



October 15, 2025  
NVRTA Board Agenda Item 10.3

Continued From: New  
**Action Requested: INFORMATION**

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## NAPA VALLEY TRANSPORTATION AUTHORITY

### Board Agenda Memo

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**TO:** Board of Directors  
**FROM:** Danielle Schmitz, Executive Director  
**REPORT BY:** Danielle Schmitz, Executive Director  
(707) 259-5968 / Email: [dschmitz@nvta.ca.gov](mailto:dschmitz@nvta.ca.gov)  
**SUBJECT:** Federal and State Legislative Update

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#### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVRTA) Board receive the Federal Legislative update, State Legislative Update, and the updated Bill Matrix.

#### **BACKGROUND**

##### **Federal Update:**

Congress and President Trump did not reach a bipartisan agreement to enact a continuing resolution, and a federal government shutdown began on Tuesday, October 1st. The impasse was largely around the Democrats desire to extend Medicaid subsidies which expire at the end of the year and prevent the White House Office of Management and Budget from unilaterally blocking funds previously approved by Congress.

The impacts of the government shutdown on the U.S. Department of Transportation agencies varies considerably. The Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) operations will continue as none of the agencies' employees will be furloughed because personnel are financed through the Highway Trust Fund and advance appropriations. FTA will reimburse transit agencies for previously approved projects. However, it is unlikely that any new grants would be approved.

##### **State Update:**

Since the State legislature did not adjourn until September 13<sup>th</sup>, Governor Newsom has until Monday, October 13<sup>th</sup> at midnight to sign or veto bills.

A couple bills to note:

Cap-and-invest (AB 1207 and SB 840) – Extends the cap-and-trade program through 2045 and reforms several elements of the program. The expenditure plan is comprised

of three tiers, transit programs are included in the third tier. As funds are generated through the auction, the funds flow to the top tier and then to the second and third. If auction revenues hit historic averages of \$4.2 billion, the first two tiers are fully funded, and the department of finance will allocate funds in the third tier proportionally. If auction revenues come in under \$3.2 billion, tier 3 will be in jeopardy for that year. This creates uncertainty around the amount of funds that will be available to transit operators annually.

State Bill Matrix:

Senate Bill 697 (Wilson) which authorizes the State Route 37 corridor project to take fully protected species to construct the Sears Point to Mare Island Improvement Project, was voted off the senate floor on September 4<sup>th</sup> and sent to the Governor's desk for signature.

Senate Bill 63 (Wiener) – Regional Transportation revenue measure enabling legislation that would authorize MTC to place a measure on the 2026 ballot for a 14-year ½ cent sales tax to sustain and improve public transportation in the Bay Area. Even though the measure is focused on the 5 large counties, there are rider focused improvements included in the revenue measure that would be applied Bay Area wide. The bill is on the Governor's desk for signature.

**ATTACHMENTS**

- 1) September 29, 2025 Federal Update (Platinum Advisors)
- 2) October 1, 2025 State Update (Platinum Advisors)
- 3) October 1, 2025 State Bill Matrix (Platinum Advisors)

# PLATINUM | ADVISORS

TO: Danielle Schmitz, Executive Director  
Napa Valley Transit Authority

FROM: Jessica Aune, Platinum Advisors

RE: Napa Valley Transit Authority September 2025 Monthly Report

DATE: Monday, September 29, 2025

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## **State of Play and Congressional Update:**

Congress returned from its month-long August recess at the beginning of September with a main objective to attempt to pass Appropriations bills that would keep the government running past September 30<sup>th</sup>. While the Senate has passed several bills with bipartisan support, the lower chamber has passed these bills on partisan lines. This has led to vast differences between the two chamber's appropriation bills and the need to pass a Continuing Resolution (CR), which would keep the government funded at current spending levels. The need for a CR has become standard operating procedure every September on Capitol Hill, but after the intense blowback Senate Minority Leader Chuck Schumer (D-NY) received after providing the votes for a year-long CR in March, it was clear Democrats would need to take a different approach this time.

On September 19, 2025, the House of Representatives passed a CR which would keep the government funded through November 21<sup>st</sup>, 2025, at current spending levels and allow more time for negotiations on a funding package. However, this legislation failed to reach the needed 60 votes in the Senate. The Senate also voted on the Democrat's proposed CR which would fund the government through October 31<sup>st</sup>, permanently extend expiring Medicaid subsidies, and prevent the White House Office of Management and Budget (OMB) from unilaterally blocking funds previously approved by Congress. Sen. Schumer and House Minority Leader Hakeem Jeffries (D-NY) are both united that Democrats will not vote for a CR without concessions from Republicans, such as extending Obamacare subsidies which are due to expire at the end the year.

The Senate and House were already scheduled to be in recess the week of September 22<sup>nd</sup> due to Rosh Hashanah, but currently Speaker of the House Mike Johnson (R-LA) is expected to keep the House in recess past September 30<sup>th</sup>. The Republican House Caucus maintains that having passed the continuing resolution, no further legislative action is currently required, and the ball is in the Senate's court. President Trump is expected to hold his first meeting with the 4 Congressional leaders on Monday, September 29<sup>th</sup>, but expectations are low that this meeting could lead to a change in outcomes. With both chambers in recess and negotiations stalled, Congress appears to be on a path toward a government shutdown.

