

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 3.5, Information Item

Prepared By: Keith Duncan, Chief
Division of Budgets

Subject: **FISCAL YEAR 2025-26 – THIRD QUARTER – FINANCE REPORT**

SUMMARY:

The California Department of Transportation (Department) will present the Fiscal Year 2025-26 Finance Report for the third quarter to the California Transportation Commission (Commission) at its June 25-26, 2026 meeting, as an informational item.

BACKGROUND:

The purpose of the quarterly Finance Report is to provide the Commission with the status of capital allocations versus capacity and to report any trends or issues that may require action by the Department or the Commission regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources.

Attachment



Department of Transportation Quarterly Finance Report

Third Quarter 2025-26

Department of Transportation
Division of Budgets

The purpose of the Quarterly Finance Report is to provide the California Transportation Commission (Commission) with the status of capital allocations versus capacity and to report any trends or issues that may require action by the California Department of Transportation (Department) or Commission regarding transportation funding policy, allocation capacity, or forecast methodology to ensure the efficient and prudent management of transportation resources. Below is the schedule of dates for the development of prior and future Quarterly Finance Reports.

California Department of Transportation Quarterly Finance Report

Schedule of Reports

Fiscal Year 2025-26

2024-25 Q4

Close of Quarter	6/30/25
Quarterly Report to Commission Staff	8/30/25
Presented to Commission	10/16/25

2025-26 Q1

Close of Quarter	9/30/25
Quarterly Report to Commission Staff	11/15/25
Presented to Commission	12/4/25

2025-26 Q2

Close of Quarter	12/31/25
Quarterly Report to Commission Staff	2/15/26
Presented to Commission	3/19/26

2025-26 Q3

Close of Quarter	3/31/26
Quarterly Report to Commission Staff	5/15/26
Presented to Commission	6/25/26

Fiscal Year 2026-27

2025-26 Q4

Close of Quarter	6/30/26
Quarterly Report to Commission Staff	8/30/26
Presented to Commission	10/15/26

Department of Transportation Quarterly Finance Report

Third Quarter 2025-26

2025-26 Capital Allocations vs. Capacity Summary through March 31, 2026 (\$ in millions)

	SHOPP ¹	STIP ¹	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	3,997	428	3	132	182	149	134	655	8	5,686
Adjustments²	-573	-25	0	0	0	0	0	0	0	-598
Remaining Capacity	\$908	\$412	\$0	\$296	\$364	\$710	\$1,126	\$2,346	\$69	\$6,231

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

¹Proposition 1B Bonds included in totals for 2025-26.

²Adjustments include authorized project increases and decreases pursuant to the Commission's G-12 process.

Through the third quarter of 2025-26, the Commission allocated approximately \$5.7 billion toward 667 projects. Adjustments were negative \$598 million, leaving approximately \$6.2 billion (55 percent) in remaining allocation capacity across multiple programs.

Two of the Department's main accounts, referenced in Appendix C, ended the third quarter with fund balances that were within one percent of forecast. The State Highway Account and the Road Maintenance and Rehabilitation Account each ended the quarter with balances that were below forecast but were within one percent of the forecast balance. Conversely, the Public Transportation Account ended the third quarter with a fund balance that was greater than forecast due to quarterly diesel sales tax revenue that was deposited into the account earlier than anticipated.

During the third quarter, the Department received no upfront proceeds for either Proposition 1A or Proposition 1B from the sale of general obligation bonds. The State Treasurer's Office issued \$20 million in commercial paper between January and March of 2026. In total, the Department has been issued approximately \$2.9 billion in commercial paper for Proposition 1A and Proposition 1B projects, of which all but \$639 million has been refunded with general obligation bond proceeds.

STATE BUDGET OUTLOOK

On Friday, January 9, 2026, Governor Newsom and the Department of Finance released the proposed budget for the upcoming 2026-27 fiscal year, which represents the initial step in the budgetary process that will ultimately lead to approval of the Budget Act in June later this year. The proposed budget for the Department is approximately \$19.3 billion, an increase of \$520 million (three percent) from the current 2025-26 enacted budget.

Specific to transportation revenues during the upcoming 2026-27 fiscal year, the Governor's proposed Budget projects gross state gasoline and diesel excise tax collections of approximately \$8.3 billion and \$1.5 billion, respectively. These amounts represent a four percent increase to gasolines excise collections and a four percent decrease to diesel excise collections compared to previously Enacted Budget projections for the current 2025-26 fiscal year. Compared to 2025-26, Transportation Improvement Fee projections for 2026-27 increased three percent to \$2.7 billion, while diesel sales tax decreased between the same periods by 10 percent to \$1 billion. Projections for the Road Improvement Fee, which are fees collected from zero-emission vehicle owners at time of registration, increased by 22 percent to \$209 million between the same periods.

The Budget maintains the entirety of the one-time transportation package included in the 2025 Budget Act, which included funding for high-priority transit and rail infrastructure projects, grade separation projects, projects that improve goods movement at ports, active transportation projects, and climate adaptation projects.

Now that the proposed 2026-27 budget has been released, the next step is for the negotiation processes between the Administration and the Legislature to begin, which include meetings with the Legislative Analyst's Office and legislative staff and holding legislative hearings to discuss BCPs and other proposals contained in this budget proposal. These ongoing negotiations will result in a revised proposed budget that will be released in May (the May Revise) and then continue until the budget is eventually approved by both the legislature and the Governor for enactment on July 1st, 2026.

STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$85	\$290	-\$21	\$269	-\$184
FTF	2,432	2,576	-516	2,060	372
RMRA	1,815	1,131	-37	1,094	721
Proposition 1B	0	0	0	0	0
Total	\$4,332	\$3,997	-\$573	\$3,424	\$908

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated approximately \$4 billion toward 376 SHOPP projects through the third quarter. Adjustments totaled negative \$573 million, leaving approximately \$908 million (21 percent) in remaining allocation capacity.

Outlook for Funding & Allocations

State Highway Account (SHA). Through the third quarter of 2025-26, net allocations for SHA SHOPP projects totaled \$269 million, resulting in an overallocation of \$184 million. This is offset by available capacity in other SHOPP funds. SHA SHOPP funds are primarily derived from a percentage of the base excise taxes on gasoline and diesel, in addition to backfilled weight fees.

