

A photograph of the United States Capitol building, focusing on the dome and the surrounding neoclassical architecture. The sky is clear and blue.

## CALTRANS OFFICE OF THE FEDERAL LIAISON

DECEMBER 1, 2025

IIJA REAUTHORIZATION SUB-WORKING GROUP  
FEDERAL TRANSPORTATION FUNDING

# WELCOME & LOGISTICS

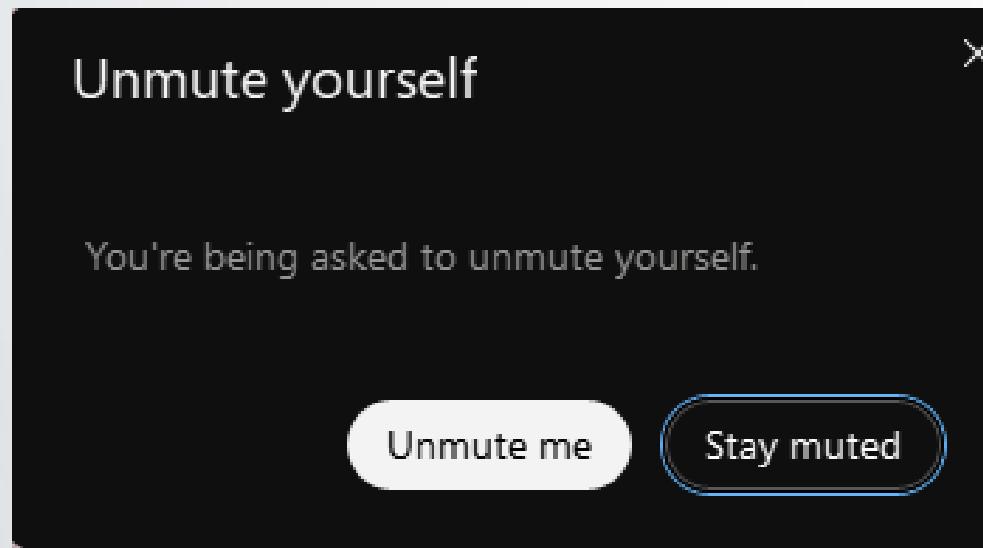
MEETING HOUSEKEEPING &  
NON-DISCRIMINATION POLICY



# Meeting Housekeeping

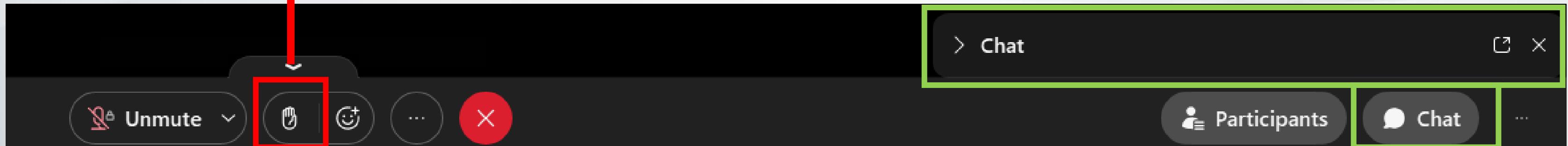
● **REC - This meeting will be recorded.**

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

**The California Department of Transportation, under Title VI of the Civil Rights Act of 1964, ensures “No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.”**

**Caltrans will make every effort to ensure nondiscrimination in all of its services, programs and activities, whether they are federally funded or not, and that services and benefits are fairly distributed to all people, regardless of race, color, or national origin. In addition, Caltrans will facilitate meaningful participation in the transportation planning process in a nondiscriminatory manner.**

**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

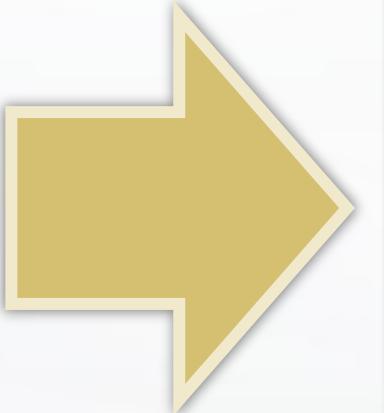


# Workgroup Structure

- **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



CALIFORNIA  
TRANSPORTATION  
COMMISSION

# Presentation Summary

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

# Needs Assessment Overview

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## 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>	\$726.9
Tribal transportation (pavements only) <sup>1</sup>	\$0.5
Climate (sea level rise & storm surge) <sup>1</sup>	\$16.0
Climate (vegetation & wildfire management) <sup>1</sup>	\$0.9
Electric vehicle charging infrastructure (medium and heavy-duty vehicles) <sup>1</sup>	\$12.5
<b>Total</b>	<b>\$756.8</b>

