Emergency Declarations Timely Use of Funds Policy

Stakeholder Draft

On September 21, 2026, Governor Gavin Newsom proclaimed a statewide State of Emergency in anticipation of the 2026-27 El Niño season. Associated with increased rainfall, stronger ocean waves, and higher sea levels in California, the 2026-27 El Niño is forecast to become the strongest on record. Recognizing that anticipated changes in the duration, frequency, and strength of climate patterns may affect timely project delivery, the California Transportation Commission (Commission) is enacting this **Emergency Declarations Timely Use of Funds Policy** (policy) to provide support for projects that may be affected by future declared emergencies. This policy is intended for geographically specific declarations of emergency as outlined in the Request Process and Requirements section below.

Policy Scope

This policy applies only to projects programmed in the following Commission programs:

- Active Transportation Program
- Local Partnership Program (Competitive & Formulaic)
- Solutions for Congested Corridors Program
- Trade Corridor Enhancement Program

Policy Provisions

Beginning September 21, 2026, implementing agencies experiencing project delays due to a declared emergency (qualifying event) may request a time extension under this policy, provided the delay began while the relevant emergency declaration is in effect. If the declaration has no end date, the delay must begin within 24 months of the declaration date.

Commission staff will review all requests after receiving a recommendation from Caltrans.

Specifically:

1. Resolution G-25-51, Interim Timely Use of Funds Policy, Southern California Fires (Interim Policy), is rescinded effective January 28, 2027. Extensions approved under the Interim Policy before that date remain in effect and apply to later delivery phases of that project. Projects with extensions under the Interim Policy may not request extensions under this policy.
2. Relevant program guidelines continue to apply. This policy supersedes only the maximum extension periods in the allocation and timely use of funds provisions of program guidelines. All other requirements of those provisions continue to apply, including that an extension may not exceed the delay caused by the qualifying event.
3. A one-time extension amendment to an existing time extension will be considered for a project delayed by a qualifying event, allowing the total extension period to be increased up to the maximum in item 5.

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4. If a project phase receives an extension under this policy, later phases of that project are eligible to receive an extension through project completion if the delay is attributable to the qualifying event and the total extension period for the deadline does not exceed the maximum in item 5.
5. The allowable maximum for time extension requests is increased to a total of 24 months, including extra time already approved under the program guidelines or the Interim Policy, for the following types of extensions:
    a. Allocation
    b. Project Expenditure (pre-construction)
    c. Contract Award (construction)
    d. Project Completion (construction)
6. Extensions approved under this policy do not change deadlines set by federal or state law or by other funding sources. Implementing agencies remain responsible for meeting those deadlines.

Request Process and Requirements

Time extension requests made under this policy must be submitted directly to the California Department of Transportation (Caltrans) for processing and Commission approval, as explained in the relevant program guidelines eligible under Policy Scope.

Requests must:

A. Accompany a copy of the emergency declaration or proclamation identifying the qualifying event that covers the project location and was in effect prior to the project delay. A declaration issued in anticipation of an event, including the September 21, 2026, proclamation, does not establish eligibility. Accepted declarations must be one of the following:
    - Governor's declaration of a state of emergency
    - Presidential emergency or major disaster declaration
    - Local emergency proclamation with the California Governor's Office of Emergency Services (Cal OES) Director's Concurrence.

B. Clearly describe the qualifying event that occurred within the declared area and caused the project delay. A qualifying event may include a flood, storm surge, erosion, precipitation, wildfire, landslide, mudslide, avalanche, high winds, or sinkhole.

C. Fully detail the qualifying event's specific impact on the project and the delay directly attributable to it. Impacts may include site inaccessibility, physical damage, labor or materials disruptions, and right-of-way, utility, design, or permit delays, each caused by the qualifying event.

D. Explain potential cost increases associated with the time extension and include a plan to fund them.

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Policy Duration and Review

This policy remains in effect until the Commission rescinds or amends it. Commission staff will report to the Commission annually on the number of extensions approved, the funds affected, and the declarations relied on for the duration of this policy. The Commission may amend this policy after conducting at least one public workshop.

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