

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 4-5, 2025

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.1, Action

Prepared By: Vincent Ma
Assistant Deputy Director

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Subject: State and Federal Legislative Matters: 2025 Annual Report to the Legislature

Recommendation:

Staff recommends that the California Transportation Commission (Commission) adopt and submit to the Legislature the Commission's 2025 Annual Report.

Issue:

California Government Code Section 14535 requires the Commission to adopt and submit an annual report to the Legislature by December 15 of each year. The report must summarize the Commission's prior-year decisions in allocating transportation capital outlay appropriations and identify timely and relevant transportation issues facing the state.

This year's report highlights the Commission's accomplishments over the last year, including allocating \$13.7 billion to vital transportation projects throughout the state that will create over 150,000 jobs. The report also highlights the Commission's continued focus on advancing key state transportation goals related to equity, climate, economic growth, safety, and asset management through its policy, planning, and funding decisions.

Additionally, the report includes recommendations for consideration by the Legislature related to the 2025 State and Local Transportation System Needs Assessment.

The draft report and recommendations are included as Attachment A.

Background:

The Legislature will return from interim recess for the second year of the 2025-2026 legislative session on January 5, 2026. Bills that were introduced last year but did not pass out of their house of origin will be eligible to be taken up at that time and must be heard and approved by policy committees by January 16 to continue moving forward. The Governor is required to submit a proposed state budget for fiscal year 2026-2027 on January 10, 2026.

Attachment:

- Attachment A: Draft 2025 Annual Report to the Legislature



2025



DRAFT

ANNUAL REPORT

TO THE CALIFORNIA LEGISLATURE



DRAFT

The California Transportation Commission is an independent state agency responsible for funding highway, local road, transit, intercity passenger rail, active transportation, and general aviation projects throughout California. The Commission also advises and assists the California State Transportation Agency Secretary and the Legislature on state transportation policies and plans.

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CHAIR AND VICE CHAIR LETTER

Members of the Legislature:

We are pleased to present the California Transportation Commission's 2025 Annual Report to the Legislature. Pursuant to Government Code sections 14535 and 14536, this report summarizes the major accomplishments, policies, and funding decisions adopted by the Commission in the past year and offers recommendations to continue improving California's transportation system.

The transportation challenges faced by communities in California vary across the state, and the Commission is dedicated to supporting solutions that meet those varied needs, whether it's expanding multimodal options that reduce out-of-pocket costs for travelers or investing in rural main streets.

During Fiscal Year 2024-25, the Commission allocated nearly \$13.7 billion to transportation projects across California. In total, these investments will create more than 150,000 jobs and improve the safety, resiliency, and reliability of the State's transportation system. In 2025, the Commission also awarded \$1.5 billion to new projects in the fourth cycle of Senate Bill 1 competitive programs. These investments alleviate congestion for commuters, improve goods movement, and support affordable housing and mixed-use development with high-frequency transit and active transportation options. They also include \$94.2 million for medium-and heavy-duty zero-emission vehicle infrastructure projects, expanding the number of publicly available medium-and heavy-duty charging stations by 25 percent statewide and building the first publicly accessible charging stations north of the Sacramento region in Shasta and Tehama Counties.

The Commission also awarded nearly \$170 million in the Active Transportation Program, and \$90.7 million in the Local Transportation Climate Adaptation Program, including \$74.8 million to projects in small urban or rural areas. These investments are critical to building a transportation system that is more resilient and provides options for connecting people to destinations.

In addition to this work, the Commission adopted its 2025-27 Strategic Plan, which provides a roadmap for executing its mission to invest in transportation that improves communities, the environment, and the economy. This mission will help the Commission meet its vision of a safe, equitable, and multimodal transportation system for all Californians. The Strategic Plan identifies six goals for achieving these objectives: prioritizing safety; elevating community voices; ensuring a healthy environment for all; moving people and goods efficiently; partnering for success; and supporting a team where people continue to thrive.

In pursuit of these goals, the Commission convened a task force to assess the relationship between vehicle weight and injuries to vulnerable road users pursuant to Assembly Bill 251 (Ward, Chapter 320, Statutes of 2023) and submitted its final Transportation Data Program proposal developed under Assembly Bill 744 (Carrillo, Chapter 541, Statutes of 2023). The Commission also incorporated the strategies of

the updated Climate Action Plan for Transportation Infrastructure into its program guidelines and continued its work with the California State Transportation Agency, Caltrans, and the Interagency Equity Advisory Committee to center historically underserved and marginalized perspectives in statewide decision-making.

Despite these successes, the future of California’s transportation system is at a crossroads. Earlier this year, the Commission submitted the final 2025 State and Local Transportation System Needs Assessment, which identifies a funding gap of approximately \$215.7 billion between the state’s projected revenues and the needs of our multimodal transportation system over the next 10 years. In August, the Commission adopted a new fund estimate that projects 37 percent less funding capacity for new projects in the State Transportation Improvement Program and 34 percent less for new projects in the State Highway Operation and Protection Program (SHOPP) compared to the last cycle. For the SHOPP, this translates to about \$800 million less per year for critical maintenance, rehabilitation, and safety projects. At the same time, nearly \$1 billion – about a quarter of remaining annual funds – has gone to emergency projects caused by extreme weather and other impacts in each of the last three years.

Addressing these funding challenges remains critical to ensure California has the necessary tools in place to maintain the progress made since the passage of Senate Bill 1. The continued decline in fuel consumption and associated impacts to gas tax revenues, coupled with the uncertainty surrounding the reauthorization of federal surface transportation programs, makes it clear that action is needed to ensure a sustainable funding system for transportation infrastructure.

There is challenging work ahead. We look forward to partnering with the Legislature to pursue our common goal of a safe, multimodal transportation system that supports our economy and provides opportunity for all Californians.

Sincerely,



A handwritten signature in blue ink, appearing to read 'Darnell Grisby'.

DARNELL GRISBY
Chair



A handwritten signature in blue ink, appearing to read 'Clarissa Falcon'.

CLARISSA FALCON
Vice Chair



COMMISSION IN BRIEF

The California Transportation Commission funds highway, local road, transit, intercity passenger rail, active transportation, and general aviation projects throughout California.

The Commission consists of 11 voting members and two ex officio, non-voting members. Of the 11 voting members, nine are appointed by the Governor, one is appointed by the Senate Rules Committee, and one is appointed by the Speaker of the Assembly. The two ex officio members are appointed, one by the Senate Rules Committee, and one by the Speaker of the Assembly. The Commission holds public meetings throughout California, at which time it reviews and approves projects for funding. The Commission also holds town hall meetings and workshops across California to engage the public and stakeholder groups.

In Fiscal Year 2024–25, the Commission had 44 positions and an administration budget of \$10.82 million. The Commission appoints an Executive Director, who acts as a liaison between the Commission and the Legislature, as well as the Secretary of the California State Transportation Agency (CalSTA), the Director of the California Department of Transportation (Caltrans), regional transportation agencies, and other state agencies.

THE COMMISSION IS PRIMARILY RESPONSIBLE FOR THE FOLLOWING:

Developing and Coordinating Policy

The Commission sets transportation policies, consistent with state and federal laws, in its program guidelines. Guidelines are developed through workshops open to all stakeholders and the public. The Commission also has a statutory charge to advise the

Legislature and the Secretary of Transportation on state transportation policy. To coordinate the implementation of policies that jointly affect transportation, housing, and air quality, the Commission meets at least twice annually with the California Air Resources Board and the California Department of Housing and Community Development.

Funding Transportation Projects

The Commission's responsibilities vary by program but generally include developing guidelines, adopting programs of projects, and allocating funds. Most programs have funding cycles that span multiple years. When the Commission adopts a program of projects, it commits funds to individual projects in each year of the program cycle. During the year a project is programmed, the agency must request an allocation from the Commission. The allocation authorizes the agency to begin incurring expenditures on the project.

Ensuring Project Accountability

After the Commission allocates funds to projects, Caltrans performs administrative oversight and prepares and submits regular progress reports for each project by program. The Commission takes appropriate actions when issues and concerns are identified. The Commission also ensures accountability by requiring agencies to request approval for project scope, schedule, and/or cost changes.

Evaluating Performance Outcomes

The Commission is required to annually evaluate the progress made by Caltrans toward meeting performance measures for the state highway system, including for pavement and bridge conditions. The Commission also requires regional and local agencies to report on project outcomes, such as lane miles constructed, and/or estimate project benefits, such as pavement quality improvements, greenhouse gas emissions reductions, and reductions in congestion.

OTHER MAJOR RESPONSIBILITIES:

The Commission is also responsible for:

Approving Toll Facilities The Commission has the authority to approve proposals for high-occupancy toll lanes or other toll facilities.

Administering a Road Charge Committee The Commission administers the Road Charge Technical Advisory Committee, which is responsible for assessing alternatives to the gas tax for generating state transportation revenues.

Approving Right-of-Way Matters The Commission is responsible for approving right-of-way matters, such as property condemnations, new public road connections, state highway relinquishments to local control, and leases for space underneath state highways.



ACCOMPLISHMENTS

In 2025, the Commission continued to focus on advancing key state transportation goals related to equity, climate action, economic growth, safety, and asset management through its policy, planning, and funding decisions. The Commission accomplished its work at a variety of meetings and events open to stakeholders and the public. This included holding seven regular Commission meetings, one emergency Commission meeting, two joint meetings with the California Air Resources Board and the California Department of Housing and Community Development, two rural Town Hall meetings, six Interagency Equity Advisory Committee meetings, three Road Charge Technical Advisory Committee meetings, and over a dozen program workshops. The Commission continued to hold events in a hybrid in-person/web-based format to allow greater participation from stakeholders and the public and to address accessibility needs. In total, the Commission allocated nearly \$13.7 billion to previously approved projects during the fiscal year, which will create more than 150,000 jobs throughout the state. The Commission also approved new projects in the Solutions for Congested Corridors Program, Trade Corridor Enhancement Program, Local Partnership Competitive Program, Active Transportation Program, and Local Transportation Climate Adaptation Program. The remainder of this section of this report describes the Commission's major accomplishments in more detail.

FUNDING PROGRAMS AND GUIDELINES

In 2025, the Commission approved new programs of projects and continued to allocate funds to previously approved projects. Projects funded through Commission programs include fixing and improving safety and mobility on state highways, bridges, and local streets and roads; investments in transit systems, including buses and rail lines; and new and improved bicycle and pedestrian facilities. These projects help Californians to get to work, to school, and to recreational activities more easily and safely, enhance rural main streets, and facilitate the efficient delivery of goods. Collectively, they are helping to make California’s transportation system more equitable and cleaner, while also creating high-paying jobs and building a strong, sustainable economy. During fiscal year 2024-25, the Commission allocated nearly \$13.7 billion to projects, creating more than 150,000 jobs.

Table 1 shows the schedule of program adoptions for the seven largest Commission programs. In 2025, the Commission adopted new projects in the three programs established by Senate Bill 1, the Road Repair and Accountability Act of 2017 (Beall, Chapter 5, Statutes of 2017), including the Local Partnership Competitive Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program, as well as the Metropolitan Planning Organization component of the Active Transportation Program, and the Local Transportation Climate Adaptation Program. The Metropolitan Planning Organization component of the Active Transportation Program, and the Local Transportation Climate Adaptation Program. In 2025, the Commission held workshops to update the State Transportation Improvement Program guidelines and begin guidelines updates for the Active Transportation Program. The Commission will consider adopting the State Highway Operation and Protection Program and State Transportation Improvement Program in early 2026.

Table 1: Largest Commission Funding Programs

Program	Next Adoption Date	Funding (Millions)	# of Years	Fiscal Years
State Highway Operation & Protection Program	Mar 2026	\$17,300	4	2026-27 to 2029-30
State Transportation Improvement Program	Mar 2026	\$2,710	5	2026-27 to 2030-31
Trade Corridor Enhancement Program	Jun 2027	\$1,100	2	2027-28 to 2028-29
Active Transportation Program	Dec 2026 and Jun 2027	\$500*	4	2027-28 to 2030-31
Solutions for Congested Corridors Program	Jun 2027	\$500	2	2027-28 to 2028-29
Local Partnership Program	Jun 2027	\$400	2	2027-28 to 2028-29
Local Transportation Climate Adaptation Program	—	—	—	—

Note: Includes the seven largest programs for which the Commission approves projects. Funding determined by state law. Funding for the Local Transportation Climate Adaptation Program has been exhausted.

*Based on historical funding levels, not reflecting one-time \$400 million reduction included in the Budget Act of 2024.

2026 State Highway Operation and Protection Program

The State Highway Operation Protection Program (SHOPP) operates on a 2-year programming cycle in accordance with Government Code 14526.5. The programming cycle's fiscal capacity is developed by Caltrans and approved by the Commission in the State Transportation Improvement Program Fund Estimate (Fund Estimate) that forecasts the amount of funding available each year for the four-year estimate period of the SHOPP.

The Commission adopted the 2026 Fund Estimate in August 2025. The adopted Fund Estimate projects total available programming capacity of approximately \$17.3 billion for the 2026 SHOPP four-year period. This total program capacity is 16 percent lower compared to the 2024 Fund Estimate period, and the capacity for new projects is 34 percent lower. The Commission expects to adopt the 2026 SHOPP at its March 2026 Commission meeting.

2026 State Transportation Improvement Program

The 2026 Fund Estimate projects \$2.7 billion in program capacity for the State Transportation Improvement Program over the five-year period covering fiscal years 2026-27 through 2030-31. While this includes an additional program capacity of \$1.1 billion for the five-year period, the total target capacity for the five-year period is 5 percent lower compared to the 2024 Fund Estimate, and the capacity for new projects is 37 percent lower. The 2026 State Transportation Improvement Program guidelines development process began in May 2025. The draft 2026 State Transportation Improvement Program guidelines were presented to the Commission at the June meeting, and a public workshop was held in July. Final guidelines were adopted at the August Commission meeting.

The Regional Transportation Improvement Programs and the Interregional Transportation Improvement Program will be submitted to the Commission by December 15, 2025. The Commission is required to adopt the 2026 State Transportation Improvement Program by April 1, 2026.

2025 Active Transportation Program

By statute, the Active Transportation Program splits its funding across three components: the Statewide component (50 percent), the Small Urban & Rural component (10 percent), and the large Metropolitan Planning Organization component (40 percent). The Commission adopted the first two components in December 2024, which were then amended in June 2025, and adopted the Metropolitan Planning Organization component this year at its May and June 2025 meetings. The Metropolitan Planning Organization component added 37 projects totaling an additional \$67.4 million in program funds on top of the \$136.5 million in funding from the previously adopted Statewide and Small Urban & Rural components.

With the adoption of the Metropolitan Planning Organization component, the 2025 Active Transportation Program funded 50 projects overall for a total of \$168.8 million; 26 of which are Safe Routes to School projects. Over 97 percent of the programmed

funds benefit disadvantaged communities. The Active Transportation Program continues to experience tremendous unmet demand, as communities across the state look to the program to fund critical active transportation projects necessary to meet safety, climate, and equity goals.

After the adoption of the 2025 Active Transportation Program Metropolitan Planning Organization component, the Commission commenced the guidelines development process for the 2027 Active Transportation Program. In 2025, the Commission held nine guideline development workshops in different parts of the state focused on key policy issues, with two additional workshops planned for January and February 2026. The Commission will conduct technical assistance workshops throughout the state, focused on regions underrepresented in the program and with critical unmet needs for active transportation facilities. Additionally, the Commission will hold virtual site visits with applicants to discuss potential projects, which will continue through early 2026. The Commission expects to adopt the 2027 Active Transportation Program guidelines and issue the call for projects in March 2026.

2024 Senate Bill 1 Programs

In June 2025, the Commission adopted new projects in the three Senate Bill 1 Programs: the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program. The adopted programs invest \$1.5 billion in Senate Bill 1 and federal funding to projects with total costs of \$17 billion, leveraging over eleven dollars for every Senate Bill 1 dollar spent. These projects will enable Californians to get to work, to school, and to recreational activities more easily and safely, while reducing congestion and improving the efficient delivery of goods, and creating more than 227,000 jobs in the state.