Federal Trust Fund (FTF). Net allocations totaling approximately \$2.1 billion were committed toward federally eligible SHOPP projects through the third quarter. This leaves \$372 million in remaining allocation capacity.

Road Maintenance and Rehabilitation Account (RMRA). Net allocations of \$1.1 billion have been committed toward RMRA SHOPP projects through the third quarter, leaving approximately \$721 million in remaining allocation capacity. Senate Bill (SB) 1 statutorily requires a fixed portion of RMRA revenue be set aside for certain programs and the remaining balance is split equally between state and local projects.

Proposition 1B. No Proposition 1B SHOPP projects were allocated through the third quarter.

Recommendations

The Department will continue to monitor SHOPP resources and advise the Commission of any concerns or changes.

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$217	\$106	-\$8	\$98	\$119
FTF	333	230	-17	213	120
PTA	265	91	0	91	173
Proposition 1B STIP	0	0	0	0	0
Total	\$814	\$428	-\$25	\$403	\$412

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated approximately \$428 million toward 76 STIP projects through the third quarter. Adjustments totaled negative \$25 million, leaving \$412 million (51 percent) in remaining allocation capacity.

Outlook for Funding & Allocations

SHA. Through the third quarter, net allocations for SHA STIP projects were \$98 million, leaving approximately \$119 million in remaining allocation capacity. Revenue derived from the incremental portion of the state excise tax on gasoline is the primary funding source of state funds for the STIP.

FTF. Net allocations totaling \$213 million were committed toward federally eligible STIP projects through the third quarter, leaving \$120 million in remaining allocation capacity.

Public Transportation Account (PTA). Net allocations totaling \$91 million were committed toward PTA STIP projects through the third quarter, leaving approximately \$173 million in remaining allocation capacity.

Proposition 1B. There were no Proposition 1B STIP allocations through the third quarter.

Recommendations

The Department will continue to monitor STIP resources and advise the Commission of any concerns or changes.

AERONAUTICS (AERO) PROGRAM

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
AERO Account	\$2.9	\$2.5	\$0	\$2.5	\$0.4
Total	\$2.9	\$2.5	\$0	\$2.5	\$0.4

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated a lump sum of \$2.5 million toward the Airport Improvement Program for 2025-26. Through the third quarter, the Department sub-allocated approximately \$2.1 million toward 44 projects. There were no Acquisition & Development actions through the third quarter.

Outlook for Funding & Allocations

The 2026 Aero Account Fund Estimate was adopted by the Commission at the August 2025 meeting. The Fund Estimate fully funds the Annual Credit Program over the five-year period from 2025-26 to 2029-30, and provides \$8 million in capacity for the Airport Improvement Program Match over the same period.

Recommendations

The Department will continue to monitor Aero resources and advise the Commission of any changes or issues.

LOCAL PARTNERSHIP PROGRAM (LPP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
RMRA	\$429	\$132	\$0	\$132	\$296
Total	\$429	\$132	\$0	\$132	\$296

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated \$132 million toward 22 LPP projects through the third quarter. Remaining capacity is \$296 million (69 percent).

Outlook for Funding & Allocations

Final guidelines for the 2024 LPP, which cover fiscal years 2025-26 and 2026-27, were adopted by the Commission during the August 2024 meeting. The two-year program includes funding split between the Formulaic and Competitive programs. The 2024 LPP Formulaic Funding Distribution was adopted by the Commission at the August 2024 meeting. The Initial Program of Projects for the 2024 Formulaic Program was adopted by the Commission at the January 2025 meeting. The 2024 Local Partnership Competitive Program of Projects was adopted by the Commission at the June 2025 meeting.

Recommendations

The Department will continue to monitor LPP resources and advise the Commission of any changes or issues.

SOLUTIONS FOR CONGESTED CORRIDORS PROGRAM (SCCP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$545	\$182	\$0	\$182	\$364
Total	\$545	\$182	\$0	\$182	\$364

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission has allocated \$182 million toward four SCCP projects through the third quarter. Remaining allocation capacity is \$364 million (67 percent).

Outlook for Funding & Allocations

Guidelines for the 2024 cycle of the SCCP were adopted by the Commission at the August 2024 meeting. The 2024 SCCP will provide two years of funding in fiscal years 2025-26 and 2026-27 totaling approximately \$481 million. The 2024 SCCP Program of Projects was adopted by the Commission at the June 2025 meeting.

Recommendations

The Department will continue to monitor SCCP resources and advise the Commission of any changes or issues.

TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
TCEA	\$733	\$259	\$0	\$259	\$473
FTF	126	-111	0	-111	237
Total	\$859	\$149	\$0	\$149	\$710

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated \$149 million toward 12 TCEP projects through the third quarter including allocation amendments to revise the fund type. Remaining capacity is \$710 million (83 percent).

Outlook for Funding & Allocations

The 2024 TCEP Guidelines and Fund Estimate, which cover fiscal years 2025-26 and 2026-27, were both adopted by the Commission at the August 2024 meeting. The 2024 TCEP will provide two years of funding in fiscal years 2025-26 and 2026-27 totaling approximately \$900 million. The 2024 TCEP Program of Projects was adopted by the Commission at the June 2025 meeting.

Recommendations

The Department will continue to monitor TCEP resources and advise the Commission of any changes or issues.

ACTIVE TRANSPORTATION PROGRAM (ATP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
SHA	\$459	\$0	\$0	\$0	\$459
FTF	382	33	0	33	349
RMRA	318	5	0	5	313
General Fund	100	95	0	95	5
Total	\$1,260	\$134	\$0	\$134	\$1,126

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

The Commission allocated \$134 million toward 82 ATP projects through the third quarter, leaving approximately \$1.1 billion (89 percent) in remaining allocation capacity.

