



MEETING AGENDA

Budget and Implementation Committee

Time: 9:30 a.m.

Date: February 23, 2026

Location: BOARD ROOM
County of Riverside Administration Center
4080 Lemon St, First Floor, Riverside, CA 92501

TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM
City of Palm Desert
73510 Fred Waring Drive, Palm Desert, CA 92260

LARGE CONFERENCE ROOM
French Valley Airport
37600 Sky Canyon Drive, Murrieta, CA 92563

COMMITTEE MEMBERS

Linda Molina, **Chair** / Eric Cundieff, City of Calimesa
Valerie Vandever, **Vice Chair** / Alonso Ledezma, City of San Jacinto
Jeremy Smith / Kasey Castillo, City of Canyon Lake
Raymond Gregory / To Be Appointed, City of Cathedral City
Bob Magee / Timothy Sheridan, City of Lake Elsinore
Kathleen Fitzpatrick / Deborah McGarrey, City of La Quinta
Bob Karwin / Dean Deines, City of Menifee
Ulises Cabrera / Edward Delgado, City of Moreno Valley

Cindy Warren / Lisa DeForest, City of Murrieta
Jan Harnik / Joe Pradetto, City of Palm Desert
David Ready / Grace Garner, City of Palm Springs
Steve Downs / Ted Weill, City of Rancho Mirage
James Stewart / Brenden Kalfus, City of Temecula
Chuck Washington, County of Riverside, District III
Yxstian Gutierrez, County of Riverside, District V

STAFF

Aaron Hake, Executive Director
David Knudsen, Deputy Executive Director

AREAS OF RESPONSIBILITY

Annual Budget Development and Oversight
Competitive Federal and State Grant Programs
Countywide Communications and Outreach Programs
Countywide Strategic Plan
Legislation
Public Communications and Outreach Programs
Short Range Transit Plans

**RIVERSIDE COUNTY TRANSPORTATION COMMISSION
BUDGET AND IMPLEMENTATION COMMITTEE**

www.rctc.org

AGENDA*

**Actions may be taken on any item listed on the agenda*

9:30 a.m.

Monday, February 23, 2026

BOARD ROOM

**County of Riverside Administrative Center
4080 Lemon Street, First Floor
Riverside, California 92501**

TELECONFERENCE SITES

COUNCIL CHAMBER CONFERENCE ROOM

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37600 Sky Canyon Drive, Murrieta, California

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting at the Commission office, 4080 Lemon Street, Third Floor, Riverside, CA, and on the Commission's website, www.rctc.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Commission meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Each individual speaker is limited to speak three (3) continuous minutes or less. The Committee may, either at the direction of the Chair or by majority vote of the Committee, waive this three minute time limitation. Depending on the number of items on the Agenda and the number of speakers, the Chair may, at his/her discretion, reduce the time of each speaker to two (2) continuous minutes. Also, the Committee may terminate public comments if such comments become repetitious. In addition, the maximum time for public comment for any individual item or topic is thirty (30) minutes. Speakers may not yield their time to others without the consent of the Chair. Any written documents to be distributed or presented to the Committee shall be submitted to the Clerk of the Board. This policy applies to Public Comments and comments on Agenda Items.*

Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda which are not listed on the agenda. Board members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.

5. **ADDITIONS/REVISIONS** *(The Committee may add an item to the Agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Committee subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Committee. If there are less than 2/3 of the Committee members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.)*
6. **CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

6A. APPROVAL OF MINUTES – JANUARY 26, 2026

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6B. QUARTERLY FINANCIAL STATEMENTS

Page 9

Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 31, 2025.

6C. MONTHLY INVESTMENT REPORT

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended January 31, 2026.

6D. QUARTERLY REPORTING OF CONTRACT CHANGE ORDERS FOR CONSTRUCTION CONTRACTS

Page 22

Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three-month period ending December 31, 2025.

7. PROPOSED POLICY GOALS AND OBJECTIVES FOR FISCAL YEAR 2026/27 BUDGET

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year (FY) 2026/27 Budget; and
- 2) Review and approve the Fiscal Accountability Policies for the FY 2026/27 Budget.

8. COUNTYWIDE TRANSIT REPORT: FISCAL YEARS 2021/22 THROUGH 2023/24

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Countywide Transit Report for Fiscal Years (FYs) 2021/22 through 2023/24.

9. FISCAL YEARS 2021/22 - 2023/24 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT RESULTS FOR THE COMMISSION AND RIVERSIDE COUNTY TRANSIT OPERATORS

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Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Fiscal Years (FYs) 2021/22 through 2023/24 Transportation Development Act (TDA) Triennial Performance Audit report for the Commission; and
- 2) Receive and file the FYs 2021/22 through 2023/24 TDA Triennial Performance Audit reports for the cities of Banning, Beaumont, Corona, and Riverside; Palo Verde Valley Transit Agency (PVVTA); Riverside Transit Agency (RTA); and SunLine Transit Agency (SunLine).

