Monthly Legislative Report – **June 2026**

Advocacy Meetings

Office of Representative Norma Torres (D-CA) – In June we met with staff from Rep. Torres' office to discuss potential legislative opportunities to restore local allocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) programs. The discussion focused on potential amendments to the surface transportation reauthorization bill, as well as the upcoming Fiscal Year 2027 (FY27) Transportation, Housing and Urban Development (THUD) Appropriations Act, and options for incorporating language that would effectively restore the pre-2021 suballocation methodology for these programs. We also briefed the office on the growing regional support for this effort, including the coordinated advocacy underway among the county transportation agencies within the Southern California Association of Governments (SCAG) region.

Office of Representative Salud Carbajal (D-CA) – We met with Rep. Carbajal's Legislative Director to provide an update on the ongoing effort and regional support to restore local allocation authority for the STBG and CMAQ programs. We discussed the legislative strategy for advancing this issue through the surface transportation reauthorization bill and the support from the county transportation agencies within the SCAG region.

Office of Representative David Rouzer (R-NC) – We continued discussions with Rep. David Rouzer's senior staff regarding the anticipated timing of House floor consideration of the BUILD America 250 Act and the potential amendment process. The conversation focused on legislative strategies for advancing changes to restore local allocation authority for the STBG and CMAQ programs in the SCAG region. We also highlighted the coordinated advocacy effort of the six Southern California county transportation agencies, emphasizing the unified regional consensus supporting restoration of the pre-2021 funding allocation methodology.

Office of Representative Jay Obernolte (R-CA) – We met with Rep. Jay Obernolte's staff to discuss potential bipartisan co-sponsorship of amendments to the surface transportation reauthorization bill that would restore local suballocation authority for the Surface STBG and CMAQ programs. We shared the amendment language previously offered during the House Transportation and Infrastructure (T&I) Committee markup and discussed the strategy for offering a similar amendment on the House floor with Rep. Brownley.

Office of Representative Julia Brownley (D-CA) – In June, we continued discussions with Rep. Julia Brownley's office regarding potential amendments to the BUILD America 250 Act that would restore local suballocation authority for STBG and CMAQ programs within the SCAG region. We provided additional background on the Federal Highway Administration's (FHWA) corrective action that prompted the change in funding allocations and discussed its impacts on Southern California. We also received an update on feedback from the House T&I Committee's Democratic staff regarding the proposed amendment language and explored potential refinements and legislative strategies for advancing the proposal during House floor consideration.

Office of Representative Pete Aguilar (D-CA) – We updated Rep. Pete Aguilar's staff on the legislative strategy to restore local suballocation authority for the Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) programs within the Southern California Association of Governments (SCAG) region. The discussion included the status of congressional outreach, regional support from the Southern California county transportation agencies, and potential opportunities to advance the proposal through the surface transportation reauthorization bill.

Office of Representative Mike Levin (D-CA) – We continued discussions with Rep. Mike Levin's office regarding provisions in the Water Resources Development Act (WRDA) that are relevant to OCTA's coastal resiliency priorities for the Los Angeles –San Diego–San Luis Obispo (LOSSAN) Rail Corridor. Specifically, we discussed the bill's authorization for a San Clemente Shoreline feasibility study for coastal storm risk management and shoreline erosion protection, as well as an Environmental Infrastructure authorization for water supply, water recycling, wastewater, and stormwater management projects serving the cities of Mission Viejo, Rancho Santa Margarita, and San Clemente. These provisions could help support long-term efforts to improve coastal resilience and protect critical transportation infrastructure within the LOSSAN Rail Corridor. In separate discission we updated the office on the strategy for restoring local suballocation authority for the STBG and CMAQ programs within the SCAG region.

Office of Representative Young Kim (R-CA) – We continued to update the office on the potential for Rep. Julia Brownley to offer amendments during House floor consideration of the surface transportation reauthorization bill to restore local suballocation authority for the STBG and CMAQ programs. We also discussed opportunities to develop bipartisan support for the amendment and the importance of demonstrating broad regional consensus to improve its prospects for inclusion in a final House bill.

Office of Representative Ken Calvert (R-CA) – We continued to provide updates to Rep. Ken Calvert's office on the legislative strategy for restoring local suballocation authority for the STBG and CMAQ programs within the SCAG region. Discussions focused on potential amendment strategies for the surface transportation reauthorization bill, as well as the appropriations process that could be used to restore the pre-2021 funding allocation methodology.

Office of Representative David Min (D-CA) – In June we updated Rep. Dave Min's office on the legislative strategy and potential amendments to the Build America 250 bill to restore local suballocation authority for STBG and CMAQ programs within the SCAG region.

Office of Representative Derek Tran (D-CA) – We updated Rep. Trans office on ongoing efforts to restore local funding allocation authority for the STBG and CMAQ programs. The discussion included the current legislative strategy, growing regional support, and potential next steps for advancing the proposal through the BUILD America 250 Act surface transportation reauthorization.

