

Discussion Memo - 2026 State Transportation Improvement Program

Overview

During every odd-numbered year, the California Transportation Commission (CTC) develops the State Transportation Improvement Program (STIP), a five-year plan for future allocations of certain state transportation funds for state highway, intercity rail, and regional highway and transit improvements.

The STIP consists of two broad programs:

- 1) Regional program (STIP-RIP), which is funded by 75% of STIP funding, and
- 2) Interregional program (STIP-ITIP), which is funded by 25% of STIP funding.

Projects proposed as part of the STIP-RIP shares are submitted by the regional agency by December 15 of each odd-numbered year. After consulting with regional agencies and other local transportation authorities, Caltrans submits its draft ITIP to the Commission no later than October 15 of each odd-numbered year. After conducting public hearings, the CTC provides staff recommendations for each program in February, with final approval in March of every even year.

Key Considerations

The CTC adopted the [Fund Estimate and Guidelines](#) for the 2026 STIP at its meeting on August 14, 2025. The Fund Estimate is the set of revenue assumptions that cover the period FY 2027 to FY 2031. The 2026 Fund Estimate has a total capacity of \$2.7 billion statewide over the five-year period, compared to the 2024 Fund Estimate which was \$2.9 billion.

The 2026 STIP is primarily derived from the State Highway Account (SHA), which includes state and federal funds. The portion of funding available by formula to the region is based on two main factors: population and lane miles of maintained state highway. SANDAG, as the Regional Transportation Planning Agency, is responsible for submitting the programming request for the San Diego County share.

During each new STIP cycle, two funding years are retired, two new years are added, and updated funding capacity is provided, allowing regions the opportunity to program new projects or to program later phases of work for existing projects already in the development process. The county also receives up to 5% of county shares to use for planning, programming, and monitoring (PPM)¹ efforts. Based on the maximum target share in the 2026 STIP Fund Estimate for San Diego, there is no new programming capacity for projects for the FY 2027 through FY 2031 period. However, the region is permitted to propose programming of shares for PPM activities.

Current 2024 STIP

The current 2024 STIP, as shown in Table 1 below, programmed approximately \$373.9 million from FY 2025 to FY 2029, of which, \$7.3 million was allocated for PPM from FY 2025 to 2029.

¹ STIP funds programmed for PPM purposes can be used for regional transportation and PPM implementation of STIP-funded projects.

Table 1: Existing 2024 STIP Programming (\$000's)

Project	Phase	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total
Route 94/125 Interchange and Arterial Operations Improvement - Phase 1	CON/CON Sup		\$85,000				\$85,000
Route 94/125 Interchange and Arterial Operations Improvement – Phase 2	PA&ED/PS&E		\$6,000		\$10,000		\$16,000
I-5/I-805 HOV to Express Lanes	CON			\$80,900			\$80,900
I-805 South Express Lane Conversion - Palomar to 94	PS&E	\$10,000					\$10,000
SR 78/SR 15 HOV Lanes Connector	PS&E		\$19,730				\$19,730
I-5 North Coast Corridor (NCC) Managed Lanes	PS&E	\$10,000					\$10,000
SR 67 Operational Improvements	PS&E				\$30,000		\$30,000
I-15 Transit Priority Lanes & Clairemont Direct Access Ramp	PA&ED/PS&E		\$8,000			\$15,100	\$23,100
Carlsbad Village Trench Double-Track	PA&ED			\$20,800			\$20,800
Coastal Rail Trail Encinitas: E St to Chesterfield	CON			\$9,000			\$9,000
Regional PPM	Planning	\$1,193	\$1,183	\$1,691	\$1,691	\$1,576	\$7,334
Interregional Transportation Improvement Plan (ITIP)							
San Dieguito Lagoon Double-Track Phase 2 Construction	CON					\$62,000	\$62,000
Total 2024 STIP/ITIP Programming		\$21,193	\$119,913	\$112,391	\$41,691	\$78,676	\$373,864

Proposed 2026 STIP Project Considerations

The proposed 2026 STIP continues to implement SANDAG Board practice (in effect since the 2004 STIP) that prioritizes projects for funding as follows:

1. Focus on projects that are ready to go to construction
2. Focus on completing projects currently programmed in the STIP; and
3. Focus on TransNet priority projects.