10. STATE AND FEDERAL LEGISLATIVE UPDATE

Page 52

Overview

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update; and
- 2) Adopt the following bill position:
 - a) AB 1855 (Gonzalez) – Support.

11. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

12. EXECUTIVE DIRECTOR REPORT

13. COMMISSIONER COMMENTS

Overview

This item provides the opportunity for brief announcements or comments on items or matters of general interest.

14. ADJOURNMENT

The next Budget and Implementation Committee meeting is scheduled to be held at **9:30 a.m., March 23, 2026.**

AGENDA ITEM 6A

MINUTES

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

BUDGET AND IMPLEMENTATION COMMITTEE

Monday, January 26, 2026

MINUTES

1. CALL TO ORDER

The meeting of the Budget and Implementation Committee was called to order by Chair Linda Molina at 9:30 a.m. in the Board Room at the County of Riverside Administrative Center, 4080 Lemon Street, First Floor, Riverside, California 92501 and at the teleconference sites: Council Chamber Conference Room, City of Palm Desert, 73510 Fred Waring Drive, Palm Desert, California 92260, and the Large Conference Room, French Valley Airport, 37600 Sky Canyon Dr., Murrieta, California 92563.

2. ROLL CALL

Members/Alternates Present

Steve Downs**
Kathleen Fitzpatrick**
Raymond Gregory**
Yxstian Gutierrez
Jan Harnik**
Bob Karwin*
Bob Magee
Linda Molina
David Ready**
Jeremy Smith
James Stewart*
Chuck Washington*

*Joined the meeting at French Valley.

**Joined the meeting at Palm Desert.

Members Absent

Ulises Cabrera
Valerie Vandever
Cindy Warren

3. PLEDGE OF ALLEGIANCE

Chair Molina led the Budget and Implementation Committee in a flag salute.

4. PUBLIC COMMENTS

There were no requests to speak from the public.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

- 6. CONSENT CALENDAR** - *All matters on the Consent Calendar will be approved in a single motion unless a Commissioner(s) requests separate action on specific item(s). Items pulled from the Consent Calendar will be placed for discussion at the end of the agenda.*

M/S/C (Gutierrez/Smith) to approve the following Consent Calendar item(s):

6A. APPROVAL OF MINUTES – NOVEMBER 24, 2025

6B. SINGLE SIGNATURE AUTHORITY REPORT

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Single Signature Authority report for the second quarter ended December 31, 2025.

6C. QUARTERLY SALES TAX ANALYSIS

- 1) Receive and file the sales tax analysis for Quarter 3, 2025 (Q3 2025).

6D. MONTHLY INVESTMENT REPORT

- 1) Receive and file the Monthly Investment Report for the month ended November 30, 2025.

6E. MONTHLY INVESTMENT REPORT

- 1) Receive and file the Monthly Investment Report for the month ended December 31, 2025.

6F. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, OCTOBER – DECEMBER 2025

- 1) Receive and file the Quarterly Public Engagement Metrics Report for October through December 2025.

6G. AMENDMENT TO AGREEMENT WITH EIDE BAILLY FOR AUDIT SERVICES

- 1) Approve Amendment No. 6 to Agreement No. 20-19-021-00 with Eide Bailly LLP (Eide Bailly) to extend the audit services for a one-year term, with

- one one-year option to extend the agreement for an additional amount of \$557,236, and a total amount not to exceed \$2,157,236; and
- 2) Authorize the Chair or Executive Director, pursuant to legal counsel review, to finalize and execute the amendment, including the option year, on behalf of the Commission.

6H. RIVERSIDE COUNTY 2027 FEDERAL TRANSPORTATION IMPROVEMENT PROGRAM FINANCIAL RESOLUTION

- 1) Adopt Resolution No. 26-001, *“A Resolution of the Riverside County Transportation Commission Which Certifies that Riverside County Has the Resources to Fund Projects in the Federal Fiscal Year 2026/27 Through 2031/32 Transportation Improvement Program and Affirms its Commitment to Implement All Projects in the Program”*.

Chair Molina stated that per staff’s request Agenda Item 7, *“Fiscal Year 2025/26 Mid-Year Revenue Projections and Adjustments for Revenue and Expenditures”*, and Agenda Item 8, *“Fiscal Year 2026/27 Revenue Projections”*, will be presented together.

7. FISCAL YEAR 2025/26 MID-YEAR REVENUE PROJECTIONS AND ADJUSTMENTS FOR REVENUE AND EXPENDITURES

Jennifer Fuller, Deputy Director of Finance, presented the FY 2025/26 Mid-Year Revenue Projections and Expenditure Adjustments and the FY 2026/27 Revenue Projections, highlighting the following:

