



plan called the State Transportation Improvement Plan (STIP). Requires CTC to develop the STIP, a five-year program of future state transportation funding allocations for state highway, intercity rail, and regional highway and transit improvements. (GOV 14524; SHC 163)

- 5) Mandates that 75% of funds allocated to the STIP be allocated to RTIPs that implement local RTPs, as submitted by transportation planning agencies. (SHC 164)
- 6) Mandates that 25% of funds allocated to STIP be allocated to the Interregional Transportation Improvement Plan (ITIP) that implements the ITSP, as submitted by Caltrans. (SHC 164).
- 7) Requires CTC to compute, based on a formula of population and lane miles, the share of STIP funding CTC should allocate to each county over the course of the five-year Fund Estimate for STIP projects. (SHC 164).
- 8) Establishes the Active Transportation Program (ATP) within Caltrans for the purpose of encouraging increased use of active modes of transportation, such as biking and walking. (SHC 2380)
- 9) 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. (SHC 2030)
- 10) Requires, to the extent beneficial, cost effective, and practicable, Caltrans, cities and counties receiving funds under SB 1 to incorporate complete street elements into projects, including, but not limited to, elements that improve the quality of bicycle and pedestrian facilities and that improve safety for all users of transportation facilities. (SHC 2030(f))
- 11) Defines "transit-oriented development zone" as the area within one-half mile of a transit-oriented development stop. (GOV 65912.156(m))
- 12) Defines "transit-oriented development stop" as a transit stop or station located in an urban transit county, that either (GOV 65912.156(p)):
  - a) Is identified in a region's transportation improvement program, and is served by light rail, heavy rail, high or very-high frequency commuter rail, or bus service; or,

- b) Is a preferred alternative stop identified in an adopted environmental review or local implementation document, regardless of its status in a region's transportation improvement program.

13) Defines an "urban transit county" as a county with more than 15 passenger rails stations. (GOV 65912.156(q))

**This bill:**

- 1) Makes a number of findings and declarations regarding the benefits of active transportation and the need to improve access to active transportation projects.
- 2) Defines a "safe streets project" as a project that:
  - a) Increases the proportion of trips accomplished by biking and walking, increases safety and mobility for nonmotorized users, and advances the active transportation efforts of regional agencies; and,
  - b) Includes sidewalk and curb ramp networks, protected bicycle facilities, safe crossings, traffic calming measures, and Safe Routes to School projects.
- 3) States that a project consisting of roadway widening or capacity expansion shall not be classified as a safe streets project solely because it includes incidental bicycle lanes or sidewalks.
- 4) Establishes that 50% of the funds programmed for ITIP shall be programmed for safe streets projects, and that these funds must prioritize projects located in transit-oriented development zones.
- 5) Establishes that 50% of the funds programmed for RTIP shall be programmed for safe streets projects, and that these funds must prioritize projects located in transit-oriented development zones.
- 6) Renames the Active Transportation Program as the Safe Streets Program.
- 7) Directs CTC, in administering the Safe Streets Program, to establish a process by which applicants may submit an initial application that does not require detailed engineering drawings.

**COMMENTS:**

- 1) *Purpose of the bill.* According to the author, “California is facing a preventable roadway safety crisis, with pedestrian fatalities at near 40-year highs and traffic violence leading as the most common cause of death for children in our state. Despite this, our current transportation funding system does not sufficiently address this, commonly prioritizing highway widening over street safety. SB 1423 will tackle this by focusing our transportation dollars on what works: safer streets for all who use them. By dedicating 50% of STIP funds to projects that reduce crashes, prioritizing those investments near transit-oriented developments where more people will live, and streamlining access to funding for local governments, this bill will facilitate safer streets and address our roadway safety crisis.”
- 2) *California’s transportation network.* California’s transportation network consists of streets, highways, railways, bicycle routes, and pedestrian pathways. This network provides people and businesses the ability to access destinations and move goods and services throughout the state. Construction, operations, and maintenance responsibilities are shared amongst state, regional, tribal and local governments. Funding for these activities comes from federal, state, and local taxes, fees and assessments, and private and tribal investments. This collaborative effort results in an integrated transportation network that provides mobility for 40 million people, while helping California sustain its position as the world’s fourth largest economy. Currently, roughly \$35 billion (federal, state, and local funds combined) is spent annually in California on building and maintaining the transportation network. Additionally, the federal Infrastructure Investment and Jobs Act was expected to provide California with approximately \$40 billion over five years.