Office of Representative Lou Correa (D-CA) – We updated Rep. Lou Correa's office on ongoing efforts to restore local funding allocation authority for the STBG and CMAQ programs through the BUILD America 250 Act.

House Appropriations Majority Staff – We met several times with House Appropriations Committee majority staff to discuss the timing and outlook for the FY27 THUD Appropriations Act, including funding levels for key federal transportation programs. Discussions also focused on potential funding opportunities to support transportation infrastructure, operations, and security needs associated with the 2028 Olympic and Paralympic Games in the Southern California region, as well as the broader challenges facing the FY27 appropriations process.

Surface Transportation Reauthorization Update

The House Committee on Transportation and Infrastructure advanced the BUILD America 250 Act (H.R. 8870) by a 62-2 vote following a two-day markup in late May. During the markup, the Committee adopted Chairman Sam Graves' manager's amendment along with 19 additional amendments, including incorporation of the Railway Safety Act of 2026, creating the current base text for the legislation. As reported earlier, the bill would authorize approximately $580 billion in highway, bridge, public transit, and rail safety programs through FY 2031 and would replace authorities established under the Infrastructure Investment and Jobs Act (IIJA), which expire on September 30, 2026.

While the Transportation and Infrastructure Committee has completed most of its work, the bill must still move through the House Ways and Means Committee before it can be considered by the full House. Based on our discussions with committee staff, we believe revisions to the underlying legislation are already underway. Once the Ways and Means Committee completes markup of the bill's tax title, House leadership is expected to combine that title with additional changes and technical corrections into a revised package that would serve as the vehicle for House floor consideration.

The principal challenge for the bill continues to be timing. With only two legislative weeks scheduled in July and an already crowded House agenda, the availability of floor time remains a significant obstacle. Legislative productivity was further constrained at the end of June when a group of House Freedom Caucus members delayed consideration of several major bills, including the National Defense Authorization Act (NDAA), while pressing leadership to again pass the SAVE Act with the NDAA. A similar dynamic could continue into July, making progress on any major legislative package increasingly difficult.

As a result, several congressional offices have indicated that they are beginning to shift their focus toward the possibility of a short-term extension of current surface transportation law rather than completing a full reauthorization before the September 30 expiration. Unlike previous extensions, there is growing discussion that such a package could include a more substantial set of policy changes than past short-term extensions while providing additional time for Congress to negotiate a longer-term authorization. Most expect that work on an extension, if necessary, would accelerate when the House returns from the August recess in September. The ultimate path forward will depend in large part on how quickly the Senate advances its own reauthorization proposal and whether bicameral negotiations can begin before the current law expires.

The current uncertainty reinforces the importance of continuing engagement with House and Senate offices on key policy priorities, including restoration of the pre-2021 STBG/CMAQ suballocation structure. Whether Congress advances the BUILD America 250 Act or pivots to a legislative extension, opportunities may still exist to incorporate targeted policy provisions as negotiations continue through the summer and into September.

FY27 Appropriations Update

Congressional action on the FY27 appropriations process has slowed considerably at the end of June as both the House and Senate grapple with disagreements over overall discretionary spending levels. Although the House remains ahead of the Senate, having advanced most of its appropriations bills through committee, progress in both chambers stalled toward the end of June as broader legislative disputes and funding negotiations consumed valuable floor time.

In the House, Republican leadership had planned to continue floor consideration of several major measures before the Independence Day recess, including the FY27 National Defense Authorization Act (NDAA) and additional appropriations bills. However, those plans unraveled when a procedural rule needed to bring the NDAA legislation to the House floor failed on a 198-224 vote, after fourteen Republicans joined Democrats in opposition. The rule would have allowed consideration of the NDAA while also automatically attaching the SAVE Act, legislation requiring documentary proof of U.S. citizenship for voter registration, before sending the bill to the Senate. The procedural dispute effectively halted House floor action not only on the NDAA but also on several appropriations measures that had been scheduled for consideration before the recess. Although Speaker Mike Johnson (R-LA) initially indicated the House would remain in session to resolve the impasse, leadership ultimately recessed for the July Fourth holiday on June 30th, leaving the timing for House consideration of both defense authorization and appropriations legislation uncertain. The episode highlights how unrelated policy disputes continue to consume limited floor time and complicate efforts to maintain the traditional appropriations schedule.

The Senate has experienced even greater delays. The Senate Appropriations Committee postponed several scheduled June markups after negotiations between Chairwoman Susan Collins (R-ME) and Ranking Member Patty Murray (D-WA) failed to produce agreement on overall non-defense discretionary spending levels and subcommittee allocations. Those negotiations have been further complicated by the Administration's proposal for a significant increase in defense spending, making it more difficult to reach the bipartisan funding framework that has traditionally guided the Senate appropriations process. Senate leadership is now expected to begin marking up several appropriations bills when the chamber returns the week of July 13.