- Measure A Revenue Allocations by Geographic Area based on taxable sales by area for Western County, Coachella Valley, and Palo Verde Valley
- Revenue projections
 - ✓ Analysis – Current trends; economic data; historical data
 - ✓ Revenues – Measure A; Local Transportation Funds (LTF); Transportation Uniform Mitigation Fees (TUMF)
 - ✓ Projections – FY 2025/26 Mid-Year revision; FY 2026/27 budget development
- Economic indicators for unemployment rate and CPI change (annual) 2019 thru 2025 graphic
- Historical performance graphic – By Fiscal Year for Measure A and LTF FY 2019/20 – FY 2026/27 Projected
- Historical performance graphic – By Fiscal Year for TUMF FY 2019-20 – FY 2026-27 Projected
- FY 2025/26 Mid-Year Expenditure adjustment
 - ✓ Budget adjustment by Project: The Regional Conservation Department (RCA)
 - Revenue / Expenditure adjustment: \$405,000

- Source of Funds: Local Reimbursements, RCTC is fully reimbursed by RCA
 - Description of Project: various professional services due to contract increases
- Next steps

Commissioner James Stewart stated that the TUMF declined and asked if that is due to less new builds and more repurposing of buildings and/or structures.

Jennifer Fuller replied that TUMF is collected at the end of the development process and it would be on more new builds. Staff is seeing the same thing in RCA Local Development Mitigation Fees where they are declining as well. The County also collects at the end of the process so they are mirroring each other, and it would be on mostly new builds.

Commissioner Stewart clarified that they collect TUMF funds on buildings or structures already built and then redeveloped.

Jennifer Fuller replied not on the TUMF side but on the RCA side yes, unless it is due to a fire or if they have already built on that particular house and they are not expanding the square footage we would not charge them.

Commissioner Steve Downs asked about the distribution of revenues as Measure A was explained how it was distributed what about LTF and TUMF. There is not any share for local agencies with LTF.

Commissioner Jan Harnik asked if there was any sort of matrix that staff could show them with that. She then asked to put up the Measure A Revenue Allocations slide.

Commissioner Downs stated that is the chart, now that is just Measure A, but LTF and TUMF there is no local agency sharing.

Aaron Hake, Executive Director, stated LTF is a local transportation fund that funds transit and it is allocated to RCTC's transit operators and to Metrolink those are the statutory purposes. That funding is a state sales tax that is passed through to RCTC only for those specified transit-related purposes.

Commissioner Harnik requested to see the breakdown of TUMF.

Aaron Hake replied absolutely and to be clear this TUMF revenue projection is for Western County only Coachella Valley does have their own TUMF program RCTC does not have any jurisdiction, and it is not presented here. This is only TUMF that comes to RCTC and is used for regional arterial projects in Western County allocated by the Commission. Next time staff can present a chart that explains the flow of TUMF in Western County.

Commissioner Harnik clarified that LTF is generated by the point of sale and Measure A is a point of consumption.

Jennifer Fuller replied yes.

Chair Molina stated that since they heard both Agenda Items 7 and 8 together, she will entertain a motion to approve staff recommendation for both Agenda Items 7 and 8.

M/S/C (Gregory/Fitzpatrick) for the Committee to recommend the Commission take the following action(s):

- 1) Approve the Fiscal Year 2025/26 Mid-Year Revenue projections, which includes Measure A Sales Tax Revenues, Local Transportation Funds (LTF) Sales Tax Revenues, and Transportation Uniform Mitigation Fees (TUMF);**
- 2) Approve the FY 2025/26 mid-year budget revenue adjustments for Measure A (increase of \$18,000,000), LTF (increase of \$2,000,000), TUMF (decrease of \$7,000,000), and Local Agency Reimbursements from Western Riverside County Regional Conservation Authority (increase of \$405,000); and**
- 3) Approve the FY 2025/26 mid-year budget expenditure adjustments for an increase of \$405,000.**

8. FISCAL YEAR 2026/27 REVENUE PROJECTIONS

M/S/C (Gregory/Fitzpatrick) for the Committee to recommend the Commission take the following action(s):

- 1) Approve the projection for Measure A sales tax revenues of \$280 million for Fiscal Year 2026/27;**
- 2) Approve the projection for Local Transportation Fund (LTF) sales tax apportionment of \$150 million for the Western Riverside County, Coachella Valley, and Palo Verde Valley areas for FY 2026/27; and**
- 3) Approve the projection for Transportation Uniform Mitigation Fee (TUMF) revenues of \$23 million for FY 2026/27.**

9. STATE AND FEDERAL LEGISLATIVE UPDATE

Andrew Sall, Senior Management Analyst, presented an update on state and federal legislative activities.

Aaron Hake wanted to highlight something in Andrew Sall's staff report. The Commission is proposing to sponsor legislation this year as the Coachella Valley-San Gorgonio Pass Rail Corridor Study Ad Hoc Committee last year gave clear direction to staff to seek an author

to find a way to streamline or exempt the Coachella Valley Rail Project from California Environmental Quality Act (CEQA). Assembly Member Jeff Gonzalez has agreed to carry such a bill and staff has been working with his office on language. It has not been introduced yet staff will provide the bill number when it is there and will bring it to the Commission for recommended support and sponsor position. This is a policy bill, and they are looking at recent legislation that has been passed by Senator Scott Wiener from the San Francisco Bay area to provide CEQA exemptions for certain rail projects. However, the way that this bill was crafted SB 71 it does not include RCTC's Coachella Valley Rail Project, so they looked at the policy and proposed some changes to Senator Wiener's Legislation that would capture their project and other similar projects.

