



CALTRANS OFFICE OF THE
FEDERAL LIAISON
DECEMBER 1, 2025

IIJA REAUTHORIZATION SUB-WORKING GROUP FEDERAL TRANSPORTATION FUNDING

WELCOME & LOGISTICS

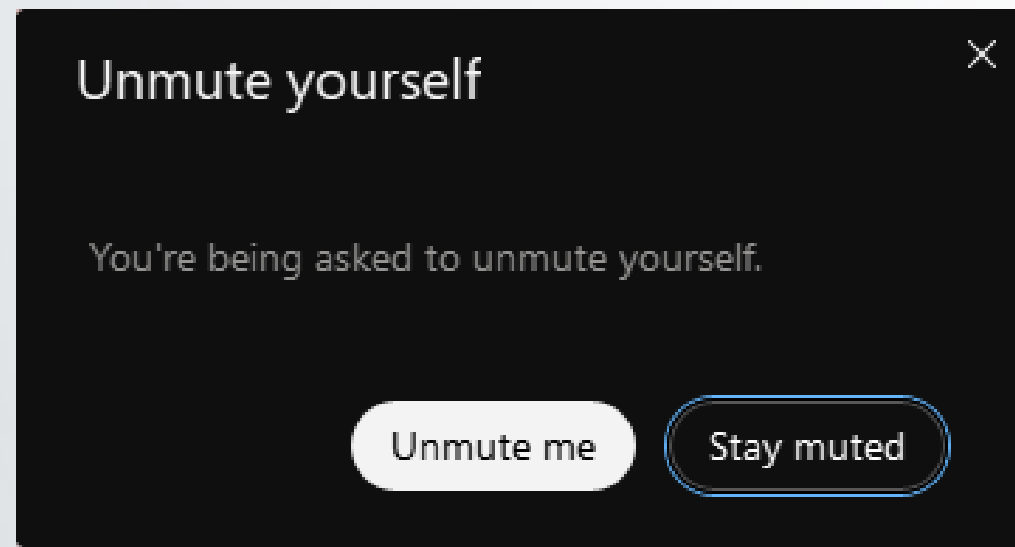
MEETING HOUSEKEEPING &
NON-DISCRIMINATION POLICY



Meeting Housekeeping

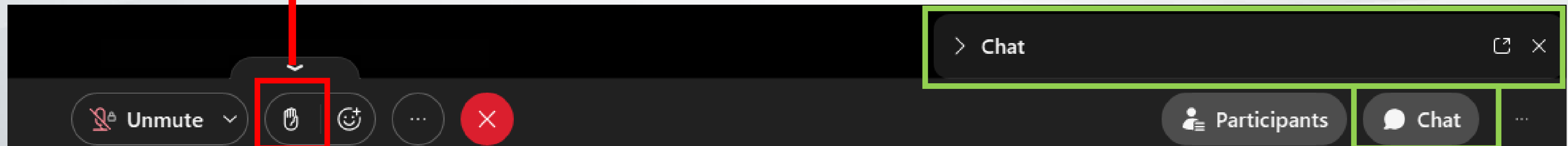
- **REC - This meeting will be recorded.**

All participants automatically join on mute, with cameras off.



Two Options to ask Questions:

1. Type your questions in the chat.
2. Raise your hand to be unmuted and ask your questions verbally.





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Non-Discrimination Policy Statement

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Related federal statutes, remedies, and state law further those protections to include sex, disability, religion, sexual orientation, and age.