In addition to reducing congestion and making it safer and easier to travel around communities across the state, these investments also make California's freight system more efficient by better connecting ports, farms, and consumers while increasing the number of zero-emission truck stations in the state by 25 percent. The Commission held 9 public workshops to solicit input to inform the fourth cycle program guidelines and hosted 29 virtual office hour sessions for potential applicants. Members of the Interagency Equity Advisory Committee reviewed project applications to assess how applicant agencies engaged their communities during project development. The 2024 programs continue to incorporate the Climate Action Plan for Transportation Infrastructure principles, with an updated project selection process that further supports the state's climate, public health, safety, equity, and economic vitality goals.

2025 Local Transportation Climate Adaptation Program

Created by Senate Bill 198 (Chapter 71, Committee on Budget and Fiscal Review, Statutes of 2022), this program provides funding to local agencies for the development and implementation of transportation infrastructure projects that are intended to adapt to the changing climate. Funding for the program comes from a one-time infusion of funds from the State Highway Account (\$148 million) and federal formula program funds: Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation, also known as PROTECT (\$250 million). The Commission held three

public workshops to solicit stakeholder input and inform the development of the program guidelines. The Commission adopted the 2025 Local Transportation Climate Adaptation Program guidelines at its June 2024 Commission meeting and received 15 project nominations during the subsequent call for projects.

At its March 2025 meeting, the Commission adopted the 2025 Local Transportation Climate Adaptation Program, awarding nearly \$91 million to 8 projects located in climate-vulnerable and disadvantaged communities across California with a total project cost of nearly \$147 million. These investments include critically needed resilience improvements, projects that enhance community resilience or evacuation routes, and projects that address at-risk coastal infrastructure. Examples of projects funded through this second funding cycle include storm drain resilience in the Cities of Anaheim and El Monte, subsurface culvert resiliency under Interstate 80 in the City of Berkeley, and resiliency upgrades to LA Metro's A Line overhead catenary system.

Funding for the Local Transportation Climate Adaptation Program comes from one-time state funds, and formulaic federal funds; the one-time state fund have been completely exhausted, and the reauthorization of federal formula funds is uncertain. However, California's recent experience with extreme weather, destructive wildfires, and flooding illustrates the need for additional, sustained funding to harden the state's transportation infrastructure against continued climate impacts.

SAFETY AND ASSET MANAGEMENT

Vehicle Weight Safety Study (Assembly Bill 251)

Assembly Bill 251 (Ward, Chapter 320, Statutes of 2023) requires the Commission to convene a task force to study the relationship between vehicle weight and road user injuries and fatalities, as well as other related topics. This bill implements a recommendation from the Commission's 2022 Annual Report, which identified studying a potential passenger vehicle weight fee as a way of addressing the safety impacts of larger cars.

The Commission convened the Vehicle Weight Safety Study Task Force in December 2024. The Task Force met five times in 2025 to evaluate research prepared by the University of California. The Task Force meetings covered topics including:

- Trends in California's vehicle fleet and vulnerable road user injuries and fatalities
- The relationship between passenger vehicle weight and vulnerable road user injuries and fatalities
- The relationship between passenger vehicle weight and degradation of road infrastructure
- Analysis of how a passenger vehicle weight fee might change driver behavior
- Equity considerations
- Potential policy responses to enhance road user safety

The Task Force findings were finalized in November 2025, and the Commission's report on the Vehicle Weight Safety Study is expected to be submitted to the Legislature in early 2026.

More information on the Vehicle Weight Safety Study can be found on the Commission's website here: <https://catc.ca.gov/programs/vehicle-weight-safety-study>

State Highway System Annual Performance Benchmarks and 10-Year Targets

Federal regulations (12 Code of Federal Regulations, Part 515) require each state Department of Transportation to prepare and update an asset management plan, the Transportation Asset Management Plan (TAMP), at least every four years. The TAMP presents the existing inventory and condition of the current state highway infrastructure, performance targets, financial plans, investment strategies, a risk mitigation plan, life cycle planning documentation, and identified areas of improvement. Senate Bill 486 (DeSaulnier, Chapter 917, Statutes of 2014) requires the Commission to approve the Transportation Asset Management Plan developed by Caltrans.

Senate Bill 1 set 10-year performance outcomes for the four primary asset classes included in the TAMP; requires Caltrans to report annually to the Commission on its progress toward meeting the outcomes; and requires the Commission to evaluate the effectiveness of Caltrans in reducing deferred maintenance and improving road conditions on the state highway system, as demonstrated by Caltrans's progress toward achieving the outcomes. In December 2021, the Commission adopted updated annual performance benchmarks for both primary and secondary assets.

At its August 2025 meeting, the Commission evaluated Caltrans' progress towards reducing deferred maintenance and improving road conditions on the state highway system. Table 2 and Table 3 show Caltrans' progress toward achieving the 10-year outcomes and meeting the annual benchmarks set by the Commission for the four primary assets. In summary, the 2024 year-end benchmarks are being exceeded for pavement and drainage systems, and Caltrans has met the "fix 500 additional bridges" target.

The percentage of poor condition Transportation Management Systems decreased 0.8 percent over the prior year. Caltrans' projections from current investments towards this asset show the conditions improving more rapidly over the next few years and are on track to meet the 2027 target. This will be accomplished through projects currently programmed in the 2024 SHOPP, many of which were allocated for construction funds in the past fiscal year.

The percentage of poor condition bridges decreased 0.9 percent over the prior year. (A poor rating for a bridge does not mean that the bridge is unsafe for use. Any bridge determined to be unsafe for use is immediately repaired or closed to traffic, regardless of condition ratings.) While Caltrans expects the condition of poor bridges to improve, current projections indicate Caltrans will fall just short of meeting the 2027 target for bridges. A major contributing factor for this is the longer project timelines required for bridge rehabilitation and replacement projects compared to pavement projects. Caltrans is implementing process improvements to reduce the project delivery timeline for bridges by: requesting continuous and immediate programming of poor bridges once identified, using an alternative project management strategy which incorporates the longer amount of time needed to program for bridges over waterways and other environmentally sensitive habitats, and looking at all other facets of project planning, design, and reinspection processes to reduce the time between the identification of the need and the

measured condition improvement. The Commission will continue to work with Caltrans to help expedite projects and monitor progress towards meeting the 2027 targets.

Additional funding from the Infrastructure Investment and Jobs Act allowed the State Highway Operation and Protection Program (SHOPP) to fund additional Complete Streets, Climate Resiliency, Stormwater, Fiber Optics, and Wildlife Connectivity projects. A significant number of SHOPP amendments were approved by the Commission to add these additional elements into projects. These federal funds were in addition to ongoing Senate Bill 1 funding that has enabled significant progress in keeping California on track to meet its 10-year primary asset performance goals for Pavement, Bridges, Drainage, and Transportation Management Systems.

The Commission's full evaluation is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-meetings/2025/2025-08/24-4-23-a11y.pdf>

Table 2: Caltrans' Progress Toward Annual Benchmarks

Asset Class	2027 Target	2024 Benchmark	2024 Actual	Status
Primary Assets				
Pavement in good and fair condition				
Class 1*	99%	98.2%	99.3%	On Track
Class 2*	98%	97.4%	99.1%	On Track
Class 3*	98%	96.9%	99.3%	On Track
Bridges in good and fair condition**	98.5%	98.1%	96.1%	Monitor
Culverts in good and fair condition	90%	88.7%	90.1%	On Track
Transportation management systems in good condition	90%	86.1%	78.8%	Monitor
Supplementary Assets***				
Drainage Pump Plants	90%	N/A	57.9%	N/A
Highway Lighting	75%	N/A	51.1%	N/A
Office Buildings	90%	N/A	72.2%	N/A
Overhead Sign Structures	85%	N/A	92.6%	N/A
Roadside Rest Facilities	75%	N/A	68.6%	N/A
Transportation Related Facilities	80%	N/A	60.9%	N/A
Bicycle and Pedestrian Infrastructure	98%	N/A	82.1%	N/A
Weigh in Motion Scales	90%	N/A	89.0%	N/A

* Class 1 includes interstates, other principal arterials, and urban freeways and expressways. Class 2 includes rural freeways and expressways, and minor arterials. Class 3 includes major and minor collector routes. They make up 54 percent, 32 percent, and 14 percent of the state highway system, respectively.

** A poor rating for a bridge does not mean that the bridge is unsafe for use. Any bridge determined to be unsafe for use is immediately repaired or closed to traffic regardless of condition ratings.

*** Supplementary Asset conditions are reported every other year, rather than annually. Actual conditions shown are from 2024.

Table 3: Caltrans' Progress Toward Road Repair and Accountability Act Targets

Asset Class	Measure	2027 Target	2024 Condition	Status
Pavement	Good or fair condition	98%	99.2%	On Track
Pavement	Level of service*	90%	94%	On Track
Bridges	Fix additional bridges	500	1,250	Target Achieved
Culverts	Good or fair condition	90%	90.1%	On Track
Transportation Management Systems	Good condition	90%	78.8%	Monitor

* For maintenance of potholes, cracks, and spalls.

Evaluation of Caltrans' Efficiencies Measures

Senate Bill 1 requires Caltrans to implement efficiency measures with the goal of generating at least \$100 million per year in savings to invest in maintenance and rehabilitation of the state highway system. The legislation requires Caltrans to report the generated efficiency savings to the Commission annually, and the Commission's State Highway Operation and Protection Program Guidelines require these savings to be reported to the Commission annually by November 1.

At the time of this Annual Report, Caltrans has not yet provided the Efficiencies Report for fiscal years 2023-24 or 2024-25 to the Commission.

TRANSPORTATION, CLIMATE, AND HOUSING POLICY COORDINATION

In 2025, the Commission collaborated with partner agencies and stakeholders to integrate and coordinate planning and policy efforts focused on transportation, housing, and climate.

Climate Action Plan for Transportation Infrastructure

In the four years since the Climate Action Plan for Transportation Infrastructure (CAPTI) was first adopted in 2021, the California State Transportation Agency (CalSTA) has published two annual Progress Reports to provide an update on the 34 original actions. The most recent Progress Report was released in January 2024 and included several findings demonstrating that the Commission's implementation of CAPTI has substantially shifted state investments toward projects that reduce vehicle miles traveled (VMT). For example, CalSTA's analysis found that the projects funded through the Commission's programs after CAPTI generated significantly fewer VMT compared to program cycles before the adoption of CAPTI.

Following the release of the 2024 Progress Report, CalSTA worked to develop a CAPTI Action Plan Update to build on CAPTI's achievements and further reduce greenhouse

gas emissions from key state discretionary transportation funding programs. CalSTA released a draft of the Action Plan Update in October 2024 and presented it at the November 2024 Joint Meeting of the Commission, California Air Resources Board (CARB), and California Department of Housing and Community Development (HCD). In February 2025, the update was finalized and released as CAPTI 2.0, which includes four new strategies and 14 new actions to further the implementation of the CAPTI framework. The Commission took action to begin implementation of the CAPTI 2.0 strategies related to its programs at its June 2025 meeting.

Joint Meetings with the California Air Resources Board

Pursuant to Assembly Bill 179 (Cervantes, Chapter 737, Statutes of 2017) and Assembly Bill 185 (Grayson, Chapter 534, Statutes of 2019), the Commission meets jointly with CARB and HCD to coordinate policies that affect transportation, housing, air quality, and climate. In 2025, two Joint Meetings were held: one in the spring and one in the fall.

The Spring 2025 Joint Meeting was held in April in Sacramento. This meeting was centered on achieving state transportation goals through long-range transportation planning and transit transformation. Caltrans provided a presentation on the California Transportation Plan 2050 and the work of CalSTA's Transit Transformation Task Force established by Senate Bill 125 (Committee on Budget and Fiscal Review, Chapter 54, Statutes of 2023).

The Fall 2025 Joint Meeting was held in November in Sacramento. The meeting discussed the impacts of the federal government's illegal rescission of California's waivers under the Clean Air Act on state, regional, and local plans and projects.

Emergency Meeting to Advance Funding

In response to the damages caused by repeated climate-related slope erosion, storm surges, sea level rise, and landslides in the Los Angeles – San Diego – San Luis Obispo rail (LOSSAN) corridor, the Commission held an emergency meeting in April to approve the Orange County Transportation Authority's request to advance funding for the Coastal Rail Infrastructure Resiliency Project to prevent service disruption to the nation's second busiest intercity rail corridor. The Project includes repairing of existing riprap at two locations critical to protecting the rail line from coastal erosion where little or no beach remains, and to remove the damaged Mariposa pedestrian bridge structure, which was severely damaged during a previous landslide event. Full implementation of the Project will also reinforce four key areas along the LOSSAN corridor by repairing and augmenting existing revetment, installing catchment walls, restoring pedestrian beach access, adding rock placement and addressing beach erosion and sand replenishment.

Transportation Data Program Proposal (Assembly Bill 744)

Assembly Bill 744 (Carrillo, Chapter 541, Statutes of 2023) requires the Commission to convene relevant state agencies to assess the procurement and implementation of data, modeling, and analytic software tools to support the state's sustainable transportation, congestion management, affordable housing, efficient land use, air quality, economic, and climate change strategies and goals. Additionally, AB 744

requires the Commission to submit a proposal to the Legislature outlining a process for procuring and granting access to data and tools to local and regional agencies or a process for allocating funds to local and regional agencies for the procurement of data and tools.

State agencies are actively engaged in procurement strategies aimed at building out their big data analytics capabilities. These strategies may involve obtaining unique datasets to address a specific project or entering into ongoing license agreements with data providers to access a wide range of data types. The use of big data analytics aligns with broader policy initiatives in California, particularly those related to reducing emissions and promoting sustainability in the transportation sector. The procurement of data and analytics is a strategic approach to inform evidence-based decision-making and support the achievement of policy goals. However, state agencies lack coordination and sustainable funding for ongoing investments, and many local and regional agencies lack access to new data and modeling tools, need more resources to manage large data systems, or need additional guidance on the implementation and use of data and modeling tools.

Commission staff led a series of stakeholder engagement activities with local, regional, and state agencies throughout 2024 and 2025 to inform the development of a proposal aimed at improving access to transportation data tools for California's local and regional transportation agencies. Survey responses and workshop feedback revealed several common challenges, including limited staffing resources, inconsistent access to data and tools, budget constraints, and procurement barriers, particularly among smaller agencies. This input helped shape the proposal's approach to both funding and implementation.

Based on stakeholder feedback, the final proposal recommends a hybrid implementation approach that combines the strategic benefits of a competitive grant program with the efficiency and equity of centralized procurement. A competitive grant program allows for targeted investments in high-impact or high-need areas, enabling agencies to pursue data and modeling solutions aligned with their specific priorities.

This approach also encourages collaboration between local or regional partners, and allows the opportunity for agencies to apply jointly as consortia. At the same time, centralized procurement offers significant advantages in cost efficiency, administrative streamlining, and equitable access. By coordinating purchases at the state level, smaller or under-resourced agencies can gain access to tools and systems that might otherwise be out of reach, while also benefiting from consistent standards, technical support, and reduced duplication across agencies.

The final proposal was submitted to the Legislature in September 2025. The final proposal is available on the Commission website at: <https://catc.ca.gov/-/media/ctc-media/documents/programs/ab-744/ab-744-final-tdp-proposal-approved-aug-2025-a11y.pdf>

EQUITY AND PUBLIC ENGAGEMENT

Throughout 2025, the Commission continued to work internally and with interagency partners to improve equitable outcomes in transportation and to enhance public engagement throughout the state, in accordance with its Racial Equity Statement. Adopted by the Commission in January 2021, the Racial Equity Statement recognizes that throughout California’s history, improvements to the State’s transportation system have disproportionately benefitted some population groups and burdened others, and commits to creating mobility opportunities for all Californians, especially those from underserved communities, to thrive in all aspects of life.

Interagency Equity Advisory Committee

The Interagency Equity Advisory Committee (Committee) advises the Commission, Caltrans, and the California State Transportation Agency (CalSTA). The Committee is intended to elevate diverse and historically marginalized voices to advise each agency on how to achieve meaningful outcomes in transportation equity, environmental justice, and equitable economic opportunities, especially as related to transportation planning and programming.