The Commission is not seeking to exempt themselves from any federal statutes that would be in Congress. They would still have to go through the National Environmental Policy Act (NEPA) process, but CEQA is more stringent, a lot lengthier, and has more requirements so staff thinks that this would be a substantial benefit to the project. It would not remove the Commission from their need to engage with stakeholders and the public and do all the outreach that is necessary on projects like this. They have also talked to Assembly Member Corey Jackson who has agreed to co-author the bill. Staff will continue to seek other coauthors and try to build a bipartisan coalition behind this bill.

Staff will need the Commissioners' engagement and support through this process because passing anything that has to do with CEQA could be a challenge. Staff will be seeking the Commissioners' support, the communities' support, and any association that the Commissioners are a member of that could lend their help. Regarding the state budget, which is relevant to the Commission Workshop being held later this week, where they will be talking about the state of Measure A, their finances, and what the future of their finances look like. The state has challenges and they are not a reliable funding partner in most cases.

Many of their funds are competitive and, in this case, even when they do get competitive funds, they are subject to budget cuts in many of those programs. Even though they have projects they think they have funding for they are kind of in this cycle every year wanting to see what is going to happen and what they can move forward with. Staff will keep an eye on this and will be advocating to maintain transportation funding in the budget, but there are many other sectors and programs that are trying to avoid these cuts as well.

Commissioner Harnik asked Aaron Hake if the Commissioners should start talking about this attempt at the bill for CEQA exemption.

Aaron Hake replied yes, the bill is not yet introduced but if the Commissioners want to start talking about it in public places and with colleagues and affiliates that would be very helpful.

Commissioner Harnik asked when looking at the budget if it is starting to look more like what the Legislative Analyst's Office (LAO) projected.

Andrew Sall replied that it is a little bit difficult to quantify at this time because LAO had a higher projection of the deficit than what the Governor's office has projected. This is just the first step in the budget process they will get a better idea of what financial revenues are like over the next few months before the May revise. They will have a better comprehensive picture of what the budget looks like and whether that is more closely in line with what the LAO projects or what the Governor originally included in his proposal in January.

Commissioner Harnik asked who the co-author with Assembly Member Gonzalez was.

Andrew Sall replied that it is Assembly Member Corey Jackson.

M/S/C for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update.**

10. ELECTION OF OFFICERS FOR THE BUDGET AND IMPLEMENTATION COMMITTEE

At this time, Chair Molina opened nominations for the Chair and the Vice Chair position.

Commissioner Jeremy Smith, seconded by Commissioner Yxstian Gutierrez nominated Commissioner Linda Molina for the Chair position and Commissioner Valerie Vandever for the Vice Chair for 2026.

No other nominations were received. The Chair closed the nominations. Chair Molina was re-elected as the Budget and Implementation Committee's Chair for 2026. Vice Chair Valerie Vandever was re-elected as the Budget and Implementation Committee's Vice Chair for 2026.

At this time, Commissioner Smith left the meeting.

Chair Molina thanked the Committee Members for their support all this year and confidence and appreciated their consideration for next year.

11. ITEM(S) PULLED FROM CONSENT CALENDAR AGENDA

There were no items pulled from the Consent Calendar.

12. EXECUTIVE DIRECTOR REPORT

Aaron Hake:

- Congratulated Chair Molina for being re-elected for 2026;
- Announced this is a big week at RCTC, it is the week of their Annual Commission Workshop. This year the Commission is honored to be hosted by Chair Gregory in his city of Cathedral City at the DoubleTree by Hilton on January 29 – January 30, 2026. On January 29, beginning at 10:30 a.m. at the Double Tree by Hilton they have the Traffic Relief Plan (TRP) Commissioner Academy this is optional, but it is an opportunity to really immerse themselves in what the TRP is. There will be an Executive Committee Special Meeting at 11:45 a.m. and then the Commission Special Meeting begins at 1:00 p.m. and after that the Commission Workshop will begin for the rest of the day and on into January 30. He is looking forward to some significant discussions and getting the Commissioners' direction.

Chair Molina stated the Commission needs everyone's support on this and getting everyone's input. This is going to be a rough year, so they need to pull together and be there.

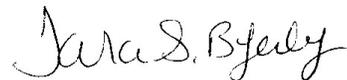
13. COMMISSIONER COMMENTS

There were no comments from the Commissioners.

14. ADJOURNMENT

There being no further business for consideration by the Budget and Implementation Committee, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,



Tara S. Byerly
Deputy Clerk of the Board

AGENDA ITEM 6B

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	Jennifer Fuller, Deputy Director of Finance Sergio Vidal, Chief Financial Officer
THROUGH:	David Knudsen, Deputy Executive Director
SUBJECT:	Quarterly Financial Statements

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Financial Statements for the six months ended December 31, 2025.

