METROLINK

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ITEM ID:	**2025-267-0**
TRANSMITTAL DATE:	**September 18, 2026**
MEETING DATE:	**September 25, 2026**
TO:	**Board of Directors**
FROM:	**Paul Hubler, Chief Strategy Officer**
SUBJECT:	**September 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 state and federal stakeholders concerning Metrolink service and relevant policy initiatives.

Discussion

State

State Lawmakers Reach Agreement on Budget Trailer Bills, Including Cap-and-Invest Expenditures

Earlier this year, the California Air Resources Board (CARB) made changes to the state's Cap-and-Invest program that increased allowances allocated for utility ratepayer relief and industrial support. These changes raised concerns that future revenues available through the Greenhouse Gas Reduction Fund (GGRF) could be significantly lower, potentially resulting in substantial reductions to programs that support transit capital and operations.

Then on June 29, the Legislature approved the FY2026-27 state budget and accompanying trailer bills. However, the budget deferred action on an updated GGRF expenditure plan until after the Legislature reconvened in August.

As the Legislature and Governor negotiated the remaining budget trailer bills, a coalition of more than 80 transit, transportation, affordable housing, labor, business, environmental and disability rights groups, led by the California Transit Association (CTA), advocated for preserving funding for critical transit investments. Specifically, the coalition urged the Legislature to maintain commitments to fund the Transit and Intercity Rail Capital Program (TIRCP) and the Low Carbon Transit Operations Program (LCTOP), which Metrolink relies on for capital and operations support, respectively.

The final agreement reached between the Legislature and the Governor was released at the end of August. The Budget Bill Jr. (SB 113/AB 113) provides $230 million in funding for SB 125 – honoring in full the funding amount to be provided via the Zero-Emission Transit Capital Program. However, funding for TIRCP and LCTOP remains below the levels called for in the GGRF Expenditure Plan agreed to last year by the Legislature. SB 840 (Limon) called for approximately $400 million for TIRCP and $200 million for LCTOP. Under the Budget Bill Jr., TIRCP will receive $95 million, while LCTOP funding is set at $48 million. In summary, the final agreement provides additional funding for transit programs, but falls short of the funding levels previously contemplated for TIRCP and LCTOP. The changes to the Cap-and-Invest program adopted by CARB earlier this year and supported by the Administration, essentially zeroed out funding to these Tier 3 programs. The budget bill funding reflects a compromise between the Administration and the Legislature to provide more modest but still meaningful levels of additional transit funding during a difficult budget year.

Metrolink State Operations Assistance Request

Following direct advocacy by Metrolink CEO and government relations staff, 11 legislators, led by Assemblymember Juan Carrillo, sent a joint letter on August 12 to Governor Newsom and state legislative budget committee leadership urging approval of Metrolink's $35 million FY27 operating funding request in state budget trailer legislation. Representing communities across Metrolink's service area, the signatories included Assemblymembers Juan Carrillo, Leticia

Castillo, Laurie Davies, Jeff Gonzalez, Pilar Schiavo and Rick Chavez Zbur, and Senators Ben Allen, Henry Stern, Tony Strickland, Tom Umberg and Suzette Martinez Valladares.

The letter emphasized that without additional resources, Metrolink would be required to reduce passenger rail service by at least 20% below February 2026 levels beginning in October 2026. It also highlighted steps Metrolink is taking to address the funding shortfall, including reductions to non-service schedule costs and a fare increase scheduled to take effect in October. Unfortunately, the Metrolink operations request was not included in the budget bill agreement reached between the Assembly and Senate in late August.

Securing a direct operations funding set-aside for an individual operator was a worthwhile undertaking, if unprecedented in the transit sector in this year's budget. Metrolink will continue to work with the California Transit Association (CTA) and partner stakeholders to secure a dedicated operations funding source in future legislation. Dedicated state funding is necessary to supplement local sources to sustainably operate regional passenger rail service in Southern California and across the state.

Senate LOSSAN Subcommittee Examines SB 1098 Report Recommendations
In September 2024, Governor Newsom signed SB 1098, which directed the California State Transportation Agency (CalSTA) to facilitate coordination among LOSSAN Corridor stakeholders and develop consensus recommendations to improve corridor performance. The final report was submitted to the Legislature on August 5 and, among other things, recommended establishing a corridor-wide asset management and fleet strategy and expanding opportunities in state grant programs, where appropriate, for funding for state of good repair investments.

On August 12, the Senate Transportation Subcommittee on LOSSAN Rail Corridor Resiliency held an informational hearing to review the SB 1098 report. The hearing featured participation from CalSTA, the Coastal Commission, and the Mineta Institute, followed by a second panel of perspectives from the leaders of Metrolink, NCTD, and the LOSSAN Rail Corridor Agency. In his remarks, Metrolink CEO Darren Kettle affirmed support for the report's recommendations but emphasized that successful implementation depends on robust and sustainable operating funding.