For information or guidance on how to file a complaint, or obtain more information regarding Title VI, please contact the Title VI Branch Manager at (916) 324-8379 or visit the following web page:

<https://dot.ca.gov/programs/civil-rights/title-vi>

Agenda

- **Welcome & Logistics**

- **Opening Remarks:**

- Toks Omishakin, CalSTA Secretary

- **Presentations:**

- **Moving California Forward: A 10-Year Transportation System Needs Assessment**
Laura Pennebaker, California Transportation Commission, Deputy Director for Transportation Planning
 - **Secure the Future: The Need for Stable and Flexible Federal Formula Funding**
Keith Duncan, Caltrans, Division Chief of Budgets
 - **Building Efficiency through Partnership**
Dee Lam, Caltrans, Division Chief of Local Assistance

- **Discussion / Q&A**



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OPENING REMARKS

TOKS OMISHAKIN
CALSTA SECRETARY



IIJA Implementation

- **\$53.9 billion** announced in IIJA formula and discretionary funding
- **\$11.48 billion** awarded for competitive grants (888 projects)
- **170,833** jobs created
- **\$13.14 billion** invested in California transportation projects
- **\$1.9 billion** allocated to Disadvantaged Business Enterprises

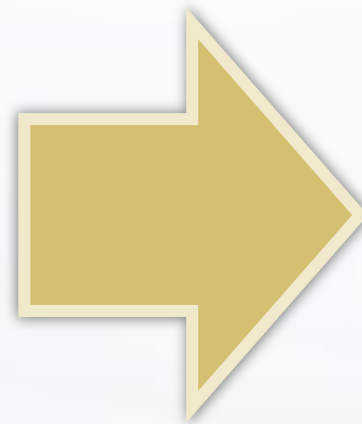


Workgroup Structure

- **Sub-Working Groups:**

IIJA Implementation Topics

1. Safety
2. Fix-it-First
3. Reimagining Highway Investments
4. Climate Resilience and Adaptation
5. Active Transportation
6. Transition to Zero Emissions
7. Local Hire/Contracting
8. Transit and Commuter Rail
9. Intercity Passenger Rail
10. Freight/Goods Movement
11. Funding Split between State/Locals
12. Equity and Tribal Government



IIJA Reauthorization Topics

- Active Transportation & Safety
- Economic Prosperity & Goods Movement
- Federal Transportation Funding
- Fix-it-First & Climate Action
- Transit & Rail
- Tribal Transportation
- Workforce Development
- Zero-Emission Infrastructure

Outcomes and Goals

- **Outcomes:**

- Coordinated federal advocacy on behalf of the State of California.
- Federal surface transportation reauthorization legislation that reflects California's unique values and objectives.

- **Goals:**

- All voices are heard and recognized.
- Group actions are developed by consensus and for the benefit of California's entire transportation system.

- **Possible Products:**

- Consensus Principles Document / Strategic Advocacy Plan / Legislative Platform
- Draft Legislation / Regulations / Guidance / Standards
- White Papers / Research Topics

IIJA Reauthorization Timeline



Presentations

- **Moving California Forward: A 10-Year Transportation System Needs Assessment**
 - **California Transportation Commission**
Laura Pennebaker, Deputy Director for Transportation Planning
- **Secure the Future: The Need for Stable and Flexible Federal Formula Funding**
 - **Caltrans**
Keith Duncan, Division Chief of Budgets
- **Building Efficiency through Partnership**
 - **Caltrans**
Dee Lam, Division Chief of Local Assistance



2025 State and Local Transportation System Needs Assessment

Moving California Forward: A 10 Year Transportation Needs Assessment

IIJA Reauthorization Sub-working Group on Transportation Funding
December 1, 2025



Presentation Summary

- Needs Assessment Overview
- Findings
 - Needs, Revenue, Shortfall
- Recommendations
- Questions

Needs Assessment Overview

Senate Bill 1121 (Gonzalez, 2022)

- Requires Commission to prepare a 10-year statewide transportation Needs Assessment and update every 5 years
- Assess costs to operate, maintain, and grow the statewide multimodal system
- Consider costs to address climate resiliency
- Compare costs against available transportation revenues
- Provide recommendations to address any revenue shortfall

2025 to 2035 Statewide Needs and Revenue Summary

Table E1. Summary of transportation needs (all sources).

