

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5m. Action Item

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Division of Budgets

Subject: **FISCAL YEAR 2026-27 RIGHT OF WAY ANNUAL ALLOCATION
RESOLUTION FM-25-03**

ISSUE:

Should the California Transportation Commission (Commission) approve the annual allocation for Right of Way (RW) capital outlay for Fiscal Year 2026-27?

RECOMMENDATION:

The California Department of Transportation (Department) recommends the Commission approve Resolution FM-25-03 to allocate an annual allocation of \$101,000,000 for RW capital outlay funds for 2026-27, contingent upon passage of the Budget Act of 2026.

BACKGROUND:

Each year, the Department is required to obtain a RW Capital annual allocation from the Commission before it can deliver the RW needs for programmed projects in the Project Delivery Plan. The RW Capital annual allocation is used for State Highway Operation and Protection Program (SHOPP) and State Transportation Improvement Program (STIP) projects with RW Capital programming of \$10,000,000 or less. Projects with SHOPP or STIP RW Capital programming of \$10,000,000 or more will be individually allocated by the Commission. Additionally, the annual allocation is broken into the specific categories of costs during the Project Approval and Environmental Document (PA&ED) phase, costs exceeding programming, and inverse condemnation costs. The approval of this resolution will provide the Department with the ability to deliver its RW commitments for 2026-27.

**FISCAL YEAR (FY) 2026-27 RW CAPITAL ANNUAL ALLOCATION SUMMARY
 (Dollars x 1,000)**

Capital Projects	Total FY Annual Allocation Requested
STIP Capital Costs	\$1,578
STIP Costs During the PA&ED Phase ^{1 2}	\$0
STIP Costs Exceeding Programming ²	\$8,171
STIP Inverse Costs ²	\$0
Subtotal STIP	\$9,749
SHOPP Capital Costs	\$62,716
SHOPP Costs During the PA&ED Phase ^{1 2}	\$1,493
SHOPP Costs Exceeding Programming ²	\$20,214
SHOPP Inverse Costs ²	\$6,828
Subtotal SHOPP	\$91,251
Total Right of Way	\$101,000

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

The 2026-27 RW Capital annual allocation plan is consistent with each fiscal year’s Budget Act, as well as the SHOPP and STIP documents, approved by the Commission.

Consistent with Resolution G-19-01, the Department reviewed the proposed list of projects comprising the requested 2026-27 RW Capital annual allocation with Commission staff. The Department will report to the Commission every quarter the status of the project list, including any projects added, and the balance of the annual allocation.

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

¹ Commitments made during the PA&ED phase are limited to 5 percent of the total annual allocation. It is estimated these costs will total approximately 1.5 percent of the total allocation.

² The 2026 STIP Fund Estimate identifies a \$38 million fund reservation for unprogrammed RW Capital costs. The estimated commitments for 2026-27 stay within the fund reservation amount after STIP share adjustments are made at construction contract acceptance.

FINANCIAL RESOLUTION:

Resolved, that \$101,000,000 be allocated from the Budget Act of 2026, Budget Act Items 2660-301-0042, 2660-301-0890, 2660-302-0042, and 2660-302-0890 for the 2026-27 RW Capital Annual Allocation.

Program	Fund Source	FY 2026-27 Budget Authority (in thousands)
STIP	SHA-27301-0042	\$7,545
STIP	Federal-27301F-0890	\$2,204
	Subtotal STIP	\$9,749
SHOPP	SHA-27302-0042	\$74,199
SHOPP	Federal-27302F-0890	\$17,052
	Subtotal SHOPP	\$91,251
	Total	\$101,000

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