<sup>1</sup>Tribal 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 <sup>1</sup>	\$185.5
Local and regional sales tax	\$126.4
Federal	\$46.2
Transit <sup>2</sup>	\$43.9
Tolls	\$26.2
Other local <sup>3</sup>	\$143.8
<i>Subtotal</i>	<b>\$572.0</b>
Estimated impact from declining fuel consumption	-\$31.0
<b>Total</b>	<b>\$541.0</b>

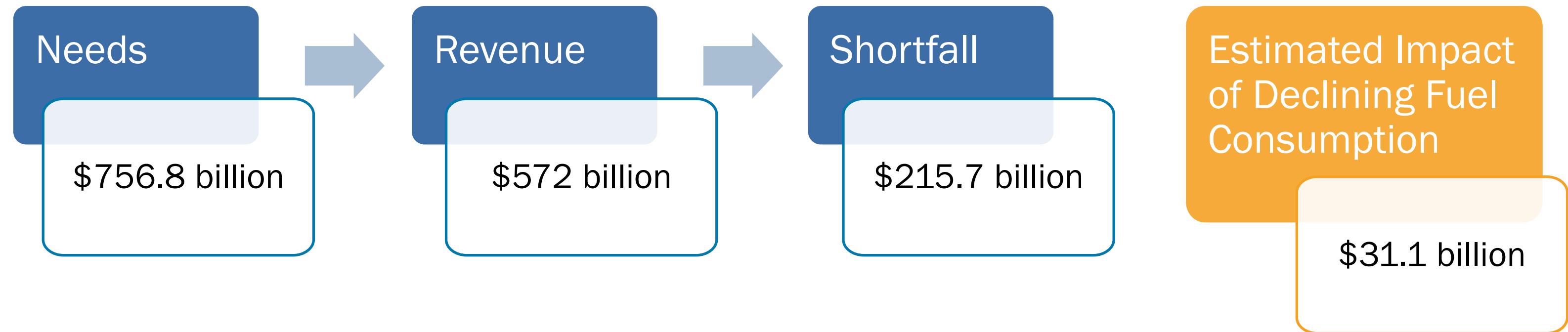
<sup>1</sup> Includes Senate Bill 1 and others.

<sup>2</sup> Includes Federal Transit, state grants, Transportation Development Act, and transit fare revenue.

<sup>3</sup> Includes mitigation fees, forest reserves, and grants.

# Findings

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# Final Recommendations: Sustainable Funding Mechanism

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- 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.

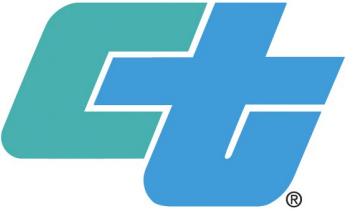
# Questions?





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

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# FHWA FUNDING FOR TRANSPORTATION

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- 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 <sup>1</sup>	\$0	\$107	\$107	-
PROTECT Formula Program <sup>1</sup>	\$0	\$121	\$121	-
Electric Vehicle Formula Program <sup>1,2</sup>	\$0	\$57	\$57	-
Bridge Replace & Rehab Program <sup>1,2</sup>	\$0	\$575	\$575	-
<b>GRAND TOTAL</b>	<b>\$4,019</b>	<b>\$5,495</b>	<b>\$1,476</b>	<b>37%</b>

1 - New Program

2 - General Fund Program

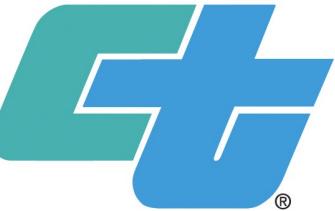
# REAUTHORIZATION TOPICS OF DISCUSSION

## (FHWA FUNDING FOR TRANSPORTATION)

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- 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)