Senators will return to Washington, DC on Monday, September 29<sup>th</sup> and they are expected to vote again on the House passed CR on Tuesday, September 30<sup>th</sup>, but it remains to be seen if Democratic Senators will grow skittish as this potential government shutdown looms. Even though the House isn't scheduled to be in session, Leader Jeffries is calling his caucus back to the Capitol on September 29<sup>th</sup> to show Democrats are working to keep the government open.

On September 24<sup>th</sup>, the Office of Management and Budget leaked a memo to agency heads directing them to develop reduction in force (RIF) plans in case of an upcoming government shutdown. This memo represents a significant escalation of typical procedures during a government shutdown where workers are furloughed but return to work once the government is funded. The memo directs the agencies to focus the RIF plans on programs that funding expires on October 1<sup>st</sup>, 2025 and there is no other source of funding currently written into law; and programs that do not align with President Trump's priorities.. Democratic leaders dismissed this memo as an intimidation tactic that would not hold up in Court. Currently, the scope of these potential cuts is unknown. It seems likely that they would focus on programs championed by Democratic members such as climate and clean energy programs.

Throughout this year, President Trump has expressed his frustration with the Senate's backlog of unconfirmed nominations for below Cabinet level positions and even requested Senate Majority Leader John Thune (R-SD) to cancel the August recess. When a compromise couldn't be reached with Senate Democrats, Sen. Thune decided to deploy the nuclear option and change Senate confirmation rules. This procedural change enables the Senate to confirm executive nominees en bloc rather than individually, significantly conserving floor time. While this rule is expected to expedite the confirmation process for future administrations—including under Democratic leadership—it may also contribute to the continued erosion of long-standing Senate norms and practices.

### **House Natural Resources Committee Considers Permitting Reform Bills**

On September 10, 2025, the House Natural Resources Committee held a five-hour full committee hearing examining three permitting reform bills, including the Standardizing Permitting and Expediting Economic Development Act (SPEED Act) (H.R. 4776) by Chairman Bruce Westerman (R-AR) and Democratic Rep. Jared Golden (D-ME) drawing sharp partisan divisions.

Supporters of the bill argue that the current National Environmental Policy Act (NEPA) process takes 4-5 years on average and costs \$1.7-2.4 trillion in missed opportunities over four years. Critics warned the legislation would eliminate meaningful community participation by allowing agencies to ignore public comments, restricting judicial review to a 150-day window, and preventing courts from stopping projects even when agencies violate environmental laws.

While there was significant bipartisan agreement on the need for digital modernization (ePermit Act) and better data collection, concerns remained over the SPEED Act's scope amid the Trump

administration's systematic dismantling of clean energy programs. Chairman Westerman is committed to taking the feedback from this hearing to adjust the SPEED Act and hopes to hold a markup later this fall.

### **Bipartisan Coalition Proposes Permitting Reform Package**

The [House Problem Solvers Caucus](#), a bipartisan caucus committed to developing common sense bipartisan solutions, released a comprehensive permitting reform framework to accelerate energy infrastructure construction and address rising electricity demand from artificial intelligence (AI) data centers. The proposal includes measures to facilitate interstate transmission lines for clean energy, limit states' ability to reject pipeline projects under the Clean Water Act, and boost forest management, geothermal, and mining projects. The framework also restricts environmental review scope and limits lawsuits under the National Environmental Policy Act. Nearly 50 caucus members endorsed the proposal, which aims to bridge congressional divides over energy infrastructure permitting.

### **Pending Legislation of Interest**

[H.R.81](#) — **To prohibit the imposition of mask mandates on public transportation.**

Sponsor: Biggs, Andy [Rep.-R-AZ-5]

Introduced: 01/03/2025

[H.R.502](#) — **To ensure the rural surface transportation grant program is accessible to rural areas, and for other purposes.**

Sponsor: Finstad, Brad [Rep.-R-MN-1]

Introduced: 01/16/2025

[H.R.546](#) — **To direct the Attorney General to establish a grant program for civilian traffic violation enforcement.**

Sponsor: Torres, Ritchie [Rep.-D-NY-15]

Introduced: 01/16/2025

[S.161](#) — **A bill to require the Secretary of Transportation to issue rules relating to the testing procedures used under the New Car Assessment Program of the National Highway Traffic Safety Administration, and for other purposes.**

Sponsor: Fischer, Deb [Sen.-R-NE]

Introduced: 01/21/2025

[S.191](#) — **A bill to require the Secretary of Transportation to modify certain regulations relating to the requirements for commercial driver's license testing and commercial learner's permit holders, and for other purposes.**

Sponsor: Lummis, Cynthia M. [Sen.-R-WY]

Introduced: 01/22/2025

[H.R.623](#) — **To direct the Secretary of Transportation to modify certain regulations relating to the requirements for commercial driver's license testing and commercial learner's permit holders, and for other purposes.**

Sponsor: LaHood, Darin [Rep.-R-IL-16]

Introduced: 01/22/2025

[H.R.732](#) — **Disaster Recovery Efficiency Act**

Sponsor: Jacobs, Sara [Rep.-D-CA-51]