Legislature Passes SB 741 to Improve LCTOP Efficiency
The California Legislature concluded the 2025–26 session with a flurry of activity in late August, including passage of Metrolink-supported SB 741 (Blakespear), which increases flexibility within LCTOP. LCTOP is a vital and flexible source of formula-based funding for Metrolink. In recent years, we have used these funds to provide discounted fares for students and for low-income riders with an EBT card.

With LCTOP revenues forecast to be significantly lower this year, the additional flexibility provided by SB 741 will be especially valuable to Metrolink. The bill expands eligible uses to include transit maintenance and eliminates redundant emissions-demonstration requirements for continuing programs. It also clarifies that agencies may continue funding previously approved services without having to restart the application process. Together, these changes will allow Metrolink to use LCTOP funds more efficiently to sustain critical operations and continue delivering meaningful mobility and environmental benefits across the region. Metrolink was pleased to support SB 741 and has sent a letter to Governor Newsom urging him to sign the legislation into law.

For a complete list of action on bills Metrolink was tracking, please refer to our bill tracker (Appendix A).

Federal

Metrolink Hosts Congressional Members and Offices During August Recess
Metrolink staff took advantage of the Congressional in-district work period this summer to welcome elected officials and staff for tours and meetings throughout Southern California.

On August 20, staff hosted Congressman George Whitesides (D-Palmdale), Santa Clarita Mayor Pro Tem Patsy Ayala, and Councilwoman Marsha McLean for a tour of the Antelope Valley Line between the Newhall and Santa Clarita stations. The tour highlighted customer information system (CIS) display upgrades at the Newhall and Palmdale stations, which will be funded in part by a $250,000 congressional earmark secured by Congressman Whitesides.

Staff also met with policy staff from Congressman Pete Aguilar's (D-San Bernardino) and Senator Alex Padilla's (D-CA) offices to discuss progress on San Bernardino Line projects, including projects partially funded through appropriations in the FY 2026 Transportation, Housing and Urban Development bill to support transportation needs associated with the LA28 Olympic and Paralympic Games. The meetings provided an opportunity to recap lessons learned from the 2026 World Cup and discuss planning and preparations for the 2028 Games.

Across these engagements, Metrolink staff emphasized the importance of continued federal investment in commuter and regional rail to support infrastructure improvements, service, and major regional events.

Congress Postpones Action on Appropriations & Surface Transportation Reauthorization
The House and Senate passed a short-term continuing resolution (CR) to fund the federal government and extend the current surface transportation authorization through December 11, 2026. The CR provides lawmakers with additional time to negotiate and finalize fiscal year 2027 appropriations, which would normally take effect October 1, while also allowing more time to develop and consider successor multi-year transportation program legislation to the Infrastructure Investment and Jobs Act (IIJA).

The CR extends Highway Trust Fund authority through December 11, but it does not extend the advance appropriations provided under the IIJA. As a result, many discretionary grant programs that received increased funding in the last five years are currently unfunded or underfunded. This creates additional uncertainty around the availability of federal discretionary funding for transit and rail projects. Metrolink staff continue to advocate for increased funding and strategic policy changes in reauthorization, as outlined in the Board-approved 2026 Legislative Program.

Increased Passenger Rail Liability Cap Announced
On August 5, the U.S. Department of Transportation published an increase to the required amount of excess liability insurance a commuter rail agency is required to hold. The limit, which is adjusted roughly every five years, will increase from approximately $323 million to $402 million, effective September 4, 2026.

Current law gives commuter rail agencies just 30 days to procure excess insurance after the cap is modified. Metrolink joins its peer agencies in a Commuter Rail Coalition advocacy effort to extend the notification period associated with announcing rail cap liability increases to 365 days or more. In the instance of the August 5 increase, the Metrolink Board and staff successfully anticipated the new cap amount and increased Metrolink's operating general liability insurance coverage to $402 million in June. As a result, Metrolink's coverage is aligned with the new federal liability limit.

Immediate Utilization of Olympics Funding Helps Make the Case for More Federal Support
Metrolink staff and stakeholders continue to advocate for federal support for transportation agencies charged with delivering spectators and workforce to the 2028 Olympic and Paralympic Games. The FY27 House Transportation-HUD bill, which passed out of committee in May, includes $875 million for transit-related operations and capital improvements, but faces uncertain prospects in the Senate.

As part of last year's H.R. 7148, the Consolidated Appropriations Act of 2026, $94.3 million was available for transit agencies supporting the 2028 Olympics. Metrolink received a share totaling approximately $17 million. Metrolink immediately put much of this financial support toward a construction contract awarded for the Rancho Cucamonga and Marengo siding extension projects. This action demonstrates our agency is ready put to immediate use financial assistance from Washington for the LA28 Games, a message we will carry forward as the FY27 THUD bill is advanced.

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Attachment(s)

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