CalSTA, Caltrans, CTC Interagency Equity Advisory Committee 2025 Committee Members		
Martha Armas-Kelly, Chair		Ana Gonzalez, Vice Chair
Keri Akemi-Hernandez	Gloria Huerta	Michelle Rousey
Lisa Marie Alvarado	Naomi Iwasaki	Florence Simon
David Azevedo	Peggy Martinez	Randy Torres-Van Vleck
Abimael Chavez-Hernandez	Andres Ramirez	Pualani Vazquez
Howard Wong		

Committee Members serve two-year staggered terms, and terms for several members of the first cohort ended in February 2025. The second cohort of new and returning members began their terms in March 2025. Between March 2025 and December 2025, the Committee held four member-only Business meetings and two Executive meetings with Commissioners, the CalSTA Secretary, and the Caltrans Director.

In May 2025, Committee members approved the following three ad-hoc subcommittees:

- Community Engagement Policies and Practices, which advises CalSTA, Caltrans, and the Commission on community engagement policies and practices.
- Transportation Planning and Program Guidance, which advises on the long-range planning efforts by each agency.
- Data Implementation, which advises each agency on using data-driven decision-making tools and practices to support equitable investments in transportation infrastructure and programs.

Throughout 2025, Committee members participated in reviewing project applications, program guideline development, public workshops, interagency staff briefings, Committee updates to the Commission, and subcommittee meetings, which were held in June, August, and November.

Committee members also provided guidance on the following Commission activities:

Senate Bill 1 Competitive Programs

Committee members reviewed community engagement narratives in project applications for the Commission's Senate Bill 1 Competitive Programs' fourth funding cycle. Committee members provided feedback, which was integrated into the staff recommendations for the fourth cycle of SB 1 funding, which awarded nearly \$1.5 billion to transportation projects at the June 2025 Commission Meeting

State Transportation Improvement Program

Committee members were invited to review the 2026 Draft State Transportation Improvement Program (STIP) Guidelines during the development process and provide feedback to staff via member briefings throughout the month of May 2025. Member feedback included adding a glossary of terms to the updated guidelines to improve accessibility due to the extensive use of acronyms and the technical complexity of the STIP. The glossary was subsequently included in the adopted 2026 STIP Guidelines.

State and Local Transportation Needs Assessment (Senate Bill 1121)

Commission staff held Needs Assessment briefings for members of the Committee and attended several Committee and Subcommittee meetings, specifically with the 2024 Walkability, Disability, and Complete Streets Subcommittee. Committee members attended Stakeholder Workgroup meetings individually and participated in the Policy Recommendations Workshops.

Feedback from Committee members was incorporated into the Accessibility and Mobility section of the 2025 Needs Assessment after several meetings and briefings with the Walkability, Disability, and Complete Streets Subcommittee members (October 2024 – November 2024). This is also reflected in the First Principles where the 2025 Needs Assessment highlights the importance of Equity and Accessibility.

Commission 2025-27 Strategic Plan

Committee members suggested at the December 2024 Meeting to place further emphasis on climate resiliency and safety. As a result of the Committee's feedback, the Commission updated the Strategic Plan to include an objective on climate resiliency, and include safety in the Plan's Vision Statement.

Transportation Data Program (Assembly Bill 744)

In August, Commission staff provided the Data Implementation Subcommittee with an update on the final proposal developed in response to Assembly Bill 744 (Carrillo, Chapter 872, Statutes of 2023). This proposal presents a framework to enhance statewide collaboration on transportation data, modeling, and analytic tools that support decision-making, interagency coordination, and alignment with state transportation, housing, and climate goals. It fulfills the requirements established in Assembly Bill 744, which directs the Commission to assess existing transportation data and modeling practices and recommend strategies to improve access to high-quality

data, modeling, and analytic software tools that support planning and coordination across agencies.

More information on the Committee is available on the Commission's website at: <https://catc.ca.gov/programs/interagency-equity-advisory-committee>

STATE AND LOCAL TRANSPORTATION SYSTEM NEEDS ASSESSMENT (SENATE BILL 1121)

The Commission remains focused on ensuring adequate and sustainable funding to address the needs of California's transportation system. Left unaddressed, the anticipated decline in fuel tax revenues will directly impact the state's ability to invest in improvements that support a safe, equitable, sustainable, multimodal transportation system as well as a strong economy.

Senate Bill 1121 (Gonzalez, Chapter 508, Statutes of 2022) requires the Commission to prepare a needs assessment documenting the cost to operate, maintain, and provide for the necessary growth of the state and local transportation system over a 10-year period and update this needs assessment every five years. The needs assessment is required to include expected revenues for transportation, the costs required to address identified needs – including bicycle and pedestrian facilities; local streets and roads; highways, bridges, and culverts; capital and operational needs of transit, commuter rail, and intercity rail systems; and costs related to system resiliency – and recommendations to address any projected shortfall.

The Commission submitted the 2025 State and Local Transportation System Needs Assessment in May. The Needs Assessment identified 10-year total needs of \$756.8 billion and projected available revenues of \$572 billion, resulting in a funding shortfall of \$215.7 billion. The Needs Assessment also includes a recommendation for the Legislature to implement a sustainable revenue mechanism to fully replace the state's fuel excise tax.

COMMISSION 2025-2027 STRATEGIC PLAN

The Commission began developing the Strategic Plan in 2024 with the assistance of the California State University, Sacramento, and adopted the final Plan at its June 2025 meeting. The purpose of the Strategic Plan is to guide the Commission in the coming years as it carries out its mission to invest in transportation that improves communities, the environment, and the economy.

With input from staff, the Interagency Equity Advisory Committee, and Commission partners and stakeholders, the Strategic Plan identifies six strategic goals for achieving its vision of a safe, equitable, and multimodal transportation system for all Californians:

- Prioritize safety
- Elevate community voices
- Ensure a healthy environment for all
- Move people and goods efficiently
- Partner for success
- Support a team where people continue to thrive

The Commission's 2025-27 Strategic Plan is available on the Commission website at: https://catc.ca.gov/-/media/ctc-media/documents/about_ctc/ctc-25-27-strategic-plan-070125-a11y.pdf

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RECOMMENDATIONS

Pursuant to California Government Code section 14536, the Commission's Annual Report is required to include legislative recommendations to improve the state's transportation system.

2025 STATE AND LOCAL TRANSPORTATION SYSTEM NEEDS ASSESSMENT

The Commission submitted the final 2025 State and Local Transportation System Needs Assessment in May 2025. The Needs Assessment projects a 10-year total needs of \$756.8 billion for bicycle and pedestrian facilities; local streets and roads; highways, bridges, and culverts; capital and operational needs of transit, commuter rail, and intercity rail systems; and costs related to system resiliency. It also projects available revenues of \$572 billion, resulting in a projected shortfall of approximately \$215.7 billion. This shortfall is driven by the needs of maintaining and expanding California's transportation system outpacing revenues, as well as a predicted decline in revenue of \$31 billion over the next 10 years due to an anticipated decline in gasoline and diesel consumption. In developing recommendations to address this funding shortfall, the Commission engaged stakeholders who identified several first principles for legislative consideration.

First Principles

The first principles are the building blocks for identifying important aspects of the statewide transportation system. Each of the following principles is of equal importance:

- Sustainable Funding
- Safety and Security
- Equity and Accessibility
- Multi-Modal Mobility
- Maintaining System and Infrastructure
- Economic Development
- Sustainability, Climate Resiliency, and Environmental Stewardship

Innovation and Technology

Using the first principles approach helps to establish the policy objectives the Legislature should address when developing a more sustainable funding mechanism to replace the state fuel excise tax. While the Commission gave equal weight to these first principles in developing the Assessment's recommendations, the Legislature may choose to elevate specific priorities as it evaluates the recommendations.

Phased Implementation of Sustainable Funding Mechanism

The Needs Assessment recommends implementing a sustainable revenue mechanism as a full replacement for the state fuel excise tax to help stabilize transportation funding and allow California to continue making progress toward achieving the state's safety, climate, equity, and economic goals. The Commission has previously recommended increasing funding for future cycles of the Active Transportation Program and the fully expended Local Transportation Climate Adaptation Program.

The initial focus of implementing a sustainable funding mechanism should be to stop the loss of transportation revenues due to declining fuel consumption. This by itself will not allow California to meet all its transportation needs, as was the case the last time state transportation revenues were significantly increased with Senate Bill 1. A significant shortfall would remain even if the projected revenue decline were halted and funding stabilized. Additional revenues would be needed to address the identified shortfall.

The preferred scenario of a phased-in approach for a sustainable funding mechanism would require legislative action. Additionally, indexing the sustainable funding mechanism to inflation would be critical to ensuring purchasing power for transportation needs does not erode. Importantly, the sustainable funding mechanism should be a replacement for the state fuel excise tax, which would ultimately be phased out. The sustainable funding mechanism should be phased in to allow time to address any potential challenges and provide clear steps for the transition from the fuel excise tax to the new mechanism.

Additional Study Areas

The 2025 Needs Assessment also identifies and recommends three additional areas that the Legislature should study further: Tribal Transportation Needs, Accessible Transportation Needs, and Climate-Resiliency Transportation Needs.

Additional information on the 2025 State and Local Transportation System Needs Assessment and its findings and recommendations can be found: <https://catc.ca.gov/-/media/ctc-media/documents/programs/sb1121/2025/2025-state-and-local-transportation-system-needs-assessment-report-5-12-2025-a11y.pdf>

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PROGRAM SUMMARIES

Over a dozen transportation funding programs fall under the Commission's purview. These programs have a tremendous positive impact on the quality of life of Californians. Projects funded through Commission programs include, but are not limited to, fixing and improving safety and mobility on state highways, bridges, and local streets and roads; investments in transit systems, including buses and rail lines; and new and improved bicycle and pedestrian facilities. These projects help Californians to get to work, to school, and to recreational activities more easily and safely, and facilitate the efficient delivery of goods. Collectively, they are helping to make California's transportation system more equitable and cleaner, while also creating high-paying jobs and a strong, sustainable economy.

The programs under the Commission's purview are established in federal and/or state laws, which set forth the program funding levels and overarching program frameworks. The Commission's responsibilities vary by program but generally include developing guidelines, adopting programs of projects, and allocating funds. Program guidelines establish the specific policies and procedures used to administer the program and are developed through public workshops open to all partner agencies, stakeholder groups, and the public.

Program guidelines and/or statute set forth program funding cycles. Most programs have funding cycles that span multiple years. When the Commission adopts a program of projects, it commits funds to individual projects in each year of the program cycle. During the year a project is programmed, the agency must request an allocation from the Commission. The allocation authorizes the agency to begin incurring expenditures on the project.

After the Commission allocates funds to projects, Caltrans performs administrative oversight and prepares and submits regular progress reports for each project by program. The Commission takes appropriate actions when issues and concerns are identified. The Commission also ensures accountability by requiring agencies to request approval for project scope, schedule, and/or cost changes and to report on project outputs.

Senate Bill 1: The Road Repair and Accountability Act of 2017

Senate Bill 1 was enacted in 2017, providing the first significant, stable, and ongoing source of state transportation funding in decades. Funding from this legislation goes for the repair of state highways and local roads and improvements to transit, intercity rail, and active transportation. The legislation also provides funds to improve goods movement and alleviate congestion through multimodal solutions in critical corridors throughout the state. Funding comes from gas and diesel excise taxes, diesel sales taxes, transportation improvement fees (paid at vehicle registration based on the value of a vehicle), and zero-emission vehicle fees.

Programs funded in part or in whole by the Road Repair and Accountability Act where the Commission has a role include:

- Active Transportation Program
- Local Partnership Program
- Local Streets and Roads Program
- Solutions for Congested Corridors Program
- State Highway Operation and Protection Program
- State Transportation Improvement Program
- Trade Corridor Enhancement Program
- Transit and Intercity Rail Capital Program

Some of these programs were in existence prior to the passage of the legislation and receive other state and federal funds, including the Active Transportation Program, the State Highway Operation and Protection Program, the State Transportation Improvement Program, and the Transit and Intercity Rail Capital Program. For this reason, the Commission generally uses the term “Senate Bill 1 Program” to refer to the three new programs where the Commission approves individual projects: the Local Partnership Program, the Solutions for Congested Corridors Program, and the Trade Corridor Enhancement Program.

To meet legislative intent to hold agencies accountable for Senate Bill 1 expenditures, the Commission adopted updated Senate Bill 1 Accountability and Transparency Guidelines in March 2023. In addition to requiring timely delivery of projects and reporting on outcomes and benefits for all projects, the guidelines require Baseline Agreements for larger projects with enhanced reporting and accountability measures.

The remainder of this section of this report provides additional detail on each Commission program and highlights examples of projects funded through them.

ACTIVE TRANSPORTATION PROGRAM

Active transportation projects improve a person’s quality of life, reconnect neighborhoods, and allow Californians to access jobs, schools, community resources, and transit options without relying on a car. Active transportation projects include comfortable bikeways, improved or new sidewalks, comprehensive networks, multi-use paths, safe street crossings, education and encouragement programs, and streetscaping elements such as shade trees, benches, wayfinding signage, and bike racks.

The Active Transportation Program (ATP) is the state’s only dedicated funding source for walking and biking projects. The program funding is in high demand and continues to be extremely oversubscribed as agencies rely heavily on this program to meet greenhouse gas reduction targets and provide communities with reliable and safe active transportation networks.

The Commission adopted the 2025 Statewide component and the Small Urban and Rural component at its December 2024, and the Metropolitan Planning Organization component at its May and June 2025 meetings. The 2025 ATP (Cycle 7) had a funding capacity of \$168.7 million, one of the lowest in the history of the program, and funded 9 projects in its statewide component, compared to 67 projects funded in Cycle 6. This was due to the \$400 million reduction to the program from the 2024-25 State Budget’s General Fund. The Commission received 277 applications requesting \$2.5 billion for projects valued at \$4.1 billion, almost 15 times greater than the 2025 Program’s funding capacity.

The ATP helped the rural community of Biola, located in Fresno County, to improve pedestrian safety and access. Previously, missing sidewalks forced residents to walk in the roadway or on the unpaved shoulders alongside speeding vehicles. With no access to public transportation, adults, children, and residents with disabilities navigated the unsafe roadway by maneuvering through flooding, muddy, or dusty roads. According to the Healthy Places Index (HPI), Biola’s median household income is lower than 68 percent of the rest of the state’s census tracts, and 54 percent of California census tracts have better healthcare access than Biola. The Commission awarded \$1.255 million for project improvements, including nearly 2,000 feet of concrete sidewalks alongside Biola Avenue to provide safe access to Biola-Pershing Elementary School, the U.S. Post Office, and the Biola Community Center. Additional improvements include 9 new sidewalk ramps to meet Americans with Disabilities Act standards, the enhancement of 3 sidewalk crossings, the shortening of 2 crossings, the addition of 2 corner bulb-outs, and crossing-surface improvements.

Program Webpage: <https://catc.ca.gov/programs/active-transportation-program>



Biola Avenue – Before



Biola Avenue – After

PROGRAM BACKGROUND

Types of Projects Funded

Infrastructure projects (e.g. bike lanes, sidewalks, multi-use paths, quickbuild improvements, and intersection enhancements); non-infrastructure programs (e.g., skills courses and encouragement campaigns); and active transportation plans in disadvantaged communities.

Goals of the Program

Increase active modes of transportation, including walking and biking; increase the safety and mobility of non-motorized users; reduce greenhouse gas emissions; improve public health; and enhance the mobility of disadvantaged community members.

How to Access Funds

Program funds are awarded through a competitive process every two years. Cities, counties, school districts, tribal governments, regional agencies, transit agencies, and natural resources and public land agencies may apply.

Funding Available

Each four-year program cycle averages approximately \$550 million in

programming capacity, including funds from the SB 1 Road Maintenance and Rehabilitation Account, the federal Transportation Alternatives Program, the federal Infrastructure Investment and Jobs Act, and other state and federal sources. Each program cycle is split between the Statewide component (50%), the Metropolitan Planning Organization component (40%), and the Small Urban and Rural component (10%).

