

## **MEMORANDUM**

**To:** CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

**CTC Meeting:** October 15-16, 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 – FOURTH QUARTER – FINANCE REPORT**

### **SUMMARY:**

The California Department of Transportation (Department) will present the Fiscal Year 2025-26 Finance Report for the fourth quarter to the California Transportation Commission (Commission) at its October 15-16, 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**

## **Fourth 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 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

**2026-27 Q1**

Close of Quarter .....9/30/26  
Quarterly Report to Commission Staff .....11/15/26  
Presented to Commission.....12/3/26

**2026-27 Q2**

Close of Quarter .....12/31/26  
Quarterly Report to Commission Staff .....2/15/27  
Presented to Commission.....3/18/27

**2026-27 Q3**

Close of Quarter .....3/31/27  
Quarterly Report to Commission Staff .....5/15/27  
Presented to Commission.....6/24/27

**Fiscal Year 2027-28**

**2026-27 Q4**

Close of Quarter .....6/30/27  
Quarterly Report to Commission Staff .....8/30/27  
Presented to Commission.....10/14/27

# Department of Transportation

## Quarterly Finance Report

### *Fourth Quarter 2025-26*

#### EXECUTIVE SUMMARY

#### 2025-26 Capital Allocations vs. Capacity Summary through June 30, 2026 (\$ in millions)

|                                | SHOPP <sup>1</sup> | STIP <sup>1</sup> | AERO       | LPP          | SCCP         | TCEP         | ATP            | TIRCP          | BONDS       | TOTAL          |
|--------------------------------|--------------------|-------------------|------------|--------------|--------------|--------------|----------------|----------------|-------------|----------------|
| <b>Allocation Capacity</b>     | \$4,332            | \$814             | \$3        | \$429        | \$545        | \$859        | \$1,260        | \$3,001        | \$77        | \$11,319       |
| <b>Total Votes</b>             | 4,411              | 561               | 3          | 218          | 246          | 443          | 227            | 1,179          | 8           | 7,296          |
| <b>Adjustments<sup>2</sup></b> | -619               | -38               | 0          | 0            | 0            | 0            | 0              | 0              | 0           | -657           |
| <b>Remaining Capacity</b>      | <b>\$540</b>       | <b>\$290</b>      | <b>\$0</b> | <b>\$210</b> | <b>\$300</b> | <b>\$416</b> | <b>\$1,033</b> | <b>\$1,822</b> | <b>\$69</b> | <b>\$4,680</b> |

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

<sup>1</sup>Proposition 1B Bonds included in totals for 2025-26.

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

Through the fourth quarter of 2025-26, the Commission allocated approximately \$7.3 billion toward 985 projects. Adjustments were negative \$657 million, leaving approximately \$4.7 billion (41 percent) in remaining allocation capacity across multiple programs.

Two of the Department's main accounts, referenced in Appendix C, ended the fourth quarter with fund balances that were within five percent of forecast. The Road Maintenance and Rehabilitation Account ended the quarter with a fund balance below forecast due partly to revenues that came in lower than forecast. Conversely, the Public Transportation Account ended the fourth quarter with a fund balance that was higher than forecast due to adjustments, which represent the timing differences between the Department's accounting system and the State Controller's Office (SCO) accounting system, that were greater than forecast.

For 2026-27, fuel excise taxes will increase by 2.3 cents per gallon on gasoline, from 61.2 cents to 63.4 cents, and by 1.6 cents per gallon on diesel, from 46.6 cents to 48.2 cents. This is a result of the annual inflation adjustment required by statute and is calculated for the current fiscal year at approximately 3.5 percent by the California Department of Finance.

## STATE BUDGET OUTLOOK

The Governor signed the (initial) 2026-27 Budget Act, which this year is represented by combining Budget Bills (Assembly Bill [AB] 109, Chapter 19, Statutes of 2026 and Senate Bill [SB] 111, Chapter 21, Statutes of 2026). The Budget from AB 109 is representative of the Legislature-approved budget from June 15, and SB 111 is representative of the final negotiated three-party budget agreement that is approved by the Administration, the Assembly, and the Senate. This year's budget cycle also includes multiple supplemental budget bills (also known as a Budget Bill Jr's), and multiple trailer bills that delivered a balanced budget for this new fiscal year.

State transportation related revenues for the 2026-27 fiscal year included in the Enacted Budget projects gross state gasoline tax collections of approximately \$8.2 billion, a decrease from the previous projection of \$8.3 billion included in the proposed Governor's Budget that was released on January 9, 2026. Diesel sales tax collections are projected at \$1.4 billion, an increase of approximately \$350 million from the Governor's Budget. Diesel excise tax and Transportation Improvement Fee collections are projected at \$1.5 billion and \$2.7 billion, respectively, and represent a nominal change from the proposed Governor's Budget. Road Improvement Fee projections decreased from \$209 million in the proposed Governor's Budget to \$206 million.

