

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON TRANSPORTATION

Lori D. Wilson, Chair

AB 2560 (Schultz) – As Amended April 15, 2026

SUBJECT: Climate Action Plan for Transportation Infrastructure: goals

SUMMARY: Codifies principles of the Climate Action Plan for Transportation Infrastructure that the California State Transportation Agency adopted. Specifically, **this bill:**

- 1) Codifies the following goals or principles of the Climate Action Plan for Transportation Infrastructure (CAPTI) adopted by the California State Transportation Agency (CalSTA):
 - a) Build toward an integrated, statewide rail and transit network, centered around the existing California State Rail Plan that leverages the California Integrated Travel Project to provide seamless, affordable, multimodal travel options in all contexts, including suburban and rural settings, to all users.
 - b) Invest in networks of safe and accessible bicycle and pedestrian infrastructure, particularly by closing gaps on portions of the State Highway System that intersect local active transportation and transit networks or serve as small town or rural main streets, with a focus on investments in low-income and disadvantaged communities throughout the state.
 - c) Include investments in light-, medium-, and heavy-duty zero-emission vehicle infrastructure as part of larger transportation projects.
 - d) Reduce public health and economic harms and maximize community benefits to disproportionately impacted disadvantaged communities and low-income communities, in urbanized and rural regions, and involve these communities early in decision-making.
 - e) Make safety improvements to reduce fatalities and severe injuries of all users towards zero on the roadways, railways, and transit systems by focusing on context-appropriate speeds, prioritizing vulnerable user safety to support mode shift, designing roadways to accommodate for potential human error and injury tolerances, and ultimately implementing a safe systems approach.
 - f) Assess and integrate assessments of physical climate risk as standard practice for transportation infrastructure projects to enable informed decision-making, especially in communities that are most vulnerable to climate-related health and safety risks.
 - g) Promote projects that do not significantly increase passenger vehicle travel, particularly in congested urbanized settings where other mobility options can be provided, while recognizing that highway expansion projects serve different purposes and as a result assessing the impacts of each project will vary based on context and project-specific analysis.

- h) Promote compact infill development while protecting residents and businesses from displacement by funding transportation projects that support housing for low-income residents near job centers, provide walkable communities, and address affordability to reduce the housing-transportation cost burden and auto trips.
- i) Develop a zero-emission freight transportation system that avoids and mitigates environmental justice impacts, reduces criteria and toxic air pollutants, improves freight's economic competitiveness and efficiency, and integrates multimodal design and planning into infrastructure development on freight corridors.
- j) Protect natural and working lands from conversion to more intensified uses and enhance biodiversity by supporting local and regional conservation planning that focuses development where it already exists and align transportation investments with conservation priorities to reduce transportation's impact on the natural environment.

EXISTING LAW:

- 1) Establishes CalSTA, including powers and duties to develop, report on, and coordinate planning and policy formulation in transportation policies (Government Code (GOV) Code §§13975-13980).
- 2) Creates the interregional transportation improvement program (ITIP) consisting of projects to improve state highways, projects to improve the intercity passenger rail system and projects to improve interregional movement of people, vehicles, and goods (GOV §14526).
- 3) Enacts the Road Repair and Accountability Act of 2017, SB 1 (Beall, Chapter 5, Statutes of 2017), which provides roughly \$5.2 billion annually to fund the state's highways, local streets and roads, public transportation, and active transportation programs. SB 1 created new transportation competitive programs, to be administered by the CTC, including:
 - a) Local Partnership Program (LPP), funded at \$200 million annually, for local or regional transportation agencies which have received voter approval of taxes or fees are dedicated solely to transportation improvements. Eligible projects include new highway and local road construction to reduce congestion, transit, zero-emission vehicle (ZEV) infrastructure, bike/pedestrian projects.
 - b) Trade Corridor Enhancement Program (TCEP), funded at \$300 million annually, for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement. Eligible projects include highway, rail, port, and other improvements to more efficiently move freight, and environmental mitigation. Requires the CTC to adopt guidelines that, among other things, "places emphasis on projects that improve trade corridor mobility and safety while reducing emissions of diesel particulates, greenhouse gases, and other pollutants and reducing other negative community impacts...".
 - c) Solutions for Congested Corridors (SCC), funded at \$250 million annually, for projects that are designed to reduce congestion and provide more transportation choices and are part of a comprehensive corridor plan. Eligible projects limited to those that mitigate VMTs, highway lane expansion, and pollution, and include high-

