

TRANSPORTATION

CALIFORNIA STATE TRANSPORTATION AGENCY

The California State Transportation Agency (CalSTA) is responsible for shaping California's transportation future, including the mobility, safety, equity, and environmental sustainability of the state's transportation system. CalSTA consists of the following eight entities working to advance a transportation system that delivers safety, equity, climate action, and economic prosperity for all Californians:

- Department of Transportation
- California Transportation Commission
- High-Speed Rail Authority
- Department of Motor Vehicles
- California Highway Patrol
- Board of Pilot Commissioners
- State Transit Assistance
- Office of Traffic Safety

MAJOR ACCOMPLISHMENTS

Since 2021, the largest one-time investments in transportation have been from a multi-year \$14.6 billion transportation package. Although the package has been refined since it was first introduced in 2021, the Budget maintains the entirety of transportation package reflected in the 2025 Budget Act. The following describes the major accomplishments funded through the funding package.

TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM

The Transit and Intercity Rail Capital Program (TIRCP) provides grants to fund transformative capital improvements that modernize California's intercity, commuter and urban rail systems, and bus and ferry transit systems to significantly reduce emissions of greenhouse gases, vehicle miles traveled, and congestion.

Since 2019, CalSTA has committed more than \$9.5 billion through competitive and formula-based TIRCP investments. These investments are expanding service, increasing ridership, reducing congestion, and have eliminated an estimated 15.7 million metric tons of carbon dioxide from the state's air.

PORT AND FREIGHT INFRASTRUCTURE PROGRAM

The Port and Freight Infrastructure Program (PFIP) was established in 2022 with \$1.2 billion to invest in port, freight, and goods movement infrastructure. Investments in the PFIP program improve the capacity, safety, efficiency, and resilience of goods movement to, from, and through California's ports while reducing greenhouse gas emissions and air pollution in communities historically burdened by freight corridors.

PFIP has funded 15 major projects that will modernize ports and freight corridors, cut more than 637,000 tons of greenhouse gas emissions annually, and create over 48,000 jobs. These investments are making California's supply chains safer, cleaner, and more resilient while delivering tangible economic benefits statewide.

ACTIVE TRANSPORTATION PROGRAM

In addition to nearly \$300 million in annual funding, an additional \$650 million was provided to the Active Transportation Program between 2021-22 and 2025-26 for projects that encourage increased use of active modes of transportation, such as walking and biking, and increase the safety and mobility of non-motorized users. These funds have supported over 240 projects that improve and increase walking and biking infrastructure across the state. Of these projects, 227 benefited disadvantaged communities, including 133 "safe routes to school" projects. Once completed, the

projects will reduce vehicle miles traveled by 319 million miles, increase walk miles traveled by 648,000 miles, increase bike miles traveled by 499,000 miles, and reduce 89,000 metric tons of carbon dioxide from the air.

CLIMATE ADAPTATION PROGRAMS

Between 2021-22 and 2023-24, \$400 million was provided to identify transportation-related climate vulnerabilities throughout the state and assist in developing and implementing projects to improve the transportation system's climate resiliency. Of the total funding, \$200 million was dedicated to resilience projects within the State Highway Operation and Protections Program, and \$200 million was awarded to local agencies for local adaptation plans and projects.

SAFETY GRADE SEPARATION PROJECTS

Through various programs, the state dedicated \$350 million to support critical high-priority grade separation safety improvements throughout California. This funding supported 13 grade separation projects across the state. These improvements are expected to significantly reduce collisions and delays at grade crossings and create at least 23,000 jobs statewide.

DEPARTMENT OF TRANSPORTATION

The California Department of Transportation (Caltrans) traces its history back to the Bureau of Highways, which was created in 1895. Caltrans employs over 22,000 people statewide across 12 geographical districts, with an annual budget of approximately \$18 billion, and forms the backbone of California's transportation network. Caltrans manages more than 50,000 lane-miles of roadway and over 13,000 state-owned bridges and other structures, inspects over 400 public- and special-use airports and heliports, and funds the largest state-supported rail system in the nation.