Introduced: 01/24/2025

[H.R.1166](#) — **Decoupling from Foreign Adversarial Battery Dependence Act**

Sponsor: Rep. Gimenez, Carlos A. [R-FL-28]

Introduced: 02/10/2025

[H.R.1513](#) — **Unplug the Electric Vehicle Charging Stations Program Act**

Sponsor: Wied, Tony [Rep.-R-WI-8]

Introduced: 02/21/2025

[H.R.1659](#) — **Truck Parking Safety Improvement Act**

Sponsor: Bost, Mike [Rep.-R-IL-12]

Introduced: 02/27/2025

[H.R.1892](#) — **Wireless Electric Vehicle Charging Grant Program Act of 2025**

Sponsor: Stevens, Haley M. [Rep.-D-MI-11]

Introduced: 03/05/2025

[H.R.2088](#) — **To direct the Secretary of Transportation, in coordination with the Secretary of Housing and Urban Development, to establish a thriving communities grant program.**

Sponsor: Torres, Norma J. [Rep.-D-CA-35]

Introduced: 03/11/2025

[S.996](#) — **A bill to amend the Clean Air Act to prevent the elimination of the sale of motor vehicles with internal combustion engines, and for other purposes.**

Sponsor: Sen. Mullin, Markwayne [R-OK]

Introduced: 03/12/2025

[H.R.2166](#) — **To amend title 23, United States Code, with respect to vehicle weight limitations for certain logging vehicles, and for other purposes.**

Sponsor: Wied, Tony [Rep.-R-WI-8]

Introduced: 03/14/2025

[H.R.2348](#) — **To direct the Secretary of Transportation to produce and distribute a national public safety messaging campaign, and for other purposes.**

Sponsor: Stauber, Pete [Rep.-R-MN-8]

Introduced: 03/25/2025

[H.R.2819](#) — **To prohibit the Administrator of the Federal Motor Carrier Safety Administration from issuing a rule or regulation requiring certain vehicles to be equipped with speed limiting devices.**

Sponsor: Brecheen, Josh [Rep.-R-OK-2]

Introduced: 04/10/2025

[H.R.2992](#) — **To amend title 23, United States Code, and the Infrastructure Investment and Jobs Act with respect to vehicle roadside crashes, work zone safety, and for other purposes.**

Sponsor: Carter, Troy A. [Rep.-D-LA-2]

Introduced: 04/24/2025

[S. 1696](#) — **To prohibit the Administrator of the Federal Motor Carrier Safety Administration from issuing a rule or promulgating a regulation requiring certain commercial motor vehicles to be equipped with speed limiting devices, and for other purposes.**

Sponsor: Daines, Steve [Sen.-R-MT]

Introduced: 05/08/2025

[S.1733](#) — **Highway Funding Transferability Improvement Act**

Sponsor: Cramer, Kevin [Sen.-R-ND]

Introduced: 05/13/2025

[H.R.3360](#) — **Driver Technology and Pedestrian Safety Act of 2025**

Sponsor: Mullin, Kevin [Rep.-D-CA-15]

Introduced: 05/13/2025

[H.R.3440](#) — **Traffic Safety Enhancement Act of 2025**

Sponsor: Gillen, Laura [Rep.-D-NY-4]

Introduced: 05/15/2025

[H.R.3449](#) — **Stronger Communities through Better Transit Act**

Sponsor: Johnson, Henry C. "Hank" [Rep.-D-GA-4]

Introduced: 05/15/2025

[H.R.3459](#) — **Empty Lots to Housing Act**

Sponsor: Mullin, Kevin [Rep.-D-CA-15]

Introduced: 05/15/2025

[H.R.3572](#) — **To make projects in certain counties eligible for funding under the rural surface transportation grant program, and for other purposes.**

Sponsor: Valadao, David G. [Rep.-R-CA-22]

Introduced: 05/21/2025

[H.R.3932](#) — **Rural Upgrades for Road Access and Local Growth Act of 2025**

Sponsor: Scholten, Hillary J. [Rep.-D-MI-3]

Introduced: 06/11/2025

[H.R.3972](#) — **Highway Funding Flexibility Act of 2025**

Sponsor: Johnson, Dusty [Rep.-R-SD-At Large]

Introduced: 06/12/2025

[H.R.4170](#) — **To require that certain aspects of bridge projects be carried out by certified contractors, and for other purposes.**

Sponsor: Garamendi, John [Rep.-D-CA-8]

Introduced: 06/26/2025

[S.2299](#) — **Resilient Transit Act of 2025**

Sponsor: Gillibrand, Kirsten E. [Sen.-D-NY]

Introduced: 07/16/2025

[H.R.4447](#) — **Transit Bus Affordability Act**

Sponsor: Frost, Maxwell [Rep.-D-FL-10]

Introduced: 07/16/2025

[H.R.4643](#) — **To require certain grant recipients of transit and highway transportation projects to establish and contribute to a business uninterrupted monetary program fund, and for other purposes.**

Sponsor: Correa, J. Luis [Rep.-D-CA-46]

Introduced: 07/23/2025

[H.R.4661](#) — **To amend title 49, United States Code, to clarify the preemption of State laws requiring a human occupant in an automated driving systems-equipped commercial motor vehicle, and for other purposes.**