- occupancy vehicle or managed lanes designed to improve safety for all modes of travel, such as auxiliary lanes, truck climbing lanes, or dedicated bicycle lanes. (Streets and Highways Code §2030 et seq.).
- 4) Creates Transit and Intercity Rail Capital Program (TIRCP) to finance transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems and bus and ferry transit systems to achieve all of the following policy objectives:
 - a) Reduce emissions of greenhouse gases;
 - b) Expand and improve transit service to increase ridership;
 - c) Integrate the rail service of the state's various rail operators, including integration with the high-speed rail system;
 - d) Improve transit safety (Public Resources Code §75220).
 - 5) Establishes the Active Transportation Program (ATP), funded at approximately \$100 million annually, to encourage increased use of active modes of transportation, such as walking and biking. The goals of the ATP include:
 - a) Increasing the proportion of trips accomplished by walking and biking;
 - b) Increasing the safety and mobility of non-motorized users;
 - c) Advancing efforts of regional agencies to achieve greenhouse gas reduction goals;
 - d) Enhancing public health and providing a broad spectrum of projects to benefit many types of users including disadvantaged communities (Streets and Highways Code §2380).

FISCAL EFFECT: Unknown

COMMENTS: *According to the author's office, "Transportation remains California's largest greenhouse gas emitting sector – approximately half of the state's GHGs. The climate crisis directly impacts the health and safety of all Californians and disproportionately affects the most vulnerable. With climate change exacerbating the frequency and severity of natural disasters — from extreme heat and drought to unprecedented storms and wildfires — we need to prepare and adapt our transportation system to withstand, respond to, and recover quickly from these extreme events. The Newsom Administration's Climate Action Plan for Transportation Infrastructure (CAPTI) has shown that with the appropriate action, we can make huge strides in tackling transportation emissions from infrastructure investments. However, there is still a long road ahead for implementation to meet our state climate goals. AB 2560 ensures CAPTI is implemented and updated well beyond the Newsom administration. This bill allows our current work and progress in significantly reducing GHGs in the transportation sector to be a legacy."*

CAPTI Framework. This bill codifies the goals or principles of CAPTI, which CalSTA first published in 2021 in response to Executive Orders (EO) N-19-19 and N-79-20, both of which principally target the reduction of GHG emissions from the transportation sector. E.O. N-79-20 required CalSTA, by July 15, 2021, to "...identify near term actions, and investment strategies, to improve clean transportation, sustainable freight and transit options, while continuing the state's "fix-it-first" approach to our transportation system...". The fix-it-first approach generally refers to the continued maintenance and repair of existing transportation infrastructure first codified by SB 1 (Beall), Chapter 5, Statutes of 2017. CAPTI embodies this directive by setting 10 wide-ranging goals codified by this bill including building an integrated rail/transit network,

investing in bicycle/pedestrian and zero-emission vehicle infrastructure, promoting projects that reduce vehicle miles travelled (VMT), strengthening our commitment to equity, and protecting natural/working lands.

Arguably, the achievement of some of these goals were already set in motion by SB 1 in 2017 (which created the LPP, TCEP, and SCC programs) and programs like ITIP, TIRCP and ATP that predated SB 1 but are now funded, in part, by it. Some of the SB 1 programs are statutorily limited to projects that reduce or mitigate GHGs/VMT, and transit, rail or bike/pedestrian projects that generally are inherently GHG reducing. These programs are administered by CalSTA, CTC, or Caltrans or a combination of at least two of these entities.

CAPTi serves as a useful framework to unify the above programs, evaluate their effectiveness, and develop strategies to accomplish its goals. This includes the development of program guidance governing the competitive disbursement of about \$5 billion in discretionary state and federal transportation funds. In addition, CalSTA and Caltrans execute other distinct actions, plans, or processes intended to achieve the CAPTi goals. For example, CAPTi 2.0, released in January 2025, commits to achieving 14 actions like developing a plan to outline the role of roadway pricing on planned and existing facilities and creating statewide VMT mitigation bank, where project proponents can purchase VMT reductions achieved by other projects in advance of a need. While these examples may not be directly program related they will likely facilitate the achievement of some CAPTi goals.