The largest sources of funding for transportation projects are excise taxes paid on fuel consumption, federal funds also derived from fuel taxes, and various vehicle-based fees. Caltrans invests billions annually to rehabilitate highways, public transit, intercity rail, and bridges; expand the electric vehicle charging network; and enhance goods movement while also improving safety, equity, climate action, and economic prosperity for all Californians.

MAJOR ACCOMPLISHMENTS

CLEAN CALIFORNIA

The Clean California program began in July 2021 with \$1.2 billion in one-time funding as a transformative initiative to remove litter, create jobs, and beautify California. Since its implementation, along with clearing more than 3.4 million cubic yards of litter (the equivalent of nearly 136,000 garbage trucks), Clean California has also supported local art installations, new or ungraded recreational venues, and aesthetic improvements to shared public spaces.

The Clean California program also received an additional \$25 million in the 2025 Budget Act to establish a new Clean California Community Cleanup and Employment Pathways Grant Program. This funding will provide matching grants to communities with a Clean California Community designation, with an emphasis on prioritizing grant proposals that integrate workforce development initiatives and target underserved and vulnerable populations.

CALIFORNIA HIGHWAY PATROL

The California Highway Patrol (CHP) promotes safe, convenient, and efficient transportation of people and goods across the state highway system and provides the highest level of safety, service, and security to the facilities and employees of the State of California.

MAJOR ACCOMPLISHMENTS

- **Hiring Initiative**—The "Join the CHP 1,000" campaign was a multi-year initiative beginning on June 9, 2022, by the CHP aimed at recruiting 1,000 new officers to address the need for law enforcement services in the state. This campaign was focused on attracting individuals from diverse communities to fill vacancies created during the COVID-19 Pandemic. A three-year augmentation of \$2 million per year from the Motor Vehicle Account supported CHP recruitment efforts for the increased cost of advertising campaigns, expansion of the scope of recruitment efforts, and improved diversity and inclusiveness when advertising. The CHP met its recruitment goal and hired the 1,000th officer in November 2024.
- **Body-Worn Camera Statewide Implementation**—The CHP received budget augmentations of \$9.8 million in 2023-24; \$9.9 million in 2024-25; and \$4.9 million in 2025-26 and ongoing and 11 positions to implement body-worn cameras statewide.

The CHP deployed more than 5,390 body-worn cameras to 6 of 8 divisions and will deploy approximately 600 devices to the remaining two divisions at the beginning of 2026.

- **Organized Retail Crimes Task Force**—Chapter 803, Statutes of 2018 (AB 1065) required the CHP to create a task force to enhance and improve California's response to organized retail crimes in the most heavily-impacted regions of the state. The 2019 and 2021 Budget Acts included one-time funding to create the new Organized Retail Crimes Task Force, and the 2022 Budget Act expanded the Task Force and made it permanent. Since its inception in 2019, the CHP has recovered \$68.7 million in stolen property.
- **Highway Violence Task Force**—Prior budgets included a total of \$15.5 million in one-time funding for the Highway Violence Task Force to address violent crimes occurring on state highways. The Governor's Budget proposes \$885,000 and 7 permanent positions to analyze crime data and conduct criminal research in support of the Task Force.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Equipment and Operating Costs**—A one-time augmentation of \$44.4 million in 2026-27 from the Motor Vehicle Account for equipment and operating costs. This augmentation will provide funding for additional duty weapons, vehicles, and other various operational cost increases.
- **Security at State Capitol Swing Space and Annex Building**—A one-time augmentation of \$6.9 million in 2026-27 from the Motor Vehicle Account to continue providing protection and security at the State Capitol swing space building.

DEPARTMENT OF MOTOR VEHICLES

The Department of Motor Vehicles (DMV) promotes driver safety by licensing drivers and protects consumers by issuing vehicle titles and regulating vehicle sales. The DMV provides driver licenses and identification cards to over 34 million customers and provides registration services for nearly 36 million vehicles.