The following are additional transportation-related items of interest that were approved during the budgetary process:

- **Maintaining Transportation Infrastructure Funding Commitments** - The budget maintains the one-time transportation package from 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.
- **Trade Corridor Enhancement Program** - Requires that \$15 million of the \$270 million appropriated from the Trade Corridor Enhancement Account in 2026-27 for the TCEP shall be for road improvements on freight corridors connecting the Ports of Los Angeles and Long Beach between the 105, 110, and 710 freeways.
- **LOSSAN Corridor** - Extends the liquidation period for \$300 million appropriated in the Budget Act of 2021 for projects supporting the LOSSAN Corridor.

## STATE HIGHWAY OPERATION AND PROTECTION PROGRAM (SHOPP)

| Fund           | Allocation Capacity | Allocations to Date | Adjustments   | Net Allocations | Remaining Capacity |
|----------------|---------------------|---------------------|---------------|-----------------|--------------------|
| SHA            | \$85                | \$287               | -\$23         | \$263           | -\$178             |
| FTF            | 2,432               | 2,795               | -559          | 2,236           | 196                |
| RMRA           | 1,815               | 1,329               | -36           | 1,293           | 522                |
| Proposition 1B | 0                   | 0                   | 0             | 0               | 0                  |
| <b>Total</b>   | <b>\$4,332</b>      | <b>\$4,411</b>      | <b>-\$619</b> | <b>\$3,792</b>  | <b>\$540</b>       |

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

### Capital Allocations vs. Capacity

The Commission allocated approximately \$4.4 billion toward 503 SHOPP projects through the fourth quarter. Adjustments totaled negative \$619 million, leaving approximately \$540 million (12 percent) in remaining allocation capacity. Remaining capacity will carry over into 2026-27.

### Outlook for Funding & Allocations

**State Highway Account (SHA).** Through the fourth quarter of 2025-26, net allocations for SHA SHOPP projects totaled \$263 million, resulting in an overallocation of \$178 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 \$2.2 billion were committed toward federally eligible SHOPP projects through the fourth quarter. This leaves \$196 million in remaining allocation capacity.

**Road Maintenance and Rehabilitation Account (RMRA).** Net allocations of \$1.3 billion have been committed toward RMRA SHOPP projects through the fourth quarter, leaving approximately \$522 million in remaining allocation capacity. 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 fourth 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               | \$138               | -\$9         | \$130           | \$87               |
| FTF                 | 333                 | 331                 | -29          | 303             | 30                 |
| PTA                 | 265                 | 91                  | 0            | 91              | 173                |
| Proposition 1B STIP | 0                   | 0                   | 0            | 0               | 0                  |
| <b>Total</b>        | <b>\$814</b>        | <b>\$561</b>        | <b>-\$38</b> | <b>\$524</b>    | <b>\$290</b>       |

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

### Capital Allocations vs. Capacity

The Commission allocated approximately \$561 million toward 106 STIP projects through the fourth quarter. Adjustments totaled negative \$38 million, leaving \$290 million (36 percent) in remaining allocation capacity. Remaining capacity will carry over into 2026-27.

### Outlook for Funding & Allocations

**SHA.** Through the fourth quarter, net allocations for SHA STIP projects were \$130 million, leaving approximately \$87 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 \$303 million were committed toward federally eligible STIP projects through the fourth quarter, leaving \$30 million in remaining allocation capacity.

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

**Proposition 1B.** There were no Proposition 1B STIP allocations through the fourth 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 |
|---------------------|---------------------|---------------------|-------------|-----------------|--------------------|
| <b>AERO Account</b> | \$2.9               | \$2.5               | \$0         | \$2.5           | \$0.4              |
| <b>Total</b>        | <b>\$2.9</b>        | <b>\$2.5</b>        | <b>\$0</b>  | <b>\$2.5</b>    | <b>\$0.4</b>       |

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 fourth quarter, the Department sub-allocated approximately \$2.2 million toward 49 projects. There were no Acquisition & Development actions through the fourth quarter. Remaining capacity will be included as carryover in 2026-27.

### 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               | \$218               | \$0         | \$218           | \$210              |
| <b>Total</b> | <b>\$429</b>        | <b>\$218</b>        | <b>\$0</b>  | <b>\$218</b>    | <b>\$210</b>       |

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

### Capital Allocations vs. Capacity

The Commission allocated \$218 million toward 59 LPP projects through the fourth quarter. Remaining capacity is \$210 million (49 percent). This will be included as carryover capacity in 2026-27.

### 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               | \$246               | \$0         | \$246           | \$300              |
| <b>Total</b> | <b>\$545</b>        | <b>\$246</b>        | <b>\$0</b>  | <b>\$246</b>    | <b>\$300</b>       |

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

### Capital Allocations vs. Capacity

The Commission has allocated \$246 million toward ten SCCP projects through the fourth quarter. Remaining allocation capacity is \$300 million (55 percent). This will be included as carryover capacity in 2026-27.