On the state level, a wide array of funding programs have been implemented by multiple state agencies. Funding to support these programs come from a wide variety of sources including federal grants, fuel taxes, bond funding, and general fund revenues. Most recently, a major source of funding for these programs comes from SB 1 (Beall, Chapter 5, Statutes of 2017), otherwise known as the Road Repair and Accountability Act. SB 1 increased several taxes and fees to raise roughly \$5.2 billion annually to be used towards deferred maintenance on the state highways and local streets and roads, and to improve the state's trade corridors, transit, and active transportation facilities.

- 3) *State Transportation Improvement Program.* STIP is a five-year plan for the allocation and expenditure of funds for state highway improvements, intercity rail, regional highway and transit improvements, and active transportation improvements. STIP is updated every two years and formally adopted by CTC. Each new STIP includes project carried forward from the previous STIP, plus

new projects and reserves.

Funding for STIP comes from a variety of sources, including the state excise tax of gasoline. The 2026 STIP has a total funding capacity of roughly \$2.7 billion. This includes \$1.6 billion carried over from the 2024 STIP and \$1.1 billion in new capacity. This funding is split roughly evenly across the five-year window, giving approximately \$500 billion to \$580 billion annually. STIP funding has been relatively stable over the past few cycles in the \$2 billion range.

STIP funding is divided into two buckets. 25% of the funding is dedicated to funding interregional projects, and the remaining 75% is dedicated to funding regional projects. The interregional portion, called ITIP, is allocated by Caltrans and meant to fund projects that cross metropolitan boundaries and link the state's transportation systems together. ITIP has further funding allocations, including mandating a 40% – 60% split between the north and south regions of the state, the so-called north – south split, as well as requiring that at least 15% of ITIP funds are spent on intercity passenger rail.

All projects programmed in ITIP must also conform with ITSP. This plan, first developed by Caltrans in 2015, and updated every five years thereafter, is a statewide plan that guides investment throughout California's 11 strategic interregional corridors. Specifically, these interregional projects are intended to improve the interregional transportation system between various regions prioritizing the movement of people and goods. Its primary purpose is to inform how ITIP funds should be spent.

The regional portion of STIP funding is referred to as RTIP. RTIP is comprised of multiple different projects proposed by regional agencies across the state. Much like ITIP, the program includes a list of recommended capital outlays for transportation improvements, including new facilities, rehabilitation, and operational improvements in each agency's respective region.

After the allocation of 75% for RTIP and 25% for ITIP, the STIP must also follow the 40% – 60% north-south split. Finally, CTC then computes, based on a formula of population and lane miles, the share of STIP funding to allocate to each county over the course of the five-year Fund Estimate for STIP projects. The regional agencies then program projects based on their shares.

These requests are informed by each agency's RTPs. These plans are developed by Metropolitan Planning Organizations (MPOs) and RTPAs every four, and identify a 20-year vision for transportation priorities and investments. RTPs are

generally developed in cooperation with the Federal Highway Administration, Federal Transit Administration, Caltrans, and other stakeholders, including system users. The purpose of the RTP is to establish regional goals, identify present and future needs, deficiencies, and constraints, analyze potential solutions, estimate available funding, and propose investments, ultimately informing RTIP programming.

Additionally, all MPOs are required to develop Sustainable Communities Strategies (SCS), or long-range plans which align transportation, housing, and land use decisions toward achieving Greenhouse Gas (GHG) emissions reduction targets set by the California Air Resources Board (CARB). The RTP/SCSs are used to inform RTIP project selection.

- 4) *The Active Transportation Program*. In 2013, SB 99 (Committee on Budget and Fiscal Review, Chapter 359, Statutes of 2013) created ATP. The intent of the program was to consolidate existing federal and state transportation programs, including the Transportation Alternatives Program (TAP), Bicycle Transportation Account (BTA), and State Safe Routes to School (SRTS), into a single program with a focus to make California a national leader in active transportation. The program is funded through a combination of federal and state funds, including \$100 million annually from SB 1.