Has the application of CAPTi goals to date been meaningful? In short, it depends, especially for programs like TCEP, SCC or LPP that more commonly fund new highway construction or expansion projects. On the one hand, CTC has been recognized for making laudable progress in approving projects that reduce VMTs. For example, according to the NRDC, in the 2023 funding cycle for the three programs above, the CTC awarded “slightly more funding in this package is supporting projects that we deem likely to reduce VMT than to increase driving and congestion.” The NRDC concluded that the LPP portfolio of projects “appears to be fully aligned with CAPTi” and the SCC “shifted from majority VMT-increasing in 2020 to 70% VMT-decreasing. However, at the same time, NRDC was critical of the TCEP portfolio, alleging that 43% of funding supported VMT-increasing projects and urging the CTC to reject highway capacity expanding projects and instead approve zero-emissions freight projects.

On March 19, 2026, of the \$950 million available for the 2026 STIP (of which ITIP is a component) cycle, the CTC approved just over half for rail, transit and ATP projects it considered likely to reduce VMT. Notwithstanding, environmental stakeholders, while encouraged, were critical of counties proposing to widen highways that they allege will increase congestion and pollution instead of addressing unfunded ATP projects in their regions.

Further CAPTi 2.0 commitments to address VMTs. CAPTi 2.0 acknowledges that more progress can be achieved “...to further ensure funding applicants consider climate change through changes to planning, project scoping, programming, and mitigation”. Accordingly, in addition to the CAPTi 2.0 actions noted above, other actions commit to updating: 1) TCEP guidelines, for example, so that goods movement projects that mitigate related or induced passenger VMT impacts (e.g., expansion of highway capacity to alleviate freight congestion), by investing in bus/rail service or active transportation projects, are more competitive for funding; and 2) SCC guidelines that target a portfolio of projects that achieve VMT neutrality. Public processes to update these guidelines are already underway and are expected to be finalized this August.

Caltrans' CAPTI strategy. As an action item from CAPTI 1.0, Caltrans has recently developed the Caltrans Systems Investment Strategy (CSIS), a qualitative and quantitative tool that guides how Caltrans evaluates and nominates projects financed by state and federal discretionary funding for CTC approval—namely, the TCEP and SCC. Caltrans first qualitatively assesses project “fit” by considering cost, schedule, and geographic diversity, among other things. The quantitative element scores a project (0-10 points) based on alignment with CAPTI goals (e.g., safety, VMTs, disadvantaged communities, freight sustainability, ZEV infrastructure), equally weighting each goal. Projects are then prioritized based on their scores and other factors such as delivery risk, ability to meet project milestones, and matching funds and ultimately approved by the Director of Caltrans (to proceed to the grant application phase).

Committee comments. Solving for climate, equity and public health goals within the complexities and challenges of legacy transportation funding programs and the sometimes-competing goal of facilitating the safe and efficient movement of people and goods is an exercise of extreme balance. Our transportation agencies are necessarily asked to overlay critical environmental and equity goals on top of statewide transportation, goods movement and other goals, many of which can conflict with one another. While guidelines and scoring criteria to help achieve these goals bring more transparency and accountability to decision-making, the crux of this balancing exercise is the degree to which climate or public health goals overtake goods movement or congestion relief goals or vice versa. It could cut both ways for legitimate reasons, or in many cases, these goals can be complementary.

For example, Caltrans' CSIS tool equally weights climate and non-climate metrics and includes qualitative assessments to accommodate scheduling and geographic considerations which could render a climate-friendly rail project or highway expansion project infeasible. As stated by Caltrans, CAPTI “metrics are structured to create deliberate trade-offs where projects can score well on some metrics but not all simultaneously. (For example, projects could score well for reducing traffic impacts to disadvantaged communities by rerouting truck traffic via a bypass project (Disadvantaged Communities–Traffic Impacts metric) but also increase regional vehicle miles traveled and score lower on the VMT metric.)”

Given the on-going work CalSTA, Caltrans and other agencies are doing to implement CAPTI goals, it is unclear whether this bill is necessary. Somewhat similar to this bill, AB 2438 (Friedman) in 2022 would have required certain state transportation programs to incorporate CAPTI strategies into program guidelines and various state transportation entities to establish transparency and accountability guidelines for certain funding programs. The Governor vetoed that bill stating “While I share the goal of addressing the impacts of the transportation sector on climate change, this bill is unnecessary. Work is well under way at the [CalSTA], [Caltrans] and the California Transportation Commission to align funding programs in the bill with CAPTI, with several actions already completed.” Four years have passed since AB 2438 was vetoed allowing these agencies to further embed the principles of CAPTI into their day to day work, which will likely continue regardless of this bill.