Evaluation Criteria

Projects are evaluated for benefit to disadvantaged communities, need, safety, public participation and planning, scope and plan consistency, and cost effectiveness. Larger projects are also evaluated for innovation, potential to be transformative, and context sensitivity.

Equity

Nearly all projects benefit disadvantaged communities, consistently exceeding the statutory requirement of 25%. Projects are evaluated based on direct benefit to, and public engagement with disadvantaged communities, using a scaled system that awards more points to projects that benefit severely disadvantaged communities.

PROJECTS FUNDED

Programmed Funds: All Program Cycles (FY 2014-15 to FY 2028-29)

- \$4 billion programmed for 1,230 projects.
- 96 percent of programmed funds benefit disadvantaged communities.
- 670 Safe-Routes-to-School projects programmed.

Allocated Funds: FY 2024-25

- \$302.2 million to 157 Projects
- \$7.0 million for 17 Non-Infrastructure Projects

- \$238.0 million for 48 Construction Projects
- \$57.2 million for 92 Pre-Construction Projects

What did we invest in?

- 74 miles of Bikeways
- 44 miles of Sidewalks
- 7 miles of Multi-Use Trails
- 18 Non-Infrastructure Programs

LOCAL PARTNERSHIP PROGRAM

The Local Partnership Program funds transportation improvement projects for local and regional agencies that have voter-approved taxes, tolls, and fees or imposed fees, such as developer fees, where the revenues are dedicated solely to transportation improvements. These self-help agencies generate more than a third of all transportation revenues in California and support the maintenance, construction, and improvement of existing infrastructure, and provide the local funds necessary to compete for, and to receive, much-needed federal discretionary grants.

The Local Partnership Program includes a formulaic component that allocates funding to each eligible jurisdiction based on formula, and a competitive component that selects specific projects for funding. Each new two-year funding cycle begins with the adoption of program guidelines and culminates in the programming of projects. This is consistent with Senate Bill 1, which balances directing increased revenue to the state's highest transportation needs while fairly distributing the economic impact of increased funding.

Formulaic 2024 Program

In January 2025, the initial 2024 Formulaic Program of Projects was adopted by the Commission, and as of October 31, 2025, \$182.9 million has been programmed to 32 projects, leaving \$89.17 million available for future programming. The Formulaic Program allows eligible agencies to program projects throughout the funding cycle with a final programming date of April 30, 2028.

Competitive 2024 Program

The Commission adopted the 2024 Competitive Program of Projects in June 2025, which included \$201.66 million for eleven projects across the state. These projects build on local and regional partnerships by leveraging billions of dollars in additional federal, state, and local funds, creating 180,000 jobs and encouraging a vibrant economy while promoting a sustainable, equitable, and innovative transportation system for all Californians.

The City of Rancho Cucamonga in San Bernardino County was awarded \$2.4 million in the 2022 Local Partnership Competitive Program for the Foothill Boulevard Complete Streets Project, which was completed in Fiscal Year 2024-25. This project included a variety of complete streets elements, including the realignment of an intersection and the rehabilitation of failing pavement within a 0.35-mile area of Foothill Boulevard. This Project provides residents with more active transportation options and better air quality by encouraging travelers to shift away from single-occupancy vehicles to non-motorized modes of transportation.

Program Webpage: <https://catc.ca.gov/programs/sb1/local-partnership-program>



Foothill Boulevard – Before



Foothill Boulevard – After

PROGRAM BACKGROUND

Types of Projects Funded

Local and regional road improvements; express/auxiliary lanes; high-occupancy vehicles (bus/rail) and transit stations; complete streets and/or bicycle and pedestrian improvements; passenger and commuter rail; traffic light synchronization; zero-emission bus purchases; and sound walls.

Goals of the Program

To reward and partner with cities, counties, districts, and regional agencies in which voters have approved fees or taxes dedicated solely to transportation improvements or that have imposed fees, including developer fees, dedicated solely to transportation improvements.

How to Access Funds (Competitive)

Eligible taxing authorities and eligible agencies with imposed fees submit project nominations that are evaluated according to criteria set by the Commission.

How to Access Funds (Formulaic)

Eligible taxing authorities submit project nominations consistent with their approved funding distribution amount set by the Commission.

Funding Available

Annual funding is \$200 million. Funds are split 40 percent for the competitive program and 60 percent for the formulaic program, after \$20 million is taken off the top for incentive funding for agencies with new taxes or fees.

Evaluation Criteria (Competitive)

Accessibility, air quality and greenhouse gases, community engagement, cost effectiveness, deliverability, projects that leverage funds above the required match, safety, system preservation, land use and housing goals, and vehicle-miles traveled.

Public Engagement and Equity (Competitive)

Community engagement is an evaluation criterion, and a Transportation Equity Supplement, which was updated by the Commission for the 2024 program cycle, provides resources to applicants on how to consider equity in project nominations. In partnership with other evaluators, the Interagency Equity Advisory Committee reviewed project applicants on the strength of their public engagement and equity considerations and informed project selection.

PROJECTS FUNDED

Allocated Funds: FY 2024-25

- \$180.5 million total allocated
 - \$175.6 million for construction
 - \$4.8 million for pre-construction

What did we invest in?

- 112 ADA Improvements
- 61.05 miles of pavement rehabilitation
- 277,219 square feet of bridge and tunnel rehabilitation
- 22.4 miles of active transportation improvements
- 4 facility improvements
- 7 operational improvements

LOCAL STREETS AND ROADS PROGRAM

California's 58 counties and 481 cities own and maintain over 300,000 paved lane-miles of local streets and roads, as well as related infrastructure including bridges, drainage systems, and traffic signals. The local road system is a critical component of the state's transportation network for virtually all types of travelers, including drivers, bicyclists, pedestrians, and bus riders. Local roads also help transport goods and services, contributing to economic vitality throughout the state. Investing in local road maintenance and preservation helps save money in the long run by delaying pavement deterioration and replacement.

Under Senate Bill 1, the Local Streets and Roads Program provides formula funds to cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. As a result of this program, communities are benefiting from potholes being filled, pavement being repaired, lanes being restriped, bike lanes being added, and crosswalks and sidewalks being made accessible.

The Woodview Road Pavement Rehabilitation – Phase 2 Project is an example of a project funded through the Local Streets and Roads Program in the City of Chino in San Bernardino County. The project was completed in fiscal year 2023-24. The work included asphalt grind and overlay, shoulder restoration, and pavement markings were re-painted. This project re-established the pavement structure, restored the surface integrity, improved the ride quality of the roads and the walkability of sidewalks, and beautified the neighborhood.

Program Webpage: <https://catc.ca.gov/programs/sb1/local-streets-roads-program>



Woodview Road – Before



Woodview Road – After

PROGRAM BACKGROUND

Types of Projects Funded

Eligible projects include road maintenance and rehabilitation; safety projects; railroad grade separations; complete streets components (such as bike lanes or sidewalks); and traffic control devices, among others.

Goals of the Program

Address deferred maintenance on the local streets and roads system as well as critical safety projects.

How to Access Funds

The Commission adopts a report of eligible cities and counties and sends it to the State Controller. Cities and counties then receive annual funding apportionments from the State Controller according to a statutory formula.

Funding Available

Annual funding of approximately \$1.79 billion (for fiscal year 2024-25) and \$1.6 billion (for fiscal year 2023-24) is to be reported on by December 1, 2025.

Evaluation Criteria

Cities and counties that have prepared and submitted a project list to the Commission each fiscal year and that have been included in a list of eligible entities submitted by the Commission to the State Controller.

Program Workshops

Commission staff held two trainings to assist agencies prepare their Fiscal Year 2023-24 expenditure report. Over 53% percent of the reporting jurisdictions participated in the webinars.

Staff held two technical training sessions to prepare jurisdictions for the 2025-26 project list submittals, where 54% of cities and 57% of counties attended at least one session.

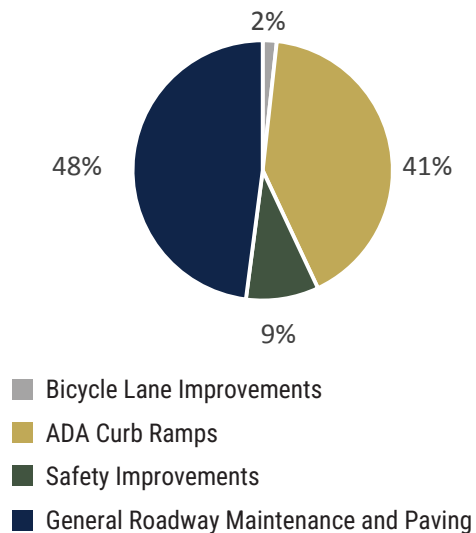
PROJECTS FUNDED

- Programmed Funds: All Program Cycles
- Total Expended: \$6.1 billion
- Annual Funding: \$1.7 billion

What did we invest in?

- 4,488 projects:
- 1,210 completed
- 2,165 in-progress
- 1,113 carried over
- \$1.3 billion spent

**Project Outputs by Type
FY 2023-24**



LOCAL TRANSPORTATION CLIMATE ADAPTATION PROGRAM

Adapting California’s existing surface transportation infrastructure to climate change impacts is essential to increase the climate resiliency of California’s communities and public infrastructure investments. Adaptation projects fortify the transportation system’s ability to withstand severe weather events while continuing to provide essential functions, and, if tolerances are exceeded, quickly rebound back to service. For millions of climate-vulnerable Californians, climate adaptation projects provide greater equity in mobility and prosperity during severe weather events.

The Local Transportation Climate Adaptation Program (LTCAP), established via Senate Bill 198 (Committee on Budget and Fiscal Review, Chapter 71, Statutes of 2022), is a five-year competitive program that supports the development and implementation of climate adaptation projects for existing surface transportation infrastructure to improve transportation and community climate resiliency. Funding for LTCAP includes \$252.5 million in federally apportioned Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program funding and a one-time appropriation of \$148 million from the State Highway Account. Eligible applicants include Tribal governments, metropolitan planning organizations, regional transportation planning agencies, cities, counties, and transit agencies.

The Commission adopted guidelines for Cycle 2 of the LTCAP Program in June 2024 and awarded funds to new projects in March 2025. Existing state and federal funding for the program have been fully exhausted, so Cycle 2 represents the final funding round for this program, unless another ongoing source of funding is identified by the Legislature.

The Fournier Bridge Project in Mariposa County will install a new bridge with two vehicle lanes and a sidewalk to replace sections of a low-lying road that is vulnerable to recurring flooding from a nearby creek. The Project will directly benefit an underserved, under-resourced, and climate-vulnerable community that faces a severe lack of economic opportunities, as well as a critical housing shortage. The bridge and accompanying road improvements will meet CAL FIRE requirements for emergency egress routes and will connect current and future residents to emergency services in town, such as the John C Fremont Healthcare District and Emergency Room. Additionally, improved and consistent access to town will ensure residents have safe access to jobs, groceries, restaurants, transit, active transportation options, and other essential amenities during flood events. Furthermore, Mariposa County will continue to work with local environmental groups, as well as the Southern Sierra Miwuk Nation, to ensure that this project enhances and protects the environment and does not pose a threat to natural resources.

Program Webpage: <https://catc.ca.gov/programs/sb1/local-streets-roads-program>



Fournier Road during flood conditions



Fournier Road during normal conditions

PROGRAM BACKGROUND

Types of Projects Funded

Resilience improvements to an existing surface transportation asset to withstand, or increase resilience against, weather events or natural disasters. Community resilience and evacuation route activities. At-risk coastal infrastructure activities that enhance the resilience of highway and non-rail infrastructure. System resilience elements for projects carried out with PROTECT Formula funding, such as natural infrastructure or the construction or modification of storm surge, flood protection, or aquatic ecosystem elements that are functionally connected to the eligible project.

Goals of the Program

Support the development and implementation of capital projects that adapt existing surface local transportation infrastructure to climate change effects while advancing environmental justice for climate-vulnerable communities.

Funding Available

The available federal and state funding for this program has been fully programmed.

Evaluation Criteria

Climate threat impacts on transportation infrastructure and climate-vulnerable communities; resiliency, preservation, enhancement, and protection benefits for mobility, accessibility, economic development and vitality, goods movement, environmental or natural resources, cultural resources, other critical infrastructure, and safety; environmental equity; and community engagement.

PROJECTS FUNDED:

Allocated Funds: FY 2024-25

- \$11,496,000 Allocated
- \$4.2 million for construction
- \$7,296,000 for pre-construction

What did we invest in?

- Flood resiliency improvements
- Emergency Evacuation
- Coastal infrastructure

Allocated Funds:

FY 2026-27 to FY 2027-28

- \$90,757,000 Allocated

What did we invest in?

- Resiliency improvements
- Community Resilience/Emergency Evacuation
- At-Risk Coastal infrastructure

SOLUTIONS FOR CONGESTED CORRIDORS PROGRAM

California is home to over 39 million people and some of the country's most heavily traveled corridors. The state faces a persistent challenge: moving people and goods efficiently while preserving community character and improving quality of life. Across California, regional agencies are meeting this challenge by planning and delivering multimodal solutions that expand travel options, cut greenhouse gas emissions, and advance transportation equity.

The Commission's Solutions for Congested Corridors Program, established under Senate Bill 1, supports collaborative and innovative projects that reduce congestion in the state's most congested corridors. To prepare for the program's fourth cycle, the Commission led a consensus-driven guidelines development process focused on advancing equity and strengthening community engagement.

In June 2025, the Commission adopted a \$482.9 million program, funding seven projects in fiscal years 2025-26 and 2026-27. Funded projects include a new passenger rail extension, active transportation improvements, bus rapid transit expansion, and system technology and mobility hub upgrades. These investments reflect a shift toward cleaner, multimodal infrastructure that offers travelers alternatives to opt out of congestion. Together, these projects are expected to support the creation of more than 180,000 jobs—stimulating economic opportunity while delivering long-term mobility, climate, and equity benefits.

The Soscol Junction Improvement Project exemplifies the type of regional, multimodal transformation funded by the Solutions for Congested Corridors Program. Located in Napa County at the convergence of State Routes 29 and 221, and Soscol Ferry Road, the project resolves a long-standing congestion choke point and closes a critical bicycle network gap that has limited regional access for both freight and local travel. The project eliminates signalized delays through a new grade-separated interchange, improving safety and traffic flow for commuters, freight, and transit. These improvements include the construction of a new flyover and roundabouts, a new Class I multiuse path that closes a gap in the bicycle and pedestrian network and will reduce congestion, greenhouse gas emissions, and improve job access across this corridor.

Program Webpage: <https://catc.ca.gov/programs/sb1/solutions-for-congested-corridors-program>

Pursuant to Streets and Highways Code Section 2397, project information, including scope, cost, schedule, benefits, and outcomes for all projects funded by the Solutions for Congested Corridors Program are available on the California Department of Transportation's *Senate Bill 1 Semi-Annual Progress Reports* webpage.



Soscol Junction roundabout



Soscol Junction crossing improvement

PROGRAM BACKGROUND

Types of Projects Funded

Infrastructure projects such as high occupancy vehicle lanes, express lanes, transit and rail infrastructure, transit fare system improvements, zero-emission buses, clean rolling stock, and safety improvements.

Goals of the Program

Fund projects that reduce and manage congestion in highly traveled corridors through innovative strategies, include multimodal solutions, advance transportation equity, and align with the state's climate goals.

How to Access Funds

Program funds are awarded through a competitive process. Regional transportation planning agencies, county transportation commissions, and Caltrans are eligible to apply for program funds.

Funding Available

Total annual funding is \$250 million. Each program cycle combines funds for multiple years; a two-year cycle awards \$500 million.

Evaluation Criteria

Congestion; safety; accessibility; community engagement; economic development, job creation and retention; air quality and greenhouse gas emission reductions; efficient land use and housing; matching funds; and project deliverability, collaboration, and cost effectiveness.

Public Engagement and Equity

Community engagement is an evaluation criterion, and a Transportation Equity Supplement, which was updated by the Commission for the 2024 program cycle, provides resources to applicants on how to consider equity in project nominations. In partnership with other evaluators, the Interagency Equity Advisory Committee reviewed project applicants on the strength of their public engagement and equity considerations and informed project selection.

PROJECTS FUNDED

2024-2025 Allocations

- \$94.2 million to 6 project segments for construction

What did we invest in?

