

PLATINUM | ADVISORS

Meeting of April 24, 2026

TO: Chris Snyder, Chair, Governmental Affairs and Public Information Committee
Elbert C. Hill, President, Board of Directors
Denis J. Mulligan, General Manager

FR: Platinum Advisors, LLC

RE: **STATE UPDATE FROM THE DISTRICT'S LEGISLATIVE ADVOCATES, PLATINUM ADVISORS, LLC**

Fiscal Outlook: February revenues continue the trend of exceeding the January forecast, but barely. Total revenues beat projections by only \$154 million. While personal income tax receipts fell short of projections by \$395 million, this was offset by overages of \$362 million and \$180 million in corporation and sales taxes, respectively. For the fiscal year to date revenues exceed projections by nearly \$8 billion.

The biting reality of these bright revenue numbers is the reality that most of this revenue is Constitutionally required to be set aside for reserves and education funding. There is also increasing pressure to address the impact of H.R. 1. The loss of federal funds will significantly impact county health systems. The California State Association of Counties (CSAC) is seeking \$6.4 billion over the next two fiscal years to offset this loss. In addition, the current stock market correction in response to the war with Iran will directly impact the state's revenue outlook.

At a meeting with the Assembly Democrat's Caucus, Governor Newsom stated his May Revise will include significant cuts. While revenues this fiscal year are good, the out-year budget revenue looks bleak, with the LAO projecting deficits reaching \$35 billion by 2030. Governor Newsom is committed to leaving his successor a balanced budget. How he does that will be outlined in the May Revise.

Cap & Invest: The 2026-27 fiscal year marks the first year of the new expenditure plan enacted by Senate Bill (SB) 840 (Limon), which totals \$4.2 billion in spending commitments. The goal of extending the cap & invest program last year was to stabilize the auction market. However, with federal threats continuing, auction revenues have not rebounded.

As specified in SB 840, if auction revenue falls below \$4.2 billion then the allocations to Tier 3 programs are proportionately reduced. The budget summary forecast auction revenues will total only \$3.7 billion. If this forecast holds, LCTOP will only receive \$141 million of the \$200 million expected, and TIRCP will receive \$283 million of the \$400 million expected from SB 840. The February auction failed to meet projections, generating only \$919 million in auction revenue. If this continues then the Tier 3 allocations could be further reduced.

At both the Assembly and Senate Budget subcommittee hearing on cap & invest funding legislators questioned the Administration's plan for transit funding. The Governor's budget does not include \$230 million in expected funds for the Zero Emission Transit Capital Program, and reduces funding for Tier 3 programs. The Administration proposes to use \$1.2 billion in auction revenue for CalFire operations, take an additional \$120 million for state administration of cap & invest programs, and create another incentive program for light duty vehicles. This is primarily done by redirecting \$750 million in interest income and carryover funds from the cap & invest account.

That \$750 million is sufficient to fully fund the ZETCP obligation and backfill the shortfall for Tier 3 programs, while leaving sufficient funding available to cover the administrative costs of the cap & invest programs. Legislators have questioned if general fund revenues are sufficient then CalFire should be funded through the general fund, not the cap & invest program. Using auction revenues for existing commitments, will be the fight transit operators will undertake in the coming months.

Transit Advisory: Caltrans is creating the California Transit Advisory Committee (CTAC) and is currently requesting applications. The CTAC will consist of 20 members that will be selected for 2-year appointments. The CTAC would meet on a quarterly basis. The deadline to apply is April 30th.

The purpose of this committee is to provide Caltrans with strategic input and technical guidance on Caltrans' transit efforts. The applications are not limited to representatives from public transit operators, but may also include those with experience in planning, designing, maintaining, evaluating, and delivering public transit programs and facilities for transit users, and first and last-mile travelers.

The creation of this committee was instigated by SB 960 (Wiener) enacted in 2024, which requires Caltrans to incorporate complete street elements into its planning documents. SB 960 also requires Caltrans to develop a transit policy, transit performance measures for the state highway system, and identify specific responsibilities for district offices in supporting the reliable, predictable, and fast movement of transit vehicles on the state highway system.

These actions are outlined in a new report, [The Director's Policy on Transit](#). This report outlines Caltrans' vision of delivering transit priority projects on state highways and enhancing its role in developing transit statewide. It focuses on transit priority facilities such as dedicated bus lanes, signal priority, and other infrastructure to make road-based transit service faster and more reliable on the State Highway System.

In addition to the CTAC, Caltrans Director Dina El-Tawansy has created a new position within Caltrans. Applications are currently being accepted for the first Deputy Director of Transit & Mass Transportation. The creation of this position also includes restoring the Division of Mass Transportation. The goal is to create a team focused on providing faster, more reliable, and connected transit service statewide.