### 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               | \$488               | \$0         | \$488           | \$244              |
| FTF          | 126                 | -46                 | 0           | -46             | 172                |
| <b>Total</b> | <b>\$859</b>        | <b>\$443</b>        | <b>\$0</b>  | <b>\$443</b>    | <b>\$416</b>       |

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

### Capital Allocations vs. Capacity

The Commission allocated \$443 million toward 32 TCEP projects through the fourth quarter including allocation amendments to revise the fund type. Remaining capacity is \$416 million (48 percent). This will be included as carryover capacity in 2026-27.

### 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                 | 52                  | 0           | 52              | 330                |
| RMRA         | 318                 | 77                  | 0           | 77              | 241                |
| General Fund | 100                 | 98                  | 0           | 98              | 2                  |
| <b>Total</b> | <b>\$1,260</b>      | <b>\$227</b>        | <b>\$0</b>  | <b>\$227</b>    | <b>\$1,033</b>     |

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

### Capital Allocations vs. Capacity

The Commission allocated \$227 million toward 130 ATP projects through the fourth quarter, leaving approximately \$1 billion (82 percent) in remaining allocation capacity. The balance will be carryover capacity in 2026-27.

### 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             | \$752               | \$0         | \$752           | \$1,124            |
| PTA            | 960                 | 312                 | 0           | 312             | 648                |
| General Fund   | 165                 | 115                 | 0           | 115             | 50                 |
| <b>Total</b>   | <b>\$3,001</b>      | <b>\$1,179</b>      | <b>\$0</b>  | <b>\$1,179</b>  | <b>\$1,822</b>     |

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

### Capital Allocations vs. Capacity

Through the fourth quarter, the Commission allocated \$1.2 billion toward 143 TIRCP projects. This leaves approximately \$1.8 billion (61 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 fourth quarter. Remaining allocation capacity will be included as carryover in 2026-27.

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. SB 840, signed by Governor Newsom in September 2025, revised the existing allocation structure of Cap-and-Invest proceeds. Beginning 2026-27, TIRCP will receive a fixed \$400 million each year. This amount is subject to proportional reductions amongst similar tiered program should auction proceeds be insufficient to fully fund these programs. 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 <sup>1</sup> | 0                   | 0                   | 0                  |
| Traffic Light Synchronization  | 0                   | 0                   | 0                  |
| Route 99                       | 0                   | 0                   | 0                  |
| Short-Line Railroad            | 1                   | 0                   | 1                  |
| <b>Total</b>                   | <b>\$77</b>         | <b>\$8</b>          | <b>\$69</b>        |

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

\$ in millions

<sup>1</sup>Highway-Railroad Crossing Safety Account (HRCSA)

### Capital Allocations vs. Capacity

Through the fourth 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 fourth 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 \$25 million in commercial paper (CP) between April 2026 and June 2026.

Through the fourth quarter of 2025-26, the Department has 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 June 30, 2026**

## APPENDIX A – ALLOCATION CAPACITY AND ASSUMPTIONS

### 2026-27 Final Allocation Capacity By Fund and Program (\$ in millions)

| Fund                              | SHOPP   | STIP  | AERO | LPP   | SCCP  | TCEP  | ATP     | TIRCP   | BONDS | TOTAL    |
|-----------------------------------|---------|-------|------|-------|-------|-------|---------|---------|-------|----------|
| SHA                               | \$30    | \$102 | \$0  | \$0   | \$550 | \$0   | \$494   | \$0     | \$0   | \$1,175  |
| FTF                               | 2,208   | 405   | 0    | 0     | 0     | 300   | 476     | 0       | 0     | 3,389    |
| RMRA                              | 1,622   | 0     | 0    | 410   | 0     | 0     | 341     | 0       | 0     | 2,374    |
| TCEA                              | 0       | 0     | 0    | 0     | 0     | 616   | 0       | 0       | 0     | 616      |
| PTA                               | 0       | 233   | 0    | 0     | 0     | 0     | 0       | 976     | 0     | 1,210    |
| AERO                              | 0       | 0     | 3    | 0     | 0     | 0     | 0       | 0       | 0     | 3        |
| General Fund                      | 0       | 0     | 0    | 0     | 0     | 0     | 2       | 468     | 0     | 470      |
| Cap-and-Invest                    | 0       | 0     | 0    | 0     | 0     | 0     | 0       | 1,378   | 0     | 1,378    |
| Proposition 1A Bonds <sup>1</sup> | 0       | 0     | 0    | 0     | 0     | 0     | 0       | 0       | 49    | 49       |
| Proposition 1B Bonds <sup>1</sup> | 0       | 0     | 0    | 0     | 0     | 0     | 0       | 0       | 21    | 21       |
| Total Capacity                    | \$3,860 | \$740 | \$3  | \$410 | \$550 | \$916 | \$1,313 | \$2,823 | \$70  | \$10,684 |

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

<sup>1</sup>Subject to bond sales.