Per the STIP guidelines, the CTC expects to give priority to the reprogramming of projects from the 2024 STIP to help deliver projects already funded with STIP funds. This ensures that projects funded with STIP are completed and benefits to the regions are realized.

To develop the proposed STIP, the guidelines require that Caltrans and SANDAG meet and confer to discuss and align project funding needs and priorities. During consultation with Caltrans District 11, staff evaluated the portfolio of projects in the TransNet program, Caltrans operational priorities for both the highway and rail programs, and the status of regional bike projects.

The availability of funding presents a significant timing consideration. New STIP shares are currently programmed for FY 2029 or later. Although the region has the option to request an advance of STIP funding into FY 2027 and FY 2028, funding approval is not guaranteed and depends entirely on the statewide capacity to accommodate the accelerated schedule. The California Transportation Commission (CTC) retains the discretion to uphold the current programming in FY 2029 and subsequent years.

Table 2 shows the proposed 2026 STIP recommendation, which programs \$150.7 million for highway projects, \$7.069 million for PPM, and \$62 million for rail projects through the Interregional shares, for a total of \$219.769 million. The changes from the 2024 STIP are highlighted in red.

Table 2: Proposed 2026 STIP Programming (\$000's)*

Project	Phase	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
SR 94/125 Interchange and Arterial Operations Improvement – Phase 2	PS&E		\$10,000				\$10,000
I-5/I-805 HOV Conversion to Express Lanes	CON		\$80,900				\$80,900
I-5 NCC Managed Lanes	CON		\$15,100				\$15,100
SR 67 Operation and Safety Improvements	PS&E		\$30,000				\$30,000
I-15 Transit Priority Lanes & Clairemont Direct Access Route	PS&E			\$(15,100)			\$(15,100)
Carlsbad Village Trench Double Track	PA&ED	\$20,800					\$20,800
Coastal Rail Trail Encinitas: E St to Chesterfield Phase 2	CON	\$9,000					\$9,000
Regional PPM	Planning	\$1,691	\$1,691	\$1,229	\$1,229	\$1,229	\$7,069
Interregional Transportation Improvement Plan (ITIP)							
San Dieguito Lagoon Double-Track Phase 2 Construction	CON			\$62,000			\$62,000
Total 2026 STIP/ITIP Programming		\$31,491	\$137,691	\$48,129	\$1,229	\$1,229	\$219,769

*2026 STIP Proposal also includes carryover of projects from the 2024 STIP as noted in Table 1 above.