Outlook for Funding & Allocations

The 2025 ATP guidelines and Fund Estimate were adopted by the Commission at the March 2024 meeting. This seventh cycle of the ATP covers fiscal years 2025-26 through 2028-29. In June 2024, the Governor signed the Budget Act of 2024 and accompanying trailer bill reducing a \$1.05 billion augmentation of General Fund by \$600 million but restored \$100 million in each of fiscal years 2024-25 and 2025-26 (for a total of \$200 million being restored). An Amended 2025 ATP Fund Estimate, which reflects these changes in state funds, was adopted by the Commission at the August 2024 meeting. The Statewide and Small Urban & Rural components of the 2025 ATP were adopted by the Commission at the December 2024 meeting. An amendment to these components was approved by the Commission at the June 2025 meeting. The 2025 ATP Metropolitan Planning Organization component was adopted by the Commission at the May 2025 and June 2025 meetings. The 2027 ATP guidelines and Fund Estimate were adopted by the Commission at the March 2026 meeting. The 2027 ATP cycle covers fiscal years 2027-28 through 2030-31.

Recommendations

The Department will continue to monitor ATP resources and advise the Commission of any changes or issues.

TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM (TIRCP)

Fund	Allocation Capacity	Allocations to Date	Adjustments	Net Allocations	Remaining Capacity
Cap-and-Invest	\$1,876	\$378	\$0	\$378	\$1,498
PTA	960	168	0	168	792
General Fund	165	109	0	109	56
Total	\$3,001	\$655	\$0	\$655	\$2,346

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

Capital Allocations vs. Capacity

Through the third quarter, the Commission allocated \$655 million toward 93 TIRCP projects. This leaves approximately \$2.3 billion (78 percent) in remaining allocation capacity. The Altamont Corridor Express (ACE) Expansion – Lathrop to Merced project, which is not allocated by the Commission and not displayed in the table above, did not have allocations through the third quarter.

TIRCP projects are typically very large capital projects with a combination of various funding sources in addition to TIRCP funding. The projects require several years to develop and bring to allocation. The complexity of bringing together multiple fund sources for projects can also impact the timing of project allocations. Remaining capacity is due to multi-year funding commitments for programmed projects, including the ACE Train Expansion project.

Outlook for Funding & Allocations

The TIRCP receives approximately 10 percent of the annual proceeds earned by the state through Cap-and-Invest auctions. Annual proceeds are determined by the number of state-owned emission allowances sold at quarterly auctions held in August, November, February, and May. Additionally, the TIRCP receives funding from Transportation Improvement Fee (TIF) revenue deposited in the PTA. The TIF is indexed to inflation and adjusted each year in January.

Recommendations

TIRCP revenues are subject to change and are dependent in part on sales at Cap-and-Invest auctions. The Department will monitor the program and, if necessary, will recommend modifications to the Commission.

PROPOSITION 1A & 1B BONDS

Fund	Allocation Capacity	Allocations to Date	Remaining Capacity
Proposition 1A	\$51	\$2	\$49
CMIA	0	0	0
TCIF	0	0	0
Intercity Rail	17	0	17
Local Bridge Seismic	8	6	2
Grade Separations ¹	0	0	0
Traffic Light Synchronization	0	0	0
Route 99	0	0	0
Short-Line Railroad	1	0	1
Total	\$77	\$8	\$69

Notes: Amounts may not sum to totals due to independent rounding.
\$ in millions

¹Highway-Railroad Crossing Safety Account (HRCSA)

Capital Allocations vs. Capacity

Through the third quarter, the Commission has allocated \$8 million toward two projects. This leaves \$69 million (90 percent) in remaining allocation capacity.

Outlook for Funding & Allocations

In the third quarter of 2025-26, the Department received no upfront proceeds for either Proposition 1A or Proposition 1B from the sale of general obligation (GO) bonds. The State Treasurer's Office issued \$20 million in commercial paper (CP) between January 2026 and March 2026.

Through the third quarter of 2025-26, the Department has been issued approximately \$2.9 billion in CP for Proposition 1A and Proposition 1B projects, of which all but \$639 million has been refunded with GO bond proceeds.

Proposition 1B authority is available for allocation in 2025-26, plus estimated authority in future years. These amounts largely consist of authority for the use of potential savings consistent with the Proposition 1B savings policy adopted by the Commission in January 2014. Original allocations are nearly complete for all programs except the Local Bridge Seismic Retrofit Account program, which will continue to make original allocations for several more years. The remaining amount of \$49 million is available for allocation on Proposition 1A connectivity projects.

Recommendations

The Department will continue to monitor Bond resources and advise the Commission of any concerns or changes.

APPENDICES

Appendix A Allocation Capacity and Assumptions

Appendix B Authorized Changes

Appendix C Cash Forecasts

- Forecast Methodology**
- State Highway Account**
- Public Transportation Account**
- Traffic Congestion Relief Fund**
- Road Maintenance and Rehabilitation Account**
- Trade Corridor Enhancement Account**

Appendix D Federal Emergency Relief Projects

Appendix E Transportation Loans

Status of Outstanding Transportation Loans, as of March 31, 2026

APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

2025-26 Final Allocation Capacity By Fund and Program (\$ in millions)

Fund	SHOPP	STIP	AERO	LPP	SCCP	TCEP	ATP	TIRCP	BONDS	TOTAL
SHA	\$85	\$217	\$0	\$0	\$545	\$0	\$459	\$0	\$0	\$1,306
FTF	2,432	333	0	0	0	126	382	0	0	3,273
RMRA	1,815	0	0	429	0	0	318	0	0	2,562
TCEA	0	0	0	0	0	733	0	0	0	733
PTA	0	265	0	0	0	0	0	960	0	1,225
AERO	0	0	3	0	0	0	0	0	0	3
General Fund	0	0	0	0	0	0	100	165	0	265
Cap-and-Invest	0	0	0	0	0	0	0	1,876	0	1,876
Proposition 1A Bonds ¹	0	0	0	0	0	0	0	0	51	51
Proposition 1B Bonds ¹	0	0	0	0	0	0	0	0	26	26
Total Capacity	\$4,332	\$814	\$3	\$429	\$545	\$859	\$1,260	\$3,001	\$77	\$11,319

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

¹Subject to bond sales.