The 2026-27 allocation capacity of approximately \$10.7 billion is based by program on the following:

- The SHOPP SHA, FTF, and RMRA allocation capacities are based on:
  - The 2026-27 Enacted Budget revenue and expenditure estimates,
  - The 2026 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 2026-27 Enacted Budget revenue and expenditure estimates,
  - The 2026 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 2026 AERO Program Fund Estimate, and 2026-27 Enacted Budget revenue and transfers.
- The LPP capacity is based on the statutory allocation of \$200 million from the RMRA, and approximately \$210 million in carryover capacity.
- The SCCP capacity is based on the statutory allocation of \$250 million from the SHA, and approximately \$300 million in carryover capacity.

- The TCEP capacity is based on the 2026-27 Enacted Budget revenue, estimated Federal funds and 2025-26 carryover capacity.
- The ATP capacity is based on the 2027 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,
  - 2025-26 carryover allocation capacity.
- The TIRCP capacity is based on the following assumptions:
  - 2026-27 Enacted Budget revenue in the PTA,
  - Projected Cap-and-Invest proceeds,
  - General Fund appropriation from the 2026-27 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 2026-27 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 June 30, 2026 (\$ in millions)

| Program            | Increase Count | Increase \$   | Decrease Count | Decrease \$     | Total Count <sup>3</sup> | Net \$ Change   |
|--------------------|----------------|---------------|----------------|-----------------|--------------------------|-----------------|
| SHOPP <sup>1</sup> | 68             | \$64.1        | 209            | -\$683.2        | 277                      | -\$619.1        |
| STIP <sup>2</sup>  | 1              | 1.7           | 5              | -39.3           | 6                        | -37.6           |
| <b>TOTAL</b>       | <b>69</b>      | <b>\$65.8</b> | <b>214</b>     | <b>-\$722.5</b> | <b>283</b>               | <b>-\$656.7</b> |

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

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

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

<sup>3</sup>May include net zero adjustments.

### Summary of Authorized Changes

**SHOPP.** The Department processed 68 project increases, totaling \$64.1 million (average of \$943 thousand per authorization). The Department also processed 209 project decreases, totaling negative \$683.2 million (average of negative \$3.3 million per authorization). The net change of the 277 allocation adjustments represent savings of approximately \$619.1 million through the fourth quarter.

**STIP.** The Department processed one project increase for \$1.7 million and five project decreases for negative \$39.3 million (average of \$7.9 million per authorization). The net change of five allocation adjustments represent savings of \$37.6 million through the fourth 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 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**

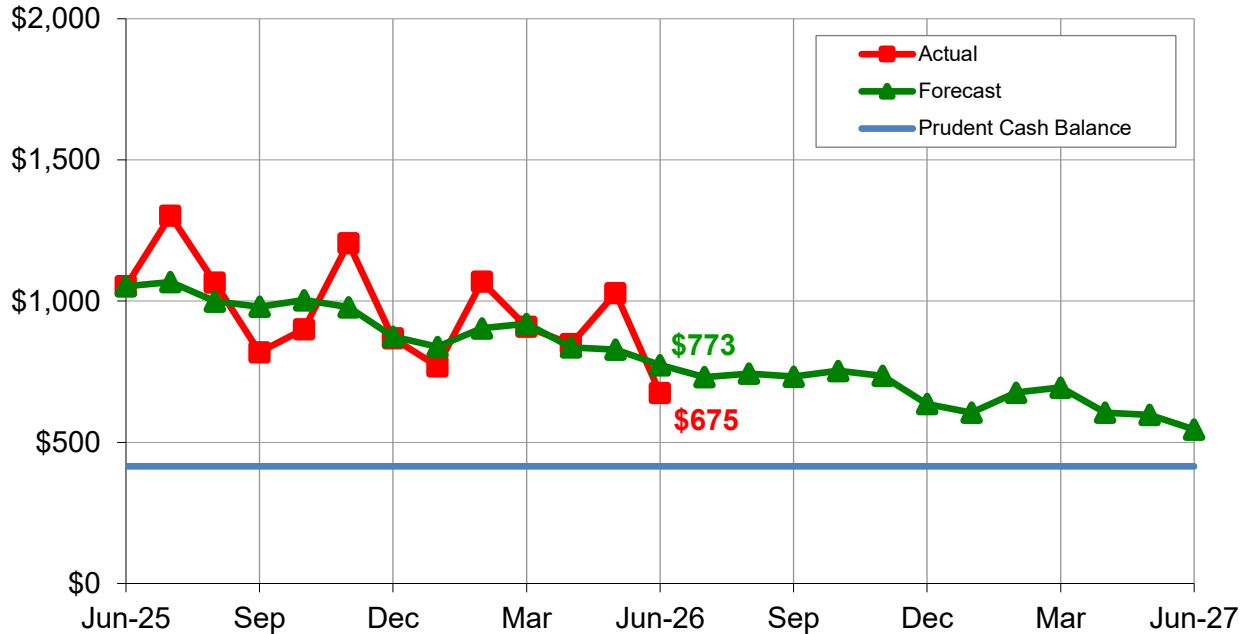
- Capacity levels established in the most recent STIP Fund Estimates accelerated the development and planned delivery of projects, many of which will enter phases requiring increased spending during the 24-month period.
- SB 1 provided significant increased revenue to support new and more recently adopted 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 fourth quarter was \$675 million, \$99 million (13 percent) below forecast. Revenues totaled \$1.8 billion, \$51 million (3 percent) above forecast. Net transfers totaled approximately \$3 billion, \$31 million (1 percent) below forecast. Expenditures totaled \$5.8 billion, \$124 million (2 percent) above forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were \$677 million.