- 121,086 sq. ft. of new local road bridge structures
- 75 new battery electric buses
- 22 facility improvements to install ZEV chargers
- 17 bicycle lane-miles
- 17 roadway lane miles
- 14 accessible pedestrian signals installations

- 14 new curb ramps installations
- 4 rail / transit equipment installations
- 4 intersection / signal improvements
- 7.9 miles of new or rehabilitated rail tracks
- 0.1 miles of new bicycle/pedestrian facilities

Programmed Funds: All Program Cycles

- \$2.5 billion programmed to 33 projects
- \$1.8 billion allocated
- Total project costs of over \$23.1 billion

STATE HIGHWAY OPERATIONS AND PROTECTION PROGRAM

The State Highway System is critical to California’s economic well-being and quality of life, as it enables the movement of people and goods around the state. Maintaining and preserving state highways, which includes pavement, bridges, drainage systems, and other associated assets such as lighting and signage, is critical for protecting the state’s investment and allowing for efficient mobility. Backlogs of deferred maintenance ultimately cost the state more money in repairs, as well as costly damage to the vehicles of commuters and public transit operators.

The State Highway Operation and Protection Program (SHOPP) is the State’s “fix-it-first” funding mechanism for the State Highway System. It is a four-year program of projects built entirely through the performance-driven asset management process that collectively improves the condition, operation, and sustainability of the State Highway System and associated transportation infrastructure in California. By continuously repairing and rehabilitating the State Highway System, the SHOPP protects the enormous investment that has been made over many decades to create and manage the approximately 16,000-mile State Highway System.

For the third year in a row, the SHOPP Major Damage Reservation saw a much higher than average number of allocations as Caltrans responded to the many fires, floods, slides, and other unusual damaging events to the state’s critical assets. At the close of the 2024-25 fiscal year, Caltrans had approved construction contracts totaling \$857 million from the SHOPP Major Damage Reservation. This figure represents nearly one quarter of the annual funding available in the SHOPP. While this is a downward trend from the previous two years, this amount is still much higher than usual for this program, which typically averages around \$500 million per year.

The SHOPP funds many different types of critical highway projects throughout the state. The Ferguson landslide, located in the Merced River canyon on State Route 140 in Mariposa County, is a natural phenomenon that has been continually active since 2006, when rocks and debris slid off Ferguson Ridge, blocking California SR-140, a primary access road to Yosemite National Park. Since 2006, the route has remained accessible via temporary bridges carrying traffic to the opposite side of the river under signalized one-way traffic control. In June 2025, the Commission allocated \$387,560,000 in SHOPP Emergency Restoration funds to begin construction of the rock shed, which will restore full access to SR-140, providing a reliable route for vehicular and bicycle traffic, including large commercial trucks, emergency vehicles, and recreational vehicles traveling to Yosemite National Park and the community of El Portal, and will allow the temporary bridges to be removed and the Merced River to be restored to its natural state.

Program Webpage: <https://catc.ca.gov/programs/state-highway-operation-and-protection-program>



State Route 140 Slide Rock Shed Project – Before



State Route 140 Slide Rock Shed Project – After (rendering)

PROGRAM BACKGROUND

Types of Projects Funded

Projects are limited to maintenance, safety, operation, and rehabilitation of state highways and bridges, including complete streets elements for bicyclists and pedestrians. Projects cannot add new traffic lanes to the State Highway System.

Goals of the Program

Preserve and maintain State Highway System assets and ensure safety and operational efficiency on the system.

How to Access Funds

Projects must be consistent with the Transportation Asset Management Plan approved by the Commission. Caltrans, as the owner and operator of the State Highway System, is the only agency that receives funds through this program.

Funding Available

The program receives over \$5 billion annually from the Road Maintenance and Rehabilitation Account as well as other state and federal funds from the State Highway Account.

Evaluation Criteria

The Commission reviews the program of projects proposed by Caltrans for consistency with the Transportation Asset Management Plan and the goals of the program.

Public Engagement and Equity

Caltrans' SHOPP development process solicits input from public agencies, Native American tribal governments, non-governmental organizations, and members of the public.

PROJECTS FUNDED

2024-2025 Allocations

- \$5.0 billion for construction
- \$1.4 billion for pre-construction

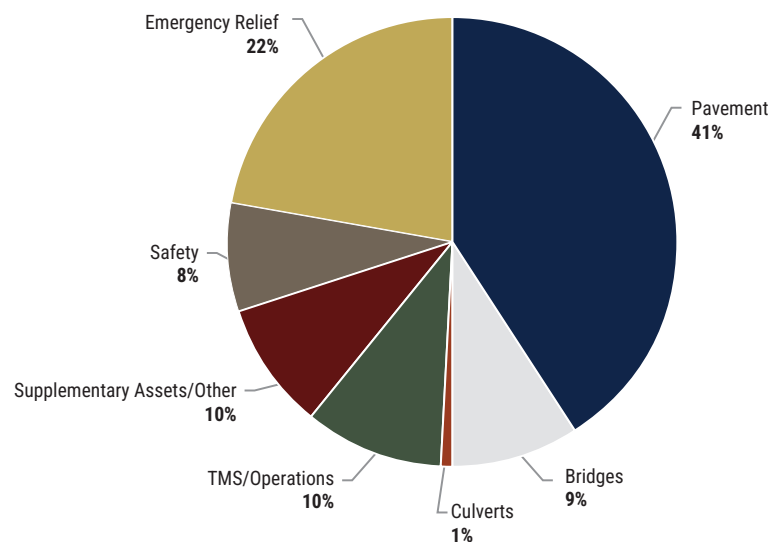
What did we invest in?

- 32 bridges fixed
- 1,865 lane miles of pavement rehabilitated
- 474 culverts fixed
- 1,336 Transportation Management System elements fixed

Recent Program Cycles

- 2016: \$10.1 billion to 872 projects
- 2018: \$18.0 billion to 1,000 projects
- 2020: \$17.4 billion to 920 projects
- 2022: \$17.9 billion to 733 projects
- 2024: \$21.2 billion to 635 projects

FY 2024-25 ALLOCATIONS Total = \$6.4 Billion



STATE TRANSPORTATION IMPROVEMENT PROGRAM

California has diverse transportation needs across its different regions. Urban areas tend to experience significant congestion and wear and tear on transportation systems, while rural areas face challenges in connecting people and goods to more remote locations. Differences in density, climate, and economic activity mean that one-size solutions do not fit all. Connecting these regions through efficient and sustainable transportation networks is important for the state's economy and the quality of life for all Californians.

The State Transportation Improvement Program (STIP) is a biennial five-year plan adopted by the Commission each even-numbered year, with each new STIP adding two new years to prior programming commitments. The STIP includes a wide variety of regional and interregional capital projects that improve local roads, support active transportation, and help facilitate the movement of people and goods by improving the state highway system, intercity rail, and transit. The 2026 STIP Guidelines were adopted at the August 2025 Commission meeting, and the list of projects for the 2026 STIP will be adopted in March 2026.

The Highway 1 Soquel Avenue Project, located between 41st Avenue and Soquel Avenue in Santa Cruz County, constructed auxiliary lanes, bus-on-shoulder lanes, and a bicycle and pedestrian overcrossing near Chanticleer Avenue.

The STIP contributed \$10.1 million to support the project. Construction began in November 2022 and the overcrossing opened to pedestrians and cyclists in July 2025.

Program Webpage: <https://catc.ca.gov/programs/state-transportation-improvement-program>



Construction of Bicycles and Pedestrian Overcrossing



Bus on Shoulder Lanes

PROGRAM BACKGROUND

Types of Projects Funded

The STIP includes a wide variety of capital improvements, including bicycle and pedestrian facilities, intercity rail and public transit improvements, highway and local road improvements and transportation system/demand management.

Goals of the Program

Address regional priorities by providing funding that meets the region's most urgent needs as well as the effective and efficient interregional movement of people and goods.

How to Access Funds

The new funding available is divided with 75% for the regional program and 25% for the interregional program. The regional program is further subdivided by formula into county shares.

Funding Available

Funding is made available from a portion of the excise tax on gasoline that is adjusted annually for inflation. The 2026 STIP Fund Estimate, covering fiscal years 2026-27 through 2030-31, was adopted at the August 2025 Commission meeting and provided new program capacity of \$952 million over the five-year period. This includes \$360 million available to the STIP from the Public Transportation Account,

which is insufficient to support existing rail and transit commitments. All rail and transit projects currently programmed in the STIP must maintain federal eligibility.

Evaluation Criteria

Projects are nominated by each regional agency in its respective Regional Transportation Improvement Program or by Caltrans in its Interregional Transportation Improvement Program. Proposed projects must be consistent with adopted long range Regional Transportation Plans, the Interregional Transportation Strategic Plan, the Sustainable Communities Strategies, and all applicable state and federal laws.

Public Engagement and Equity

Public engagement occurs at the regional and state levels as part of the development of the long-range Regional Transportation Plans and the Interregional Transportation Strategic Plan.

The 2025 STIP guidelines require each Regional Transportation Improvement Program and the Interregional Transportation Improvement Program to include an in-depth summary on what community engagement was performed and how community feedback was acknowledged and incorporated into each respective program.

PROJECTS FUNDED

2024-25 Allocations

- \$481.8 million to 110 projects
- \$329.6 million for construction
- \$136.4 million for pre-construction
- \$15.7 million for Planning, Programming, and Monitoring

What did we invest in?

- \$18.1 million to 6 Active Transportation projects

- \$500,000 to a bridge project
- \$220.8 million to 4 Rail and Transit projects
- \$116.3 million to 11 Highway Improvements
- \$86.2 million to 35 Local Road Improvements
- \$15.7 million to 52 planning, programming, and monitoring (PPM)

TRADE CORRIDOR ENHANCEMENT PROGRAM

California is a preeminent global goods movement gateway. The Ports of Los Angeles and Long Beach move roughly 35 percent of all containers in the United States, and approximately 40 percent of US imports and 25 percent of US exports pass through the San Pedro Bay. California also plays a vital role in feeding the nation, serving as the leading producer of agricultural products in the United States. Over a third of the nation's vegetables and more than three-quarters of its fruits and nuts are grown in California. A reliable and efficient freight system is essential to California's agricultural economy, enabling the timely movement of perishable goods from farm to market across the country and around the world.

The Trade Corridor Enhancement Program (TCEP) provides critical funds for projects on significant freight corridors to facilitate goods movement. The program also supports the state's transition to zero-emission freight by allowing funds for zero-emission freight infrastructure and encouraging projects on priority corridors identified in the Commission's Senate Bill 671 (Gonzalez, Chapter 679, Statutes of 2021) Clean Freight Corridor Assessment.

Adopted in June 2025, the fourth funding cycle of this statewide, competitive program included \$995 million for 26 projects. Of this total, \$94.2 million was programmed to eight medium- and heavy-duty zero-emission vehicle infrastructure projects. Collectively, these eight projects will add 509 charging ports, increasing the existing number of publicly available medium- and heavy-duty charging stations by 25 percent statewide. Many of these charging ports will be located in areas critically underserved by zero-emission infrastructure for medium- and heavy-duty vehicles, including the first publicly accessible charging stations north of the Sacramento region located in Shasta and Tehama Counties.

In addition to supporting freight movement, TCEP delivers complementary benefits that improve safety for all users, enhance community livability, and support multi-modal approaches to goods movement. The Port of Los Angeles Rail System Efficiency/Emission Reduction Program Terminal Island Rail Infrastructure Project, funded in the Program's fourth cycle, will relieve rail system congestion at the nation's largest port complex. The Project will install five new crossovers to create routing flexibility and alternate paths for trains, grade and realign 10,000 feet of rail to enhance operational efficiency, and upgrade control systems to improve operations and enhance safety for port workers. In addition to increasing freight throughput from the Ports of Los Angeles and Long Beach to markets across the United States, the Project will reduce greenhouse gas emissions and improve air quality in surrounding vulnerable communities.

Program Webpage: <https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program>



Port of Los Angeles Rail System Efficiency Project



Port of Los Angeles Rail System Efficiency Project

PROGRAM BACKGROUND

Types of Projects Funded

Eligible projects include highway improvements, zero-emission freight infrastructure, freight rail system improvements, port capacity and efficiency enhancements, border access improvements, road connector improvements, technology improvements, and environmental and community mitigation.

Goals of the Program

Fund freight infrastructure improvements on significant freight corridors.

How to Access Funds

The program is competitive. Eligible applicants include public entities, such as cities, counties, metropolitan planning organizations, regional transportation planning agencies, port authorities, public construction authorities, and Caltrans. Project proposals from private entities may be submitted by a public agency sponsor.

Funding Available

The fourth program cycle, covering Fiscal Years 2025-26 and 2026-27, has \$995

million available, including \$700 million from state diesel excise tax revenues and \$295 million in federal National Highway Freight Program funds.

Evaluation Criteria

Evaluation criteria include freight and transportation system factors, community impact factors, project readiness, leveraging funds, jointly nominated projects, community engagement, and zero-emission freight features. The 2025 program guidelines include more detailed zero-emission freight infrastructure criteria to provide applicants with more guidance.

Public Engagement and Equity

Community engagement is an evaluation criterion, and a Transportation Equity Supplement, which was updated by the Commission for the 2024 program cycle, provides resources to applicants on how to consider equity in project nominations. In partnership with other evaluators, the Interagency Equity Advisory Committee reviewed project applicants on the strength of their public engagement and equity considerations and informed project selection.

PROJECTS FUNDED

2024-2025 Allocations:

- \$583.8 million
 - Cycle 1 projects: \$13.5 million
 - Cycle 2 projects: \$102.2 million
 - Cycle 3 projects: \$422.2 million
 - Cycle 4 projects: \$45.9 million

What did we invest in?

- 2 grade separation or rail crossing improvements
- 3 miles of new track
- 1.6 miles of rehabilitated track and climate resiliency improvements
- 2 border crossing and port-of-entry improvements

- 10 interchange improvements
- 289 medium and heavy-duty vehicle charging ports
- 1 vehicle enforcement station improvement
- 40 miles of new managed lanes constructed
- 36 miles of fiber optics installed

All Program Cycles:

- \$5.07 billion programmed
- 129 projects programmed
- \$3.8 billion allocated

TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM

California’s transit systems deliver transportation services to the public through buses, light rail, heavy rail, commuter rail, ferry service, and other means. Transit serves a critical role in the state’s transportation network by enabling access to transportation services for many individuals, including those unable to own or ride in a privately owned vehicle. Transit moves large numbers of people more efficiently than single-occupancy passenger vehicles, which helps to alleviate congestion on the State’s highways and roads as well as reduce greenhouse gas emissions.

The Transit and Intercity Rail Capital Program funds transformative capital improvements that modernize California’s intercity rail, commuter rail, urban rail, bus, ferry, and rail transit systems. The Program’s objectives are to reduce greenhouse gas emissions, expand and improve transit service to increase ridership, integrate the rail service of the state’s various rail operations, including integration with the high-speed rail system, and improve transit safety. Under the program’s statute, the California State Transportation Agency is responsible for developing guidelines, evaluating project applications, and selecting projects for funding. The Commission has the statutory requirement of allocating funds to projects that are ready to be implemented.

The Anaheim Transportation Network’s “#Electrify Anaheim: Changing the Transit Paradigm in Southern California” project includes the acquisition and deployment of zero-emission electric buses to increase bus service levels on existing and new routes and the deployment of micro-transit cruisers for a new circulator/on-demand first-mile/last-mile service in Downtown Anaheim. The Project also includes the construction of a new operation and maintenance facility powered by solar canopies to support the charging infrastructure for the new electric vehicle fleet. The Project also allows for connections to other commuter and intercity passenger rail services and local regional bus services at the Anaheim Regional Transportation Intermodal Center, which connects local businesses, tourist areas, and disadvantaged/low-income communities.

Program Webpage: <https://catc.ca.gov/programs/transit-intercity-rail-capital-program>



Anaheim Transportation Network’s electric bus



Anaheim Transportation Network’s FRAN micro-transit service

PROGRAM BACKGROUND

Types of Projects Funded

Improvements to modernize transit services by enhancing and improving intercity, commuter, and light rail; procuring rolling stock; expanding existing or building new transit facilities; rehabilitating transit facilities; and integrating networks amongst various transit operators.

