

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: January 29-30, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 4.12, Action Item

Prepared By: Mauricio Serrano, Chief
Division of Maintenance

Subject: **AMENDMENT TO THE MAJOR DAMAGE (EMERGENCY RESTORATION)
RESERVATION FOR FISCAL YEAR 2025-26
RESOLUTION G-26-23, AMENDING RESOLUTION G-25-65**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request to increase the adopted 2024 State Highway Operation and Protection Program (SHOPP) Major Damage (Emergency Restoration) Reservation by an additional \$200,000,000, from \$700,000,000 to \$900,000,000, for Fiscal Year 2025-26?

RECOMMENDATION:

The Department recommends that the Commission approve Resolution G-26-23, which will increase the SHOPP 130 (Emergency Restoration) Reservation by an additional \$200,000,000, from \$700,000,000 to \$900,000,000, to become effective immediately.

At its March 2024 meeting, under Resolution G-24-34, the Commission adopted \$400,000,000 in reservation funds in the 2024 SHOPP for 2025-26.

At its December 2025 meeting, under Resolution G-25-65, the Commission approved an increase of \$300,000,000 in reservation funds for 2025-26, bringing the total reservation from \$400,000,000 to \$700,000,000.

As of December 8, 2025, the Department had approved a total of \$445,095,393 for SHOPP 130 (Emergency Restoration) Reservation emergency projects. It is currently anticipated that an additional \$200,000,000 will be required in addition to the already reserved amount of \$700,000,000 to fund the SHOPP 130 reservation for the remainder of 2025-26.

The work done under emergency contracts does not necessarily restore facilities to pre-disaster conditions. The emergency work is focused on getting the facilities reopened as safely and quickly as possible. When a follow-up permanent restoration project is needed, the Major Damage (Permanent Restoration) Reservation funds are used. The Department will not be able to determine the scope, schedule, and cost of permanent restoration projects until proper site evaluations and project development activities can be conducted. These activities will take place in future years.

BACKGROUND:

In March 2021, the Commission approved Resolution G-21-11, which amended Resolution G-16-11, and requires the Department to request an amendment to the adopted SHOPP if the annual Major Damage (Emergency Restoration) Reservation is not sufficient to fund emergency projects. As part of the conditions set forth in G-21-11, the Department must request additional funding at the next regularly scheduled Commission meeting following the need for an increase to the Major Damage (Emergency Restoration) Reservation. Federally funded emergencies are not included in SHOPP programming capacity because the specific need for the funds cannot be predicted. Therefore, a reservation amount is set-aside each year to respond to emergencies as they occur, and the Department seeks reimbursement for projects included in Federally approved emergency declarations; such projects may be granted additional Federal obligation authority.