Sponsor: Fong, Vince [Rep.-R-CA-20]

Introduced: 07/23/2025

[H.R.4699](#) — **To amend section 405 of title 23, United States Code, to permit a State to use grant funds for the purpose of providing on-bicycle education, and for other purposes.**

Sponsor: Magaziner, Seth [Rep.-D-RI-2]

Introduced: 07/23/2025

[H.R.4719](#) — **To direct the Secretary of Transportation to carry out a grant program to support efforts to provide fare-free transit service, and for other purposes.**

Sponsor: Pressley, Ayanna [Rep.-D-MA-7]

Introduced: 07/23/2025



**H.R.4776 — To amend the National Environmental Policy Act of 1969 to clarify ambiguous provisions and facilitate a more efficient, effective, and timely environmental review process.**

Sponsor: Westerman, Bruce [Rep.-R-AR-4]\*

*\*Rep. Westerman is Chair of the House Natural Resources Committee*

Introduced: 07/25/2025

**S.2635 — Transportation Emergency Relief Extension Act**

Sponsor: Padilla, Alex [Sen.-D-CA]

Introduced: 07/31/2025

**H.R.4847 — Transportation Emergency Relief Extension Act**

Sponsor: Garamendi, John [Rep.-D-CA-8]

Introduced: 08/01/2025

**H.R.4900 — Safe Transit Accountability Act**

Sponsor: Smucker, Lloyd [Rep.-R-PA-11]

Introduced: 08/05/2025

**H.R.4904 — Pedestrian Hazard, Awareness, and Safety Expansion Act of 2025 (PHASE Act of 2025)**

Sponsor: Torres, Norma J. [Rep.-D-CA-35]

Introduced: 08/05/2025

**H.R.4926 — Highway Funding Transferability Improvement Act**

Sponsor: Hageman, Harriet M. [Rep.-R-WY-At Large]

Introduced: 08/08/2025

**H.R.5024 — Transit Funding Flexibility Act**

Sponsor: Lawler, Michael [Rep.-R-NY-17]

Introduced: 08/22/2025

**H.R.5265 — SAFE Ride Act of 2025**

Sponsor: Gottheimer, Josh [Rep.-D-NJ-5]

Introduced: 09/10/2025

**S.2788 — Safety Grant Consistency Act**

Sponsor: Sheehy, Tim [Sen.-R-MT]

Introduced: 09/11/2025

**S.2789 — Rural Safety Administration Flexibility Act**

Sponsor: Sheehy, Tim [Sen.-R-MT]

Introduced: 09/11/2025

[H.R.5321](#) — **To amend title 23, United States Code, with respect to the special rule for low emission and energy efficient vehicles facilities, and for other purposes.**

Sponsor: LaLota, Nick [Rep.-R-NY-1]

Introduced: 09/11/2025

[H.R.5330](#) — **Stop Aliens From Evading Driving Laws Act (SAFE Driving Laws Act)**

Sponsor: Miller, Mary E. [Rep.-R-IL-15]

Introduced 09/11/2025

[H.R.5356](#) — **To facilitate efficient investments and financing of infrastructure projects and new job creation through the establishment of a National Infrastructure Bank, and for other purposes.**

Sponsor: Davis, Danny K. [Rep.-D-IL-7]

Introduced: 09/15/2025

[S.2814](#) — **Transit Crime Reporting Act of 2025**

Sponsor: Scott, Tim [Sen.-R-SC]

Introduced: 09/16/2025

[S.2890](#) — **A bill to amend title 23, United States Code, to require transportation planners to consider projects and strategies to reduce greenhouse gas emissions, and for other purposes.**

Sponsor: Markey, Edward J. [Sen.-D-MA]

Introduced: 09/18/2025

[S.2901](#) — **A bill to require the Secretary of Transportation to establish a pilot program to improve the integration of real-time wildfire hazard alerts with State and local transportation closure information systems, and for other purposes.**

Sponsor: Sheehy, Tim [Sen.-R-MT]

Introduced: 09/18/2025

[H.R.5452](#) — **To amend the Infrastructure Investment and Jobs Act to modify the Safe Streets and Roads for All program.**

Sponsor: Cohen, Steve [Rep.-D-TN-9]

Introduced: 09/18/2025

## **Executive Branch**

### **Department of Transportation (DOT)**

DOT Secretary Duffy [announced](#) that DOT would be taking emergency actions to address eligibility for non-domiciled commercial learner's permits (CLPs) and commercial driver's licenses (CDLs). Earlier this summer DOT conducted an audit of states issuing non-domiciled

CDL and in DOT's press release they announced that in California 25% of non-domiciled CDLs reviewed were improperly issued. Secretary Duffy announced direct enforcement action against California and if this issue is not rectified, then California will be at risk of losing their federal highway funding.

DOT rescinded grants for street safety projects, pedestrian trails, and bike lanes across multiple cities, stating these projects are "hostile" to motor vehicles or could "impede vehicle capacity and speed." The administration pulled funding from San Diego County (\$1.2 million), Fairfield, Alabama (\$11.7 million), Boston (multiple grants), and Albuquerque (\$11.5 million). Officials justified the cancellations by saying the projects aren't designed for cars and counter DOT's priority of preserving roadway capacity for motor vehicles. The claw backs targeted discretionary grants under the RAISE infrastructure program and Safe Streets for All program.