Goals of the Program

Reduce greenhouse gas emissions; expand and improve transit service to increase ridership; integrate the state's various rail services; and improve transit safety.

How to Access Funds

The California State Transportation Agency selects projects through a competitive process. Public agencies, including joint powers agencies, that operate or have planning responsibility for existing or planned regularly scheduled intercity or commuter passenger rail service, urban rail transit service, or bus or ferry transit service are eligible to apply.

Funding Available

\$400 million of annual Cap and Invest auction proceeds and 70% of Transportation Improvement Fees (paid by vehicle owners at registration). Each award cycle varies in available funds. In the 2024 award cycle (Cycle 7), CalSTA awarded \$1.33 billion. The next TIRCP grant cycle (Cycle 8) opened in the Fall of 2025, and awards will be announced in the Spring of 2026. Evaluation Criteria

Ability to reduce greenhouse gas emissions, increase ridership, integrate rail and transit service, implement safety improvements of the transit systems, reduce vehicle miles traveled, demonstrate alignment with state housing policies and goals, invest in clean air technology, and promote active transportation.

PROJECTS FUNDED

2024-2025 Allocations

- 1.419 billion for 114 projects:
 - \$797.8 million for construction
 - \$621.2 million for pre-construction

2024-2025 Allocations by Commuter Type

- Intercity Rail - \$66.21 million
- Transit (e.g. bus, ferry, etc.) - \$ 397.2 million
- Urban Rail - \$814.99 million
- Commuter Rail - \$24.21 million
- Intercity Commuter - \$116.53 million

What did we invest in?

- \$276.91 million for System Infrastructure Improvements/Upgrades
- \$46.64 million for Service Improvements
- \$785.56 million for New System and Supporting Infrastructure
- \$25.48 million for Rail Expansion
- \$289.18 million for New or Replacement of Track or Track Infrastructure
- \$4.638 million for Vehicle and/or Equipment Procurement



OTHER PROGRAMS

Aeronautics Program

This program consists of (1) an Annual Credits Program, which provides \$10,000 grants or “credits” to each of the state’s 144 general aviation airports for use at the sponsor’s discretion, subject to applicable laws and regulations;(2) Airport Improvement Program Matching Grants, which assist airports in meeting the local match for an Airport Improvement Program grant from the Federal Aviation Administration; and (3) Acquisition and Development Grant Program, which funds capital improvement projects, including repair or replacement, and expenditures for compatible land use planning in the area surrounding an airport.

In Fiscal Year 2024-25, the (1) Annual Credits Program was fully funded at \$1.44 million; (2) the Commission allocated \$2.5 million for Airport Improvement Program Matching Grants (to be used in Fiscal Year 2024-25) from available funds, of which \$997,000 have been sub-allocated towards 20 projects, and; (3) the Acquisition and Development Grant Program did not program any projects due to the amendment of the Aeronautics Capital Improvement Plan Ranking Priority Matrix (Priority Matrix). The next program of projects will be developed in Fiscal Year 2025-26, utilizing the updated Priority Matrix, which now encompasses expanded project categories including climate action, equity and environmental justice, and economic development and multimodal access.

Enhanced Mobility of Seniors and Individuals with Disabilities Program

The Federal Transit Administration (FTA) Section 5310 Program is a competitive federal grant program for purchasing transit capital equipment to meet the specialized needs of elderly and disabled individuals for whom mass transportation services are unavailable, insufficient, or inappropriate, by removing barriers to transportation services and expanding the available transportation mobility options.

The upcoming 2025 Program of Projects cycle anticipates including approximately \$30.5 million in funding for Caltrans-administered Large Urbanized Areas projects, and \$22.4 million in funding for the Small Urban and Rural Areas projects, which are overseen by the Commission. Government Code Section 14055.2 through 14055.4 requires the Commission to direct Caltrans on how to allocate funds for the program, establish an appeals process, and hold at least one public hearing before approving the Program of Projects. Under Government Code Section 14055 et seq., the Commission is responsible for approving the Small Urban and Rural Areas Program of Projects for the FTA Section 5310 Program.

The Commission will provide a presentation of the 2025 Small Urban and Rural Areas Program of Projects and distribute the public draft at the upcoming January 2026 Commission meeting. An appeals hearing is anticipated to be held in February 2026. The Commission will then have a public hearing and subsequently request to adopt the final draft of the 2025 Small Urban and Rural Areas Program of Projects at the March 2026 Commission meeting.

Environmental Enhancement and Mitigation Program

This Program funds projects that offset environmental impacts from new or modified transportation facilities. Pursuant to Streets and Highways Code Section 164.56, eligible projects must fall within one of three categories: urban forestry, resource lands, or mitigation projects beyond the scope of the lead agency. Any local, state, or federal agency, or nonprofit entity is eligible to participate in the Program. The California Natural Resources Agency establishes procedures and evaluation criteria, reviews proposals, and annually recommends projects for funding to the Commission. The Commission then awards grants based on the California Natural Resources Agency's recommendations.

On March 20, 2025, the Commission approved the 2024 Environmental Enhancement and Mitigation Program, programming ten projects totaling \$7,543,531.

Local Assistance Program

The Local Assistance Program is made up of various federal and state programs specifically designed to assist the transportation needs of local agencies. The Commission allocates these funds to Caltrans to then sub-allocate to local agencies. Caltrans is required to update the Commission quarterly on the status of state and federal local assistance allocations. In Federal Fiscal Year 2023-2024, the Commission allocated \$2.3 billion to Caltrans for sub-allocation to local agencies. The Commission expects to allocate \$2.8 billion in Federal Fiscal Year 2024-2025 based on the project funding level. Table 6 includes details on the federal and state allocations by program for each year.

Table 6: Local Assistance Allocations by ProgramAs of June 30, 2025
(\$ in Millions)

Federal	2023-24	2024-25
National Highway Performance Program (Bridge) and Off-System Bridge	\$310	\$338
Bridge Formula Program	253	280
Surface Transportation Block Grant Program	509	494
Congestion Mitigation and Air Quality Improvement Program	474	481
Highway Safety Improvement Program	60	60
Railroad Grade Crossing Protection Program	25	24
Carbon Reduction Program	66	55
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Discretionary Grants Program	-	61
Discretionary and Special Programs	283	727
Highway Infrastructure Program	19	13
Community Project Funding/Congressionally Directed Spending Program	99	100
Federal Total	\$2,098	\$2,633
State	2023-24	2024-25
Surface Transportation Block Grant Program State Match and Exchange	\$71	\$74
Bridge Inspection & Seismic Retrofit State Match	1	1
Railroad Grade Separations	15	15
Railroad Grade Crossing Protection Maintenance	4	4
Miscellaneous Unassigned Local Programs	3	3
Freeway Service Patrol	25	26
Freeway Service Patrol - Senate Bill 1	25	25
Senate Bill 137 Exchange - HSIP	100	30
State Total	\$244	\$178
Grand Total	\$2,342	\$2,811

Notes:

- Numbers may not add due to rounding

- The PROTECT Program is separated by two programs:

1) PROTECT Formula Program under Local Transportation Climate Adaptation Program (LTCAP)

2) PROTECT Discretionary Grants Program. PROTECT Discretionary Grants Program has no project coming in FY 2023-24

- Railroad Grade Crossing Protection Maintenance Program for \$4,000,000 was allocated in book item 4.15 in January 25-26, 2023, for FY 2023-24.

- Railroad Grade Crossing Protection Maintenance Program for \$4,000,000 was allocated in book item 4.29 in March 21-22, 2024, for FY 2024-25.

Proposition 1A

Also known as The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, was approved by voters on November 4, 2008, and created nearly \$10 billion in state general obligation bond funding to be paid off over 30 years. The High-Speed Rail Authority received \$9 billion directed toward the high-speed rail project connecting San Francisco and Los Angeles. The Commission is responsible for programming and allocating the remaining \$1 billion in bond proceeds to intercity rail, commuter rail, and urban rail systems that provide direct connectivity to support and provide direct connectivity to the high-speed train system, as well as capacity enhancements and safety improvements. Since the program's inception, the Commission has allocated more than \$897 million for Proposition 1A projects. Approximately \$34 million in Proposition 1A funds remains unallocated. Commission staff continues to work with Caltrans to allocate the remaining balance and close out the program.

Proposition 1B

Also known as The Highway Safety, Traffic Reduction, Air Quality, and Port Security Act of 2006, authorized the issuance of \$19.9 billion in state general obligation bonds. Proposition 1B requires the Commission to program and allocate approximately \$12.4 billion of that funding to specific transportation programs intended to relieve congestion, facilitate goods movement, improve air quality, and enhance the safety of the state's transportation system. As of the end of Fiscal Year 2024-25, the Commission has allocated \$11.7 billion of the \$12.4 billion in bond funds programmed under its purview. Most Proposition 1B projects have either been constructed or are nearing completion. To better administer the program, the Commission developed and implemented an accountability plan, which required bond fund recipients to report to the Commission quarterly, and the Commission to submit semiannual reports to the Department of Finance to document whether projects are proceeding on schedule and within their estimated cost. In 2020 the Commission changed bond recipient reporting from quarterly to semiannually. The quarterly and semiannual reports and the list of projects funded are shown on Table 7 and are available on the Commission website at: <https://catc.ca.gov/programs/proposition-1b-highway-safety-traffic-reduction-air-quality-and-port-security-bond-act-2006>.

Table 7: Proposition 1B Allocations

Program	Authorized	Allocated Projects	Allocated Funds	Completed Projects	Expenditures to Date	Active Projects	Unallocated Project	Remaining Funds to Be Expended
CMIA	\$4,500	129	\$4,477	129	\$4,378	0	0	\$99
SR 99	\$1,000	34	\$992	30	\$928	4	0	\$64
TCIF (a)	\$2,450	106	\$1,908	50	\$1,845	56	0	\$63
TLSP	\$250	83	\$245	81	\$242	2	0	\$3
HRCSA	\$250	39	\$245	37	\$240	2	0	\$5
IRI	\$400	31	\$374	27	\$339	4	3	\$35
LBSRA	\$125	359	\$111	340	\$94	19	12	\$17
SLPP	\$1,000	257	\$980	257	\$961	1	0	\$19
STIP	\$2,000	91	\$1,975	85	\$1,933	6	0	\$42
SHOPP	\$500	35	\$454	34	\$442	1	0	\$12
Totals	\$12,475	1,164	\$11,761	1,070	\$11,402	95	15	\$359

Proposition 116

Proposition 116, approved by voters in 1990, enacted the Clean Air and Transportation Improvement Act and designated nearly \$2 billion for specific transportation investments, primarily focused on passenger rail capital projects. In 2016, Assembly Bill 2620 (Dababneh, Chapter 763, Statutes of 2016) authorized the Commission to reprogram any funds not expended or encumbered by July 1, 2020, to other existing passenger rail projects with active service. Since the program’s inception over 30 years ago, the Commission has successfully programmed and allocated all available Proposition 116 funds.

Most recently, the Commission reconciled remaining balances associated with the Transportation Agency for Monterey County (TAMC). In 2024, TAMC was directed to return the value of unused Proposition 116 funds—totaling \$16.8 million—originally tied to the Monterey Branch Line. In October 2025, the Commission approved TAMC’s repayment plan, which would apply the credit toward the Pajaro/Watsonville Multimodal Station, an eligible rail investment that strengthens regional connectivity.

With these actions, all Proposition 116 funds are committed, and the Commission will continue to monitor TAMC’s repayment progress to ensure proper investment and compliance with program requirements.

Seismic Safety Retrofit Program

This program was established by the Legislature following the 1989 Loma Prieta earthquake to improve the safety of bridges on the State Highway System and the Local Streets and Roads network. The State Highway System Component totaled \$12 billion and seismically retrofitted a total of 2,199 bridges. As of February 2019, the State Highway System Component has been completed. In 2006, the Local Streets and Roads Component, which originally consisted of 1,235 bridges, received \$125 million

from Proposition 1B to retrofit the remaining 479 local bridges in the program. As of June 2025, \$111 million has been suballocated. Of the 1,235 bridges in the Program, 1,204 bridges have been completed, and 31 bridges have not been completed. Of the 31 incomplete bridges, 19 bridges are under construction, and 12 bridges have yet to move into construction.

Short-Line Railroad Improvement Program

This program funds short-line railroad infrastructure projects intended to improve freight mobility, increase volume thresholds, and support modern rail freight traffic throughout California. The program was funded by a one-time appropriation with savings from Proposition 1B through Senate Bill 87 (Committee on Budget and Fiscal Review, Chapter 32, Statutes of 2019). By the close of Fiscal Year 2022-23, all the remaining \$1.5 million in program funds was allocated, totaling \$6.8 million in program funds had been allocated to the eight programmed projects. Thus far, \$4.2 million in program funds have been used to successfully rehab, repair, or replace approximately 6.6 miles of rail.

Collectively, the eight projects programmed will rehabilitate aging rail and rail bridges to modern standards and construct new rail spurs and rail track. The projects entail a variety of benefits, including increasing goods movement, reducing congestion, reducing truck miles traveled, providing safety and operational improvements, and reducing greenhouse gas emissions. The program is expected to close out in early fiscal year 2026-27.

The list of projects funded is available at: <https://catc.ca.gov/programs/short-line-railroad-improvement-program>

Local Alternative Transportation Improvement Program

The Local Alternative Transportation Improvement Program (LATIP) focuses on programming and allocating funds from the sale of surplus properties to support transportation projects and affordable housing initiatives. All proceeds from the sale of the excess properties, less any reimbursements due to the federal government and all costs incurred in the sale of those excess properties, are allocated by the Commission to fund the approved LATIP in the city or county in which the planned facilities were to be located.

The city or county in which the planned facilities were to be located, acting jointly with the transportation planning agency having jurisdiction over the city or county, may develop and file with the Commission a LATIP that addresses transportation problems and opportunities in the county that were to be served by the planned facilities. Funds generated from the sale of excess properties may be used for transportation projects that promote alternatives to driving, such as walking, biking, and public transit, in the same general area as the initially planned highway project. These programs are often linked to specific locations or corridors, such as the State Route 710 Local Alternative Transportation Improvement Program.

The list of projects funded is available on the Commission website at: <https://catc.ca.gov/programs/local-alternative-transportation-improvement-program>



PLANNING

Under state and federal law, Caltrans is required to develop a series of long-range transportation planning documents on behalf of the state. The Commission provides direction on the development of these plans. These include the California Transportation Plan, which provides a vision for the state's transportation future, as well as several statewide plans that are intended to advance the goals and objectives of the California Transportation Plan. These plans, also known as the state's modal plans, include:

- The California Aviation System Management Plan
- The California Freight Mobility Plan
- The California State Rail Plan
- The Interregional Transportation Strategic Plan
- The State Bicycle and Pedestrian Plan

The California Transportation Plan and the modal plans are subject to various federal and state statutory requirements. While the plans are on different update cycles, they are required to be updated every four to five years, depending on the plan.

PLANNING GUIDELINES

In addition to providing direction on the development of the California Department of Transportation's long-range planning documents, the Commission also maintains guidelines for the development of transportation plans, including Regional Transportation Plans and Comprehensive Multimodal Corridor Plans (CMCP).

This year, Commission staff initiated an update of the Comprehensive Multimodal Corridor Plan guidelines. These guidelines serve as a companion resource for the Senate Bill 1 Solutions for Congested Corridors Program (SCCP), since eligible projects are required to be included in a corridor plan that is consistent with the CMCP guidelines. The first iteration of the CMCP guidelines was adopted by the Commission in December 2018. The 2025 update will apply to the 2026 Senate Bill 1 SCCC and future funding cycles. Workshops were held in May and July 2025. The draft 2025 CMCP guidelines were released for public review on July 1, and comments were collected through August 1. Input on the draft CMCP guidelines was also provided by members of the Interagency Equity Advisory Committee. Based on the feedback received, the draft guidelines were updated with several changes including incorporating key actions from the Climate Action Plan for Transportation Infrastructure 2.0, encouraging equitable outcomes and enhanced accessibility for individuals with disabilities, adding a new appendix with up-to-date planning resources, and clarifying the steps in the corridor planning process. Commission staff provided an informational update on the draft 2025 CMCP guidelines at the August 2025 meeting. The proposed final draft was presented to the Commission at the October 2025 meeting, and the final 2025 CMCP guidelines were adopted at the December 2025 Commission meeting.

