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METROLINK

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ITEM ID: 2026-265-0

TRANSMITTAL DATE: July 17, 2026

MEETING DATE: July 24, 2026

TO: Board of Directors

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: July Legislative Update

Issue

Staff provides a regular monthly update on current legislative affairs.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving. This commitment is met by sharing news, information and the Authority's legislative priorities with elected officials.

- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. This commitment is met by encouraging federal, state and local support for Authority priorities.

Background

Staff continues to engage with community, local, state, and federal stakeholders concerning Metrolink service and relevant policy initiatives.

Discussion

State

State Funding Request for FY27 Operating Budget
Staff continues to advocate for the agency's state budget request of $35 million to close the anticipated FY27 operating budget gap. As part of these efforts, we have requested letters of support from local governments and other agencies. The Southern California Association of Governments provided a letter of support on July 8. Staff prepared a sign-on letter and is expanding outreach to additional delegation members beyond the three legislators, Assemblymember Juan Carrillo, Senator Catherine Blakespear and Senator Maria Elena Durazo, who previously provided letters of supporting our budget request. This advocacy work will continue through the summer recess and when the Legislature reconvenes on Monday, August 3.

Metrolink's FY27 operating request builds on several years of advocacy for sustainable, dedicated transit funding at the state level. SB 125 (2023) provided a one-time $5.1 billion infusion to California transit agencies through TIRCP and the newly created Zero-Emission Transit Capital Program, helping stave off a near-term fiscal cliff as transit agencies regained ridership after the pandemic, while underscoring the need for an ongoing operating funding source. While Metrolink did not receive this funding directly, several member agencies allocated funding for transit operations and capital, including for Metrolink service and projects. SB 125 also established the CalSTA-led Transit Transformation Task Force, which we monitored and engaged with as it develops recommendations on ridership growth, transit financial sustainability, and new dedicated revenue options. Cap-and-Invest revenue, distributed through the Greenhouse Gas Reduction Fund, remains a critical funding source, as TIRCP and LCTOP both rely in significant part on GGRF proceeds but the future of the programs is unknown. Together, these efforts form the backdrop for Metrolink's position that transit needs a permanent, dedicated operating funding solution rather than reliance on one-time or discretionary sources.

Governor Signs FY26-27 Budget
Late last week, the Legislature passed SB 111 (Laird), a "Budget Bill Jr." that amends the legislative two-party agreement (AB 109 (Gabriel)). The Legislature also passed a series of budget trailer bills - including SB 169 (Committee on Budget and Fiscal Review), the Transportation Trailer Bill - to implement policy provisions related to the budget. The Governor promptly signed SB 111, SB 169, and the other budget trailer bills before the start of the Fiscal Year 2026-27, which began on July 1. The budget bill, AB 109, did not address whether and how the state would restructure the Greenhouse Gas Reduction Fund (GGRF) Expenditure Plan following the California Air Resources Board’s adoption of amendments to the Cap-and-Invest Program. It is expected that negotiations between the Legislature and Governor will continue during the summer recess and into August.

Federal

Congressional Appropriations
As previously reported to the Board, on June 3rd, the House Appropriations Committee advanced the FY 2027 Transportation, Housing and Urban Development (THUD) funding bill, which proposes a $92.2 billion budget for transportation and housing programs. The legislation includes provisions to reprogram roughly $7.9 billion in unspent IIJA infrastructure funds and significantly cuts transit and rail allocations – specifically freight and passenger rail grants - while keeping highway funding at current levels. Overall, the bill proposes an $8.8 billion cut across federal transportation and housing accounts compared to FY 2026.

There has been no committee action in the Senate concerning transportation appropriations this year. On June 24, the Senate Commerce, Science and Transportation committee held a hearing examining how technological advances like automated vehicles and connected systems are driving transportation innovation. Additionally, the committee vetted several transportation nominations across safety and economic oversight agencies.

The Senate Appropriations Committee is expected to release and mark up its own version of the FY 2027 THUD spending bill in early August. To date there is no text of this legislation to review and report on. The expected mark-up will hopefully allow sufficient time for reconciliation with the House bill and passage of appropriations legislation before the expiration of current year funding on September 30, or a Continuing Resolution will be needed to avert a government shutdown in an election year. We are closely monitoring action in the Senate and will keep the Board apprised.

Olympics Security Funding
Metrolink organized and held a direct staff-to-staff meeting on July 6 with FEMA officials concerning the Notice of Funding Opportunity (NOFO) expected to be released next month and which will guide allocation of up to $1B of Olympics security funding authorized last year. Federal funds could be used to harden and secure Metrolink's network and bolster security operations for the 2028 Olympics.

Drawing upon the experience of the security funding process employed for the 2026 FIFA World Cup, Metrolink provided a summary of lessons learned as well as recommendations to inform FEMA's consideration of best practices to allocate this much larger tranche of funds for the Olympics. Funding could assist our railroad to secure safety upgrades, technology, and personnel needed across the network, on our railcars, at stations, and in coordination with our transportation, municipal, and law enforcement partners to ensure that our service is operated safely and without disruption during the Games.

Metrolink will continue with ongoing coordination with FEMA District staff as well as CalOES, the state agency through which federal funding will flow, to seek funding for our system and passenger rail. We will keep the Board apprised as the NOFO is released. Likewise, we will work with and support the Board's Ad Hoc Olympics Committee to ensure cohesive direction and support from our Board as the funding process commences.

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Attachment(s)

Appendix A - July 2026 Bill Matrix
Presentation - July Legislative Update