DOT Secretary Duffy launched investigations and demanded security funding summaries from major transit agencies as part of a nationwide crime crackdown. The department initiated an investigation of North Carolina's light rail system following a stabbing incident and sent letters to transit authorities in Washington, New York, Los Angeles, Chicago, and Massachusetts outlining safety concerns and requesting detailed funding information for fiscal years 2025 and 2026.

DOT announced North Carolina will receive \$1.15 billion in Emergency Relief funding for Hurricane Helene repairs, the largest single allocation under the Federal Highway Administration's Emergency Relief Program for a state in the Department's history. With this announcement, DOT has provided nearly \$2 billion in total Emergency Relief funding for North Carolina Hurricane Helene repairs. Secretary Duffy emphasized the administration's commitment to rebuilding infrastructure and expediting the I-40 highway rebuild.

### **Federal Highway Administration (FHWA)**

FHWA confirmed Sean McMaster as the 22nd administrator following Senate confirmation in a 51-47 vote. McMaster will lead the agency in supporting state and local governments in designing, constructing, and maintaining the highway system, as well as developing a bipartisan surface transportation reauthorization bill before the current authorization expires September 30, 2026. McMaster previously served as deputy chief of staff at DOT and staff with the House Committee on Transportation and Infrastructure.

### **Federal Transit Administration (FTA)**

FTA withdrew Obama-era environmental justice policy guidance that outlined goals for funding recipients to incorporate environmental justice principles into their plans and projects. The agency revoked the 2012 guidance document to comply with DOT Secretary Duffy's January order directing the cancellation of diversity, equity, and inclusion programs. The 66-page guidance document was based on a Clinton-era executive order directing federal agencies to make environmental justice part of their missions.

## **Department of Energy (DOE)**

The U.S. Court of Appeals for the 8th Circuit overturned DOE's 2024 rule altering fuel economy calculations for electric vehicles. The court ruled DOE lacks authority to apply the petroleum equivalency factor to electric vehicles under the Corporate Average Fuel Economy program. The Biden-era rule would have phased out a multiplier that increased calculated fuel economy for EVs, requiring automakers to sell more electric vehicles to meet fleet standards. The ruling forces DOE to conduct fresh rulemaking to address the multiplier factor.

# PLATINUM | ADVISORS

October 1, 2025

TO: Danielle Schmitz, Executive Director  
Napa Valley Transportation Authority

FR: Steve Wallauch  
Platinum Advisors

**RE: Legislative Update**

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**End of Session:** In order to meet the 72-hour in print rule, this year the legislative session did not end at midnight on September 12<sup>th</sup> but was extended until late afternoon on September 13<sup>th</sup>. While it is routine for the last day of session to creep into the wee hours of the next day, several bills, including legislation extending the cap & invest program, were not amended until Wednesday, September 10<sup>th</sup>, forcing session to extend into Saturday in order to comply with the 72-hour in print rule. Since the legislature did not adjourn until September 13<sup>th</sup>, Governor Newsom now has until Monday, October 13<sup>th</sup> at midnight to sign or veto all measures sent to his office during the final weeks of session.

**Fiscal Outlook:** With the turmoil clouding the federal budget, California's revenue outlook remains strong. For the month of August, cash revenues totaled \$1.7 billion higher than the June budget forecast. The higher revenues were fueled by personal income tax receipts that were \$1.1 billion higher than expected. Although data collected is only two months into the fiscal year, revenues exceed projections by nearly \$1.8 billion.

**Budget Bill Junior & Trailer Bills:** The end of session budget package includes a budget bill junior, AB 105, and 16 budget trailer bills that make the statutory changes to implement the budget agreement. The Governor has signed AB 105 and SB 153 into law.

AB 105 makes numerous amendments to the budget act that was adopted in June to reflect agreements on cap & invest funding for the 2025-26 fiscal year and other changes. This measure amends the budget to appropriate \$368 million in auction revenue to the Transit & Intercity Rail Capital Program (TIRCP). The budget bill language splits this allocation, directing \$188 million to the TIRCP competitive program and \$180 million to the TIRCP formula allocation. AB 105 also appropriates \$38 million in auction revenue to the Energy Commission for charging infrastructure for heavy-duty vehicles.

AB 105 also includes budget bill language stating the Department of Finance and California State Transportation Agency will examine providing loans and other financing options for the large Bay Area transit operators. The expectation is negotiations on loan

terms will continue through this fall and be adopted as part of an early budget action item in January or February.

SB 153 is the budget trailer bill that makes statutory changes related to transportation items. Among the changes included in SB 153 are amendments that allow the allocation of auction revenue to the Low Carbon Transit Operations Program (LCTOP) for the 2025-26 fiscal year. LCTOP funds are allocated by formula to all eligible transit operators based in proportion to State Transit Assistance (STA) funds that the operator receives.

**Cap & Invest:** While the outlook was questionable on the fate of a cap & trade deal, an announcement was made on Tuesday of the last week of session that an agreement was reached on a package of energy bills, including the extension of the cap & invest program.