The 2025-26 allocation capacity of approximately \$11.3 billion is based by program on the following:

- The SHOPP SHA, FTF, and RMRA allocation capacities are based on:
 - The 2025-26 Enacted Budget revenue and expenditure estimates,
 - The 2024 STIP Fund Estimate federal receipts and August Redistribution estimates,
 - The SHA prudent cash balance of \$415 million,
 - 2025-26 carryover allocation capacity,
 - SB 1 projections provided by the Department of Finance (DOF)
- The STIP SHA, FTF, and PTA allocation capacities are based on:
 - The 2025-26 Enacted Budget revenue and expenditure estimates,
 - The 2024 STIP Fund Estimate federal receipts and August Redistribution estimates,
 - The SHA prudent cash balance of \$415 million,
 - The PTA prudent cash balance of \$300 million,
 - 2025-26 carryover allocation capacity
- The AERO capacity is based on the 2024 AERO Program Fund Estimate, and 2025-26 Enacted Budget revenue and transfers.
- The LPP capacity is based on the statutory allocation of \$200 million from the RMRA, and approximately \$229 million in carryover capacity.
- The SCCP capacity is based on the statutory allocation of \$250 million from the SHA, and approximately \$295 million in carryover capacity.

- The TCEP capacity is based on the 2025-26 Enacted Budget revenue, estimated Federal funds and 2025-26 carryover capacity.
- The ATP capacity is based on the Amended 2025 ATP Fund Estimate. The ATP capacity also incorporates the following assumptions:
 - State and federal resources are forecasted to remain stable,
 - SB 1 statutory allocation of \$100 million from RMRA,
 - General Fund appropriation from the 2025-26 Enacted Budget,
 - 2025-26 carryover allocation capacity.
- The TIRCP capacity is based on the following assumptions:
 - 2025-26 Enacted Budget revenue in the PTA,
 - Projected Cap-and-Invest proceeds,
 - General Fund appropriation from the 2025-26 Enacted Budget,
 - 2025-26 TIRCP carryover allocation capacity.
- Bond capacity is based on remaining bond authority, budget authority, and any administrative costs.
 - Proposition 1A and 1B capacities are based on the 2025-26 Enacted Budget and include 2025-26 remaining authority. The bond capacities are also dependent on the sale of sufficient bonds for funding.
 - Allocation capacities for the Highway-Railroad Crossing Safety Account, SHOPP, State Route 99, and TCIF are a result of project close-out and administrative savings.
 - Capacities for Inter-City Rail and the Local Bridge Seismic Retrofit Account are based on the allocation of originally programmed projects.

APPENDIX B – AUTHORIZED CHANGES

2025-26 Authorized Changes Summary through March 31, 2026 (\$ in millions)

Program	Increase Count	Increase \$	Decrease Count	Decrease \$	Total Count ³	Net \$ Change
SHOPP ¹	53	\$57.9	166	-\$630.9	219	-\$573.0
STIP ²	1	1.7	4	-26.6	5	-24.9
TOTAL	54	\$59.6	170	-\$657.5	224	-\$597.9

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

¹Includes SHOPP G-12s, Proposition 1B Bond G-12s (SHOPP Augmentation) adjustments.

²Includes STIP G-12 and Proposition 1B Bond G-12 (TFA) adjustments.

³May include net zero adjustments.

Summary of Authorized Changes

SHOPP. The Department processed 53 project increases, totaling \$57.9 million (average of \$1.1 million per authorization). The Department also processed 166 project decreases, totaling negative \$630.9 million (average of negative \$3.8 million per authorization). The net change of the 219 allocation adjustments represent savings of approximately \$573 million through the third quarter.

STIP. The Department processed one project increase for \$1.7 million and four project decreases for negative \$26.6 million (average of \$6.7 million per authorization). The net change of five allocation adjustments represent savings of \$24.9 million through the third quarter.

Background

Commission Resolution G-22-12, which amends Resolution G-19-12, (Resolution G-12) allows for the Director of the Department to adjust project allocations within specific limits. It is intended that the Director's approved "decreases" will offset the Director's approved "increases." These authorized changes are known as G-12 authority. This delegation of authority greatly reduces the volume of financial transactions submitted to the Commission and increases the efficiency of the Department in processing changes. Resolution G-12 requires that the Department report on all project capital outlay allocation changes made under this delegation to the Commission's Executive Director on a monthly basis. The Department provides a detailed, project by project, report to Commission staff each month.

APPENDIX C – CASH FORECASTS – FORECAST METHODOLOGY

Methodology and Assumptions

The 24-month cash forecasts for the SHA, PTA, TCRF, RMRA and TCEA are used by the Department to estimate and monitor the cash balance of transportation funds, to determine the level of allocations that can be supported, and to prepare for low or high cash periods. Variances are identified and reported to management and the Commission. If necessary, adjustments are made to capital allocation levels, funding policy, or forecast methodology.

The 2025-26 cash forecasts were based on the following assumptions:

- State Operations projections are based on historical trends and assume an approximately 3.4 percent increase each year, based on the DOF's Price Letter.
- Includes the most current expenditure projections available for Right-of-Way, SHOPP and STIP.
- Capital Outlay and Local Assistance expenditures are based on actual and projected Commission allocations using historical and seasonal construction patterns.
- Monthly adjustments are differences between the Department's accounting system and the State Controller's Office (SCO). These adjustments include short-term loans made to the General Fund, short-term loan repayments, Plans of Financial Adjustments, funds transferred in and out, and reimbursements.
- Annually adjusted contributions to the Transportation Revolving Account.

SHA

- Capacity levels established in the most recent STIP Fund Estimates encouraged the expeditious planning and delivery of projects. The cash balance is anticipated to reflect the ongoing project delivery over the 24-month period and beyond.
- SB 1 provided significant increases to revenue to fund capital outlay transportation programs such as SHOPP.
- Weight fee and excise tax revenue projections provided by the DOF.
- All other revenues are based on historical trends.
- Continued monthly transfers of weight fee revenues to the Transportation Debt Service Fund.
- Prudent cash balance of \$415 million.

