Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1087 (Cabaldon) – As Amended June 25, 2026

Policy Committee: Transportation Vote: 11 - 2

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill revises the regional transportation plan (RTP)/sustainable communities strategy (SCS) process established by SB 375 (Steinberg), Chapter 728, Statutes of 2008.

More specifically, this bill, among other things:

1) Extends the Air Resources Board's (ARB) authority to set regional greenhouse gas (GHG) emission reduction targets for the automobile and light truck sector through 2045 and requires ARB to set a region's targets two years before the due date of a region's next SCS.

2) Requires ARB to adopt and update SCS guidelines – developed with an advisory committee, subject to public workshops, and adopted under the Administrative Procedure Act – before updating its targets.

3) Requires ARB to convene a Regional Targets Advisory Committee (RTAC) by July 1, 2027, to recommend target-setting factors and methodologies, as specified.

4) Establishes a detailed pre-adoption process for target-setting, including technical information exchange, published methodology, and public workshops, with final targets required to be adopted by ARB at a public hearing.

5) Extends the SCS cycle from four years to eight years, commencing with the first or second RTP after January 1, 2027, as determined by the metropolitan planning organization (MPO), and requires an MPO whose SCS is unable to achieve its GHG emission reduction target to prepare an APS, as specified.

6) Requires an MPO, four years after adoption of an SCS, to prepare an SCS implementation progress report with specified information, post the report on its website, and submit the report to the Strategic Growth Council (SGC) for review at a public hearing.

7) Strikes ARB's interim target revision authority and establishes new ARB review timelines for SCS and APS submissions – 30 days to review technical methodology, 30 days for a completeness check, and 60 days for a final determination, as specified, and deems a strategy as approved for implementation and funding if ARB misses these deadlines.

8) Allows projects in an MPO area with an adopted APS (not just an approved SCS) to qualify for Trade Corridor Enhancement Program (TCEP) funding, provided the projects reduce GHG emissions.

9) Beginning with the 2032 "program of projects" under the Solutions for Congested Corridors Program (SCCP), prioritizes funding for near-term RTP projects opening before the 2045 target date.

10) Eliminates the SCCP requirement that project nominations be included in a comprehensive, multimodal corridor plan, and instead requires SCCP-funded projects to support implementation of an RTP, in addition to existing criteria.

11) Requires SCCP-funded projects within MPO boundaries to be included in an RTP/ SCS approved by ARB or, for MPOs that have adopted an APS, requires the projects to reduce GHG emissions.

For a detailed summary of the bill's provisions, see the Assembly Transportation Committee's analysis.

FISCAL EFFECT:

1) ARB estimates costs of approximately $4.9 million in fiscal year (FY) 2026-27, $8 million in FY 2027-28, and $9 million in FY 2028-29 and ongoing (Cost of Implementation Account) for new staff, contracts, operating expenses, equipment, travel, and translation. ARB anticipates numerous tasks related to, among other things, (a) developing the required guidelines, including forming an advisory committee, hosting public workshops, and developing examples of acceptable data sources, assumptions, and technical methodologies to estimate GHG emissions; (b) appointing and convening the RTAC; (c) updating and providing each MPO with GHG reduction targets for 2035 and 2045, which will involve hosting dozens of regional workshops and hearings within each applicable region; (d) reviewing technical methodologies submitted by MPOs to ensure consistency with ARB's most current model used to assess emissions from on-road vehicles; (e) reviewing SCSs and APSs within specified timeframes; and (f) reporting to the Legislature.

   Striking ARB's interim (four-year) target revision authority and extending the SCS cycle from four to eight years means ARB will need to review SCSs less frequently, which might reduce ARB's workload and costs. However, ARB asserts these savings will be significantly offset by the new procedural requirements in the bill, including hosting 40 regional workshops and hearings on its targets, adopting guidelines via a formal rulemaking, and reconvening the RTAC.

2) The Department of Transportation (Caltrans) estimates ongoing annual costs of about $2.6 million for 13 new staff distributed across Caltrans' headquarters and 12 districts to develop district-specific performance management plans every four years and update them annually to identify and prioritize projects that help meet the California Transportation Plan requirement of a multimodal transportation system that supports the state's GHG emission reduction targets and air quality standards (State Highway Account or Public Transportation Account).