Governor Newsom has signed into law the cap & invest agreement contained in AB 1207 (Irwin) and SB 840 (Limon). AB 1207 extends the program to January 1, 2046, and changes the name of the program from “cap & trade” to “cap & invest.” AB 1207 also reforms several elements of the program, including but not limited to, the use and accounting of offsets, the distribution of allocated allowances, and the allowable uses of compliance instruments sold at the price ceiling.

SB 840 contains the new expenditure plan for auction revenue. SB 840 sunsets the existing expenditure plan on July 1, 2026, and replaces it with the plan summarized below that annually allocates \$4.2 billion in auction revenue. The change that raises concerns is this expenditure plan is structured in three tiers. As funds are generated at auctions the funds flow first to the top tier and then to the second and finally to the third tier. If the auction hits historic averages of \$4.2 billion there should be no problem.

If auction revenue falls below \$4.2 billion, the first two tiers are fully funded, and the Department of Finance will proportionally reduce the amounts in the third tier, which is where the transit allocations are located. Over the past three years auction revenues averaged \$4.2 billion, with a high of \$5.1 billion in 2023-24 and a low of \$3.4 billion in 2024-25. While there is optimism that reauthorizing the auction program will stabilize and increase auction revenue, federal challenges on California’s authority could result in depressed revenues until this challenge is settled.

Starting with the 2026-27 fiscal year cap & invest auction revenue will be allocated as follows:

***First Tier Includes:***

- Continue to use auction revenue to backfill the State Responsibility Area fire prevention fee, and to backfill the general fund for the green manufacture tax exemption. The amount allocated for these items ranges up to \$240 million.
- \$3 million is allocated for the establishment of the Legislative Counsel Climate Bureau. The purpose is to provide advice and investigation services to the Legislature.

*After the amounts specified above are fully allocated, as determined by the Department of Finance, the remaining money in the fund shall be allocated for second-tier priorities as follows:*

- \$1 billion continuously appropriated to the High-Speed Rail Authority for the following components of the initial operating segment and Phase I Blended System:
  - Acquisition and construction costs of the project.
  - Environmental review and design costs of the project.
  - Other capital costs of the project.
  - Repayment of any loans made to the authority to fund the project.
- \$1 billion is reserved for appropriation by the Legislature in the annual Budget Act or other statute. SB 840 includes legislative intent language to allocate these funds in the 2026-27 budget for the following:
  - \$125 million for transit passes.
  - \$25 million for seed funding for a University of California Climate Research Center.
  - \$15 million for rebuilding Topanga Park.
  - \$85 million for an entity chosen by the Legislature to support climate-focused technological innovation, related research, and the deployment of climate solutions identified in the scoping plan.

*After the funds above are fully allocated, third-tier funding priorities are continuously appropriated as follows:*

- \$800 million to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program. No less than 10 percent of these funds shall be expended for affordable housing, consistent with the provisions of that program.
- \$400 million to the Transportation Agency for the Transit and Intercity Rail Capital Program
- \$250 million to the State Air Resources Board for community air protection programs, also known as AB 617 programs. AB 617 directs funds for financial incentives to reduce mobile and stationary sources of criteria air pollutants or toxic air contaminants consistent with community emissions reduction programs. This does not include funding for Hybrid & Zero-Emission Truck and Bus Voucher Incentive Program (HVIP) rebates. Under SB 840 California Air Resources Board (CARB) would receive a continuous appropriation for the first time.
- \$200 million to the Transportation Agency for the Low Carbon Transit Operations Program which will be allocated by the State Controller pursuant to the STA formula shares.
- \$200 million to the Department of Forestry and Fire Protection and allocated as follows:

- 82.5%, or \$165 million, for healthy forest and fire prevention programs and projects that improve forest health and reduce emissions of greenhouse gases caused by uncontrolled wildfires.
  - 17.5%, or \$35 million, for the completion of prescribed fire and other fuel reduction projects
- \$135 million is transferred to the Safe and Affordable Drinking Water Fund



# PLATINUM | ADVISORS

October 1, 2025

ATTACHMENT 3  
NVTA Board Item 10.3  
October 15, 2025

**TABLE 1: BOARD ADOPTED POSITIONS**

	Subject	Status	Position
<b><u>AB 259</u></b> <b>(Rubio, Blanca D)</b> Open meetings: local agencies: teleconferences.	AB 259 was amended to extend the sunset date to January 1, 2030, rather than repealing the existing January 1, 2026, sunset. This bill would extend the existing authority allowing members of a legislative body to participate remotely if specific conditions are met.	Senate Judiciary  Two-Year Bill	Watch
<b><u>AB 394</u></b> <b>(Wilson D)</b> Crimes: public transportation providers.	This measure would expand existing law regarding battery of a transit operator or transit passenger to also include an employee or contractor of a public transit provider.  This bill also expands the workplace violence restraining order provisions to expressly permit a judge, at their discretion, to issue a TRO or restraining order that prohibits the subject of the order from the entirety of the public transit system.	Governor's Desk	Support
<b><u>AB 697</u></b> <b>(Wilson D)</b> Protected species: authorized take: State Route 37 improvements.	AB 697 authorizes the State Route 37 corridor project to be evaluated under California Endangered Species Act (CESA) – which allows an incidental take permit so long as impacts to the species are fully mitigated, among other requirements. The bill also applies to the conservation standards and other permitting thresholds required by SB 147 (2023), which authorizes CDFW to issue fully protected species take permits under CESA for certain categories of transportation, renewable energy, and water infrastructure projects.	Governor's Desk	Support
<b><u>AB 954</u></b> <b>(Bennett D)</b> State transportation improvement program: bicycle	This bill would require Caltrans to prepare a proposal for the development, including the selection of sites for a pilot program establishing branded networks of bicycle highways that are numbered and signed within 2 of California's major metropolitan areas. The bill would require the department,	Senate Floor  Inactive File	Watch