PTA

- PTA balances reflect the ongoing TIRCP projects, which are typically large, include other funding sources in addition to PTA, and require several years to develop and bring forward for allocation. Consequently, there is a lag before TIRCP projects result in significant cash outflows. Minor fluctuations to the cash balance are expected until TIRCP project spending accelerates, which is anticipated to occur beyond the 24-month period.
- Projected TIRCP programming estimates by the Department's Planning and Modal Program.
- Revenue projections provided by the DOF.
- Prudent cash balance of \$300 million.

TCRF

- No further allocation capacity is available due to cessation of the Traffic Congestion Relief Program pursuant to SB 1. Programmed projects will continue to expend over the 24-month period based on historical patterns.
- Prudent cash balance of \$5 million.

RMRA

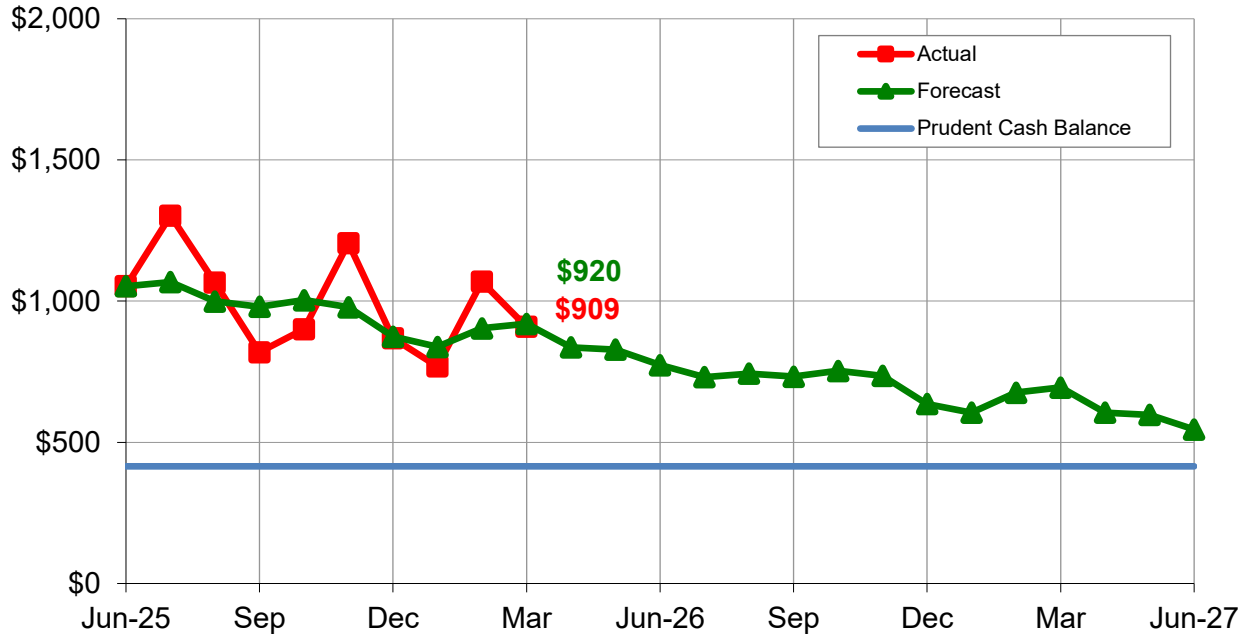
- Capacity levels established in the most recent STIP Fund Estimates accelerated the development and planned delivery of projects, many of which will enter phases requiring increased spending during the 24-month period.
- SB 1 provided significant increased revenue to support new and more recently adopted transportation programs in addition to providing additional funding for programs such as SHOPP.
- Includes projected allocations of emergency SHOPP projects.
- Revenue projections based on data provided by the DOF.
- Prudent cash balance of \$400 million.

TCEA

- Represents state funding for the TCEP, which was created through the passage of SB 1. Programming and allocation capacity are based on the anticipated receipt of revenue each fiscal year, which is expected to result in an increased cash balance over the 24-month period.
- Revenue projections provided by the DOF.
- Forecasted expenditures are based on historical spending patterns.
- Prudent cash balance of \$50 million.

Appendix C – Cash Forecasts – State Highway Account

**State Highway Account (SHA)
24-Month Cash Forecast
(\$ in millions)**



Year-to-Date SHA Summary

The SHA ending cash balance through the third quarter was \$909 million, \$11 million (1 percent) below forecast. Revenues totaled \$1.3 billion, \$23 million (2 percent) above forecast. Net transfers totaled approximately \$2.2 billion, \$19 million (1 percent) below forecast. Expenditures totaled \$4.1 billion, \$127 million (3 percent) below forecast. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, were \$407 million.

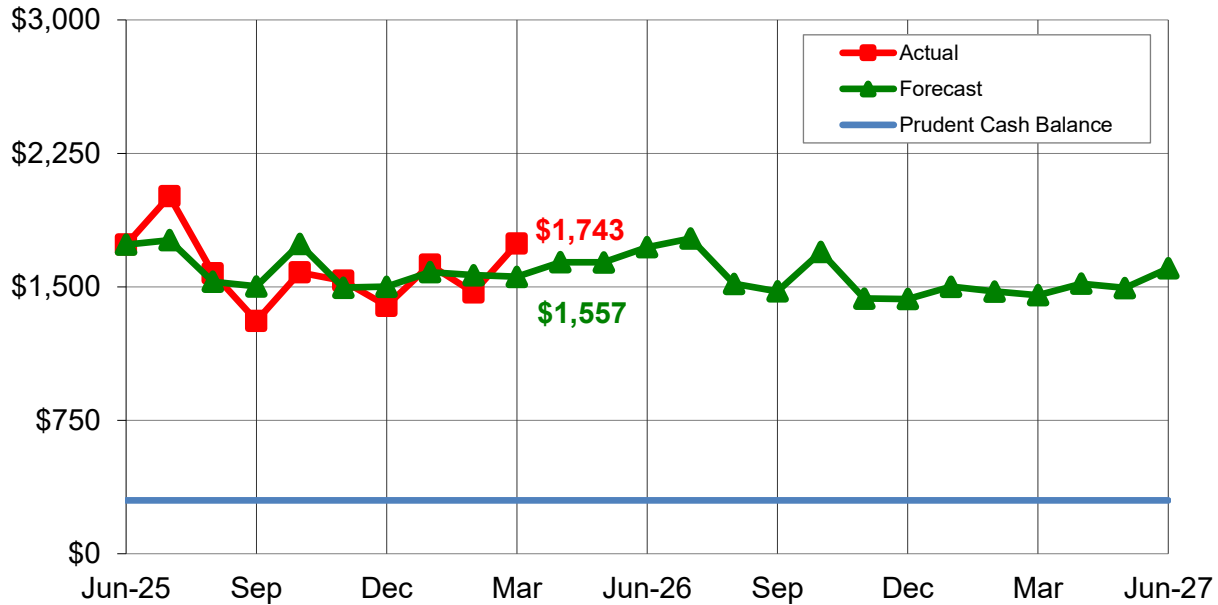
**Year-to-Date Reconciliation
(\$ in millions)**

