

MEMORANDUM

TAB 16

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: December 4-5, 2025

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.2, Action Item – ***YELLOW MEETING HANDOUT***

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Subject: **BUDGET AND ALLOCATION CAPACITY UPDATE AND 2024 STATE HIGHWAY
OPERATION AND PROTECTION PROGRAM ALLOCATION PLAN**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) 2024 State Highway Operation and Protection Program (SHOPP) Allocation Plan to ensure the allocation of programmed projects remains within current Fiscal Year 2025-26 constraints?

RECOMMENDATION:

The Department recommends that the Commission approve the Department's 2024 SHOPP Allocation Plan to ensure the allocation of programmed projects remains within current 2025-26 constraints.

SUMMARY:

Outlined below is an update for the Commission concerning the use of transportation funding in the State of California, and an overview of the current year 2024 SHOPP Allocation Plan for approval. This information is intended to supplement portions of the verbal presentation on this item.

BUDGET AND ALLOCATION CAPACITY UPDATE:

As of October 31, 2025, the Commission has allocated approximately \$3.9 billion toward 338 projects in 2025-26 across all transportation programs within the Commission's purview. Adjustments totaled approximately negative \$170 million, leaving approximately \$7.6 billion (67 percent) in remaining allocation capacity.

Through October 31, 2025, the Department has processed changes to capital construction budgets for both the State Transportation Improvement Program (STIP) and the SHOPP. The STIP experienced a net increase of approximately \$2 million of the programmed amount due to one project with a total value of \$17 million. The SHOPP experienced a net decrease of approximately \$172 million of the programmed amount. This is the result of a net increase of approximately \$33 million to 25 projects with a total value of \$592 million and a net decrease of approximately \$205 million to 52 projects with a total value of \$943 million. The STIP and SHOPP experienced a net decrease of approximately \$170 million of the programmed amounts. This is the result of a net increase of approximately \$35 million to 26 projects with a total value of \$609 million and a net decrease of approximately \$205 million to 52 projects with a total value of \$943 million. In addition, the Commission has approved supplemental allocations totaling approximately \$42 million through October 31, 2025. The table below summarizes all fiscal actions taken by the Commission and delegated actions taken by the Department, across each transportation program within the Commission's purview:

2025-26 Capital Allocations vs. Capacity Summary through October 31, 2025 (\$ in millions)										
	SHOPP	STIP	AERO	LPP	SCCP	TCEP	ATP	TIRCP	BONDS	TOTAL
Allocation Capacity	\$4,332	\$814	\$3	\$429	\$545	\$859	\$1,260	\$3,001	\$77	\$11,319
Total Votes	3,239	168	3	14	0	98	27	377	2	3,927
Authorized Changes ¹	-172	2	0	0	0	0	0	0	0	-170
Remaining Capacity	\$1,265	\$644	\$0	\$415	\$545	\$761	\$1,233	\$2,624	\$75	\$7,563

Notes: Amounts may not sum to totals due to independent rounding.

¹ Authorized changes include project increases and decreases through October 31, 2025, pursuant to the Commission's G-12 process and project rescission.

² Total Votes include \$42,397,000 in Supplemental allocations through October 31, 2025.

2025-26 SHOPP ALLOCATION PLAN OVERVIEW

Given that more than 70 percent of the total available 2024 SHOPP allocation capacity has been allocated through October, approximately \$1.265 billion of allocation capacity remains available for allocation in the current year. Although it is expected that continued project award savings (through the G-12 process) will increase the amount that can be allocated, it is clear that current-year allocation needs will greatly exceed the total allocation capacity. In light of

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this fiscal situation, the Department will implement an Allocation Plan to ensure that the allocation of programmed projects remains within constraints. Due to their urgent nature and overriding priority, three categories of projects were identified to be allocated, regardless of capacity:

- (1) emergency reopening;
- (2) reactive safety; and
- (3) Legislative and/or Commission approved relinquishments.

As remaining capacity permits, a prioritization using the four criteria below will be applied that emphasizes the need to focus on mandates, statewide priorities, and specific performance improvements, with the recognition that limited capacity will not cover all projects:

- (1) projects that are required to meet mandates;
- (2) projects of significant statewide interest;
- (3) targeted asset management performance, specifically:
 - a) bridge projects that move bridge condition from poor to fair or good, or provide seismic retrofit improvements; and
 - b) transportation management system projects that move element conditions from poor to good);
- (4) facility security projects.

Projects will be evaluated using these criteria on a case-by case basis. By implementing this Allocation Plan, the Department expects to keep allocation requests within the funding capacity available while bringing forward the highest priority projects for allocation.

The Department may adjust this Allocation Plan if additional allocation capacity becomes available through bid savings at award or funding augmentations occur. Any adjustments to the Plan will be communicated to the Commission at subsequent meetings.