• **Legislation:**

Bills	Subject	Status	Client - Position
<p>AB 334 (Petrie-Norris D) Operators of toll facilities: interoperability programs: vehicle information.</p>	<p>This bill clarifies the data operators of toll facilities on federal-aid highways engaged in an interstate interoperability program can provide regarding a vehicle’s use of the facility.</p> <p>The current version of the bill raises concerns that it will create possible legal liability for the District.</p>	<p>Senate Floor Inactive File</p>	<p>Golden Gate Bridge - Oppose Current Version</p>
<p>AB 1070 (Ward D) Residential developments: building standards: review.</p>	<p>As introduced this measure proposed to require ALL transit governing board members to demonstrate that they use public transit in order to be compensated for serving on the transit board. In addition, the bill would require the addition of 2 non-voting members to all governing boards.</p> <p>AB 1070 was gutted and amended to address issues related to housing and building standards.</p>	<p>Senate Rules</p>	<p>Golden Gate Bridge - Oppose (prior version)</p>
<p>AB 1599 (Ahrens D) Public transit: California Transit Stop Registry: transit datasets.</p>	<p>The Assembly Transportation Committee unanimously approved AB 1599. While CTA did state they will be working with the author to address areas of concern, there was no opposition to this bill.</p> <p>AB 1599 requires Caltrans to establish a centralized California Transit Stop Registry and directs Caltrans to assign a unique identifier to each transit stop. All transit operators would be required to include that identifier as part of their route information.</p> <p>While the intent of this measure is sincere in its effort to provide consistent data on transit services across the state, implementation of this measure raises several questions. The primary concern is the cost to incorporate the transit stop identifier on each transit stop and any</p>	<p>Assembly Appropriations</p>	<p>Golden Gate Bridge - Watch</p>

	printed material. In addition, it is unclear how any errors or conflicts between the information in the Registry and the actual location of a transit stop are resolved.		
<p><u>AB 1837</u> (González, Mark D) Video imaging of parking violations.</p>	<p>Existing law authorizes transit operators, until January 1, 2027, to use forward facing video cameras to issue tickets based on video images for illegally parking in bus only lanes and at bus stops.</p> <p>The California Transit Association is sponsoring AB 1837 to repeal the sunset date on this authority. In addition.</p>	Assembly Privacy	Golden Gate Bridge - Watch
<p><u>AB 1944</u> (Lee D) Zero-emission transit buses: axle weight.</p>	<p>Assembly Transportation Committee approved AB 1944 on a vote of 15-1.</p> <p>Since zero emission bus technology has not advanced as expected, zero emission transit buses continue to exceed the 22,000-pound axle weight limit. AB 1944 would create a new standard that allows for an axle weight limit for zero emission buses to be up to 25,000 pounds for zero emission buses purchased by specified dates. Specifically, AB 1944 would create the following limits for buses purchased by specified dates, which is similar to prior law:</p> <ul style="list-style-type: none"> • Purchases made from January 1, 2027, to December 31, 2027, the limit would be 25,000 pounds. • Purchases made from January 1, 2028, to December 31, 2029, the limit would be 24,000 pounds. • Purchases made from January 1, 2030, to December 31, 2031, the limit would be 23,000 pounds. • Purchases made after January 1, 2031, the limit would be 22,000 pounds. 	Senate Rules	Golden Gate Bridge - Watch

<p><u>AB 2267</u> (Garcia D) State bridges and overpasses: suicide prevention.</p>	<p>AB 2267 would require Caltrans to develop and maintain, beginning on or before July 1, 2029, a set of preapproved suicide prevention safety-barrier designs that local governments may use to install suicide prevention barriers,</p>	<p>Assembly Transportation</p>	<p>Golden Gate Bridge - Watch</p>
<p><u>AB 2372</u> (Hoover R) Vehicles: tolls</p>	<p>The Assembly Transportation Committee unanimously approved AB 2372. As amended, AB 2372 provides that an authorized emergency vehicle may be exempt from paying a toll if the CHP authorizes the vehicle as an emergency vehicle or, in lieu of CHP authorization, upon the request of a private or public local emergency service provider, the owner or operator of a toll facility shall, in good faith, enter into an agreement to establish mutually agreed-upon terms, on exempting the vehicles from the toll payment.</p>	<p>Assembly Appropriations (proposed consent)</p>	<p>Golden Gate Bridge – Oppose because it would provide toll free passage to private, for-profit companies.</p>
<p><u>SB 1013</u> (Cervantes D) Automated license plate recognition systems.</p>	<p>SB 1013 is nearly identical to SB 274 (Cervantes), which was vetoed last year. The primary difference is SB 1013 reduces the retention limit to 30 days, SB 274 set it at 60 days. SB 1013 also exempts transportation agencies and transit operators from this section of the law because they are covered by other statutes. In general, SB 1013 requires operators and users of automated license plate recognition (ALPR) systems to bolster their safeguards relating to employee access and usage of such systems.</p>	<p>Senate Privacy</p>	<p>Golden Gate Bridge - Watch</p>
<p><u>SB 1187</u> (Durazo D) Open meetings: majority</p>	<p>SB 1187 will be the vehicle to make clean-up changes to SB 707. Last year, SB 707 made numerous changes to the Brown Act relating to remote meeting authority.</p>	<p>Senate Local Government</p>	<p>Golden Gate Bridge - Watch</p>

	<p>As introduced, SB 707 would define "majority" to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body, and it would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body.</p> <p>Additional changes are expected to be added as this measure moves forward.</p>		
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