DMV also collects approximately \$15 billion in annual revenue on behalf of the state, which supports cities and counties, Caltrans, and the Motor Vehicle Account, which is the primary fund that supports the operations of DMV and the CHP, as well as supporting other departments.

MAJOR ACCOMPLISHMENTS

Since 2019, DMV has undertaken a comprehensive modernization effort to improve customer service, reduce wait times, expand digital transactions, strengthen identity protection, and replace aging legacy systems. These efforts are supported by major investments in digital platforms, mobile credentials, call center modernization, and national verification systems, positioning California as a national leader in secure, modern, digital government services.

DIGITAL SERVICE EXPANSION AND MODERNIZATION EFFORTS

- More than 90 percent of DMV transactions are now available online, reducing in-person visits and wait times across major metropolitan field offices.
- Since 2019, the DMV has reduced field office workload from approximately 2.1 million transactions per month to 1.5 million by adding online service options including virtual field transactions (215,000/month), online driver license (DL) knowledge tests, and commercial driver license renewals.
- Policy simplifications have strengthened DMV's contact center operations and allowed for the continued consolidation of the Department's micro call centers. This work is empowering frontline staff to resolve more issues at first contact.
- The deployment of the Digital eXperience Platform (DXP) to replace decades-old legacy systems for driver licensing, vehicle registration, cashiering, occupational licensing, and customer flow is continuing. This will allow the department to enable faster updates, more automation, and improved reliability.
- DMV introduced a redesigned DL/ID card with modernized physical and digital security features for more than 31 million cardholders, strengthening identity protection.
- DMV implemented a new digital Driver Handbook, saving approximately \$1.5 million annually in printing costs.

REAL ID AND DIGITAL CREDENTIAL LEADERSHIP

- DMV has issued more than 21.2 million unique REAL ID cards since 2018, including processing nearly one million applications in the six months leading up to the May 7, 2025, enforcement date.
- DMV expanded the mobile driver's license (mDL) pilot to nearly 3 million mobile devices, making it one of the largest in the nation; California's mDL is now

REAL ID-compliant, with usage at all airport Transportation Security Administration locations and select state agencies.

- DMV advanced a blockchain-enabled digital vehicle title transfer pilot, improving the security, speed, and traceability of title verification transactions and laying the groundwork for future nationwide title transfer interoperability.

ROAD SAFETY ENHANCEMENTS

- In partnership with the CHP, DMV implemented streamlined processes to ensure drivers cited for traveling over 100 mph are rapidly referred to DMV Driver Safety for review, strengthening public safety.

IMPROVED ACCESS FOR VULNERABLE POPULATIONS

- Since 2019, DMV has issued approximately 835,000 no-fee ID cards to individuals experiencing homelessness, increasing access to essential services, benefits, and employment.
- DMV also implemented a digital and physical Instant ID for disaster assistance and unhoused populations to receive just-in-time proof of identity and enable public entities to provide public benefits in reduced timeframes.

SIGNIFICANT BUDGET ADJUSTMENTS

- **Digital eXperience Platform (DXP) Project**—The Budget includes \$94.1 million Motor Vehicle Account in 2026-27 to continue a multi-year incremental technology project to ensure continuity of the Occupational Licensing, Disabled Persons Placard, Vehicle Registration, Control Cashiering and Inventory Management, and to start the Driver Licensing Phase of the DXP Project. The DXP Project will replace the current obsolete legacy applications and systems with flexible technology to meet business processes and services, including compliance with legislation and other mandates.
- **State To State (S2S) Verification System Project**—The Budget includes \$56 million Motor Vehicle Account to continue compliance with the federal Real ID Act of 2005 by implementing the S2S Program. The estimated costs include \$25 million in information technology project resources and temporary help resources equivalent to 98.4 positions in 2026-27 and 118.7 positions in 2027-28 for increased workload. California's compliance date for S2S is February 16, 2027, and the core DMV systems

will interface and connect the required driver license and identification card data elements.

