

ASSEMBLY THIRD READING
AB 2560 (Schultz)
As Amended April 15, 2026
Majority vote

SUMMARY

Codifies principles of the Climate Action Plan for Transportation Infrastructure (CAPTI), developed by the California State Transportation Agency (CalSTA).

Major Provisions

- 1) Codifies the following goals or principles of CAPTI:
 - 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.

COMMENTS

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.

Arguably, the achievement of some of these goals were already set in motion by SB 1 in 2017—which created the Solutions for Congested Corridors (SCC) Program, the Trade Corridor Enhancement Program (TCEP), and the Local Partnership Program (LPP—and programs like the Transit and Intercity Rail Capital Program and the Active Transportation Program that predated SB 1 but are funded, in part, by it. Some of the programs created by SB 1 are statutorily limited to projects that reduce or mitigate greenhouse gases (GHG) or vehicle miles traveled (VMT), and transit, rail or bike/pedestrian projects that are inherently GHG reducing. These programs are administered by CalSTA, California Transportation Commission (CTC), or California Department of Transportation (Caltrans) or a combination 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.

To date, the application of CAPTI goals appears to be largely meaningful even though programs like TCEP, SCC or LPP continue to fund new highway construction or expansion projects. On the one hand, CTC has been recognized for making laudable progress in approving projects that reduce VMT. For example, according to the Natural Resources Defense Council, 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.

Further CAPTI 2.0 commitments. CAPTI 2.0, adopted in February 2025, 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, CalSTA committed to implement a number of follow-up actions including updating TCEP guidelines, for example, so that goods movement projects that mitigate related or induced passenger VMT impacts are more competitive for funding.

Solving for climate, equity and public health goals within the complexities and challenges of legacy transportation funding programs and in the face of competing goals like facilitating the safe and efficient movement of people and goods is an exercise of extreme balance. Our transportation agencies are necessarily being 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.

Given the on-going work CalSTA, Caltrans and other agencies are doing to implement CAPTI goals, it is unclear whether this bill is necessary.

According to the Author

"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."

Arguments in Support

A coalition of environmental organizations state that: "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."

Arguments in Opposition

According to the Orange County Transportation Authority (OCTA): "While OCTA supports the importance of advancing these objectives, codifying CAPTI goals in statute raises concerns regarding how these broad policy directives may be interpreted and implemented over time. CAPTI was developed as an administrative framework that allows state agencies to adapt policies, guidance, and evaluation criteria as conditions, data, and priorities evolve. Placing these goals into statute reduces that flexibility and may require future legislative action to make adjustments."

FISCAL COMMENTS

According to the Assembly Appropriations Committee:

While CAPTI implementation has been underway since its inception in 2021, codifying its goals in statute creates ongoing cost pressures of an unknown but significant amount, likely in the millions of dollars annually (General Fund, various special funds, federal funds, bond funds), on the California State Transportation Agency (CalSTA) to continue directing significant transportation dollars in projects and programs that align with CAPTI's climate, health, and equity goals.

While many of these programs already have statutorily established parameters and goals that align with CAPTI, and many of these programs have made changes to further align with CAPTI, by enshrining goals in code, this bill creates a potentially significant, ongoing redirection of transportation funding, to the extent incorporating CAPTI strategies directs allocations to projects primarily focused on reducing greenhouse gas (GHG) emissions, improving public health, and promoting social equity.

VOTES

ASM TRANSPORTATION: 11-3-2

YES: Wilson, Aguiar-Curry, Ahrens, Carrillo, Harabedian, Hart, Jackson, Papan, Ransom, Rogers, Sharp-Collins

NO: Hoover, Lackey, Macedo

ABS, ABST OR NV: Davies, Ávila Farías

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

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