit Administration Chief Safety Officer Joe DeLorenzo to Brent Cagle, Interim Chief Executive Officer, Charlotte Area Transit System, dated September 10, 2025
- D. Letter from U.S. Secretary of Transportation Sean P. Duffy to Nora Leerhsen, Acting President, Chicago Transit Authority, dated September 11, 2025
- E. Letter from U.S. Secretary of Transportation Sean P. Duffy to Phillip Eng, General Manager, Massachusetts Bay Transportation Authority, dated September 18, 2025
- F. Letter from City of Charlotte Mayor Vi Lyles to Marc Molinaro, Administrator, Federal Transit Administration, dated September 25, 2025
- G. Potomac Partners DC, Monthly Legislative Report – September 2025

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