- **San Francisco Field Office Lease Project**—The Budget includes \$9.8 million Motor Vehicle Account to enter into a lease for the San Francisco Field Office while the current state-owned field office is closed and redeveloped for housing. The estimated costs include one-time and ongoing costs for 2026-27 through 2029-30.

MOTOR VEHICLE ACCOUNT

The Motor Vehicle Account (MVA) is the main operating fund for the CHP and the DMV, providing \$3.1 billion and \$1.5 billion in 2026-27, respectively. It also funds the California Air Resources Board's (CARB) Mobile Source Program and provides smaller amounts of funding for a myriad of other departments. The Budget currently projects that the MVA will be insolvent as soon as 2028-29.

Given the ongoing fiscal constraints in the MVA, the Administration will continue to limit new workload or initiatives, including those with delayed implementation dates that would create additional cost pressures over time.

SIGNIFICANT BUDGET ADJUSTMENT

- **Transfer from the Greenhouse Gas Reduction Fund (GGRF) and Air Pollution Control Fund (APCF)**—The 2025 Budget Act authorized a total transfer of \$166 million (\$81 million from the GGRF and \$85 million from the APCF) to offset expenditures of CARB and support the MVA's solvency. The Governor's Budget projects the MVA will be solvent in 2025-26 and 2026-27 even without the transfer, and proposes canceling this transfer. See the Climate Change Chapter for more information on the use of funds from the transfer.

HIGH-SPEED RAIL AUTHORITY

The California High-Speed Rail Authority (Authority) is responsible for planning, designing, building, and operating a high-speed rail system that will fundamentally transform how people move around California. The project will contribute to economic development and a cleaner environment, create jobs, and preserve agricultural and protected lands.

MAJOR ACCOMPLISHMENTS

California's high-speed rail project has obtained full environmental clearance from San Francisco to Los Angeles. Construction progress on the 119-mile Central Valley Segment portion of the project includes:

- More than 99 percent of parcels delivered
- 90 percent of utilities relocated (1,634 out of 1,826)
- 67 percent of guideway completed (80 of 119 miles)
- 63 percent of structures built (58 of 92)

The project's impact includes creating over 109,000 job-years, generating \$8 billion in labor income and contributing \$22 billion in total economic output for the state. Of the \$13 billion invested, 97 percent has gone directly to California firms and workers.

The project continues to advance statewide, and the Authority has supported completion of the more than 50 miles of electrification on Caltrain's corridor between San Jose and San Francisco, which is necessary for future high-speed rail service.

SIGNIFICANT BUDGET ADJUSTMENT

- **Cap-and-Invest**—The Budget incorporates the new statutory allocations of Cap-and-Invest auction proceeds, with \$1 billion annually through 2045 allocated to the Authority, which provides more certainty for planning and scheduling. See the Climate Change Chapter for more information.

STATE TRANSIT ASSISTANCE

The State Transit Assistance (STA) program provides a share of revenues from diesel sales taxes and the Transportation Improvement Fee, as well as the sale of Cap-and-Invest credits, providing essential operating and capital support to transit agencies and regional planning organizations across California. The State Controller distributes these revenues based on a statutory allocation formula.

MAJOR ACCOMPLISHMENTS

Since 2019, more than \$4.6 billion in funding has been collected and disbursed from the STA program. This funding has been used by transit agencies to fund operations and

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capital projects. Regional agencies have also used this funding for administration and regional planning.

In addition to the baseline STA program, and as noted above, transit agencies have also received additional state resources through formula-based TIRCP grants for local transit capital infrastructure, zero emission vehicle projects, and to address operational shortfalls, as authorized by Chapter 54, Statutes of 2023 (SB 125). This funding supported transit agencies statewide, as many operators have struggled to regain ridership to pre-pandemic levels.

SIGNIFICANT BUDGET ADJUSTMENT

- **Bay Area Transit Loan**—Pursuant to Control Section 91.00 of the 2025 Budget Act, the Budget proposes statutory changes to authorize the Metropolitan Transportation Commission (MTC) to provide short-term loans to transit agencies facing cash flow challenges, preserving essential services for Bay Area riders.