Facility	10-year Need (\$ billion)
Transit and rail	\$350.4
Local roads and streets	\$240.7
State highway system	\$101.7
Complete streets and active transportation	\$34.1
<i>Subtotal</i>	<i>\$726.9</i>
Tribal transportation (pavements only) ¹	\$0.5
Climate (sea level rise & storm surge) ¹	\$16.0
Climate (vegetation & wildfire management) ¹	\$0.9
Electric vehicle charging infrastructure (medium and heavy-duty vehicles) ¹	\$12.5
Total	\$756.8

¹Tribal transportation, climate, and electric vehicle charging needs require further analysis to fully quantify.

Table E2. Summary of transportation revenue (from extended needs survey).

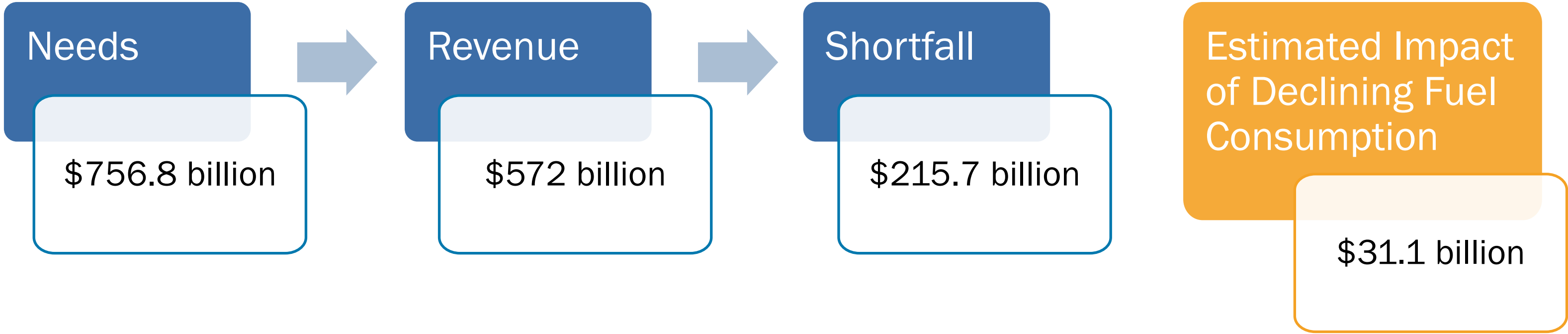
Funding Source	Revenue (\$ billion)
State ¹	\$185.5
Local and regional sales tax	\$126.4
Federal	\$46.2
Transit ²	\$43.9
Tolls	\$26.2
Other local ³	\$143.8
<i>Subtotal</i>	<i>\$572.0</i>
Estimated impact from declining fuel consumption	-\$31.0
Total	\$541.0

¹ Includes Senate Bill 1 and others.

² Includes Federal Transit, state grants, Transportation Development Act, and transit fare revenue.

³ Includes mitigation fees, forest reserves, and grants.

Findings



Final Recommendations: Sustainable Funding Mechanism

- Preferred Scenario: Phased-Implementation of a Sustainable Funding Mechanism
 - This would require legislative action.
 - A sustainable funding mechanism could take different forms.
- The goal of implementing a new sustainable funding mechanism should be to stop the loss of transportation revenues due to declining fuel consumption.
 - A significant shortfall would remain even if the projected revenue decline was halted, and funding stabilized. Additional revenues are needed to address the identified shortfall.

Questions?





SECURE THE FUTURE: THE NEED FOR STABLE AND FLEXIBLE FEDERAL FORMULA FUNDING



FHWA FUNDING FOR TRANSPORTATION

- Formula Program
- Discretionary/Competitive Program
- Emergency Relief (ER) Program