Overall, the program is designed to increase the use of active modes of transportation. Specifically, its goals are to increase the proportion of trips accomplished by biking and walking; increase safety and mobility for non-motorized users; advance the active transportation efforts of regional agencies to achieve GHG reduction goals; enhance public health; ensure that disadvantaged communities fully share in the benefits of the program; and provide a broad spectrum of projects to benefit many types of active transportation users.

ATP funding is allocated per year, but divided into four year cycles. Each cycle includes the current year and the three upcoming years. Effectively, each cycle includes the last two years of the previous cycle as well as the two years beyond that. For instance, the current cycle, Cycle 7, covers fiscal years 2026 through 2029. In the initial cycles, funding remained relatively constant, increasing from roughly \$350 million in available funding in Cycle 1 to roughly \$480 million in available funding in Cycle 5. Initially, Cycle 6 was given a surplus of funding, with an initial fund estimate of roughly \$1.7 billion. This came amidst overall budget surpluses experienced in the immediate post-pandemic boom. However, as the budget constrained in future years, that number was revised downward. As a result, the Cycle 7 funding, which was initially estimated at roughly \$550

million, was revised downward to only about \$160 million, severely limiting capacity. For Cycle 8 it is projected that funding will return to more typical levels, with an initial fund estimate of around \$620 million according to CTC.

However, regardless of the funding state, ATP has always been severely oversubscribed. Over the first six cycles the program received approximately 3,200 applications, but were only able to fund roughly 1,200 projects. In general, requests were roughly three times higher than available funding. This rate jumped in Cycle 7 with the overall funding reduction.

Despite these challenges, the program has been successful at achieving its goals. As stated above, over 1,200 projects have been selected, benefiting both urban and rural areas. More than 400 of the funded projects are Safe Routes to Schools projects and programs that encourage a healthy and active lifestyle throughout students' lives. In addition, every cycle has seen more than 85% of funds going towards projects that will benefit disadvantaged communities throughout the state.

- 5) *SB 1423 makes major changes to transportation funding programs.* SB 1423 makes major changes to STIP and ATP, two of the state's key transportation funding programs. Specifically, SB 1423 requires that 50% of STIP funding, including 50% of ITIP and RTIP funds, be used to support safe streets projects. These are defined as projects that include traffic calming and a variety of projects that would generally fall under the umbrella of active transportation. Streets for All, writing as the sponsor, argues this is needed as "California is currently facing a roadway safety crisis. Pedestrian fatalities are near 40-year highs, and traffic violence is the leading cause of death for children in the state. Many communities lack basic infrastructure for safe walking, biking, and accessing transit."

In addition to these STIP changes, SB 1423 would also rename the ATP to the Safe Streets Program and create a new two-tiered application process for the program. This change aims to address complaints that smaller, less resourced project sponsors may have difficulty meeting the extensive application requirements. Writing as the bill sponsor, Streets for All states "SB 1423... introduces a streamlined, two-step application process, allowing jurisdictions to submit an initial conceptual proposal before investing in costly technical designs", and that "existing funding programs are oversubscribed and overly complex, requiring cities to spend significant resources on applications with no guarantee of success."

- 6) *STIP funds already support active transportation.* SB 1423 would require 50% of all STIP funding to support certain types of active transportation projects. However, such projects are already well supported by STIP. STIP guidelines currently allow for bicycle and pedestrian projects to be programmed within STIP. Specifically, RTIP guidelines state that “regions should consider incorporating complete streets elements in all highway projects proposed for funding in the STIP”. Furthermore, ITIP guidelines state that Caltrans may propose active transportation projects and provides multiple example of active transportation projects that fit within ITIP, including first and last mile connections to the intercity rail system, bicycle highways that cross multiple regions, and projects that support a multi-use trails that cross multiple regions.

Indeed, the most recent list of funded STIP projects reveal a large number of these active transportation projects. These include projects around inter-regional trails, highway underpasses, bicycle and pedestrian connectivity projects, complete streets projects, trail intersection improvements, trail gap closures, and pedestrian tunnels. In fact, according to CTC, roughly 30% of all STIP funds are currently spent on active transportation projects. Thus, SB 1423 would effectively mandate a practice already being carried out, but in so doing remove discretion from Caltrans and regional transportation agencies about how to best serve their own regions.