3) SGC preliminarily estimates ongoing annual General Fund costs of around $600,000 once MPOs begin to publish their progress reports. SGC asserts it will need three staff – one analyst and two air pollution specialists – to organize meetings and prepare meeting materials, review reports, brief councilmembers, perform public outreach and engagement, and coordinate with MPOs. SGC expects each public meeting to cost between $5,000 and

$7,000 for meeting location, supplies, facilitation, and travel. SGC notes its actual costs may vary significantly and will depend on, among other things, when MPOs begin publishing progress reports, how many of the 18 MPOs publish reports in the same year, with each report requiring SGC to conduct a public meeting, the level of detail in each progress report, and the location of each meeting.

4) Potential one-time costs of an unknown amount for the California Transportation Commission (CTC) to incorporate changes to its TCEP and SCCP programs (Trade Corridor Enhancement Account, SHA, federal funds). CTC is in the middle of its 2026 cycle for both programs and released draft guidelines for the programs in June of this year and expects to adopt final guidelines in August. Should this bill go into effect, CTC notes it would need to revise and adopt updated guidelines, which involves, among other things, a series of public workshops with agency partners and stakeholders and which would necessitate either a redirection of staff from other programs and priorities or a delay in getting program funding out the door – potentially resulting in cost increases and delays for regional projects.

5) While no MPO has prepared an APS to date, by allowing projects that meet certain criteria in an MPO area with an adopted APS to qualify for TCEP and SCCP funding, this bill creates potential ongoing cost pressures on both programs to provide funding for projects that would otherwise be ineligible for such funding.

   For context, TCEP – which funds projects designed to move freight more efficiently on corridors with high volumes of freight – will provide about $1.2 billion in funding over FYs 2026-27 and 2027-28. And SCCP – which funds projects to reduce congestion in heavily traveled corridors – will provide about $525 million in funding over FYs 2027-28 and 2028-29.

COMMENTS:

1) **Purpose.** According to the author:

   > Nearly two decades of implementation [of SB 375] have made one thing clear: the law as currently structured is not delivering the results Californians deserve. Our regions are still sprawling. Commutes are still growing. Families, especially those with the fewest options, are spending more and more of their incomes just to get to work and back. SB 1087 is a course correction…It streamlines a planning process that has become a compliance exercise rather than a tool for action, freeing our regional agencies to do what we need them to do: deliver projects, build housing in the right places, and invest in the transit and infrastructure that will determine whether California meets its climate commitments.

2) **Background.** California has established ambitious GHG reduction targets, including a 40% reduction below 1990 levels by 2030 and carbon neutrality no later than 2045. To align transportation and land use planning with these goals, SB 375 requires each MPO to adopt an SCS as part of its RTP (its long-term blueprint for transportation infrastructure and investment), demonstrating how the region will meet GHG targets set by ARB. MPOs update their RTPs/ SCSs every four years; if a region cannot meet its GHG reduction target, its MPO may instead adopt an APS, though no MPO has done so to date. ARB must update SB 375 targets every eight years, with the next round due by the end of 2026.

Multiple statutorily required progress reports have found that GHG and vehicle-miles-traveled reductions under SB 375 have consistently fallen short of targets, in part due to a structural mismatch between MPOs' planning responsibilities and the MPOs' limited authority and resources to implement solutions. Additionally, TCEP and SCCP currently condition project eligibility within MPO boundaries on having an ARB-approved RTP/ SCS, meaning a region that chooses to adopt an APS would lose access to funding under both programs.

This bill is sponsored by Metropolitan Transportation Commission and the Association of Bay Area Governments, Sacramento Area Council of Governments, San Diego Association of Governments, and Southern California Association of Governments. The sponsors argue the bill streamlines SCS development so MPOs can focus more of their resources on implementation rather than plan development; extends SB 375's impact by adding an additional target year of 2045 – thus ensuring regional planning continues to align with the state's climate change scoping plan; and strengthens alignment between state funding programs and the SCS, supporting plan implementation and helping to achieve state and regional climate, transportation, and housing goals.

Analysis Prepared by: Nikita Koraddi / APPR. / (916) 319-2081