

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25-26, 2026

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.34 Action

Prepared By: Sheila Ennes
Associate Deputy Director

Published Date: June 12, 2026

Subject: Proposed Fiscal Year 2026-27 Allocation of \$4,000,000 for the Public Utilities Commission Railroad Grade Crossing Protection Maintenance Program, Resolution G-26-59.

Recommendation:

Staff recommends that the California Transportation Commission (Commission) approve an allocation of \$4,000,000 for Fiscal Year 2026-27 for the Grade Crossing Protection Maintenance Fund.

Issue:

The Public Utilities Commission requests an allocation of \$4,000,000 for Fiscal Year 2026-27 for the Grade Crossing Protection Maintenance Fund. The Public Utilities Commission estimates the maintenance fund claims for Fiscal Year 2026-27 to be around \$4,000,000, based on the actual claims received for Fiscal Year 2025-26.

Background:

The Grade Crossing Protection Maintenance Fund was established in 1965 by the State Legislature to pay the local share of the cost to maintain automatic grade crossing protection devices installed by railroad corporations after October 1, 1965. The local share represents 50 percent of the total project cost; the other 50 percent is paid by railroad corporations. This payment split assumes that rail and highway users equally share the crossing and should therefore equally share the cost to maintain the crossing warning devices.

Pursuant to Public Utilities Code section 1231.1, the California Department of Transportation must set aside at least \$1,000,000 for allocations to the California Public Utilities Commission to pay railroad corporations the share of the cost to cities and counties to maintain automatic grade crossing protection.

In 1973, changes to the federal grade crossing protection funding program resulted in increased installations and upgrades of automatic grade crossing protection devices. Consequently, claims began exceeding the funds available from 1977 onward.

In 1988, the State Legislature amended Public Utilities Code Section 1231.1 so that the California Public Utilities Commission may recommend a greater sum if it finds that \$1,000,000 is insufficient due to an increase in the number of grade crossing warning devices or in the cost of maintenance of those devices. The Commission determines the final allocation amount in consultation with the Public Utilities Commission. In Fiscal Year 2023-24, the Commission increased the fund allocation from \$3,750,000 to \$4,000,000.

Financial Resolution:

Be it resolved, that \$4,000,000 be allocated for Fiscal Year 2026-27 for the Grade Crossing Protection Maintenance Fund. Funds for this allocation are available from the State Highway Account.

Attachments:

- Attachment A: Commission Resolution (Resolution G-26-59)
- Attachment B: California Public Utilities Commission Resolution (Resolution SX-167)

CALIFORNIA TRANSPORTATION COMMISSION
California Public Utilities Commission
Railroad Grade Crossing Protection Maintenance Program
Allocation Set-Aside for \$4,000,000 in Fiscal Year 2026-27

RESOLUTION G-26-59

- 1.1 WHEREAS, the Automatic Grade Crossing Protection Maintenance fund was established by the State Legislature in 1965 (Public Utilities Code Section 1231.1) to pay the local share of the cost to maintain automatic grade crossing protection devices installed by railroad corporations after October 1, 1965; and
- 1.2 WHEREAS, since 1967 a minimum of \$1,000,000 per year has been appropriated by the State Legislature and allocated by the California Transportation Commission (Commission) to the California Public Utilities Commission for its Railroad Grade Crossing Protection Maintenance Program; and
- 1.3 WHEREAS, in 1973 the federal law changed, which resulted in increased installations and upgrades of automatic grade crossing protection devices; and
- 1.4 WHEREAS, since 1977, the total claims submitted by the railroad corporations have substantially exceeded the \$1,000,000 statutory minimum set aside; and
- 1.5 WHEREAS, in 1988, the State Legislature amended Public Utilities Code Section 1231.1 so that the California Public Utilities Commission may recommend a greater sum if it finds that \$1,000,000 is insufficient due to an increase in the number of grade crossing warning devices or in the cost of maintenance of those devices; and
- 1.6 WHEREAS, the anticipated claims to be submitted to the California Public Utilities Commission for Fiscal Year 2026-27 are estimated to be \$4,000,000 which exceeds the annual \$1,000,000 required allocation set-aside by \$3,000,000; and
- 1.7 WHEREAS, the California Public Utilities Commission has submitted resolution SX-167 to the Commission recommending that the Commission provide the funding to be set aside for the maintenance of automatic grade crossing protection devices under Public Utilities Code Section 1231.1; and
- 1.8 WHEREAS, the Commission considered the funds available, and the needs of programs funded through the State Highway Account.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission approves allocating \$4,000,000 in Fiscal Year 2026-27 for the California Public Utilities Commission Railroad Grade Crossing Protection Maintenance Program, consistent with the set-aside allocation of \$4,000,000 recommended by the California Public Utilities Commission.