- 7) *Rail and transit are important for active transportation.* Beyond active transportation projects themselves, two other types of projects are generally important to supporting broader access to active transportation options. These projects are those involving rail, particularly intercity rail, and mass transit more generally. These types of services serve to connect trails, bike paths, and pedestrian walkways, thus supporting the use of active transportation in both commuting and traveling further distances. Indeed, this is a major component of Caltrans’ ITIP strategy, and a key reason for their increasing focus on using ITIP funds to support intercity rail. Many ITIP projects are in fact focused on projects that, at least indirectly, help connect these types of active transportation options. As a result, over the past two ITIP cycles, roughly 85% of funding has gone to active transportation, rail, mass transit, or sustainable transit projects, with the vast majority going to support intercity rail.

SB 1423, by mandating ITIP funds be spent on active transportation exclusively, would cut off this important revenue stream for rail and transit projects. This would be particularly devastating for intercity rail. As a result, these services may face disruptions, which would in turn harm overall progress towards mode shifting and encouraging higher use of active transportation

options.

- 8) *Reduced flexibility in STIP programming.* SB 1423 requires that 50% of all STIP funding, including 50% of ITIP and 50% of RTIP, be spent on safe streets projects, as defined. This definition lists specific types of projects that qualify, however this list is not comprehensive. Certain types of projects that would generally be considered active transportation, such as multi-use trails or non-separated bike lanes, would thus not count towards the 50% mandate. This issue further extends to the bill the renaming the Active Transportation Program as the Safe Streets Program. Non-urban projects in particular, like trails and interregional bikeways, may then be excluded from this program more broadly, as they would not qualify as “safe streets” projects.

Furthermore, the definition prioritizes funding in transit-oriented development zones, which by definition only includes specific urban transit counties. As defined by last years, SB 79 (Wiener, Chapter 512, Statutes of 2025), these counties are understood to be limited to the counties of Alameda, Los Angeles, Orange, Sacramento, San Diego, San Francisco, San Mateo, and Santa Clara. Thus, this requirement could potentially exclude large amounts of STIP funding from rural areas, particularly in ITIP.

On RTIP side, the 50% requirement may negatively impact smaller counties where road capacity remains their most pressing transportation issue. In many rural areas the demand for road capacity and road maintenance greatly outstrips needs for other types of transportation projects. Thus, the 50% requirement may force these counties to spend limited resources on unneeded projects at the expense of pressing issues. In fact, a coalition of stakeholders, writing in opposition note that “Communities across the state must be able to respond to their own most pressing priorities, including highway improvements, freight movement, congestion relief, passenger rail, safety, and multimodal connectivity. A broad statewide programming mandate would make it harder for regional and state partners to balance those needs and deliver the projects that are most critical to their communities.”

An additional issue for rural counties in particular has to do with the small amounts of STIP funds these counties generally receive. As a result, these counties often bank their funds, saving large percentages of STIP funds every year for multiple years to then invest in one, larger project. The 50% requirement would thus severely impact this banking process. Indeed, writing in opposition, the California Association of Councils of Governments (CALCOG) write “Because these allocations are already modest, rural agencies frequently forgo programming in one cycle and carry funds forward to the next in order to

accumulate enough to deliver a single project. As a result, a 50% active transportation set aside makes this problem significantly worse. It doubles the amount of time agencies must save before they can fund a non-active transportation project, further delaying safety improvements and critical maintenance.”

Finally, because STIP operates in multi-year cycles, each new STIP must first account for all carryover projects from the previous cycle before any new funding can be programmed. Thus, once the 50% mandate is enacted, it is possible that the previous cycle’s carryover projects may not meet this threshold. Thus, these ongoing projects may have their funding cut off mid-stream. As stated above, this is most likely to affect smaller counties with already limited funding.

- 9) *Two-tiered ATP application.* In addition to changing the name of ATP, SB 1423 also directs CTC to develop a new two-tier application process for the program. Under this process, applicants would be able to submit an initial application that does not require detailed engineering guidelines. The purpose of this application would be to determine conformance with overall program guidelines, before a more detailed application is required. Under these rules, these sponsors could be saved from having to carry out this more extensive work if they are rejected in the initial application round.

