

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5m. Action Item

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Division of Budgets

Subject: **FISCAL YEAR 2025-26 RIGHT OF WAY ANNUAL ALLOCATION  
RESOLUTION FM-24-03**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the annual allocation for Right of Way (RW) capital outlay for Fiscal Year 2025-26?

### **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the Commission approve Resolution FM-24-03 to allocate an annual allocation of \$125,000,000 for RW capital outlay funds for 2025-26, contingent upon passage of the Budget Act of 2025.

### **BACKGROUND:**

Each year, the Department is required to obtain a RW Capital annual allocation from the Commission before it can deliver the RW needs for programmed projects in the Project Delivery Plan. The RW Capital annual allocation is used for State Highway Operation and Protection Program (SHOPP) and State Transportation Improvement Program (STIP) projects with RW Capital programming of \$10,000,000 or less. Projects with SHOPP or STIP RW Capital programming of \$10,000,000 or more will be individually allocated by the Commission. Additionally, the annual allocation is broken into the specific categories of costs during the Project Approval and Environmental Document (PA&ED) phase, costs exceeding programming, and inverse condemnation costs. The approval of this resolution will provide the Department the ability to deliver its RW commitments for 2025-26.

**FISCAL YEAR (FY) 2025-26 RW CAPITAL ANNUAL ALLOCATION SUMMARY  
 (Dollars x 1,000)**

<b>Capital Projects</b>	<b>Total FY Annual Allocation Requested</b>
STIP Capital Costs	\$6,912
STIP Costs During the PA&ED Phase <sup>1 2</sup>	\$10
STIP Costs Exceeding Programming <sup>2</sup>	\$6,235
STIP Inverse Costs <sup>2</sup>	\$1,001
<b>Subtotal STIP</b>	<b>\$14,158</b>
SHOPP Capital Costs	\$94,616
SHOPP Costs During the PA&ED Phase <sup>1 2</sup>	\$2,032
SHOPP Costs Exceeding Programming <sup>2</sup>	\$12,829
SHOPP Inverse Costs <sup>2</sup>	\$1,365
<b>Subtotal SHOPP</b>	<b>\$110,842</b>
<b>Total Right of Way</b>	<b>\$125,000</b>

Resolution G-19-01 requires the Department to present annually its RW Capital annual allocation plan to the Commission for review and acceptance. The Resolution states that the plan will be supported by a project list that includes at a minimum: district, county, route, expenditure authorization, planning programming number, project description, source programming document, year of RW Capital programming, total SHOPP and STIP programmed amount RW Capital, total SHOPP and STIP RW Capital commitments to date, and planned and actual RW Capital SHOPP and STIP expenditures for the fiscal year.

The 2025-26 RW Capital annual allocation plan is consistent with each fiscal year’s Budget Act, as well as the SHOPP and STIP documents, approved by the Commission.

Consistent with Resolution G-19-01, the Department reviewed with Commission staff the proposed list of projects that comprise the requested 2025-26 RW Capital annual allocation. The Department will report to the Commission on a quarterly basis the status of the project list, including any projects added, and the balance of the annual allocation.

The chart below breaks down the RW Capital annual allocation by fund source and state budget fiscal year appropriation.

<sup>1</sup> Commitments made during the PA&ED phase are limited to 5 percent of the total annual allocation. It is estimated these costs will total approximately 1.6 percent of the total allocation.

<sup>2</sup> The proposed 2026 STIP Fund Estimate identifies a \$38 million fund reservation for unprogrammed RW Capital costs. The estimated commitments for 2025-26 stay within the fund reservation amount after STIP share adjustments are made at construction contract acceptance.

**FINANCIAL RESOLUTION:**

Resolved, that \$125,000,000 be allocated from the Budget Act of 2025, Budget Act Items 2660-301-0042, 2660-301-0890, 2660-302-0042, and 2660-302-0890 for the 2025-26 RW Capital Annual Allocation.

<b>Program</b>	<b>Fund Source</b>	<b>FY 2025-26 Budget Authority (in thousands)</b>
<b>STIP</b>	SHA-26301-0042	\$10,097
<b>STIP</b>	Federal-26301F-0890	\$4,061
	<b>Subtotal STIP</b>	<b>\$14,158</b>
<b>SHOPP</b>	SHA-26302-0042	\$99,589
<b>SHOPP</b>	Federal-26302F-0890	\$11,253
	<b>Subtotal SHOPP</b>	<b>\$110,842</b>
	<b>Total</b>	<b>\$125,000</b>

A copy of the detailed [RW Capital Plan](#) is available online.