- 2.2 NOW THEREFORE BE IT FURTHER RESOLVED, that Commission staff shall coordinate with the California Public Utilities Commission and the California Department of Transportation to reconcile historical allocations, expenditures, and balances associated with the Railroad Grade Crossing Protection Maintenance Program and report the results of that reconciliation to the Commission by December 31, 2026.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rail Safety Division

**Resolution SX-167
May 14, 2026**

R E S O L U T I O N

Resolution SX-167. Recommendation to the California Transportation Commission for increased funding to be set aside for maintaining automatic grade crossing protection devices under Public Utilities Code Section 1231.1.

PROPOSED OUTCOME:

- The California Public Utilities Commission adopts recommendation to the California Transportation Commission for a funding amount of \$4,000,000 for fiscal year 2026-2027 for maintaining automatic grade crossing protection devices.

SAFETY CONSIDERATIONS:

- Increased funding ensures automatic warning devices at rail crossings participating in the Maintenance Fund program are maintained annually.

ESTIMATED COST:

- This resolution requests the California Transportation Commission set aside an additional \$3,000,000 for the Maintenance Fund program.

SUMMARY

This resolution recommends that, for the fiscal year 2026-2027, the California Transportation Commission allocate the sum of \$4,000,000 for the purpose of paying the local government's share of the cost of maintaining automatic grade crossing warning devices.

BACKGROUND

In 1965, the California Legislature (Legislature) established the Grade Crossing Protection Maintenance Fund to pay railroad corporations the local government's share of the cost of maintaining automatic railroad crossing warning devices installed or upgraded after October 1, 1965. Public Utilities Code section 1231.1 requires the California Department of Transportation (Caltrans) to set aside a minimum of \$1,000,000 for allocation to the California Public Utilities Commission (Commission) for the payment of those costs.

In 1988, the Legislature amended Public Utilities Code section 1231.1 so that the Commission may recommend a greater sum if it finds that \$1,000,000 is insufficient due to an increase in the number of grade crossing warning devices or in the cost of maintenance of those devices. The California Transportation Commission (CTC) makes the final determination on the specific amount of the total allocation.

DISCUSSION

When the Grade Crossing Protection Maintenance Fund was first established in 1965, the maximum annual allocation of \$1,000,000 was sufficient to cover all claims filed by railroad and street railroad corporations. Since then, the number of crossing warning devices and costs for maintaining these devices have increased and caused claims to exceed the funds available for calendar year 1977 and thereafter.

The railroad corporations perform the required maintenance during a given calendar year and file a claim with the Commission for reimbursement of the local government's share of the maintenance costs. The Commission verifies the claims and forwards valid claims to Caltrans for payment. Caltrans pays these claims from the fund allocation made by the CTC in the Caltrans budget. The CTC increased the fund allocation in fiscal year (FY) 2015-16 from \$2 Million to approximately \$3.75 Million. The CTC again increased the fund allocation in FY 2023-24 from \$3.75 Million to approximately \$4 Million. Claims and payments for the past five years were as follows:

| CY * | FY* | No. of crossings | Total Claims (\$) | Total Paid (\$) |
|------|-------|------------------|-------------------|-----------------|
| 2020 | 20-21 | 2,574 | 3,656,447.00 | 3,656,447.00 |
| 2021 | 21-22 | 2,585 | 3,675,330.00 | 3,675,330.00 |
| 2022 | 22-23 | 2,569 | 3,649,494.00 | 3,649,494.00 |
| 2023 | 23-24 | 2,604 | 3,764,017.50 | 3,764,017.50 |
| 2024 | 24-25 | 2,656 | 3,826,189.10 | 3,826,189.10 |

*CY-Calendar Year

*FY-Fiscal Year

The maintenance fund claims for calendar year 2026 (FY 2026-2027) are expected to be at or near the budgeted \$4,000,000 for FY 2024-2025. Therefore, an allocation of \$4,000,000 will be needed for FY 2026-2027.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission’s website and in accordance with any instructions accompanying the notice. Public Utilities Code section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS AND CONCLUSIONS

1. The Commission Rail Safety Division’s (RSD) Rail Crossings and Engineering Branch (RCEB) reviewed the amount needed to be allocated to the Grade Crossing Protection Maintenance Fund and finds that \$1,000,000 will be insufficient. An allocation of \$4,000,000 is the minimum amount necessary to the Grade Crossing Protection Maintenance Fund for the claims anticipated in FY 2026-2027.
2. In accordance with Public Utilities Code section 1231.1, the Commission should recommend the CTC allocate a sum of \$4,000,000 to the Grade Crossing Protection Maintenance Fund for FY 2026-2027 for the purpose of paying the local

government's share of the costs of maintaining automatic grade crossing protection warning devices.

3. RCEB recommends that the Commission adopt this Resolution.

THEREFORE, IT IS ORDERED THAT:

1. The California Public Utilities Commission recommends the California Transportation Commission allocate a sum of \$4,000,000 for fiscal year 2026-2027 to the Grade Crossing Protection Maintenance Fund, for the purpose of paying the local government's share of the costs of maintaining automatic grade crossing protection warning devices pursuant to Public Utilities Code section 1231.1.
2. This Resolution is effective today.

Commissioner Signature blocks to be added
upon adoption of the resolution

Dated May 14, 2026, at San Francisco, California