STATE AND LOCAL TRANSPORTATION SYSTEM NEEDS ASSESSMENT (SENATE BILL 1121)

Senate Bill 1121 (Gonzalez, Chapter 508, Statutes of 2022) requires the Commission to prepare a Needs Assessment that documents the cost to operate, maintain, and provide for the necessary growth of the state and local transportation system over a 10-year period and update this Needs Assessment every five years. The Needs Assessment is required to include expected revenues for transportation, the costs required to address identified needs – including bicycle and pedestrian facilities, local streets and roads; highways, bridges, and culverts; capital and operational needs of transit, commuter rail, and intercity rail systems; and costs related to system resiliency – and recommendations to address any projected shortfall.

Since a previous Transportation Needs Assessment was prepared in 2011, the pressures on the state and local transportation system have changed, such as the increased frequency and severity of extreme climate events impacting transportation infrastructure. From December 2022 through April 2023, California experienced multiple atmospheric rivers, causing significant damage due to heavy rainfall for prolonged stretches of time. Entire towns have been lost due to increasingly intense wildfires. Entire segments of roadways have either been underwater or have fallen into the Pacific Ocean. The impact of the COVID-19 pandemic and changing commute patterns has eroded transit ridership and farebox revenues at a time when transit operators are attempting to use limited funds available for capital purposes to transition their fleets to zero emissions.

On top of these impacts and changing needs, available revenues generated by the state's fuel taxes have been eroding due to declining fuel consumption caused

by improved fuel economy and increasing vehicle technology. The 2026 State Transportation Improvement Program Fund Estimate, adopted by the Commission in August 2025, provides a near-term analysis of how increased fuel economy and changing vehicle technology have impacted gasoline consumption. While the annual inflationary adjustment to the fuel excise taxes continues to grow slightly year-over-year, the total revenues are projected to decrease by 1.18 percent over the five-year Fund Estimate period, when compared to the 2024 Fund Estimate. This decrease will accelerate in future years as fuel consumption continues to decline. The Commission's 2025 State and Local Transportation System Needs Assessment projects that state fuel excise tax revenues will decrease by \$31 billion over the next 10 years.

The Commission engaged with a diverse array of stakeholders, including, but not limited to, community-based organizations, environmental justice and equity-based organizations, organized labor, the transportation industry, the Native American Advisory Committee, Metropolitan Planning Organizations, county transportation commissions, Regional Transportation Planning Agencies, local governments, and transit operators.

The draft Needs Assessment was presented at the March 2025 Commission Meeting and distributed for public review from March 3 to April 2. The final 2025 Needs Assessment was adopted at the May 2025 Commission meeting and submitted to the California State Legislature on May 20, 2025. The final 2025 Needs Assessment identified a 10-year funding shortfall of \$215.7 billion and recommends implementing a sustainable revenue mechanism to fully replace the state's fuel excise tax. The initial focus of implementing a sustainable mechanism should be stopping the loss of transportation revenues, as this would stabilize transportation funding and allow California to continue to make progress toward achieving the state's safety, climate, equity, and economic goals.

The 2025 Needs Assessment developed two primary recommendations. First, the 2025 Needs Assessment recommends utilizing the First Principles, which are the building blocks for identifying important aspects of the statewide transportation system. Second, in conjunction with the First Principles, the 2025 Needs Assessment recommends implementing a phased-in approach for a sustainable funding mechanism. Indexing the new sustainable funding mechanism to inflation would be critical to ensuring that the state's purchasing power for transportation needs does not erode. Importantly, the sustainable funding mechanism would be a replacement for the state fuel excise tax, which would ultimately be phased out. Phasing in a sustainable funding mechanism is recommended because it allows time to address any potential challenges that may be encountered during the transition to the chosen sustainable funding mechanism.

The 2025 Needs Assessment also identified and recommends three additional areas that the Legislature should further study: Tribal Transportation Needs, Accessible Transportation Needs, and Climate-Resiliency Transportation Needs.

More information on the 2025 State and Local Transportation System Needs Assessment can be found on the Commission's website here: <https://catc.ca.gov/programs/sb1121>



FINANCING

ROAD CHARGE

Senate Bill 1077 (DeSaulnier, Chapter 835, Statutes of 2014) tasked the Chair of the Commission, in consultation with the California State Transportation Agency, to convene a 15-member Road Charge Technical Advisory Committee to study road usage charge alternatives to the gas tax, make recommendations to the Secretary of the Transportation Agency on the design of a pilot program, and recommend criteria to be used to evaluate the pilot program. In 2015, the Chair of the Commission established the Technical Advisory Committee, which includes membership that represents technical and public interest areas. The pilot program called for under Senate Bill 1077 concluded in 2017, having enrolled 5,000 vehicles to test a variety of mileage tracking methods while using mock invoices and payments.

As vehicles with improved fuel efficiency and zero-emission vehicles make up an increasing share of vehicles on the road, the need to move toward a different way of collecting transportation taxes that are not based on traditional fuel taxes is increasingly critical.

Recognizing this need, the Governor signed Senate Bill 339 (Wiener, Chapter 308, Statutes of 2021), which implements a legislative recommendation from the Commission's 2020 Annual Report to authorize a new road charge pilot program to test revenue collection. Senate Bill 339 required the Technical Advisory Committee to provide recommendations on the design of the pilot to the California State Transportation Agency, including fee structures to be used in the pilot.

In June of 2023, the Technical Advisory Committee submitted the pilot design recommendations. The report includes design recommendations in the main topic

areas of organizational design, pilot participant design, rate setting, revenue collection, and privacy and data security, as well as the per-mile rate recommendations.

The Technical Advisory Committee's pilot design recommendations can be found here: <https://catc.ca.gov/-/media/ctc-media/documents/ctc-committees/road-charge/sb-339-road-charge-pilot-design-recommendations-report-a11y.pdf>

In May of 2024, the Technical Advisory Committee approved and adopted an updated road charge rate initially proposed in the pilot design recommendations to account for inflationary increases. The updated road charge rate has been incorporated into the Senate Bill 339 Road Charge Collection Pilot that began collecting revenue from participants on August 1, 2024. The Senate Bill 339 Road Charge Collection Pilot is the first road charge pilot conducted in California to collect revenue, and it concluded on January 31, 2025.

The Technical Advisory Committee will review and provide comments on the draft Senate Bill 339 Road Charge Collection Pilot report, which is anticipated for release in Summer 2026. The final Senate Bill 339 Road Charge Collection Pilot report is due no later than December 31, 2026 to the California State Legislature.

GARVEE BOND FINANCING

Federal Grant Anticipation Revenue Vehicle (GARVEE) bonds may be used to finance projects in the State Transportation Improvement Program and the State Highway Operation and Protection Program. GARVEE bonds are tax-exempt anticipation notes backed by annual federal appropriations for federal aid transportation projects. They are generally used to finance large projects that would otherwise be unaffordable with available funding. Although this allows strategic projects to be delivered earlier than otherwise, the debt service limits future flexibility. The Commission has approved the issuance of GARVEE notes twice: once for State Transportation Improvement Program projects in 2004 and once for State Highway Operation and Protection Program projects in 2008. Both bonds have been repaid, and all projects funded with the bond proceeds have been completed.

Government Code Section 14553.10 requires the Commission to report, on or before October 1 each year, to the Governor, the Chairs of the Senate and Assembly Transportation Committees, the Department of Finance, and the Legislative Analyst on the amount of GARVEE bonds the Commission intends to issue for the subsequent fiscal year. In October 2025, the Commission notified these parties that it did not anticipate requesting issuance of GARVEE bonds in Fiscal Year 2026-27, which was based on an assessment of funding levels available for the two programs, as identified in the 2026 Fund Estimate adopted by the Commission on August 14, 2025. In its notification, the Commission also reported that neither the California Department of Transportation nor regional transportation agencies had requested the issuance of GARVEE bonds in the upcoming fiscal year to deliver their programs.

TOLL FACILITIES

Assembly Bill 194 (Frazier, Chapter 687, 2015) authorizes the Commission to approve tolling of transportation facilities in California. Under this legislation, regional transportation agencies or Caltrans may apply to the Commission to develop and operate high-occupancy toll lanes or other toll facilities, including a value pricing program and exclusive or preferential lane facilities for public transit or freight. The legislation includes specific eligibility criteria for approving a facility, including that the facility will improve the corridor's performance, such as increasing passenger throughput or reducing delays for freight shipments and travelers. The Commission has also established additional required information for applicants to submit in its Toll Facility Guidelines.

The Commission has received and approved five tolling applications under this legislation. Assembly Bill 194 requires the Commission to summarize the progress of the development and operation of the toll facilities it approves in its Annual Report to the Legislature, in cooperation with the Legislative Analyst's Office. Approved facilities and their progress are as follows:

Interstate 405 High-Occupancy Toll Facility in Orange County

In May 2016, the Commission approved an application from the Orange County Transportation Authority to develop and operate a high-occupancy toll facility on Interstate 405 between State Route 73 and Interstate 605 in Orange County. This project improved 16 miles of the freeway, including the replacement of 18 bridges, and the construction of the new Express Lanes, which are two lanes in each direction. The project was completed and opened to the public in 2023. The Orange County Transportation Authority reports that the following operational milestones have been completed over the past year:

- Modified toll rate schedules to ensure free-flow travel
- Transitioned freeway roadway maintenance services to Caltrans
- Opened over 22,000 405 Express Lanes accounts
- Registered over 68 million transactions that have translated into approximately 17.4 million trips
- Collected over \$50 million in total revenues that has been used for operating expenses and reserves that are consistent with Section 149.7 uses and the terms of the TIFIA loan
- Final acceptance for the Interstate 405 Improvement Project is anticipated by the end of 2025
- During the past year, an analysis was completed on travel time savings for the I-405 corridor as a result of the I-405 Improvement Project:
 - Drivers traveling northbound in the 405 Express Lanes are saving more than 20 minutes during weekday evening peak hours compared to using the carpool lanes that existed prior to the project's construction in 2018.
 - By providing a faster and more reliable option, the express lanes alleviate pressure on the general-purpose lanes - travel times on the general-purpose lanes have been

reduced by up to 12 minutes during the northbound weekday evening rush hour between SR-73 and I-605.

- The bridge replacements and upgrades, combined with improved freeway operations, have alleviated congestion on nearby streets, resulting in smoother traffic flow across approximately 87 centerline miles of surrounding arterial roads - average speeds on these arterial roads within a 1-mile radius of the freeway increased by 11-12% during weekday peak hours (a 3 mph increase) and 9% during weekend peak hours (a 2 mph increase).

San Mateo County U.S. 101 Express Lanes Project

In August 2019, the Commission approved an application from the San Mateo County Express Lanes Joint Powers Authority, a joint venture between the City/County Association of Governments of San Mateo County and the San Mateo County Transportation Authority, to develop and operate a 22-mile high-occupancy toll facility on U.S. 101 in San Mateo County between the Santa Clara County line to the south and Interstate 380 to the north. The San Mateo County Express Lanes Joint Powers Authority reports that at the conclusion of Fiscal Year 2024-2025, the following were the Project's accomplishments and milestones:

- Both the Civil Construction and Toll System Integration Phases were completed on schedule and within budget. Project closeout for both phases was completed in June 2025.
- Caltrans awarded the construction contract for the Highway Landscaping Phase, which is the final phase for the project. Construction began in January 2024.
- The Total Project Baseline budget is approximately \$581 million, while the project has expended approximately \$564 million as of June 30, 2025.
- As of September 2025, the Project has been fully operational for over two years. The latest quarterly operations performance report for the full 44 miles of express lanes (22 miles in each direction), covering the 4th Quarter FY 2024-2025 (April 1 – June 30, 2025) indicates that the toll facility is performing as expected. It continues to help manage congestion along US 101, with a steady year-over-year increase in express lane traffic volume and FasTrak® toll tag adoption in vehicles. The express lanes provide additional capacity along the corridor and improved speeds for more reliable travel times. Speeds in the express lanes were mostly above 45 mph with an estimated travel time savings of up to 10 minutes compared to general purpose lanes.
- During FY 2024-2025, SMCEL-JPA conducted two assessments of the dynamic pricing algorithm to ensure effectiveness, particularly in more congested areas. There were no updates made to the algorithm during the fiscal year. SMCEL-JPA will consider adjustments in the future if required to support free-flowing traffic through the corridor.

Equity Program:

- Since its inception, the US 101 Express Lanes Community Transportation Benefits Program (Program) has provided 10,760 total benefits to eligible low-income community members in San Mateo County in the form of preloaded FasTrak® toll transponders or transit Clipper Cards. Beginning July 31, 2024, the Program benefit amount increased from \$100 to \$200, resulting in a significant increase, nearly doubling the distribution from the previous fiscal year. As a result, during FY 2024-2025, the Program distributed 4,602 benefits (3,531 Clipper transit cards and 1,071 FasTrak® toll tags).
- In November 2023, SMCEL-JPA approved the development of the Next Generation Community Transportation Benefits Program (Next Gen Program), which will offer community members even greater flexibility by providing the \$200 benefit on a mobility debit card, rather than preloaded on a FasTrak® transponder or Clipper Card. In addition, the new Program will include the following features:
 - Program applicants will be able to apply online or in person at a partner agency location.
 - Approved participants will receive a pre-loaded \$200 mobility debit card for use on eligible transportation-related purchases, including transit fares, tolls, and micromobility services.
 - Participants will be able to reapply one year after their previous enrollment.
- Implementation of the Next Gen Program began with the development of a scope of work for a vendor to provide a program management platform for the Next Gen, an online enrollment portal, and mobility debit card distribution services. A contract was awarded and executed on March 11, 2025.
- The program was branded as the Go Card Program and is anticipated to launch in fall 2025.

Interstate 105 High Occupancy Toll Facility in Los Angeles County

In October 2019, the Commission approved an application from the Los Angeles County Metropolitan Transportation Authority to develop and operate a high-occupancy toll facility along Interstate 105 between Interstate 405 and Interstate 605. This project will be delivered using the Construction Manager General Contractor (CMGC) delivery method. The Los Angeles County Metropolitan Transportation Authority reports that the following milestones were accomplished in Fiscal Year 2024-2025:

- The project is being designed/constructed in three packages – package 1 is from I-405 to Central Avenue, package 2 is from Central Avenue to I-710, and package 3 is from I-710 to Studebaker Road. Construction on package 1 began February 2025 and Metro has submitted the 95% design for packages 2 and 3 to Caltrans for review.

- This project is being delivered using the Construction Manager/General Contractor (CM/GC) delivery method and the contractor is Flatiron Myers Joint Venture (FMJV). Metro, FMJV, Program Management Support Services (PMSS) led by HNTB, and the design team led by WSP have been working collaboratively on design and staging, traffic management, and mitigation measures during construction.
- The baseline budget for the project is \$780M. The current cost estimate is \$1.4B and will be refined as Metro continues to work with FMJV to achieve an Agreed To Price (ATP) for packages 2 and 3.
- Package 1 Construction began in February 2025 and is scheduled to be completed by late 2027. Packages 2 and 3 are scheduled to begin construction in Summer 2026.
- Metro is coordinating internally between the I-105 project team and rail operations to reduce potential impacts and disruption to the Metro C Line and I-105 ExpressLanes construction.
- Partial ROW acquisition at two commercial parcels is required; negotiations are ongoing.