Summary of Proposed 2026 STIP

- **SR 94/125 Interchange and Arterial Operations Improvement - Phase 2¹:** The State Route (SR) 94/ SR 125 Auxiliary Lanes Project will provide operational improvements by adding three auxiliary lanes on SR 125 and SR 94. The existing Southbound (SB) SR 125 off-ramp to Spring Street experiences queueing that extends onto the freeway lanes during peak hours. The proposed auxiliary lane on SB SR 125 between Lemon Ave and Spring St will allow queued vehicles to remain off the through lanes of SB SR 125. The proposed auxiliary lane will provide improved traffic flow. **Phase 2:** This submittal would provide funds for the design (PS&E) phase in FY 2028 for \$10 million to provide a direct freeway-to-freeway connection from southbound SR 125 to eastbound SR 94.
- **I-5/I-805 HOV Conversion to Express Lanes:** Convert existing High Occupancy Vehicle (HOV) lanes to High Occupancy Toll (HOT) lanes on I-805 from 0.3 mile south of the E. Palomar St. overcrossing to Landis Street overcrossing along I-5, from the I-5/805 merge to SR 78 and along I-805, from SR 52 to the I-5/805 merge and includes- ~~the~~ installation of technology that would support HOT lanes. Funding from previous STIP cycles helped to fund the design (PS&E) phase and a portion of right-of-way for this project. The 2026 STIP proposes to fund the construction phase in FY 2028 for \$80.9 million
- **SR 67 Operation and Safety Improvements:** This project is in the Project Approval and Environmental Document (PA&ED) phase for the full project limits, covering operational and safety improvements along SR 67 in San Diego County from Maplevue Street to Highland Valley/Dye Road. Three improvement alternatives and a No-Build alternative are being evaluated and considered as potential improvements to the SR 67 Highway Improvements Project. Funding for subsequent phases will be programmed in stages. This submittal retains full STIP funding for the project's environmental clearance and includes \$30 million in STIP funding for the design (PS&E) of Stage 1 improvements.
- **I-15 Transit Priority Lanes and Clairemont Direct Access Ramp:** The purpose of adding transit priority lanes through this corridor is to improve mobility, accessibility, and contribute to more reliable travel times for transit and the region's commuters. This project will add two transit priority lanes, one in each direction and a Direct Access Ramp at Clairemont Mesa Blvd in San Diego from 0.24 miles north of Adams Ave. overcrossing to 0.7 miles south of Miramar Way overcrossing. The prior year STIP funding provides funds for the environmental (PA&ED) phase for this project. The \$15.1 million for the design phase is being repurposed to help funds the more immediate need on the North Coast Corridor (NCC). Funding needs for this project will be re-evaluated as part of the 2028 STIP.
- **I-5 North Coast Corridor (NCC) Managed Lanes - SR 78 to SR 76:** This project will focus on the final piece of the I-5 NCC HOV & Managed lanes planned from the I-805 merge SR 78 to SR 76, constructing one managed lane in each direction, as well as community enhancements and operational improvements. These improvements provide the technology framework for the region's planned evolution of freeway lanes to form an integrated transportation network of connecting vehicles and transit. The 2024 STIP programmed \$10 million of STIP funds for the design (PS&E) phase and the proposed 2026 STIP would provide \$15.1 million from the I-15 Transit Priority Lanes project to help funds construction in FY 2028 which would support any future grant opportunities.
- **Carlsbad Village Trench Double Track:** Funding approved as part of the 2024 STIP provides funding for the environmental phase (PA&ED) for this project. This project would provide grade separations at various crossings in the City of Carlsbad and eliminate the potential for pedestrian and vehicular strikes at these locations. Coastal access and traffic circulation is currently limited

due to the minimal number of crossings at the railroad tracks through the Carlsbad Village and Barrio neighborhoods. Trenching through the City of Carlsbad will provide much improved and safer connections to coastal resources and the coastline for residents, visitors, and train riders. The existing single-track bridge across the Buena Vista Lagoon was constructed in 1942 and is nearing the end of its useful life. This project will replace the bridge with a new double-track bridge, built to modern design criteria, and will account for sea level rise.

- **Coastal Rail Trail Encinitas: E St to Chesterfield Phase 2:** The STIP funding on this project would fully fund the construction of the final phase of 1.7 miles of new bicycle facility from Chesterfield Drive to Santa Fe Drive (Phase 1) and onto F St located east of the railroad tracks and along San Elijo Avenue (Phase 2).
- **San Dieguito Lagoon Double-Track Phase 2 Construction:** This project was submitted and approved as part of the 2024 ITIP submittal for \$62 million for the construction phase. Along with other federal, state and local funding, this project will construct 0.8 miles of new double-track, replace a 107-year-old timber bridge, construct the special events rail platform at the Del Mar Fairgrounds and provide grade-separated pedestrian crossings. In combination with Phase 1, the total project will provide 1.7 miles of double-tracking along this busy corridor.

The other proposed programming is for Planning, Programming, and Monitoring (PPM) at the full 5% of the county share.

Next Steps

The 2026 STIP proposal would program funds where they are anticipated to be needed. Once all regions have submitted their STIP proposals, the CTC will determine how much, if any, would need to be shifted from the proposed programmed years. The CTC may also request modifications to the proposal to better align with the overall statewide programming capacity.

The 2026 STIP proposal is due to the CTC by December 15, 2025. CTC staff recommendations are expected in February 2026, with program adoption scheduled for March 2026. Any substantive changes to the recommendations will be presented to the Board for further discussion and approval.