
THIRD READING

Bill No: SB 1423
Author: Stern (D)
Amended: 4/23/26
Vote: 21

SENATE TRANSPORTATION COMMITTEE: 8-1, 4/21/26

AYES: Cortese, Archuleta, Arreguín, Blakespear, Gonzalez, Grayson, Richardson, Wiener

NOES: Strickland

NO VOTE RECORDED: Dahle, Menjivar, Seyarto, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/14/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

SUBJECT: Active Transportation Program: report

SOURCE: Streets for All

DIGEST: This bill requires the California Transportation Commission (CTC) to conduct a study on ways to improve the application process for the Active Transportation Program (ATP).

ANALYSIS:

Existing law establishes ATP within Caltrans for the purpose of encouraging increased use of active modes of transportation, such as biking and walking. (Streets and Highways Code Section 2380)

This bill:

- 1) Requires CTC to conduct a study on opportunities to improve the equity, accessibility, cost-effectiveness, and ease of application for applicants to the ATP program.

- 2) Requires the study to, at a minimum, consider methods for reducing applicant and administrative burden, including:
 - a) A two-phase application process, and,
 - b) A preapplication screening process.
- 3) Requires a report on the study to be submitted to the Legislature by January 1, 2028.

Comments

- 1) *Purpose of the bill.* According to the author, “Many of our communities face barriers in trying to access funding for walking and biking paths that are essential to public safety, especially in dense urban areas. This legislation is a step toward breaking down those barriers, by examining how we can make Active Transportation Projects more equitable, accessible, and less burdensome for local applicants. This isn’t just about building better paths; it’s about ensuring that funding for cleaner, safer, and more connected neighborhoods finally reaches the communities that need it most.”
- 2) *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 (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 various transportation programs across California.

Overall, ATP 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 greenhouse gas (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.

- 3) *SB 1423 requires studying ways to improve the ATP application process.* This bill requires CTC to study ways to improve the ATP application process, specifically by finding ways to reduce applicant burden. Namely, the goal of the study would be to identify ways to address complaints that smaller, less resourced project sponsors may have difficulty meeting the extensive application requirements.

In particular, this bill requires CTC to study the effects of creating a two-tiered application process for the program. Supporters of this bill have argued that under such a two-tiered 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 come 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 unknown if this change would significantly reduce ease of access to project sponsors, making the study proposed by this bill a necessary first step for evaluating this, and other, application streamlining proposals, before attempting to implement them.

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

According to the Senate Appropriations Committee:

- CTC anticipates one-time costs in the low hundreds of thousands of dollars in 2027-28 for staff workload to engage stakeholders and explore options for revising the ATP application process, and submit a report to the Legislature. To the extent the study and report ultimately recommends implementation of a two-stage application process and/or preapplication screening, CTC would incur significant costs related to program administration.
- CTC indicates that the timeframes in the bill would be challenging to implement. Existing ATP program staff will be fully occupied with the programming and allocation actions associated with Cycle 8 of the program in early 2027, and any additional resources that may be provided through the budget process would not be available until July 1, 2027, leaving only 6 months to conduct the study and submit the report to the Legislature. CTC further notes that the topic of a two-stage application process has been discussed through previous stakeholder workshops held review ATP guidelines and make updates before submitting a call for projects. The stakeholder consensus has consistently been opposed to the idea. The concept was also examined and rejected by CTC's ATP Technical Advisory Workgroup, which provides guidance on these matters. Implementing a two-step process would likely impose a significant cost burden on CTC without clear demonstrated benefits. It would require significant additional resources to address

compressed timelines for guidelines workshops, site visits, and additional time for a second evaluation process within the current two-year programming calendar.

SUPPORT: (Verified 5/14/2026)

Streets for All (Source)

OPPOSITION: (Verified 5/14/2026)

None received

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