FHWA FORMULA FUNDING

Formula Funding Programs	FASTAct FFY 2021	BIL/IIJA FFY 2022	Difference	Percent Change
National Highway Performance Program (NHPP)	\$2,065	\$2,460	\$395	19%
Surface Transportation Block Grant Program (STBGP)	\$1,042	\$1,197	\$155	15%
Highway Safety Improvement Program (HSIP)	\$209	\$262	\$53	25%
Railway-Highway Grade Crossings Program (RHCP)	\$17	\$17	\$0	0%
Congestion Mit. and Air Quality Imp. Program (CMAQ)	\$495	\$506	\$11	2%
Metropolitan Planning Program (MPP)	\$54	\$66	\$12	22%
National Highway Freight Program (NHFP)	\$137	\$127	(\$10)	-7%
Carbon Reduction Program ¹	\$0	\$107	\$107	-
PROTECT Formula Program ¹	\$0	\$121	\$121	-
Electric Vehicle Formula Program ^{1,2}	\$0	\$57	\$57	-
Bridge Replace & Rehab Program ^{1,2}	\$0	\$575	\$575	-
GRAND TOTAL	\$4,019	\$5,495	\$1,476	37%
¹ - New Program ² - General Fund Program				

REAUTHORIZATION TOPICS OF DISCUSSION (FHWA FUNDING FOR TRANSPORTATION)



- Increase in Funding Levels
- Highway Trust Fund Solvency
 - Supplemental funding from the Federal General Fund
 - New Revenue Sources Needed
- Direct Apportionment of Formula Funds to Local Agencies
 - CA divides the funding 60%-State & 40%-Local



REAUTHORIZATION TOPICS OF DISCUSSION (FHWA FUNDING FOR TRANSPORTATION)

- Duplicative & Non-Flexible Formula Program Eligibility Requirements
- Reducing the Amount of Funding for Discretionary/Competitive Programs and Increasing Funding to Formula Programs
- August Redistribution
- ER Funding Levels (set asides) and Eligibility Timelines



Building Efficiency through Partnership

Dee Lam, Division Chief

December 1, 2025





Building Efficiency through Partnership

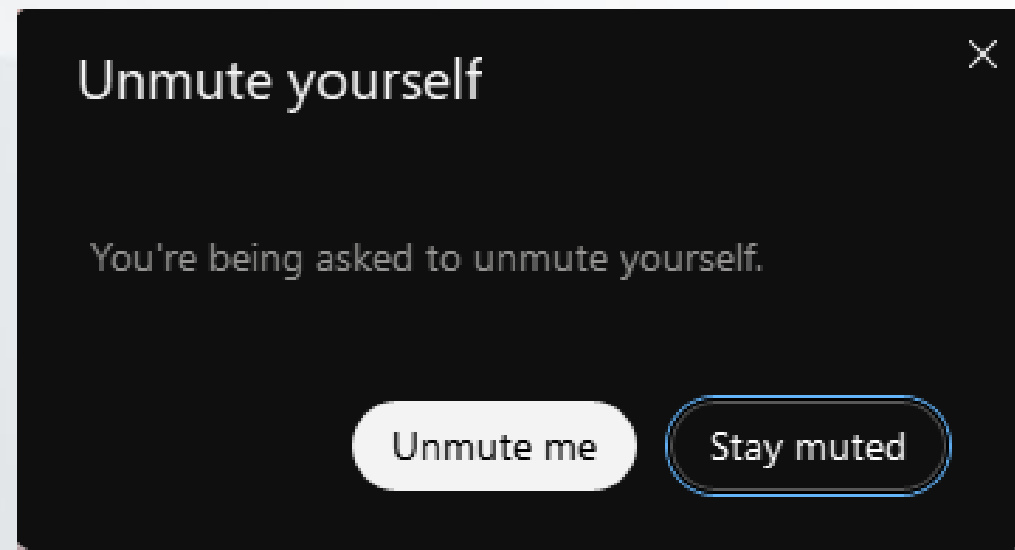
- Drive Change Through Reauthorization Priorities
- Engage Early and Commit to Shared Goals
- Strengthen Coordination and Increase Flexibility
- Advance California – Together

DISCUSSION AND Q&A

ISSUES AND TOPICS FOR
FEDERAL ADVOCACY



Open Discussion



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Contacts and Website

- **For More Information:**

- Caltrans' IIJA Reauthorization website:
<https://dot.ca.gov/programs/federal-liaison/reauthorization>
- Building California:
<https://build.ca.gov>
- IIJA Annual Policy Narrative ([2022](#) | [2023](#) | [2024](#))

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- **Contact us by Email at:**

federal-liaison@dot.ca.gov



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