



October 16, 2025

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Draft Revisions to the Orange County Transportation Authority's 2025-26 State and Federal Legislative Platforms

Overview

Halfway through each legislative session, staff conducts a review of the Orange County Transportation Authority's Legislative Platforms to ensure relevant issues that are anticipated to be of discussion for the upcoming year are included and up to date. Initial draft revisions to the Orange County Transportation Authority's 2025-26 State and Federal Legislative Platforms have been prepared for consideration by the Orange County Transportation Authority Board of Directors. Before a final draft is considered for adoption, these drafts will be revised as a result of feedback from the Orange County Transportation Authority Board of Directors, as well as further internal staff input.

Recommendation

Direct staff to integrate the recommended revisions to the 2025-26 Orange County Transportation Authority State and Federal Legislative Platforms and seek further feedback from the Orange County Transportation Authority Board of Directors and internal staff, with subsequent drafts being brought forward for final consideration and adoption later this year.

Background

At the beginning of each legislative session, the Orange County Transportation Authority (OCTA) adopts updated State and Federal Legislative Platforms to guide OCTA's advocacy activities for the duration of the upcoming legislative session. With each session covering a two-year period, revisions to the legislative platforms are presented to the Board of Directors (Board) midway through the session to reflect any significant changes since their adoption by the Board in the previous year.

The initial drafts of mid-session revisions to the 2025-26 State and Federal Legislative Platforms are presented as Attachments A and C, respectively. The proposed changes are detailed in Attachments B and D, with the recommended revisions to the Board-adopted 2025-26 State and Federal Legislative Platforms designated by bold and strikethrough text.

The revisions incorporate initiatives suggested by OCTA staff and issues that are anticipated to be significant in the upcoming session. Prior to bringing final drafts to the Board, OCTA staff will continue to meet internally for additional input. When developing the 2027-28 State and Federal Legislative Platforms next year, a more widespread input solicitation process will occur, with outreach to interested groups, stakeholders, and individuals to allow a more comprehensive update for the next legislative session.

2025-26 OCTA State Legislative Platform

The Draft 2025-26 State Legislative Platform includes several a number of important updates that reflect both evolving state policy dynamics and OCTA's long-standing priorities. Language was also edited, amended, or removed as necessary to ensure grammatical and stylistic integrity.

One of the most significant changes is the addition of a new Cap-and-Invest section. Previously known as Cap-and-Trade, the program has been reauthorized through 2045 and now operates under a tiered funding structure that dedicates \$1 billion annually to the California High-Speed Rail Project and another \$1 billion to legislative discretionary uses before remaining revenues are allocated to transit and other programs. The platform emphasizes the need to protect dedicated funding streams for transportation programs such as the Transit and Intercity Rail Capital Program and the Low Carbon Transit Operations Program, which have historically supported OCTA initiatives including Youth Ride Free, the Coastal Rail Resiliency Project, and the OC Streetcar. It also stresses the importance of preserving funding previously committed to transit agencies and ensuring that any discretionary funds are distributed equitably among regions. This section positions OCTA to engage effectively as the Legislature continues to refine revenue distribution policies and builds on the Cap-and-Trade principles the OCTA Board adopted earlier this year.

The platform also addresses ongoing issues related to SB 375 (Chapter 728, Statutes of 2008) implementation and the sustainable communities strategy (SCS) process. SB 375 requires metropolitan planning organizations to incorporate an SCS into their Regional Transportation Plans to demonstrate how greenhouse gas reduction targets, set by the California Air Resources Board (CARB), will be achieved through coordinated land use, housing, and transportation planning. New language was added to the platform to support

reforms to the SB 375 target setting a review process, while ensuring that any reforms do not inadvertently harm existing funding eligibilities or restrict the ability of transportation agencies to deliver projects and programs. A principle was also added in response to the California State Transportation Agency creation of the Sustainable Communities Task Force, of which OCTA is not a formal member but is closely monitoring, to ensure that any recommendations or reforms to SB 375 implementation preserve flexibility for local agencies and do not undermine the ability to deliver projects or access funding.

Another notable update is the explicit support for reinstating the state sales tax exemption for the purchase of zero-emission buses. The current exemption is set to expire on January 1, 2026. This year, the California Transit Association (CTA) pursued legislation to extend the exemption; however, the measure did not advance due to concerns about the state's ongoing budget deficit and the loss of potential General Fund revenues. Despite that setback, OCTA anticipates that CTA will continue to spearhead the statewide effort to extend this benefit. Given the significant costs associated with transitioning to a zero-emission fleet, the extension of this exemption remains a high priority.