Writing in support (to prior version), a coalition of environmental organizations state, “CAPTI was adopted by the California State Transportation Agency (CalSTA) in 2021 in response to Governor Newsom’s Executive Orders N-19-19 and N-79-20. CAPTI established a new paradigm for planning, developing, and funding transportation projects to aggressively reduce climate impacts while improving public health, safety, and equity. CAPTI’s ten guiding

principles direct state funding via seven transportation programs to sustainable transportation projects that create options for Californians to avoid and reduce driving. In response to CAPTI, we've seen significant shifts in these state programs toward funding more transit, rail, and active transportation projects and away from funding auto-oriented projects like highway expansion. Caltrans also implemented a new project prioritization process called the Caltrans System Investment Strategy (CSIS) as a required action under CAPTI and in alignment with the ten principles.”

Writing in opposition (to prior version), Transportation California states that, “AB 2560 attempts to address the veto by codifying the goals themselves rather than simply referencing the external document. However, the result is the same: it statutorily ties transportation funding programs, including SB 1 funded programs, to a fixed set of priorities, reducing the flexibility that has allowed CalSTA, Caltrans, and the CTC to successfully implement CAPTI as a living administrative document. Our organizations applauded the Administration’s measurable progress in the 2023 CAPTI Annual Progress Report – GHG reductions, maintained job creation and quality, improved equity outcomes, and decreased VMT from state investments – precisely because the process remained flexible and evidence-based.

Moreover, codification of CAPTI goals would require future statutory amendments every time CAPTI evolves – exactly the inefficient outcome the Governor warned against.”

Related Legislation. AB 7 (Friedman, 2023) requires California State Transportation Agency (CalSTA), California Department of Transportation (Caltrans), and the California Transportation Commission (CTC), on or after January 1, 2025, to the extent feasible, applicable, and cost effective, to incorporate the goals related to the Climate Action Plan for Transportation Infrastructure (CAPTI) into program funding guidelines and planning processes, as specified. This bill died in Senate Appropriations.

AB 2438 (Friedman, 2022) required specified state transportation programs to incorporate strategies from the Climate Action Plan for Transportation Infrastructure (CAPTI) into program guidelines, as provided, and various state transportation entities to establish new transparency and accountability guidelines for certain transportation funding programs, as specified. This bill was vetoed by the Governor.

AB 285 (Friedman), Chapter 605, Statutes of 2019 Updates requirements of the California Transportation Plan (CTP) to reflect the state's recent environmental legislation and requires a review of the implementation of the CTP.

SB 150 (Allen), Chapter 646, Statutes of 2017 Requires the California Air Resources Board (ARB) to prepare a report to assess the progress of the state's 18 metropolitan planning organizations (MPOs) in meeting their regional greenhouse gas emissions (GHG) targets.

REGISTERED SUPPORT / OPPOSITION:

Support (to prior version)

350 Bay Area Action

350 Sacramento

Active San Gabriel Valley

Alliance of Nurses for Healthy Environments

American Lung Association of California
California Bicycle Coalition
California Electric Transportation Coalition
California Walks
Center for Biological Diversity
Center for Community Action and Environmental Justice
Circulate San Diego
Climate Health Now
Climate Resolve
Climateplan
Coalition for Clean Air
Leadership Council for Justice and Accountability
Move California
Move LA
Natural Resources Defense Council
Nextgen Climate America, Inc.
Planning and Conservation League
Rails to Trails Conservancy
Rise South City
Safe Routes Partnership
San Diego 350
Seamless Bay Area
Streets are for Everyone
Streets for All
The Greenlining Institute
Transbay Coalition
Transform

Opposition (to prior version)

American Council of Engineering Companies
Associated General Contractors of California
California Alliance for Jobs
California Asphalt Pavement Association
California Association of Councils of Governments
California Building Industry Association
California Chamber of Commerce
California Construction & Industrial Materials Association
California Manufacturers and Technology Association
California State Council of Laborers
California Trucking Association
Engineering & Utility Contractors Association Db a United Contractors
International Union of Operating Engineers
Nevada County Transportation Commission
Rebuild Social Partnership
Riverside County Transportation Commission
Self-help Counties Coalition
Southern California Contractors Association
Transportation California

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