

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 25-26, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 3.6, Information Item

Prepared By: René Fletcher, Chief
Division of Right of Way and Land Surveys

Subject: **QUARTERLY REPORT – FISCAL YEAR 2025-26 RIGHT OF WAY ANNUAL ALLOCATION – THIRD QUARTER**

SUMMARY:

As of April 6, 2026, approximately \$55.47 million, or 44 percent, of the \$125 million allocated by the California Transportation Commission (Commission) for Right of Way (RW) capital has been committed on State Highway Operation and Protection Program (SHOPP) and State Transportation Improvement Program (STIP) projects. The California Department of Transportation (Department) plans to spend \$43.63 million for the remainder of the fiscal year. The forecasted balance at the end of the fiscal year is \$25.9 million.

The annual RW Capital Plan approved by the Commission on June 27, 2025, under Resolution FM-24-03, consisted of 523 projects. Funds were committed on 277, or 53 percent, of the previously identified projects. The annual RW Capital Plan was amended to include 202 additional projects that required 2025-26 allocation.

BACKGROUND:

The Department Division of Right of Way and Land Surveys administers the RW capital budget under delegated authority from the Commission. The Commission provides an annual allocation consistent with each fiscal year's Budget Act, approved STIP and SHOPP documents, and the RW Capital Plan. The RW Capital Plan includes RW capital outlay costs, plus the specific categories of costs during the Project Approval and Environmental Document (PA&ED) phase, costs exceeding programming, and inverse condemnation costs. The Commission further delegates to the Department the authority to adjust allocation between projects and expenditure categories.

Per Resolution G-19-01, the Department is required to report on a quarterly basis the status of the RW Capital Plan, including a list of the projects added, subtotals of the specific categories,

and the balance of the annual allocation. The summary below provides a breakdown of expenditures and encumbrances through 2025-26.

It is forecasted that \$25.9 million of the annual allocation balance will not be committed by June 30, 2026. Delayed mitigation capital needs, along with revised right of way impacts, estimates, and schedules, account for the forecasted balance.

FISCAL YEAR 2025-26 RW CAPITAL ANNUAL ALLOCATION SUMMARY
(Encumbrances and/or expenditures through April 6, 2026)
(Dollars x 1,000)

Capital Projects	Total FY Annual Allocation per CTC Resolution FM-24-03	Annual Allocation Encumbered and/or Expended	Annual Allocation Balance¹
STIP Capital Costs	\$6,912	\$1,690	\$5,222
STIP Costs During PA&ED ²	\$10	\$0	\$10
STIP Costs in Excess of Programming ³	\$6,235	\$2,904	\$3,331
STIP Inverse Costs ³	\$1,001	\$0	\$1,001
Subtotal STIP	\$14,158	\$4,594	\$9,564
SHOPP Capital Costs	\$94,616	\$40,826	\$53,790
SHOPP Costs During PA&ED ^{2 3}	\$2,032	\$1,554	\$478
SHOPP Costs in Excess of Programming ³	\$12,829	\$5,989	\$6,840
SHOPP Inverse Costs ³	\$1,365	\$2,503	(\$1,138)
Subtotal SHOPP	\$110,842	\$50,872	\$59,970
Total Right of Way	\$125,000	\$55,466	\$69,534

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

¹ The forecasted Annual Allocation Balance includes the following fund source adjustments: \$4 million to State STIP funds 26301-0042, \$886,000 to Federal STIP funds 26301-0890, and \$20.97 million to State SHOPP funds 26302-0042.

² As of April 6, 2026, expenditures and encumbrances made during the PA&ED phase total less than 1.2 percent of the approved allocation. Resolution G-19-01 limits these commitments to 5 percent of the total Annual Allocation.

³ The 2026 STIP Fund Estimate proposed a \$38 million fund reservation for unprogrammed RW capital costs. As of April 6, 2026, \$11 million has been committed. Approximately \$2.78M will be reclassified as programmed costs after STIP share adjustments are made at the time of Construction Contract Acceptance.