	Subject	Status	Position
highway pilot program.	on or before January 1, 2030, to include the proposal in the draft ITIP and would require the department to perform all other actions necessary for the pilot program to be programmed in the STIP.		
<b><u>AB 1014</u></b> <b><u>(Rogers D)</u></b> Traffic safety: speed limits.	AB 1014 would expand existing law that allows cities and counties to reduce a speed limit below the 85 <sup>th</sup> percentile speed survey to also include Caltrans and the highways operated by the state.	Governor's Desk	Watch
<b><u>AB 1070</u></b> <b><u>(Ward D)</u></b> Transit districts: governing boards: compensation: nonvoting members	<p>Assemblymember Ward pulled AB 1070 from the Assembly Local Government Committee agenda. This will result in the bill becoming a two-year bill.</p> <p>This proposal would require ALL governing board members of "transit district" to demonstrate that they use public transit in order to receive compensation for serving on the transit board. In addition, the bill would require the addition of 2 non-voting members to governing boards. The seats would be reserved for a representative of transit user groups, and a seat represented by the labor organization representing the majority of employees. Both non-voting members would have two alternates each. The nonvoting members may be excluded from any discussions regarding labor negotiations</p>	<p>Assembly Loc Gov.</p> <p>Two-Year Bill</p>	Watch
<b><u>AB 1207</u></b> <b><u>(Irwin D)</u></b> Climate change: market-based compliance mechanism.	As signed into law, AB 1207 extends cap-and-trade regulation through 2045, and renames the program the California Cap & Invest Program. Among the numerous changes made by the bill, AB 1207 requires CARB to ensure that emissions from covered sources decline with the 2030 and 2045 greenhouse gas (GHG) emissions targets; and the bill maintains existing offsets limits, but requires offsets to be exchanged for allowances under the emissions cap, and changes to how the revenues received by electrical corporations are used.	Signed Into Law Chapter 117, Statutes of 2025	Watch

	Subject	Status	Position
<b><u>AB 1250</u></b> <b><u>(Papan D)</u></b> Transit operators: paratransit: recertification of eligibility.	<p>AB 1250 was gutted and amended on April 10th. to prohibit a transit operator from requiring an individual who is eligible for paratransit services and whose condition is not expected to improve from having to recertify their eligibility.</p> <p>AB 1250 was amended on June 30th to address concerns expressed by transit operators. With these amendments the California Transit Association now supports the bill.</p> <p>As amended, the bill requires transit operators, by June 1, 2027, to use a streamlined recertification process, for persons who have previously been determined to be eligible for paratransit service to have their eligibility reviewed.</p> <p>The streamlined recertification process must utilize a telephone interview, mail-in form, or online survey and may only collect the following information:</p> <ul style="list-style-type: none"> <li>• Physical address;</li> <li>• Mailing address, if different from physical address;</li> <li>• Emergency contact;</li> <li>• Phone number;</li> <li>• Updated mobility devices;</li> </ul> <p>Status of disability, with identification of any worsening of the person's disability, any additional disability, any changes to the person's functional abilities, and any changes to the person's use of an assistive device.</p>	Governor's Desk	Watch
<b><u>AB 1268</u></b> <b><u>(Macedo R)</u></b> Motor Vehicle Fuel Tax Law: adjustment suspension.	<p>AB 1268 would authorize the Governor to suspend the annual inflation adjustment to the motor vehicle fuel tax upon making a determination that increasing the rate would impose an undue burden on low-income and middle-class families. The bill would require the Governor to notify the Legislature of an intent to suspend the rate adjustment on or before January 10, and would require the Department of Finance to submit to the Legislature a</p>	Assembly Transp.  Two-Year Bill	Oppose