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- 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

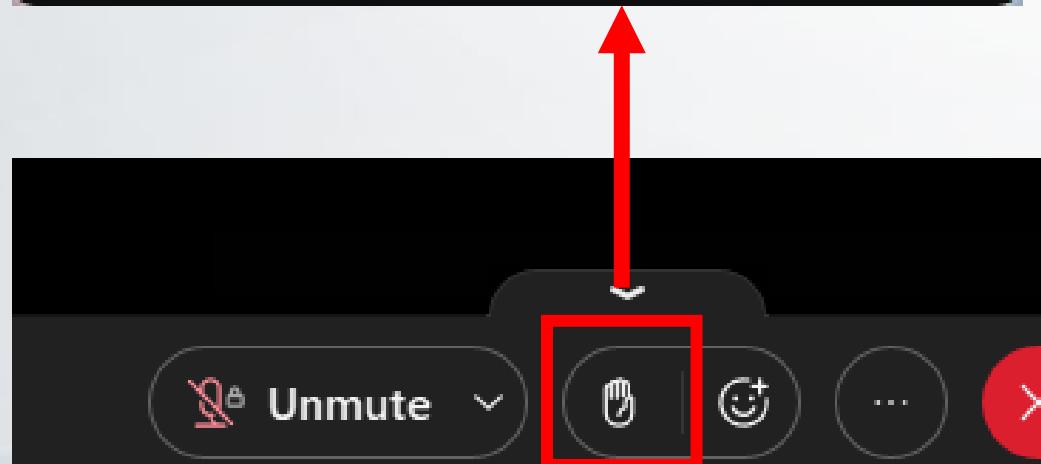
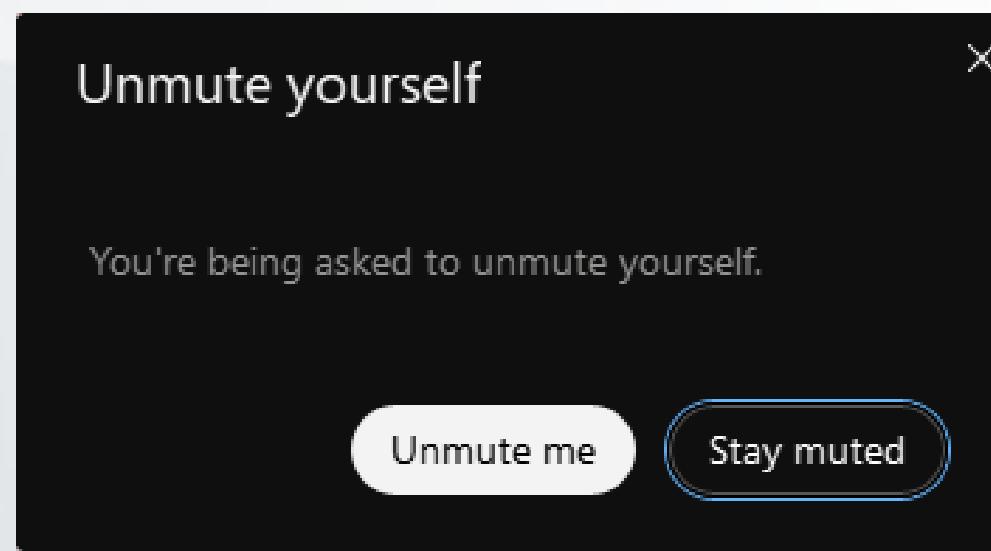
- Drive Change Through Reauthorization Priorities
- Engage Early and Commit to Shared Goals
- Strengthen Coordination and Increase Flexibility
- Advance California – Together

# DISCUSSION AND Q&A

ISSUES AND TOPICS FOR  
FEDERAL ADVOCACY



# Open Discussion



## Two Options to ask Questions:

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

# 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](#))

- **Keep Up to Date:**

[Sign up for Caltrans Federal Affairs Update](#)

[Sign up for the Tribal IIJA Newsletter](#)

- **Contact us by Email at:**

[federal-liaison@dot.ca.gov](mailto:federal-liaison@dot.ca.gov)



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