

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: October 15-16, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.5i., Action Item

Prepared By: Keith Duncan, Chief
Division of Budgets

Subject: **FISCAL YEAR 2026-27 ANNUAL ALLOCATION FOR LOCAL ASSISTANCE -
FEDERAL FUNDS
RESOLUTION FM-26-01**

ISSUE:

Should the California Transportation Commission (Commission) approve the California Department of Transportation's (Department) request to allocate \$2,739,885,000 to administer the Division of Local Assistance's Federal Fiscal Year 2026-27 Federal annual allocation from the subvention budget under the authority of the Commission?

RECOMMENDATION:

The Department recommends that the Commission allocate \$2,739,885,000 for the Local Assistance Federal annual allocation for 2026-27, consistent with the Budget Act of 2026.

BACKGROUND:

The Department's Division of Local Assistance administers the subvention budget under delegated authority from the Commission. Each year the Department requests an annual allocation for these funds consistent with the annual Budget Act. At the June 2026 Commission meeting, the Commission allocated approximately \$219 million of State subvention funds, under Resolution FM-25-02.

The Department is requesting an allocation of approximately \$2.7 billion of Federal subvention funds. The allocation of Federal subvention funds will allow the Department to sub-allocate funds to specific projects submitted by local agencies.

The guidelines for allocating, monitoring, and auditing of funds for Local Assistance projects are set forth in Commission Resolution G-99-25, which is based on Section 14529.1 of the California Government Code. Commission Resolution G-01-08 delegates the authority to the Department to adjust allocations between categories, and the Department reports to the Commission if transfers in or out of an expenditure category exceed 10 percent of its allocation.

FINANCIAL RESOLUTION:

Resolved, that \$2,739,885,000 of Federal funds be allocated from the Budget Act of 2026, Budget Act Item 2660-102-0890(1), in accordance with the table in the Attachment, bringing the total annual allocation for the 2026-27 Local Assistance subvention budget to \$2,959,208,000.

Attachment

**ANNUAL ALLOCATION
FISCAL YEAR 2026-27 FUNDS FOR LOCAL ASSISTANCE
(Dollars in Thousands)**

	State	Federal	Total
<u>2660-102-0042(1)</u>			
Surface Transportation Block Grant Program State Match and Exchange	\$78,709		\$78,709
Bridge Inspection & Seismic Retrofit State Match	385		385
Railroad Grade Separation	15,000		15,000
Railroad Grade Crossing Protection Maintenance	4,000		4,000
Miscellaneous Unassigned Local Programs	4,750		4,750
Freeway Service Patrol	25,479		25,479
Freeway Service Patrol – Senate Bill 1	25,000		25,000
Senate Bill 137 Exchange - HSIP	66,000		66,000
Subtotal	\$219,323		\$219,323
<u>2660-102-0890(1)</u>			
National Highway Performance Program		\$345,434	\$345,434
Bridge Formula Program		230,000	230,000
Surface Transportation Block Grant Program		512,141	512,141
Congestion Mitigation and Air Quality Improvement Program		495,239	495,239
Highway Safety Improvement Program		79,566	79,566
Railroad Grade Crossing Protection		27,100	27,100
Carbon Reduction Program		69,141	69,141
Promoting Resilient Operations for Transformative, Efficient, and Cost Saving Transportation Program		6,300	6,300
Community Project Funding/Congressionally Directed Spending		309,090	309,090
Discretionary and Special Programs		665,874	665,874
Subtotal		\$2,739,885	\$2,739,885
Total Local Programs	\$219,323	\$2,739,885	\$2,959,208
June 25-26, 2026, State Allocation, FM-25-02			-\$219,323
Current Allocation Request			<u>\$2,739,885</u>