BACKGROUND INFORMATION:

During the first six months of the fiscal year, staff monitored the revenues and expenditures of the Commission. Throughout the second quarter of the fiscal year, it includes transactions between July 1st and September 30th (quarter 1) representing close-out activity of the prior fiscal year along with true performance for the current fiscal year (October through December). In the upcoming periods, staff anticipates revenue and expenditure categories to present a more realistic outlook as the fiscal year progresses.

The operating statement (Quarterly Budget to Actual) presents Measure A, Local Transportation Fund (LTF), State Transit Assistance, and State of Good Repair sales tax revenue for the quarter at 34 percent of the budget. This is in line with the prior year. The California Department of Tax and Fee Administration collects Measure A and LTF funds and remits these funds to the Commission after the reporting period for the businesses. This creates a two-month lag in the receipt of revenues by the Commission. Accordingly, these financial statements reflect Measure A and LTF revenues related to collections only for July 2025 through October 2025. Overall, Measure A and Local Transportation Funds (Sales Tax) are outperforming budgetary expectations, and specifically are in alignment with prior fiscal year collections. The State Transit Assistance revenues, including State of Good Repair for the second quarter, are included in this report. Staff will continue to monitor the trends in the sales taxes and report to the Commission any necessary adjustments in revenue projections.

Federal, state, and local reimbursements are generally received on a reimbursement basis. The Commission will receive these revenues as eligible project costs are incurred and invoiced to the respective agencies. Federal Reimbursement revenue reflects funding for various projects

including Mid-County Parkway. The negative revenue amount for state reimbursements reflect the reversal of FY 2024/25 accrued revenues at the beginning of FY 2025/26 in excess of amounts billed during the first two quarters of the fiscal year. Reimbursement invoices for expenditures through December 2025 (first and second quarters) will be prepared in the upcoming quarter. The local reimbursements relate to funding from the Western Riverside Council of Governments (WRCOG) for State Route 79 Realignment and from RCA.

The Commission estimated Transportation Uniform Mitigation Fee (TUMF) revenues at \$30 million for fiscal year FY 2025/26. The report reflects revenues totaling \$5,172,395, which are less than when compared to the prior fiscal year.

The RCTC 91 Express Lanes and 15 Express Lanes toll revenues, penalties, and fees are at \$51,265,070 and \$27,428,169, respectively, totaling \$78,693,239 through the first six months of the fiscal year. The operating statement shows toll revenues, penalties, and fees at 53 percent of the budget. This reflects periodic toll rate changes made based on traffic volumes according to the approved toll policy. Staff will continue to monitor the toll transactions and/or trips and non-toll revenues.

During the FY 2025/26 budget process, the Commission estimated investment income at \$44 million. The operating statement (Quarterly Budget to Actual) reflects investment income, which includes net unrealized investment gains and losses at approximately \$17.5 million or about 39 percent of budget. RCTC will receive information for the second quarter's interest income earned from the Riverside County Treasurer's Pool Investment Fund in the upcoming quarter.

The expenditure/expenses and other financing sources/uses categories are in line overall with the expectations with the following exceptions:

- Salaries and benefits are under budget primarily due to unfilled positions.
- Professional services are under budget primarily due to unused budget authority related to billing timing differences.
- Support Costs are about 48 percent of budget. These costs primarily include Commission leases expenses including office space, maintenance and repairs for Commission owned stations, and insurance costs. Costs are elevated during the first quarter as yearly insurance amounts are paid as well as four months of rent on the space leased in the County Administrative Center.
- Program operations are under budget due to unused budget authority for rail station security, toll operations, motorist and commuter assistance program operations, and highway and rail program management;
- The status of significant Commission capital projects (engineering, construction, design-build, and right of way/land – expenditure categories) with budget amounts exceeding \$5 million is discussed within Attachment 2.

- Operating and capital disbursements include monthly LTF payments and reimbursements that are made as claims are submitted to the Commission by transit operators.
- Special Studies are primarily related to reports for the SCAG REAP 2.0, Next Generation Toll Feasibility, and Commuter Rail Studies.
- Local street and roads expenditures are related to Measure A sales tax revenues collections through October 2025.
- Regional arterial expenditures represent activity for the highway and regional arterial program administered by the Coachella Valley Association of Governments (CVAG).
- Principal payments are made annually on June 1 for commissioned owned debt, while debt service interest payments are made semiannually on both December 1 and June 1. In accordance with the applicable accounting standards related to the RCTC 91 and 15 Express Lanes Enterprise funds record accrued and compounded interest on its related debt such as the RCTC 91 Express Lanes 2021 Toll Refunding Bonds and 2013 Toll Revenue Bonds, and Series B capital appreciation bonds for the 91 Project.
- Capital outlay expenditures are under budget due to unused budget authority for office improvements; property improvements for station rehabilitation; toll operations equipment; smart freeways equipment; and Commission network, hardware, and software improvements.
- Transfers in and out include the first and second quarter administrative cost allocation, Measure A Sales Tax Bonds funding, and LTF disbursements for planning and programming activities.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachments:

- 1) Quarterly Financial Statements – as of December 2025
- 2) Quarterly Project Status – as of December 2025