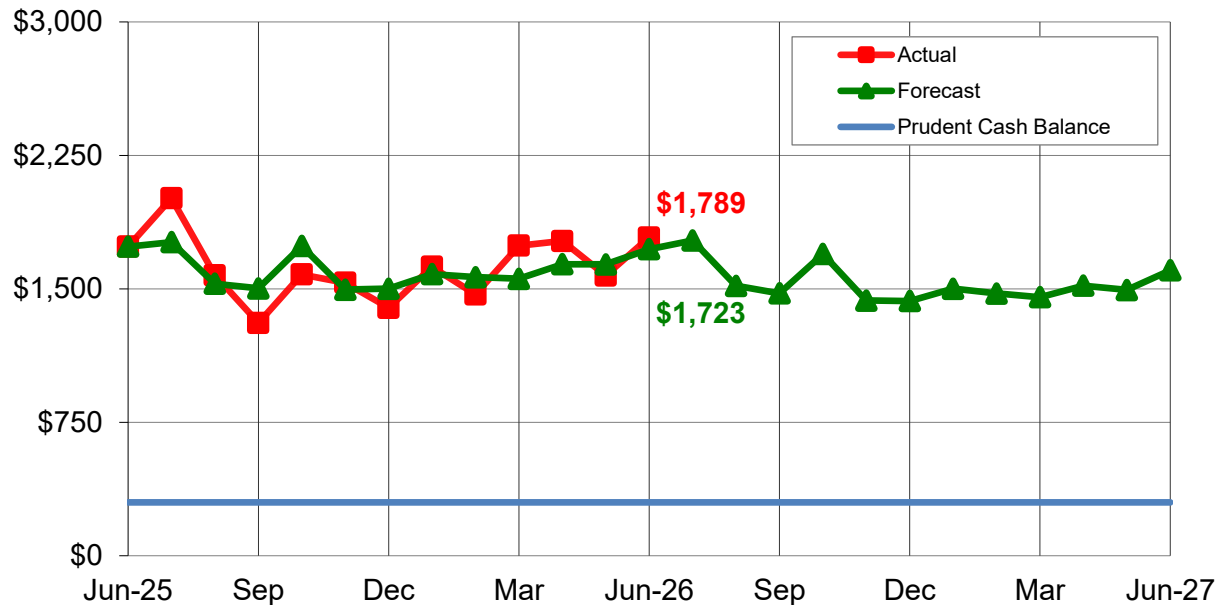
#### Year-to-Date Reconciliation (\$ in millions)

|                               | Forecast       | Actual         | Difference   | %           |
|-------------------------------|----------------|----------------|--------------|-------------|
| <b>Beginning Cash Balance</b> | <b>\$1,053</b> | <b>\$1,053</b> | <b>N/A</b>   |             |
| Revenues                      | 1,738          | 1,789          | 51           |             |
| Transfers                     | 2,998          | 2,967          | -31          |             |
| Expenditures                  | -5,688         | -5,811         | -124         |             |
| Adjustments                   | 672            | 677            | 5            |             |
| <b>Ending Cash Balance</b>    | <b>\$773</b>   | <b>\$675</b>   | <b>-\$99</b> | <b>-13%</b> |

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 fourth quarter was approximately \$1.8 billion, \$66 million (4 percent) above forecast. Revenues totaled approximately \$1.6 billion, \$64 million (4 percent) below forecast. Transfers totaled \$25 million, \$10 million (66 percent) above the forecast. Expenditures totaled \$2.2 billion, \$169 million (8 percent) above forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were \$640 million through the fourth quarter.