State Route 37 Toll Facility

In May 2023, the Commission approved an application from the Bay Area Infrastructure Financing Authority (BAIFA) to develop and operate a toll facility on State Route (SR) 37 as part of the Sears Point to Mare Island Improvement Project. The toll facility will be located along SR 37 in Solano and Sonoma Counties. The Project is being delivered by an integrated team consisting of the Metropolitan Transportation Commission (MTC), Caltrans, and North Bay Transportation Authority partners. MTC/BAIFA reports on behalf of the partnership that the Project has accomplished the following milestones in Fiscal Year 2024-25:

- Procured Kiewit as the Project Construction Manager General Contractor (CMGC)
- Completed funding plan for Package 2, Eastbound improvements and Strip Marsh East nature-based solution, receiving \$73 million in SB-1 Trade Corridor Enhancement Program funds
- A supplemental environmental document, nearing completion, assesses the Strip Marsh East ecological enhancement, which enhances habitat by threatened and endangered marsh species and buffers the roadway from storm surge.
- Conducting traffic and revenue study to assess toll-related revenues and impacts to car trips/vehicle miles travelled. Analyzing multiple toll discount scenarios along with alternative ways to benefit historically disadvantaged and low-income communities.
- Current activities:
 - Package 1, Tolay Creek Bridge Replacement & 121 Intersection Improvements: 95% Project Plans Specifications & Estimate (PS&E) circulation target 10/2025.
 - Package 2, Eastbound improvements and Strip Marsh East nature-based solution: 65% PS&E circulation target 09/2025.
 - Package 3, Westbound improvements: 65% Project PS&E circulation target 09/2025.

The project cost estimate has increased to \$500 million since the toll approval, due to the integration of ecological enhancements and additional resilience features, the Tolay Creek Bridge Replacement and Strip Marsh East Enhancement, into anticipated project costs. The project budget at the time of toll approval, May 2023, was \$430 million. The project timeline has been extended from starting construction in December 2025 to April 2026, and the estimated completion of construction has been extended from December 2027 to November 2029. MTC/BAIFA is developing its toll program to include a review of toll operations and a discount program. This includes coordination with Caltrans, California Highway Patrol, Federal Highway Administration, and will include follow-up coordination with the Commission regarding the toll discount program.

Interstate 80 – U.S. Highway 50 Toll Facility

In May 2024, the Commission approved an application from the Capital Area Regional Toll Authority (CARTA) to develop and operate a toll facility as part of the Yolo 80 Corridor Improvements Project (Yolo 80). The project will add one high-occupancy toll (HOT 3+) lane in each direction between Davis and West Sacramento. The project is being delivered by Caltrans District 3 and CARTA. CARTA reports that the following milestones were accomplished in Fiscal Year 2024-25:

- August 2024: Civil contract was awarded and federal funds were successfully obligated before their deadline
- February 2025-June 2025: Developed toll policy with the CARTA board
- April 2025: Civil construction began

The civil construction contract was successfully awarded within the project's original budget. CARTA, in partnership with Caltrans, is working to advertise the toll system integrator contract in January 2026. Inflation and tariffs on toll equipment may impact the project budget at that point, but as of this report, the project remains within its original budget. The project also remains within its original schedule and anticipates collecting its first toll in Summer 2028. CARTA is pleased to report that it has received a Caltrans planning grant to complete a comprehensive Regional Toll Equity Study prior to opening Yolo 80.



PROJECT DELIVERY

ADVANCE MITIGATION

Advance mitigation for transportation projects can address potential future environmental compensatory mitigation needs to provide improved ecological, economic, and overall project delivery outcomes. Senate Bill 1 The Road Repair and Accountability Act of 2017, required that commencing with the 2017-2018 fiscal year, and over a four-year period, a total of \$30 million would be set aside each year. This set aside would provide Caltrans a total of \$120 million to conduct an Advance Mitigation Program, with the intent for it to become self-sustaining.

California Streets and Highways Code Section 800.7 requires Caltrans to submit an annual report on the Program to the Commission. These reports are intended to provide the Commission with information on the financial activity in the Advance Mitigation Account, the transportation projects that have purchased mitigation credits from the Advance Mitigation Program, and the amount, type, and location of mitigation credits that the Advance Mitigation Program has made available to transportation projects. Caltrans staff has also provided an update each year at a Commission meeting.

In the 2024-2025 fiscal year, the Advance Mitigation Program finalized Regional Advance Mitigation Needs Assessments, nominated and scoped advance mitigation projects statewide, funded credit purchases through the Advance Mitigation Account, documented credit transfers to benefitting transportation projects, and identified advance mitigation planning resource needs for the next fiscal year.

The Advance Mitigation Program finalized four Draft Regional Advance Mitigation

Needs Assessments, bringing the total number of Regional Advance Mitigation Needs Assessments to 20. The number of advance mitigation projects being proposed and approved for funding increased, from 14 funded projects to 17 by the end of the reporting period. Approximately 82 percent of the funds in the Advance Mitigation Account had been approved for funding advance mitigation projects. The Advance Mitigation Program continues to apply the completed credit purchase to transportation projects and successfully transferred 0.08 credit acres to two District transportation projects to satisfy regulatory permit requirements in this reporting period. The Advance Mitigation Program will continue to acquire mitigation credits and apply them to transportation projects.

DESIGN-BUILD

Design-build is a project delivery system used in the construction industry in which the design and construction services are contracted by a single entity. Assembly Bill 401 (Daly, Chapter 586, Statutes of 2013) superseded prior design-build legislation to provide Caltrans and local transportation entities the authority to use the design-build project delivery method. Assembly Bill 401 authorized 10 design-build projects for Caltrans over a 10-year period from 2014 to 2024 and granted unlimited design-build authority on projects on the State Highway System sponsored by local transportation entities. Assembly Bill 1499 (Daly, Chapter 212, Statutes of 2021) extended the 10-year period authorization period for Caltrans through 2034 and also requires Caltrans to submit a report to the Legislature on or before January 1, 2033, on its experience with the use of the design-build method of procurement, including relative costs and time to complete projects.

As of August 6, 2025, Caltrans has six projects in its design-build program authorized by Assembly Bill 401. These six projects are listed in Table 8. Local transportation agencies have also continued to utilize their unlimited design-build authority to deliver projects on the State Highway System.

Table 8: Design-Build Projects Authorized under Assembly Bill 401

Project	Scope	Construction Cost* (in millions)	Status
US 50 Multimodal Corridor Enhancement and Rehabilitation Project	Construct HOV lanes and rehabilitate US 50 in Sacramento	\$388	In construction
Riv-10 Pavement Rehabilitation	Pavement rehabilitation	\$188	In construction
I-405 Improvement Project	Pavement rehabilitation and operational improvements	\$216	In construction
District 4 Replace Traffic Management System Devices	Replace traffic management system devices throughout District 4	\$20	In procurement
Construct/Upgrade Pedestrian Facilities (Americans with Disabilities Act Compliance)	Improve pedestrian accessibility and Americans with Disabilities Act compliance at various locations	\$24	In construction
District 8 Maintenance Building	Maintenance building	\$22	Terminated ¹

*Construction cost for projects in construction is the awarded amount to Design-Build contractor.

¹Design-Build contract was terminated prior to completion as a result of owner/contractor disputes over inflationary cost adjustments

CONSTRUCTION MANAGER GENERAL CONTRACTOR

The Construction Manager General Contractor (CMGC) contracting method is a two-step process in which an agency enters into a pre-construction services agreement with a contractor but remains the engineer of record and utilizes the contractor as a construction manager during the design process to leverage the contractor's construction expertise, means, and methods to optimize project cost and schedule. The incorporation of the construction manager on the project delivery team, especially during constructability reviews, is a tool for identifying and mitigating project risks prior to entering the construction phase of a project. At a mutually agreed point in the design phase, the agency and the construction manager negotiate the price to construct the project, and an independent estimating team confirms that this price is reasonable. After an agreement has been reached, the two parties enter into a construction agreement, the construction contract is awarded, and the construction manager becomes the general contractor for the project. If they cannot reach an agreement on the price, the CMGC is relieved of their duties, and the standard design-bid-build contracting process commences.

A successful CMGC project will typically result in minimal or no claims given the close and early collaboration, improved risk management, increased cost transparency, and alignment of expectations before construction begins.

Assembly Bill 2498 (Gordon, Chapter 752, Statutes of 2012) authorized Caltrans to use the CMGC project delivery tool for six projects as a pilot program, and the Commission subsequently incorporated provisions specific to the contracting method in its program

guidelines. As of August 6, 2025, all six projects authorized as a pilot program under the Assembly Bill 2498 legislation have either been completed or are currently in construction. The status of these projects is outlined in Table 9.

Table 9: Construction Manager General Contractor Projects Authorized Under Assembly Bill 2498

Project	Scope	Construction Cost* (in millions)	Status
Interstate 5 North Coast Corridor	HOV lanes and rail	\$845	Construction (Work Packages)
Mariposa State Route 140 – Ferguson Slide Restoration	Slide restoration	\$384	Construction
Bay Bridge Demolition	Bridge demolition	\$186	(Work Packages)
State Route 58 Kramer Junction Widening and Realignment	Widening and realignment	\$182	Complete
Fresno State Route 99 Realignment	Realign State Route 99 to accommodate high-speed rail	\$162	Complete
Interstate 215 at Barton Road Interchange Reconstruction	Interchange reconstruction	\$49	Complete

*Construction cost for completed projects is the final construction amount paid to the contractor. For projects still in construction, construction cost is an estimate to complete construction.

More recent legislation expanded Caltrans’ authority for CMGC project delivery. Assembly Bill 2126 (Mullin, Chapter 750, Statutes of 2016) authorized Caltrans to use CMGC on up to six additional projects, and Assembly Bill 115 (Committee on Budget, Chapter 20, Statutes of 2017) authorized Caltrans to use the project delivery method on up to ten additional projects. Senate Bill 1262 (Beall, Chapter 465, Statutes of 2018) removed the limit on the number of authorized CMGC projects for Caltrans, while also requiring interim and final reports that comprehensively assess the effectiveness of the project delivery method relative to project cost and time savings. Projects authorized under Assembly Bill 2126, Assembly Bill 115, and Senate Bill 1262 are listed in Table 10.

Table 10: Construction Manager General Contractor Projects Authorized Under Assembly Bill 2126, Assembly Bill 115, and Senate Bill 1262

Project	Scope	Construction Cost* (in millions)	Status
Mendocino 1 Albion River Bridge Replacement	Replacement and rehabilitation of bridges	\$52	Pre-Construction
Highway 101 Last Chance Grade Permanent Restoration	Construct a 6,000-foot tunnel to avoid the most active landslide zones and geologic hazards	\$1,750 - \$3,250	Pre-Construction
Yreka Rehabilitation	Pavement rehabilitation and accessibility improvements	\$67	Construction (Work Packages)
Sacramento River Bridge Deck Replacement and Dunsmuir Gap	Rehabilitate Sacramento River Bridge and Overhead and rehabilitate pavement on Northbound Interstate 5	\$149	Construction
Sacramento State Route 99 Cosumnes River Bridges	Replacement and rehabilitation of bridges	\$156	Complete
Yuba State Route 70 Binney Junction Roadway Rehabilitation and Complete Streets	Roadway rehabilitation and operational improvements	\$113	Construction (Work Packages)
Sacramento State Route 51 American River Bridge Rehab	Replace bridge deck	\$208	Construction (Work Packages)
Nevada Interstate 80 Acid Flat Bridge Replacement	Replace bridge	\$50	Terminated ¹
Interstate 80/Interstate 680/State Route 12 Interchange Package 2A	Interchange connection	\$65	Complete
State Route 101 Managed Lanes	High Occupancy Toll lanes	\$415	Complete
Westbound Interstate 80 Cordelia Truck Scales	Replace the existing Cordelia Commercial Vehicle Enforcement Facility	\$169	Construction
SM-82/El Camino Real Roadway Rehab/Sidewalk ADA Upgrade Project	Pavement rehabilitation and accessibility improvements	\$95	Pre-Construction
SF-80 & SF 101 Bridge Rehabilitation of Central and Bayshore Viaducts	Rehabilitation of viaducts	\$34	Pre-Construction
Saratoga Creek Bridge Rehabilitation	Bridge rehabilitation	\$15	Construction
Scofield Retrofit	Retrofit Scofield Ave undercrossing	\$17	Complete
Alameda Interstate 80 University Avenue	Increase vertical clearance	\$160	Pre-Construction

Project	Scope	Construction Cost* (in millions)	Status
Open Road Tolling Gantries and Toll Plaza Reconfiguration	Convert toll operations to ORT system	\$73	Pre-Construction
SF-101-Rehabilitation	Rehabilitate highway 101 in San Francisco	\$107	Pre-Construction
SR-37 Sears Point to Mare Island	Widening, bridge replacement, and intersection improvements	\$396	Pre-Construction
Caldecott Tunnel Bores 1, 2, & 3 Rehab	Preserve the structural integrity of the tunnels and extend service life	\$201	In Procurement
Santa Barbara US 101 High Occupancy Vehicle Lanes	High Occupancy Vehicle lanes	\$682	Construction (Work Packages)
San Luis Obispo State Route 46 Corridor Improvements	Construct a 4-lane divided expressway	\$393	Construction (Work Packages)
Fresno 99 Rehabilitation	State Route 99 Rehabilitation	\$257	Pre-Construction
Ventura State Route 1 Slope Restoration	Permanent slope restoration	\$53	Construction
Los Angeles Interstate 405 San Gabriel River Bridge Scour Mitigation	Bridge scour mitigation	\$19	Pre-Construction
Los Angeles Interstate 210 Hinge Replacement	Reconstruct hinge diaphragms	\$18	Complete
Interstate 405 Active Transportation Management and Integrated Corridor Management	Rehabilitate and upgrade transportation management systems	\$35	Construction
Vincent Thomas Bridge Deck Replacement	Deck replacement	\$628	Pre-Construction
Interstate 40 Colorado River Bridge Replacement	Bridge replacement	\$17	Pre-Construction
Stockton Channel Viaduct Bridge Rehabilitation	Bridge rehabilitation	\$482	Pre-Construction
San Dieguito Lagoon Restoration	Restore wetlands of adjacent San Dieguito Lagoon	\$66	Construction
San Diego Interstate 5 State Highway Operation and Protection Program Asset Management	Restore and improve pavement, bridge, drainage, TMS, ADA, and other assets.	\$79	Construction
San Diego State Route 78 State Highway Operation and Protection Program Asset Management	Restore assets, improve ride quality, reduce maintenance, and extend the service life	\$102	Construction

* Construction cost for completed projects is the final construction amount paid to the contractor. For all other projects listed, the cost is an estimate at this point in time for the respective phase of project delivery.

¹CMGC contract was terminated due to significant cost increase since initial programming.

PROGRESSIVE DESIGN-BUILD

Progressive Design-Build (PD-B) is a newer delivery method that integrates design and construction through a collaborative two-phase process. In Phase One, the project owner, such as Caltrans, selects a design-build team primarily based on qualifications. The owner and the team, consisting of the contractor and designer, work together to develop the project design, refine the scope, assess risks, and identify cost-effective solutions. This phase offers flexibility and enables the owner to incorporate design preferences while gaining clear visibility into costs and constructability.

Once the design is sufficiently developed, typically between 60 percent and 100 percent complete, the owner and the design-builder negotiate a final price and execution plan for completing the design and construction. The process moves to the next phase only when an agreement on a guaranteed maximum price for construction is reached, which generally occurs between 60 and 100 percent design completion.

In Phase Two, the construction contract is executed based on the agreed-upon scope, schedule, and budget. Because of the close and early collaboration, improved risk management, increased cost transparency, and alignment of expectations before construction begins, a successful project will typically result in minimal or no claims.

Senate Bill 146 (Gonzalez, Chapter 58, Statutes of 2023) grants Caltrans and the Department of Water Resources the authority to use the PD-B project delivery method. It authorizes up to eight PD-B projects for Caltrans over a 10-year period, from 2023 to 2033. As of June 2025, Caltrans has one project in its PD-B program authorized by Senate Bill 146. This project is listed in Table 11.

Senate Bill 706 (Caballero, Chapter 500, Statutes of 2023) provides additional authority for cities, counties, cities and counties, and special districts to use the PD-B process for up to 10 public works projects above \$5 million, until January 1, 2030.

Table 11: Progressive Design-Build Projects Authorized under Senate Bill 146

Project	Scope	Construction Cost* (in millions)	Status
San Diego-Coronado Bay Bridge Suicide Deterrent	Construct suicide deterrence system	\$95	Pre-Construction

*Construction cost is the latest published estimate.

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