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$1,053	\$1,053	N/A	
Revenues	1,321	1,344	23	
Transfers	2,230	2,211	-19	
Expenditures	-4,233	-4,106	127	
Adjustments	549	407	-142	
Ending Cash Balance	\$920	\$909	-\$11	-1%

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

Appendix C – Cash Forecasts – Public Transportation Account

**Public Transportation Account (PTA)
24-Month Cash Forecast
(\$ in millions)**



Year-to-Date PTA Summary

The PTA ending cash balance through the third quarter was approximately \$1.7 billion, \$186 million (12 percent) above forecast. The variance is due to quarterly diesel sales tax revenue that was deposited earlier than forecast. Revenues totaled approximately \$1.2 billion, \$225 million (24 percent) above forecast. There were no transfers through the third quarter. Expenditures totaled \$1.7 billion, \$317 million (23 percent) above forecast. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, were \$530 million through the third quarter.

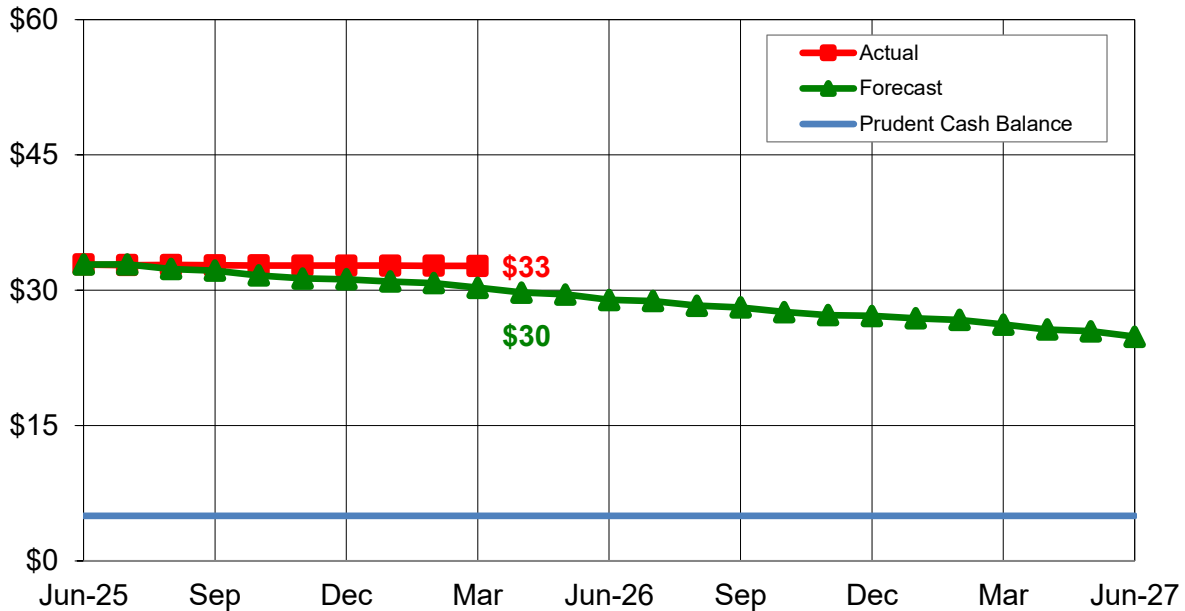
**Year-to-Date Reconciliation
(\$ in millions)**

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$1,738	\$1,738	N/A	
Revenues	952	1,177	225	
Transfers	18	0	-18	
Expenditures	-1,384	-1,702	-317	
Adjustments	234	530	296	
Ending Cash Balance	\$1,557	\$1,743	\$186	12%

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

Appendix C – Cash Forecasts – Traffic Congestion Relief Fund

**Traffic Congestion Relief Fund (TCRF)
24-Month Cash Forecast
(\$ in millions)**



Year-to-Date TCRF Summary

The TCRF ending cash balance through the third quarter was \$33 million, \$2 million (8 percent) above forecast. Expenditures were \$2 million below forecast. Adjustments, which represent timing differences between the Department’s accounting system and the SCO’s accounting system, were negative \$36,000.