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
QUARTERLY BUDGET TO ACTUAL
2nd QUARTER
FOR SIX MONTHS ENDED 12/31/2025

	FY 2025/2026 BUDGET	2nd QUARTER ACTUAL	REMAINING BALANCE	PERCENT UTILIZATION
Revenues				
Sales tax	443,936,200	148,853,863	295,082,337	34%
Federal reimbursements	82,643,100	3,903,641	78,739,459	5%
State reimbursements	116,380,100	(3,018,216)	119,398,316	-3%
Local reimbursements	90,560,000	21,533,074	69,026,926	24%
Transportation Uniform Mitigation Fee	30,000,000	5,172,395	24,827,605	17%
Tolls, penalties, and fees	147,857,700	78,693,239	69,164,461	53%
Other revenues	949,900	530,229	419,671	56%
Investment income	44,392,100	17,486,607	26,905,493	39%
Total revenues	956,719,100	273,154,832	683,564,268	29%
Expenditures/Expenses				
Salaries and benefits	20,963,400	8,167,748	12,795,652	39%
Professional and support				
Professional services	34,333,200	6,329,922	28,003,278	18%
Support costs	23,785,800	11,402,937	12,382,863	48%
Total Professional and support costs	58,119,000	17,732,859	40,386,141	31%
Projects and operations				
Program operations	53,780,810	16,552,876	37,227,934	31%
Engineering	71,430,700	2,159,944	69,270,756	3%
Construction	297,132,570	13,806,927	283,325,643	5%
Design Build	16,519,100	1,057,713	15,461,387	6%
Right of way/land	65,726,500	(1,128,145)	66,854,645	-2%
Operating and capital disbursements	278,980,900	131,856,944	147,123,956	47%
Special studies	7,098,300	1,769,703	5,328,598	25%
Local streets and roads	78,891,900	27,408,943	51,482,957	35%
Regional arterials	60,000,000	4,620,126	55,379,874	8%
Total projects and operations	929,560,780	198,105,030	731,455,750	21%
Debt service				
Principal	40,690,000	-	40,690,000	0%
Interest	56,231,200	29,577,766	26,653,434	53%
Total debt service	96,921,200	29,577,766	67,343,434	31%
Capital outlay	7,926,100	656,411	7,269,689	8%
Depreciation	-	12,425,502	(12,425,502)	N/A
Total Expenditures/Expenses	1,113,490,480	266,665,316	846,825,164	24%
Excess revenues over (under) expenditures/expenses	(156,771,380)	6,489,517	(163,260,897)	-4%
Other financing sources/(uses)				
Transfer in	298,363,700	47,433,238	250,930,462	16%
Transfer out	(298,363,700)	(47,433,238)	(250,930,462)	16%
Total financing sources/(uses)	-	-	-	N/A
Net change in fund balances	(156,771,380)	6,489,517	(163,260,897)	-4%
Fund balance July 1, 2025	1,805,547,000	2,025,055,292	1,805,547,000	109%
Fund balance December 31, 2025	1,648,775,620	2,031,544,809	1,642,286,103	119%

Fund Balance (actual) at July 1, represents Governmental Activities (fund balance) amounts and Enterprise Cash and Restricted Investment at 6/30/2025.

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY BUDGET TO ACTUAL BY FUND
 2nd QUARTER
 FOR SIX MONTHS ENDED 12/31/2025