The Rail Programs section also reflects important updates. The prior recommendation to monitor the In-Use Locomotive Regulation was removed after CARB rescinded the rule in response to anticipated federal action. The U.S. Environmental Protection Agency had indicated it would not grant the waiver necessary for the regulation to take effect. At the same time, the platform now recognizes the forthcoming report required by SB 1098 (Chapter 777, Statutes of 2024), which is expected to be finalized early next year. The report will evaluate the Los Angeles – San Diego – San Luis Obispo Rail Corridor's needs and prioritize capital and resiliency improvements, providing the Legislature with recommendations for future policy decisions. This report may serve as a precursor to legislation proposing reforms in rail planning, governance, or operations, and OCTA will remain engaged in this process to ensure that Orange County's interests are represented.

Taken together, these changes ensure that the 2025-26 platform provides clear guidance on the most pressing and relevant state issues while continuing to uphold OCTA's long-term commitment to advancing a comprehensive, multimodal transportation network.

Sponsor Bills

OCTA often encounters specific legislative issues requiring sponsor legislation, prompting OCTA to take the lead in developing legislative language and securing an author. As noted in the strikethrough version, the sponsor bill section was removed as staff does not anticipate the need to sponsor legislation in those areas next year. Staff is currently exploring the need for any potential sponsor

bills and will bring back any proposals for the OCTA Legislative and Communications Committee and Board's consideration when the final draft platforms are brought for approval in November 2025.

2025-26 OCTA Federal Legislative Platform

The Draft 2025-26 Federal Legislative Platform has been updated to reflect both OCTA's long-standing advocacy priorities and emerging federal issues that are anticipated to be the focus of the 119th Congress. These changes are designed to ensure that OCTA remains well positioned to protect critical funding, advance multimodal mobility, and engage in national policy discussions that affect the agency and Orange County. Language was edited, amended, or removed as necessary to ensure grammatical and stylistic integrity.

Much of next year will be focused on federal surface transportation reauthorization, which expires on September 30, 2026. The OCTA Board has already adopted a set of guiding principles for reauthorization, which are included in the appendix of the draft platform. Beyond that, one of the most significant updates highlights ongoing congressional discussions about new revenue sources for the Highway Trust Fund. OCTA's platform makes clear that any new revenues should continue to flow through the Highway Trust Fund under the traditional 80/20 split between highways and transit. This longstanding balance is essential to maintaining support for both transit capital and operations, ensuring that new funding proposals do not undermine local transit systems or shift costs to agencies such as OCTA.

The platform also proposes to adjust the Inflation Reduction Act (IRA) principle to reflect ongoing conversations in Washington about potentially repurposing some of those funds. OCTA emphasizes that any reallocation of IRA resources should prioritize transit and transportation programs.

Consistent with recent state platform revisions, the prior principle regarding the In-Use Locomotive Regulation has been removed. CARB withdrew the regulation from consideration after it became clear that the federal government was unlikely to grant the waiver necessary for implementation. With CARB rescinding the rule, OCTA no longer anticipates the need for active engagement on this issue at the federal level.

Finally, the platform notes that the federal alternative fuel tax incentive, which provided important cost relief for the use of compressed natural gas, hydrogen, and other clean fuels, was not extended after expiring on January 1, 2025. OCTA will continue to advocate for reinstating and expanding this incentive to support the agency's efforts to maintain and grow a sustainable, zero-emission fleet while managing rising operational costs.

Taken together, these updates ensure that the 2025-26 Federal Legislative Platform reflects the most pressing federal issues while advancing OCTA's long-term commitment to building a comprehensive multimodal transportation network.

Summary

Upon approval, the mid-session revisions to the 2025-26 State and Federal Legislative Platforms will be circulated for additional review and will return to the Orange County Transportation Authority Board of Directors later this year for final consideration and adoption.

Attachments

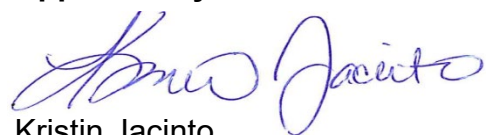
- A. Draft Orange County Transportation Authority 2025-26 State Legislative Platform (Clean Copy)
- B. Draft Orange County Transportation Authority 2025-26 State Legislative Platform (Strikethrough Version)
- C. Draft Orange County Transportation Authority 2025-26 Federal Legislative Platform (Clean Copy)
- D. Draft Orange County Transportation Authority 2025-26 Federal Legislative Platform (Strikethrough Version)

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