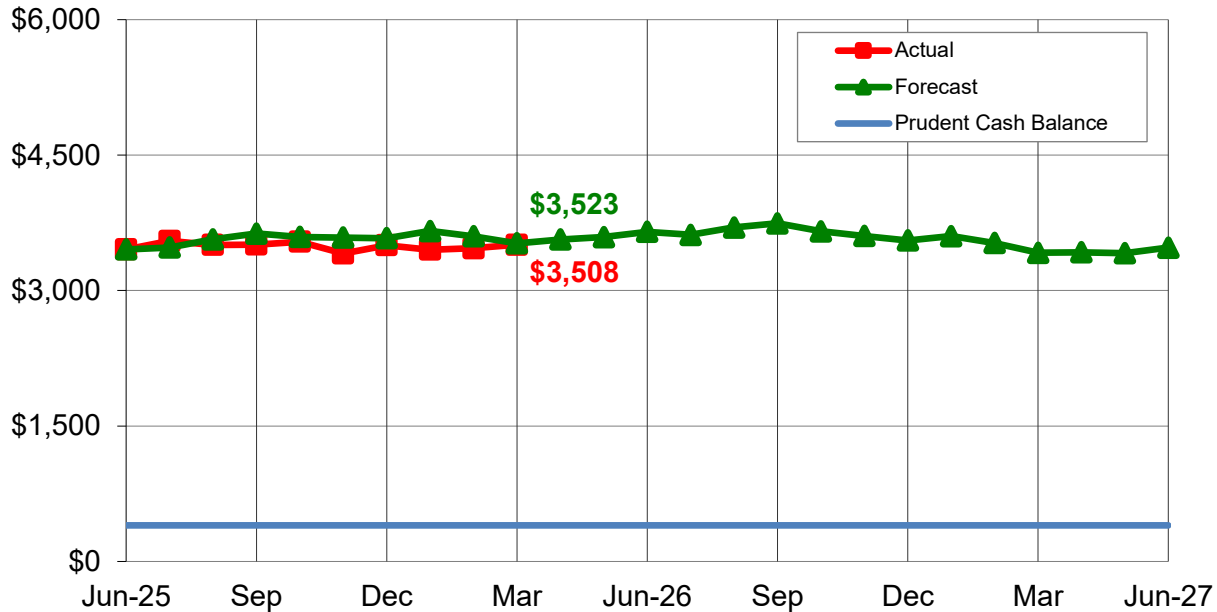
**Year-to-Date Reconciliation
(\$ in millions)**

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$33	\$33	N/A	
Revenues	0	0	0	
Transfers	0	0	0	
Expenditures	-3	0	2	
Adjustments	0	0	0	
Ending Cash Balance	\$30	\$33	\$2	8%

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

Appendix C – Cash Forecasts – Road Maintenance and Rehabilitation Account

Road Maintenance and Rehabilitation Account (RMRA) 24-Month Cash Forecast (\$ in millions)



Year-to-Date RMRA Summary

The RMRA ending cash balance through the third quarter was approximately \$3.5 billion, \$16 million below forecast. The variance is primarily due to revenues that were lower than forecast. Revenues totaled approximately \$1.6 billion, \$46 million (3 percent) below forecast. Net transfers totaled \$1.7 billion, \$5 million above forecast. Expenditures were \$3.2 billion, \$39 million (1 percent) below forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were negative \$47 million through the third quarter.

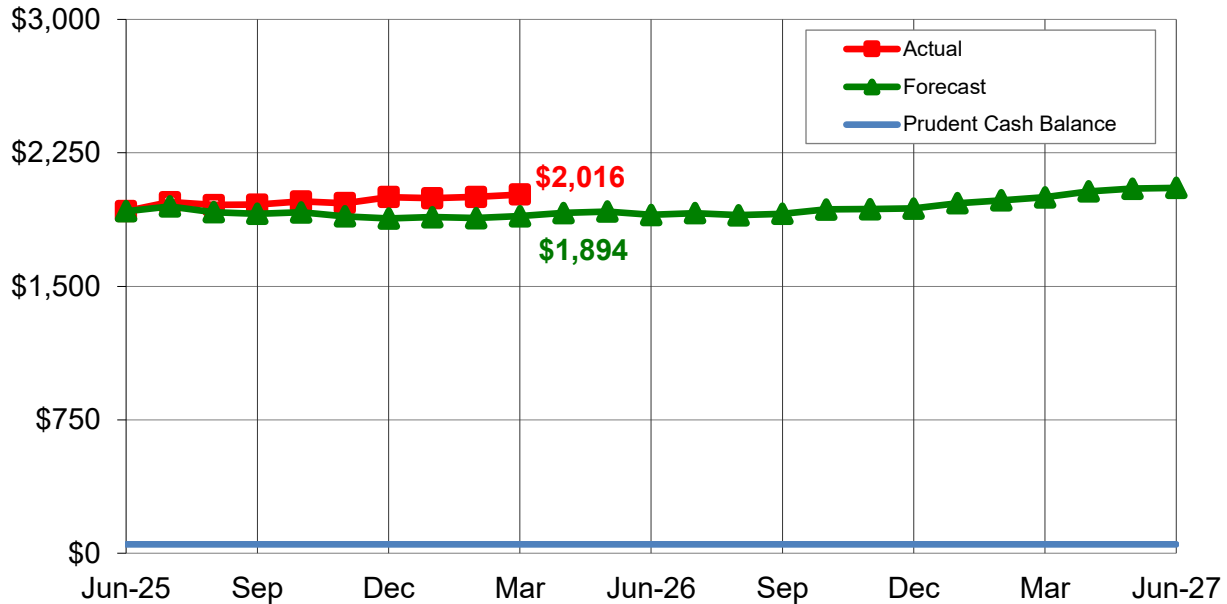
Year-to-Date Reconciliation (\$ in millions)

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$3,457	\$3,457	N/A	
Revenues	1,652	1,606	-46	
Transfers	1,704	1,709	5	
Expenditures	-3,255	-3,217	39	
Adjustments	-35	-47	-13	
Ending Cash Balance	\$3,523	\$3,508	-\$16	0%

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

Appendix C – Cash Forecasts – Trade Corridor Enhancement Account

**Trade Corridor Enhancement Account (TCEA)
24-Month Cash Forecast
(\$ in millions)**



Year-to-Date TCEA Summary

The TCEA ending cash balance through the third quarter was approximately \$2 billion, \$121 million (6 percent) above the forecast balance. The variance is due to expenditures that were lower than forecast. Through the third quarter, revenues totaled \$61 million, \$8 million (15 percent) above the forecast. Transfers, which are deposits of diesel excise tax revenue, were \$303 million, \$10 million (4 percent) above the forecast. Expenditures totaled \$271 million, \$112 million (29 percent) below forecast. Adjustments, which represent the timing differences between the Department’s accounting system and the SCO’s accounting system, were negative \$1 million.