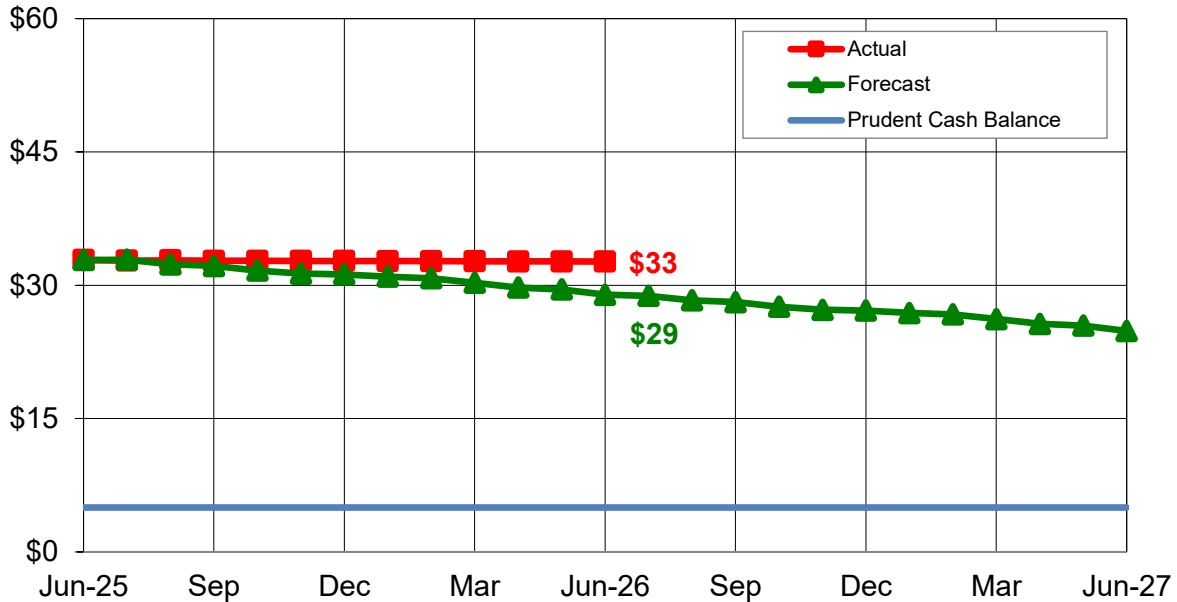
#### Year-to-Date Reconciliation (\$ in millions)

|                               | Forecast       | Actual         | Difference  | %         |
|-------------------------------|----------------|----------------|-------------|-----------|
| <b>Beginning Cash Balance</b> | <b>\$1,738</b> | <b>\$1,738</b> | <b>N/A</b>  |           |
| Revenues                      | 1,641          | 1,577          | -64         |           |
| Transfers                     | 15             | 25             | 10          |           |
| Expenditures                  | -2,021         | -2,190         | -169        |           |
| Adjustments                   | 350            | 640            | 290         |           |
| <b>Ending Cash Balance</b>    | <b>\$1,723</b> | <b>\$1,789</b> | <b>\$66</b> | <b>4%</b> |

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

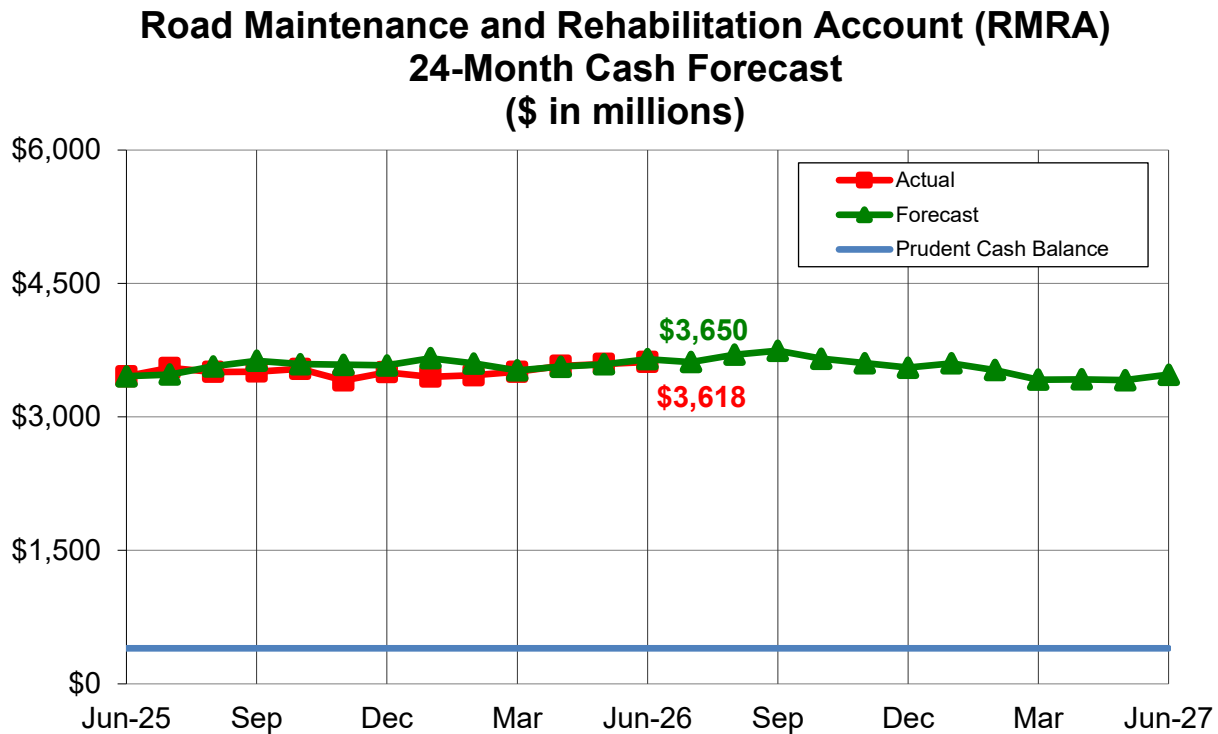
The TCRF ending cash balance through the fourth quarter was \$33 million, \$4 million (13 percent) above forecast. Expenditures were \$4 million below forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were negative \$34,000.

