

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 16-17, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5h., Action Item

Prepared By: Keith Duncan, Chief  
Division of Budgets

Subject: **FISCAL YEAR 2025-26 ANNUAL ALLOCATION FOR LOCAL ASSISTANCE -  
FEDERAL FUNDS  
RESOLUTION FM-25-01**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request to allocate \$2,752,442,000 to administer the Division of Local Assistance's Federal Fiscal Year 2025-26 Federal annual allocation from subvention budget under the authority of the Commission?

### **RECOMMENDATION:**

The Department recommends that the Commission allocate \$2,752,442,000 for the Local Assistance Federal annual allocation for 2025-26, consistent with the Budget Act of 2025.

### **BACKGROUND:**

The Department's Division of Local Assistance administers the subvention budget under delegated authority from the Commission. Each year the Department requests an annual allocation for these funds consistent with the annual Budget Act. At the June 2025 Commission meeting, the Commission allocated approximately \$229 million of State subvention funds, under Resolution FM-24-02.

The Department is requesting an allocation of approximately \$2.8 billion of Federal subvention funds. The allocation of Federal subvention funds will allow the Department to sub-allocate funds to specific projects submitted by local agencies.

The guidelines for allocating, monitoring, and auditing of funds for Local Assistance projects are set forth in Commission Resolution G-99-25, which is based on Section 14529.1 of the California Government Code. Commission Resolution G-01-08 delegates the authority to the Department to adjust allocations between categories, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation.

**FINANCIAL RESOLUTION:**

Resolved, that \$2,752,442,000 of Federal funds be allocated from the Budget Act of 2025, Budget Act Item 2660-102-0890(1), in accordance with the table on the next page, bringing the total annual allocation for the 2025-26 Local Assistance subvention budget to \$2,981,350,000.

Attachment

**ANNUAL ALLOCATION  
 FISCAL YEAR 2025-26 FUNDS FOR LOCAL ASSISTANCE  
 (Dollars in Thousands)**

|  | State                             | Federal            | Total                     |
|--|-----------------------------------|--------------------|---------------------------|
| <b><u>2660-102-0042(1)</u></b>   |                                   |                    |                           |
| Surface Transportation Block Grant Program State Match and Exchange                                  | \$75,682                          |                    | \$75,682                  |
| Bridge Inspection & Seismic Retrofit State Match   | 497                               |                    | 497                       |
| Railroad Grade Separation  | 15,000                            |                    | 15,000                    |
| Railroad Grade Crossing Protection Maintenance   | 4,000                             |                    | 4,000                     |
| Miscellaneous Unassigned Local Programs  | 3,250                             |                    | 3,250                     |
| Freeway Service Patrol   | 25,479                            |                    | 25,479                    |
| Freeway Service Patrol – Senate Bill 1   | 25,000                            |                    | 25,000                    |
| Senate Bill 137 Exchange - HSIP  | 80,000                            |                    | 80,000                    |
|  | <b>Subtotal</b>                   | <b>\$228,908</b>   | <b>\$228,908</b>          |
| <b><u>2660-102-0890(1)</u></b>   |                                   |                    |                           |
| National Highway Performance Program   |                                   | \$340,238          | \$340,238                 |
| Bridge Formula Program   |                                   | 280,000            | 280,000                   |
| Surface Transportation Block Grant Program   |                                   | 501,869            | 501,869                   |
| Congestion Mitigation and Air Quality Improvement Program  |                                   | 488,525            | 488,525                   |
| Highway Safety Improvement Program   |                                   | 55,000             | 55,000                    |
| Railroad Grade Crossing Protection   |                                   | 30,800             | 30,800                    |
| Carbon Reduction Program   |                                   | 67,193             | 67,193                    |
| Promoting Resilient Operations for Transformative, Efficient, and Cost Saving Transportation Program |                                   | 31,604             | 31,604                    |
| Community Project Funding/Congressionally Directed Spending  |                                   | 162,585            | 162,585                   |
| Discretionary and Special Programs   |                                   | 794,628            | 794,628                   |
| Subtotal   |                                   | <b>\$2,752,442</b> | <b>\$2,752,442</b>        |
|  | <b>Total Local Programs</b>       | <b>\$228,908</b>   | <b>\$2,981,350</b>        |
| June 26-27, 2025, State Allocation, FM-24-02   |                                   |                    | -\$228,908                |
|  | <b>Current Allocation Request</b> |                    | <b><u>\$2,752,442</u></b> |