**Year-to-Date Reconciliation
(\$ in millions)**

	Forecast	Actual	Difference	%
Beginning Cash Balance	\$1,923	\$1,923	N/A	
Revenues	54	61	8	
Transfers	293	303	10	
Expenditures	-383	-271	112	
Adjustments	8	-1	-9	
Ending Cash Balance	\$1,894	\$2,016	\$121	6%

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

APPENDIX D – FEDERAL EMERGENCY RELIEF PROJECTS

The Federal Highway Administration (FHWA) Emergency Relief Program allocates \$100 million on an annual basis to fund repairs and reconstruction of eligible highway damage resulting from declared disasters nationwide. Congress has periodically provided additional funds for the program through supplemental appropriations. The table below represents the remaining Emergency Relief (ER) funding need for approved California disasters. The need for the next 0-6 months is the basis for the formal request of ER funding made to the FHWA. Columns for “Total Federally Eligible Cost of Event” and “ER Funds Previously Allocated” have been included to reflect standard reporting submitted to the FHWA.

EVENT (\$ in thousands)	Total Federal Eligible Cost of Event	ER Funds Previously Allocated	Net Allocation Needs Next 0-6 Months	Net Allocation Needs Beyond 6 Months
CA06-1 December 2005 Statewide Storms	\$923,947	\$578,139	\$345,808	\$0
CA11-3 March 15, 2011 Storms	\$95,386	\$95,371	\$15	\$0
CA12-3 March '12 Storm	\$23,809	\$23,808	\$1	\$0
CA15-2 December 2014 Statewide Storm Damage	\$109,893	\$102,076	\$4,356	\$3,462
CA16-1 October 2015 Storms	\$13,856	\$13,856	\$0	\$0
CA17-1 December 9, 2016 Storms	\$70,206	\$62,540	\$0	\$7,666
CA17-2 January 6, 2017 Storms	\$1,004,598	\$971,421	\$10,968	\$22,208
CA18-1 October 2017 Wildfires	\$19,680	\$10,082	\$0	\$9,598
CA18-2 October 2017 Napa Fire Complex	\$3,868	\$528	\$0	\$3,341
CA18-3 December 2017 Thomas, Creek and Rye, Lilac Fire and Mudslides	\$41,120	\$39,398	\$60	\$1,662
CA18-6 July 2018 Fires SB, Sis, SD Counties	\$25,274	\$17,113	\$0	\$8,161
CA19-1 November 2018 Fires	\$144,639	\$143,291	\$1,348	\$0
CA19-2 January / February Winter Storms	\$321,882	\$187,123	\$73,708	\$61,051
CA20-2 August 2020 Wildfires	\$80,131	\$76,384	\$0	\$3,746
CA21-1 January '21 Winter Storms	\$62,977	\$35,760	\$27,217	\$0
CA21-2 Summer '21 Wildfires	\$1,197	\$56	\$46	\$1,095
CA22-2 October '21 Winter Storms	\$9,242	\$5,150	\$3,603	\$490
CA22-3 December '21 Winter Storms	\$23,429	\$7,251	\$3,388	\$12,790
CA22-10 September 2022 Tropical Storm Kay	\$4,679	\$0	\$0	\$4,679
CA23-1 December '22 Storms	\$416,720	\$166,770	\$73,791	\$176,158
CA23-2 December '22 Earthquake	\$114,033	\$1,138	\$4,673	\$108,222
CA23-3 February '23 Winter Storms	\$276,484	\$69,906	\$63,604	\$142,974
CA23-4 Tropical Storm Hilary	\$45,022	\$22,535	\$1,891	\$20,596
CA23-5 August '23 Wildfires	\$17,097	\$0	\$0	\$17,097
CA24-2 December 2023 Winter Storms	\$14,002	\$6,496	\$2,480	\$5,027
CA24-3 February 2024 Winter Storms	\$197,490	\$10,104	\$5,343	\$182,043
CA24-4 March 2024 Winter Storms	\$45,993	\$2,328	\$11,133	\$32,531
CA24-5 July 2024 Gold Complex and Park Fires	\$2,332	\$131	\$0	\$2,201
CA25-1 December 2024 Earthquake	\$1,319	\$0	\$0	\$1,319
CA25-2 Early January 2025 Wildfires	\$7,554	\$0	\$1,295	\$6,260
CA25-5 February 2025 Winter Storms	\$5,276	\$0	\$0	\$5,276
CA25-6 Late March 2025 Winter Storms	\$3,511	\$0	\$0	\$3,511
TOTAL	\$4,126,646	\$2,648,755	\$634,729	\$843,162

Future federal ER funding of this type can only be used to fund emergency-relief projects and does not represent new capacity, except to the extent that the SHA funds have already been advanced for the emergency projects.

APPENDIX E – TRANSPORTATION LOANS

Status of Outstanding Transportation Loans, as of March 31, 2026 (\$ in millions)

FUND	Original Loan	Loans / Interest Paid-to-Date	Remaining Balance
High-Speed Passenger Train:			
2013-14 Public Transportation Account (PTA) ¹	\$23	\$0	\$23
2014-15 Public Transportation Account (PTA) ¹	31	0	31
Subtotal High-Speed Passenger Train Loans:	\$54	\$0	\$54
Totals:	\$54	\$0	\$54

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

¹Repayment will occur when the PTA is determined to be in need of the funds or when the High-Speed Passenger Train Bond Fund no longer needs the funds.

High-Speed Passenger Train Loans

The 2013-14 Budget Act authorized up to \$26 million in loans from the PTA to the High-Speed Passenger Train Bond Fund to cover support costs incurred by the High-Speed Rail Authority. During 2013-14, a total of \$23 million was loaned, consisting of \$5.4 million in August 2013, \$8.9 million in October 2013, \$5.6 million in March 2014, and \$3 million in June 2014. The 2014-15 Budget Act authorized additional loans of up to \$31.6 million for support costs incurred in 2014-15, including an initial authorization of \$29.3 million and an additional authorization of \$2.3 million. During 2014-15, a total of \$30.9 million was loaned, consisting of \$7.3 million in September 2014, \$7.3 million in December 2014, \$7.3 million in February 2015, \$2.3 million in March 2015, and \$6.7 million in May 2015. No additional loans are anticipated to occur. Pursuant to statute, loans will be repaid when the PTA is determined to be in need of the funds or when the High-Speed Rail Authority no longer needs the funds.