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

|                               | Forecast    | Actual      | Difference | %          |
|-------------------------------|-------------|-------------|------------|------------|
| <b>Beginning Cash Balance</b> | \$33        | \$33        | N/A        |            |
| Revenues                      | 0           | 0           | 0          |            |
| Transfers                     | 0           | 0           | 0          |            |
| Expenditures                  | -4          | 0           | 4          |            |
| Adjustments                   | 0           | 0           | 0          |            |
| <b>Ending Cash Balance</b>    | <b>\$29</b> | <b>\$33</b> | <b>\$4</b> | <b>13%</b> |

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

## Appendix C – Cash Forecasts – Road Maintenance and Rehabilitation Account



### Year-to-Date RMRA Summary

The RMRA ending cash balance through the fourth quarter was approximately \$3.6 billion, \$32 million below forecast. The variance is partly due to revenues that were lower than forecast. Revenues totaled approximately \$2.2 billion, \$27 million (1 percent) below forecast. Net transfers totaled \$2.3 billion, \$7 million above forecast. Expenditures were \$4.3 billion, \$25 million (1 percent) below forecast. Adjustments, which represent timing differences between the Department's accounting system and the SCO's accounting system, were negative \$10 million through the fourth quarter.

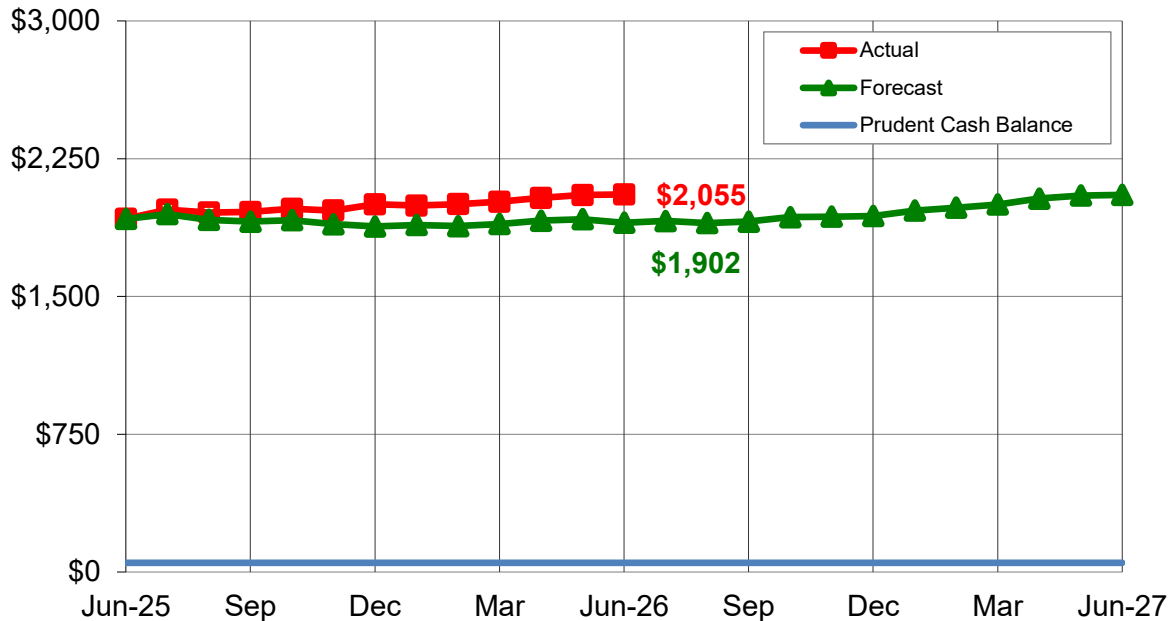
### Year-to-Date Reconciliation (\$ in millions)

|                               | Forecast       | Actual         | Difference   | %          |
|-------------------------------|----------------|----------------|--------------|------------|
| <b>Beginning Cash Balance</b> | <b>\$3,457</b> | <b>\$3,457</b> | <b>N/A</b>   |            |
| Revenues                      | 2,203          | 2,177          | -27          |            |
| Transfers                     | 2,272          | 2,279          | 7            |            |
| Expenditures                  | -4,309         | -4,284         | 25           |            |
| Adjustments                   | 26             | -10            | -37          |            |
| <b>Ending Cash Balance</b>    | <b>\$3,650</b> | <b>\$3,618</b> | <b>-\$32</b> | <b>-1%</b> |

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 fourth quarter was approximately \$2.1 billion, \$154 million (8 percent) above the forecast balance. The variance is due to expenditures that were lower than forecast. Through the fourth quarter, revenues totaled \$81 million, \$9 million (13 percent) above the forecast. Transfers, which are deposits of diesel excise tax revenue, were \$396 million, \$6 million (2 percent) above the forecast. Expenditures totaled \$353 million, \$145 million (29 percent) below forecast. Adjustments, which represent the timing differences between the Department's accounting system and the SCO's accounting system, were \$9 million.

