

## Proposed FY 2026 State Transportation Improvement Program

### Overview

The California Transportation Commission (CTC) develops the State Transportation Improvement Program (STIP) every odd-numbered year. The STIP is a five-year investment plan that commits state transportation funds for state highway, intercity rail, and regional highway and transit projects.

### Key Considerations

The Draft 2026 STIP represents a five-year funding program administered by the CTC and updated biennially. Funding for the STIP is distributed on a formula basis. The proposed 2026 STIP continues funding for existing STIP projects in alignment with regional priorities and anticipated project needs. SANDAG must submit its programming proposal for inclusion in the 2026 STIP cycle by December 15, 2025, and the proposed programming will be incorporated into the FY 2027 Program Budget. STIP funds may only be used for projects that meet STIP eligibility requirements (see Discussion Memo), which includes use of up to 5% of a region's county shares for Planning, Programming, and Monitoring (PPM) activities. SANDAG uses STIP PPM funds for a portion of its operations.

### Next Steps

The 2026 STIP is required to be approved by the Board before submitting to CTC staff, SANDAG staff will return to the Board with the STIP proposal for consideration at its meeting on November 21, 2025. Following Board approval, staff will submit the 2026 STIP package to CTC staff no later than December 15, 2025. After receiving all regional agencies' STIP proposals, the CTC staff will conduct a review. The purpose of this review is to determine if any adjustments are necessary to ensure fiscal balance and maintain consistency with statewide programming capacity.

The CTC may also request revisions to ensure consistency with statewide funding priorities. CTC staff recommendations are expected in February 2026, following two scheduled public hearings, with adoption of the 2026 STIP scheduled for March 2026. Any significant changes to the recommendations will be presented to the SANDAG Board as part of the FY 2027 final budget presentation.

**Susan Huntington, Director of Financial Planning, Budgets & Grants**

Attachment: 1. Discussion Memo – Draft 2026 State Transportation Improvement Program Summary

### Action: Discussion

The Board of Directors is asked to discuss the submission of the proposed 2026 State Transportation Improvement Program to the California Transportation Committee.

### Fiscal Impact:

The proposed 2026 State Transportation Improvement Program (STIP) will provide a total of \$3.687 million of new PPM funding between FY 2029 and FY 2031.

### Schedule/Scope Impact:

The proposed 2026 STIP must be submitted to the California Transportation Commission by December 15, 2025. The STIP is scheduled to be adopted by the CTC in March 2026 with funding available beginning in FY 2027.