However, it is unclear how effective such a change would be in practice. As discussed above, ATP is heavily oversubscribed. This means that decisions about which projects to fund often comes down to very slight differences between applications. For instance, all applications are currently scored on a 100 point scale to determine which ones should be awarded. However, given the oversubscription rate, all projects that receive funding generally receive a score of 90 or above. Thus, many qualified applicants would still make it through an initial application round, only to have their projects ultimately rejected. It is therefore unlikely that this change would significantly reduce ease of access to project sponsors, while it would certainly increase administrative burden for CTC.

- 10) *Committee amendments.* Given the potential overall impacts to STIP funding, and the possibility for unintended negative consequences to ATP funding, the committee has proposed, and the author has agreed to accept, amendments to better address the author’s underlying concerns. These amendments will strike all of the above provisions of the bill and instead require CTC to produce a study evaluating alternative application processes for ATP. The study will assess opportunities to improve equity, accessibility, cost-effectiveness, and

ease of application for prospective applicants in the ATP. Specifically, it will evaluate a two-phase application process and pre-application screening for ATP. A report on the study will be due to the Legislature by January 1, 2028.

#### **RELATED/PREVIOUS LEGISLATION:**

**SB 79 (Wiener, Chapter 512, Statutes of 2025)** – Required a housing development project within a specified radius of existing or currently proposed major transit-oriented development (TOD) stop, as defined, be an allowable use on a site zoned for residential, mixed, or commercial development, if the housing development meets certain requirements. This bill also allows a transit agency to adopt TOD zoning standards for district owned land located in a TOD zone.

**SB 960 (Wiener, Chapter 630, Statutes of 2024)** – Required, among other provisions, that to the extent feasible that facilities for pedestrians and bicyclists be provided and improved on all State Highway Operation and Protection Program (SHOPP) projects.

**SB 922 (Wiener, Chapter 987, Statutes of 2022)** – Expanded the California Environmental Quality Act (CEQA) exemptions for specified transit, bicycle, and pedestrian projects, and extends these exemptions from 2023 to 2030.

**AB 7 (Friedman, 2022)** – Would have required Caltrans and CTC to incorporate specified goals regarding statewide rail, zero emission vehicles, public health, and environmental impact into funding guidelines, and would have required the California Transportation Plan to include an analysis of progress towards achieving principles in various climate and infrastructure plans. *This bill was held on the Senate Floor.*

**AB 1147 (Friedman, 2021)** – Would have required the Governor’s Office of Planning and Research to develop a guidance document to provide best practices for establishing “15-minute communities,” and would have required Caltrans to develop a bicycle highway pilot program. *This bill was vetoed by Governor Newsom.*

**SB 127 (Wiener, 2019)** – Would have changed state policies for the management of the state highway system, including requiring Caltrans to incorporate complete street elements into projects in specified areas. *This bill was vetoed by Governor Newsom.*

**SB 1 (Beall, Chapter 5, Statutes of 2017)** – Increased several taxes and fees to raise the equivalent of roughly \$52.4 billion over ten years in new transportation

revenues and makes adjustments for inflation every year; directed the funding to be used towards deferred maintenance on the state highways and local streets and roads, and to improve the state's trade corridors, transit, and active transportation facilities.

**SB 99 (Committee on Budget and Fiscal Review, Chapter 359, Statutes of 2013)** – Created the Active Transportation Program to consolidate existing federal and state transportation programs.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 15, 2026.)

**SUPPORT:**

Streets for All (Sponsor)

**OPPOSITION:**

Associated General Contractors of California  
California Alliance for Jobs  
California Asphalt Pavement Association  
California Association of Councils of Governments  
California Construction & Industrial Materials Association  
California State Council of Laborers  
Coachella Valley Association of Governments  
International Union of Operating Engineers  
Merced County Association of Governments  
Nevada County Transportation Commission  
Professional Engineers in California Government (PECG)  
Rebuild Social Partnership  
Riverside County Transportation Commission (RCTC)  
Self-help Counties Coalition  
Southern California Contractors Association  
Transportation California  
Tulare County Association of Governments