	Subject	Status	Position
	proposal by January 10 that would maintain the same level of funding for transportation purposes as would have been generated had the scheduled adjustment not been suspended.		
<b><u>AB 1340</u></b> <b><u>(Wicks D)</u></b> Transportation network company drivers: labor relations.	AB 1340 was amended to allow Transportation Network Company (TNC) drivers the right to form, join, and participate in the activities of TNC driver organizations of their own choosing.	Governor's Desk	Watch
<b><u>SB 63</u></b> <b><u>(Wiener D)</u></b> San Francisco Bay area: local revenue measure: transportation funding.	As sent to the Governor, SB 63 would authorize placing on the November 2026 ballot a 14-year sales tax measure to fund regional public transportation operations in the Counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. The bill also outlines maintenance of effort requirements, a financial review of the transit operators, and accountability provisions.	Governor's Desk	Support
<b><u>SB 71</u></b> <b><u>(Wiener D)</u></b> California Environmental Quality Act: exemptions: transit projects.	<p>SB 71 was amended to extend, not repeal the sunset date on existing law that exempts certain transit, bicycle, and pedestrian projects from CEQA. The new sunset date is set for January 1, 2040.</p> <p>Specifically, this bill</p> <ul style="list-style-type: none"> <li>• Expands these exemptions to include, among others, Tier 4 or cleaner locomotives in specified areas, shuttles and ferries and projects outside of urbanized areas or clusters.</li> <li>• Retains a January 1, 2032, sunset for transportation projects using near-zero emission, natural gas, or low- nitrogen oxide (NOx) technology.</li> </ul>	Governor's Desk	Support
<b><u>SB 79</u></b> <b><u>(Wiener D)</u></b> Local government land: public transit use:	<p>SB 79 would promote more homes being built near major public transportation stops and on land owned by transit agencies.</p> <p>SB 79 allows for upzoning land for multi-family homes up to 75 feet in height within a</p>	Governor's Desk	Watch

	Subject	Status	Position
housing development: transit-oriented development.	half mile of specified major train stations. SB 79 also authorizes local transit agencies to develop on land they own. Under SB 79 all TODs are eligible for the streamlined ministerial approvals process if they meet the law's environmental, labor, and affordability standards.		
<b>SB 239</b> <b>(Arreguín D)</b> Open meetings: teleconferencing: subsidiary body.	<p>The provisions in SB 239 will be added to SB 707, which is a comprehensive overhaul of Brwon Act provisions related to remote participation.</p> <p>SB 239 proposed to allow certain types of advisory or subsidiary bodies to meet using remote/teleconference participation if specified conditions are met. SB 239 would not apply to a subsidiary body that has subject matter jurisdiction over police oversight, elections, or budgets.</p>	Senate Floor Inactive File	Watch
<b>SB 445</b> <b>(Wiener D)</b> Sustainable Transportation Project Permits and Cooperative Agreements.	<p>SB 445 was gutted and amended to apply only to the California High Speed Rail Authority.</p> <p>Similar to prior versions of the bill, SB 445 would authorize the CHSRA to develop and adopt regulations for governing third-party permits and approvals that are necessary to deliver the project.</p>	Assembly Approps  Held on Suspense	Watch
<b>SB 569</b> <b>(Blakespear D)</b> Department of Transportation: homeless encampments.	<p>The bill would allow Caltrans to establish a dedicated liaison to facilitate the removal of homeless encampments on Caltrans' right-of-way and authorizes Caltrans to negotiate specified terms for Delegated Maintenance Agreements (DMA) with local jurisdictions. The DMA is a contract entered into by Caltrans and a local government, in which both work together to reduce and remove homeless encampments within Caltrans' jurisdiction. This would allow local governments, under an executed DMA, to utilize local policies and procedures to streamline encampment abatement, as well as streamlining the permit process.</p>	Assembly Transp.  Two-Year Bill	Support

	Subject	Status	Position
<b>SB 696</b> <b>(Alvarado-Gil R)</b> Sales and Use Tax Law: exemptions: firefighting equipment.	AB 696 would exempt from the sales & use tax law the purchase of firefighting equipment, including vehicles. SB 696 was amended to apply the exemption only to the state's portion of the sales tax.	Senate Approps  Held on Suspense File	Watch
<b>SB 707</b> <b>(Durazo D)</b> Open meetings: meeting and teleconference requirements.	<p>SB 707 makes numerous changes to the rules governing local agency public meetings pursuant to the Ralph M. Brown Act (Brown Act) to, among other things, increase public access and extend teleconferencing flexibilities. The changes proposed in SB 707 would sunset on January 1, 2030</p> <p>The bill also adds requirements to translate agendas that apply to cities, counties and special districts as defined. For example, the translation requirements apply to cities and any county with a population exceeding 30,000.</p>	Governor's Desk	Watch
<b>SB 752</b> <b>(Richardson D)</b> Sales and use taxes: exemptions: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: transit buses.	This bill would extend by two years the sunset date on the existing state sales tax exemption on the purchase of zero emission transit buses. The current exemption is set to expire on January 1, 2026. This bill would push it back to January 1, 2028	Senate Approps  Held on Suspense File	Support
<b>SB 840</b> <b>(Limón D)</b> Greenhouse gases: market-based compliance mechanism.	<p>SB 840 is a companion measure to AB 1207. It was amended to include an expenditure plan that begins with the 2026-27 fiscal year.</p> <p>The bill directs CARB to submit a report to the legislature on offsets, and update existing offset protocols. SB 840 also establishes a \$4.2 billion annual expenditure plan that allocates specified funding amounts across three tiers.</p> <p>The first tier provides continued funding for wildfire programs, and funding for a Legislative</p>	Signed Into Law Chapter #121, Statutes of 2025	Watch

	Subject	Status	Position
	Counsel Climate Bureau. The second tier allocated \$1 billion to high-speed rail and \$1 billion for legislative priorities. The third tier includes funding for TIRCP, LCTOP, and CARB.		