	SPECIAL REVENUE FUNDS													
	MEASURE A SALES TAX				TRANSPORTATION DEVELOPMENT ACT									
	GENERAL FUND	FSP/SAFE	WESTERN COUNTY	COACHELLA VALLEY	PALO VERDE VALLEY	LOCAL TRANSPORTATION FUND	STATE TRANSIT ASSISTANCE	STATE OF GOOD REPAIR	SB 125 - TIRCP	TRANSPORTATION UNIFORM MITIGATION FEE (TUMF)	COACHELLA VALLEY RAIL	OTHER AGENCY PROJECTS	REGIONAL CONSERVATION	SB132
Revenues														
Sales tax	\$ -	\$ -	\$ 73,927,296	\$ 16,914,858	\$ 301,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal reimbursements	(16,052)	-	2,513,627	-	-	-	-	-	-	-	-	-	-	-
State reimbursements	242,194	669,334	(3,929,744)	-	-	-	-	-	-	-	-	-	-	-
Local reimbursements	-	1,809	417,746	-	-	-	-	-	-	17,339,300	-	16,611	3,690,667	-
Transportation Uniform Mitigation Fee	-	-	-	-	-	-	-	-	-	5,172,395	-	-	-	-
Tolls, penalties, and fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenues	20	-	466,814	-	-	-	-	-	-	10,500	-	-	-	-
Investment income	445,066	104,890	4,347,269	456,087	-	2,642,358	1,496,404	132,080	1,033,076	1,894,407	18,278	3,802	1,641	17,037
Total revenues	671,227	776,033	77,743,008	17,370,945	301,636	52,854,603	7,746,888	1,379,424	1,033,076	24,416,602	18,278	20,413	3,692,308	17,037
Expenditures/Expenses														
Salaries and benefits	3,509,329	81,086	1,422,136	-	-	-	-	-	13,708	229,525	58,926	31,275	1,374,643	-
Professional and support														
Professional services	1,914,642	7,491	402,770	4,095	-	-	8,193	-	-	83,506	11,978	3,196	1,637,146	-
Support costs	3,157,813	17,369	2,180,134	-	-	-	-	-	-	904	479	-	431,182	-
Total Professional and support costs	8,581,784	105,946	4,005,040	4,095	-	-	8,193	-	13,708	313,935	71,383	34,470	3,442,971	-
Projects and operations														
Program operations	-	1,679,106	5,739,577	-	-	-	-	-	38,587	180,898	68,925	39,180	26,806	-
Engineering	-	-	629,935	-	-	-	-	-	-	845,088	108	31,349	-	-
Construction	-	-	11,872,909	-	-	-	-	-	-	88,323	-	-	-	-
Design Build	-	-	(339,774)	-	-	-	-	-	-	-	-	-	-	-
Right of way/land	-	-	(2,396,714)	-	-	-	-	-	13,900	1,148,305	-	(24,929)	131,293	-
Operating and capital disbursements	25,998,329	-	2,078,835	2,916,667	-	104,909,742	(2,348,004)	(1,698,625)	-	-	-	-	-	-
Special studies	1,427,751	-	(1,397)	-	-	-	-	-	-	-	-	-	-	-
Local streets and roads	-	-	20,478,415	6,634,091	296,436	-	-	-	-	-	-	-	-	-
Regional arterials	-	-	-	9,620,126	-	-	-	-	-	-	-	-	-	-
Total projects and operations	27,426,079	1,679,106	38,061,786	14,170,884	296,436	104,909,742	(2,348,004)	(1,698,625)	52,487	2,262,613	69,033	45,600	158,099	-
Debt service														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	(90,857)	-	201,524	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures/Expenses	35,917,006	1,785,052	42,268,350	14,174,979	296,436	104,909,742	(2,339,811)	(1,698,625)	66,195	2,576,549	140,416	80,070	3,601,070	-
Excess revenues over (under) expenditures/expenses	(35,245,779)	(1,009,019)	35,474,658	3,195,966	5,200	(52,055,140)	10,086,699	3,078,049	966,882	21,840,054	(122,138)	(59,658)	91,238	17,037
Other financing sources/(uses)														
Transfer in	11,419,900	-	1,420,744	-	-	-	-	-	-	-	-	-	-	-
Transfer out	(1,015,100)	(185,200)	(37,061,794)	(338,600)	(19,400)	(4,577,800)	(71,394)	(24,200)	-	(335,800)	(45,300)	-	(1,106,100)	-
Total financing sources/(uses)	10,404,800	(185,200)	(35,641,050)	(338,600)	(19,400)	(4,577,800)	(71,394)	(24,200)	-	(335,800)	(45,300)	-	(1,106,100)	-
Net change in fund balances	(24,840,979)	(1,194,219)	(166,392)	2,857,366	(14,200)	(56,632,940)	10,015,305	3,053,849	966,882	21,504,254	(167,438)	(59,658)	(1,014,862)	17,037
Fund balance July 1, 2025	54,085,713	15,874,095	557,855,764	29,815,960	-	420,317,999	172,255,331	15,888,224	200,529,516	216,199,085	2,518,506	103,900	94,757	3,436,188
Fund balance December 31, 2025	\$ 29,244,734	\$ 14,679,876	\$ 557,689,372	\$ 32,673,326	\$ (14,200)	\$ 363,685,059	\$ 182,270,636	\$ 18,942,073	\$ 201,496,398	\$ 237,703,339	\$ 2,351,068	\$ 44,243	\$ (920,105)	\$ 3,453,225

RIVERSIDE COUNTY TRANSPORTATION COMMISSION
 QUARTERLY BUDGET TO ACTUAL BY FUND
 2nd QUARTER
 FOR SIX MONTHS ENDED 12/31/2025