Another factor contributing to the Senate's delay was the hospitalization of Senator Mitch McConnell (R-KY), whose absence temporarily deprived Senate Republicans of a key vote on the Appropriations Committee. Without his vote, Republican leadership faced the possibility that several bills could fail during committee consideration, prompting additional postponements while leadership assessed its options.

The delays have also led some Senate Republicans to discuss advancing appropriations bills without bipartisan agreement. While that approach could move legislation through committee, it would not resolve the larger challenge of securing the 60 votes required for Senate passage, making bipartisan negotiations ultimately unavoidable. As a result, committee action without Democratic support would likely serve primarily as a negotiating position rather than a viable path to final enactment.

Taken together, the House floor delays and Senate committee impasse have significantly compressed the timeline for completing all twelve appropriations bills before the September 30 end of the fiscal year. Under the traditional schedule, both chambers seek to pass their respective appropriations bills before the August recess, allowing negotiators to reconcile differences during August and September. That timeline is becoming increasingly difficult to achieve. While appropriators remain committed to advancing individual funding bills where possible, the current trajectory suggests Congress is increasingly likely to rely on a continuing resolution (CR) to fund the government beyond September 30 while negotiations on full-year appropriations continue into the fall.

Administration Submits $87.6 Billion Supplemental Funding Request

On June 24, the Administration transmitted an $87.6 billion FY26 emergency supplemental appropriations request to Congress, stating that most of this request will address urgent needs related to Operation Epic Fury (OEF), in addition to other critical needs such as responding to the Ebola outbreak in Central Africa and supporting American farmers. The proposal includes approximately $67 billion for the Department of War, $11.1 billion for agricultural assistance, $2 billion for the Coast Guard, $1.5 billion for State Department diplomatic security, $1.4 billion for Ebola response, and $1 billion to assist in the final design and construction of a modernized Penn Station in New York City, along with several other domestic and national security priorities. The Administration urged Congress "to take action on these important and urgent requests as soon as possible" while also indicating it is "open to discussing additional relief for other urgent matters."

For transportation stakeholders, the supplemental could become a potential legislative vehicle for additional funding tied to major national priorities, including 2028 Los Angeles Olympic and Paralympic Games security and transportation investments, should Congress decide to expand the package. However, the path forward remains highly uncertain. As mentioned earlier, Congressional leaders are already struggling to advance the regular FY27 appropriations bills, with disagreements over overall spending levels, increasing expectations for a continuing resolution later this year. Combined with competing priorities the prospects for moving a large supplemental appropriations bill in its current form remain challenging in the near term. While Congress frequently uses supplemental measures to address emerging national priorities, any effort to add any transportation related funding would likely depend on whether broader bipartisan negotiations on the package materialize.

Reconciliation 3.0 Update

Following enactment of Reconciliation 2.0, House Republican leadership has begun laying the groundwork for a potential Reconciliation 3.0 package, although both the scope and timing remain uncertain. The budget reconciliation process is a special congressional procedure created under the Congressional Budget Act of 1974 that allows certain legislation affecting federal spending, revenues, or the debt limit to pass the Senate with a simple majority (51 votes) instead of the usual 60 votes required to overcome a filibuster. Reconciliation 2.0 was a targeted budget reconciliation package focused primarily on immigration and border security funding. The roughly $70 billion measure provides multi-year mandatory funding for Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP), including resources for personnel, detention capacity, transportation, border technology, and related enforcement operations through the remainder of President Trump's term.

Discussions on Reconciliation 3.0 have largely centered on providing additional defense funding similar to the FY26 supplemental request, replenishing munitions and military readiness accounts, and advancing additional government efficiency and fraud prevention initiatives. Some House Republicans have also proposed including targeted healthcare savings, program integrity reforms, and immigration-related provisions to offset new spending. While there has been discussion about incorporating elements of the SAVE Act, Senate budget rules significantly limit the ability to include broad election policy within a reconciliation bill. Despite continued optimism from House leadership, the outlook for advancing a third reconciliation package in July appears increasingly challenging. Republican leaders have not yet finalized a budget resolution providing reconciliation instructions with no clear path do so in July. At the same time, competing priorities including appropriations, the NDAA, and surface transportation reauthorization could consume much of the limited legislative calendar. Several Senate Republicans have also publicly questioned whether there is sufficient time or political consensus to move another party-line reconciliation bill before Congress shifts its attention to the 2026 midterm elections.

At this point, the likelihood of House action in July is moderate at best, with enactment before the August recess appearing highly unlikely. While House leadership continues to view Reconciliation 3.0 as an opportunity to address additional defense priorities and other Republican policy objectives, the combination of a compressed legislative calendar, narrow Republican majorities, and competing must-pass legislation suggests that the package could slip into the fall or ultimately be deferred until after midterm election in a lame-duck session of Congress.