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

|                               | Forecast       | Actual         | Difference   | %         |
|-------------------------------|----------------|----------------|--------------|-----------|
| <b>Beginning Cash Balance</b> | <b>\$1,923</b> | <b>\$1,923</b> | <b>\$0</b>   |           |
| Revenues                      | 71             | 81             | 9            |           |
| Transfers                     | 390            | 396            | 6            |           |
| Expenditures                  | -498           | -353           | 145          |           |
| Adjustments                   | 15             | 9              | -6           |           |
| <b>Ending Cash Balance</b>    | <b>\$1,902</b> | <b>\$2,055</b> | <b>\$154</b> | <b>8%</b> |

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.

| <b>EVENT</b><br>(\$ in thousands)                                       | <b>Total Federal<br/>Eligible Cost of<br/>Event</b> | <b>ER Funds<br/>Previously<br/>Allocated</b> | <b>Net Allocation<br/>Needs<br/>Next 0-6<br/>Months</b> | <b>Net Allocation<br/>Needs<br/>Beyond 6<br/>Months</b> |
|-------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| CA06-1 December 2005 Statewide Storms                                   | \$924,283                                           | \$578,139                                    | \$346,145                                               | \$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                             | \$105,136                                           | \$102,076                                    | \$0                                                     | \$3,060                                                 |
| 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                                           | \$999,441                                           | \$971,421                                    | \$5,811                                                 | \$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,<br>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                                              | \$143,415                                           | \$143,291                                    | \$124                                                   | \$0                                                     |
| CA19-2 January / February Winter Storms                                 | \$244,928                                           | \$187,123                                    | \$0                                                     | \$57,805                                                |
| CA20-2 August 2020 Wildfires                                            | \$78,418                                            | \$76,384                                     | \$0                                                     | \$2,034                                                 |
| CA21-2 Summer '21 Wildfires                                             | \$1,151                                             | \$56                                         | \$0                                                     | \$1,095                                                 |
| CA22-1 October '21 Alisal Fire                                          | \$1,929                                             | \$1,929                                      | \$0                                                     | \$0                                                     |
| CA22-2 October '21 Winter Storms                                        | \$5,650                                             | \$5,150                                      | \$11                                                    | \$490                                                   |
| CA22-3 December '21 Winter Storms                                       | \$20,036                                            | \$7,251                                      | \$0                                                     | \$12,785                                                |
| CA22-4 January '22 Colorado Fire                                        | \$1,617                                             | \$1,617                                      | \$0                                                     | \$0                                                     |
| CA22-10 September 2022 Tropical Storm Kay                               | \$4,679                                             | \$0                                          | \$0                                                     | \$4,679                                                 |
| CA23-1 December '22 Storms                                              | \$363,236                                           | \$166,770                                    | \$20,308                                                | \$176,158                                               |
| CA23-2 December '22 Earthquake                                          | \$113,211                                           | \$1,138                                      | \$3,851                                                 | \$108,222                                               |
| CA23-3 February '23 Winter Storms                                       | \$240,492                                           | \$69,906                                     | \$27,612                                                | \$142,974                                               |
| CA23-4 Tropical Storm Hilary                                            | \$43,131                                            | \$22,535                                     | \$0                                                     | \$20,596                                                |
| CA23-5 August '23 Wildfires                                             | \$17,097                                            | \$0                                          | \$0                                                     | \$17,097                                                |
| CA24-2 December 2023 Winter Storms                                      | \$13,395                                            | \$6,496                                      | \$2,991                                                 | \$3,908                                                 |
| CA24-3 February 2024 Winter Storms                                      | \$194,550                                           | \$10,104                                     | \$2,404                                                 | \$182,043                                               |
| CA24-4 March 2024 Winter Storms                                         | \$34,862                                            | \$2,328                                      | \$0                                                     | \$32,534                                                |
| 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                                     | \$6,260                                             | \$0                                          | \$0                                                     | \$6,260                                                 |
| CA25-5 February 2025 Winter Storms                                      | \$10,058                                            | \$0                                          | \$185                                                   | \$9,873                                                 |
| CA25-6 Late March 2025 Winter Storms                                    | \$3,511                                             | \$0                                          | \$0                                                     | \$3,511                                                 |
| <b>TOTAL</b>                                                            | <b>\$3,863,337</b>                                  | <b>\$2,616,542</b>                           | <b>\$409,518</b>                                        | <b>\$841,278</b>                                        |

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 June 30, 2026 (\$ in millions)

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

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

<sup>1</sup>Repayment 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.