	ENTERPRISE FUND		CAPITAL PROJECTS FUNDS			
	15 EXPRESS LANES	91 EXPRESS LANES	COMMERCIAL PAPER	SALES TAX BONDS	DEBT SERVICE	COMBINED TOTAL
Revenues						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,853,863
Federal reimbursements	-	-	-	-	1,406,066	3,903,641
State reimbursements	-	-	-	-	-	(3,018,216)
Local reimbursements	-	66,940	-	-	-	21,533,074
Transportation Uniform Mitigation Fee	-	-	-	-	-	5,172,395
Tolls, penalties, and fees	27,428,169	51,265,070	-	-	-	78,693,239
Other revenues	52,895	-	-	-	-	530,229
Investment income	439,200	3,740,039	285,406	42,523	387,044	17,486,607
Total revenues	27,920,264	55,072,050	285,406	42,523	1,793,110	273,154,832
Expenditures/Expenses						
Salaries and benefits	587,684	859,437	-	-	-	8,167,748
Professional and support						
Professional services	825,934	1,430,970	-	-	-	6,329,922
Support costs	2,341,013	3,274,043	-	-	-	11,402,937
Total Professional and support costs	3,754,632	5,564,451	-	-	-	25,900,607
Projects and operations						
Program operations	4,163,601	4,616,196	-	-	-	16,552,876
Engineering	269,682	383,783	-	-	-	2,159,944
Construction	-	1,845,096	-	-	-	13,806,927
Design Build	976,034	421,454	-	-	-	1,057,713
Right of way/land	-	-	-	-	-	(1,128,145)
Operating and capital disbursements	-	-	-	-	-	131,856,944
Special studies	-	343,349	-	-	-	1,769,703
Local streets and roads	-	-	-	-	-	27,408,943
Regional arterials	-	-	-	-	-	4,620,136
Total projects and operations	5,409,316	7,610,478	-	-	-	198,105,030
Debt service						
Principal	-	-	-	-	-	-
Interest	191,620	12,701,052	-	-	16,685,094	29,577,766
Total debt service	191,620	12,701,052	-	-	16,685,094	29,577,766
Capital outlay	260,383	285,360	-	-	-	656,411
Depreciation	6,267,761	6,157,741	-	-	-	12,425,502
Total Expenditures/Expenses	15,883,712	32,319,081	-	-	16,685,094	266,665,316
Excess revenues over (under) expenditures/expenses	12,036,552	22,752,968	285,406	42,523	(14,891,984)	6,489,517
Other financing sources/(uses)						
Transfer in	-	-	-	-	34,592,594	47,433,238
Transfer out	(480,400)	(760,100)	-	-	(1,412,050)	(47,433,238)
Total financing sources/(uses)	(480,400)	(760,100)	-	-	33,180,545	-
Net change in fund balances	11,556,152	21,992,868	285,406	42,523	18,288,561	6,489,517
Fund balance July 1, 2025	72,879,517	237,355,368	9,747,061	1,542,804	14,555,504	2,025,055,292
Fund balance December 31, 2025	\$ 84,435,669	\$ 259,348,236	\$ 10,032,467	\$ 1,585,327	\$ 32,844,065	\$ 2,031,544,809

**Riverside County Transportation Commission
Quarterly Project Status
2nd Quarter
For the Six Months Ended December 31, 2025**

Project Description	FY 2025/26 Adopted Budget	50% of Budget	2nd Quarter Actuals	Project Status
<p>Coachella Valley Rail - Tier II (P004203)</p> <p>This project proposes daily intercity passenger rail service between Los Angeles and the Coachella Valley, spanning approximately 144 miles with up to nine stations across Los Angeles, Orange, San Bernardino, and Riverside Counties. With Tier I environmental clearance certified in July 2022, RCTC and Caltrans are pursuing funding for the Tier II Project-Level environmental analysis.</p>	\$10,711,700	\$5,343,850	\$135,250	The underrun of the FY 2025/26 budget in the second quarter is due to Preliminary Engineering (\$5.0M) that isn't scheduled to commence until the third quarter of FY 2025/26.
<p>I-15 Express Lanes Southern Extension (P153044)</p> <p>The project will add express lanes between SR-74 and Cajalco Road. The estimated project cost is \$544 million with the Project Approval and Environmental Document (PA/ED) phase of work funded by federal Congestion Mitigation and Air Quality (CMAQ) funds and Measure A.</p>	\$16,989,800	\$8,494,900	\$2,137,904	The underrun of the FY 2025/26 budget in the second quarter is due to a PDB procurement delay requiring an additional ITP Addendum, resulting in a deferral of work for the Project Construction Manager (\$4.9M). Preliminary engineering (\$0.5M) of PA&E contract authority was budgeted to respond to potential DED challenges that were not received and other professional services (\$0.4M).
<p>71/91 Connector Project (P003021)</p> <p>The project includes ROW acquisition, utility relocation, and environmental revalidation work for improvements to the 71/91 connector.</p>	\$9,539,700	\$4,769,850	\$4,119,011	The minimal underrun of the FY 2025/26 budget for the second quarter is due to final design (\$0.6M).

**Riverside County Transportation Commission
Quarterly Project Status
2nd Quarter
For the Six Months Ended December 31, 2025**

Project Description	FY 2025/26 Adopted Budget	50% of Budget	2nd Quarter Actuals	Project Status
<p>Mid County Parkway (MCP) (P002302, P002317, P002320, P002324, & P002328)</p> <p>The environmental document for a new corridor from I-215 to SR-79 was approved in April 2015. The first design package is under construction. Construction of this new facility is scheduled for completion over multiple years as funding becomes available; the total project cost is estimated at \$1.3 to \$2.1 billion.</p>	\$77,303,700	\$36,523,350	(\$392,443)	<p>The underrun of the FY 2025/26 budget for the second quarter is primarily due to the following for each project:</p> <p style="padding-left: 20px;">MCP: The minimal underrun is due to ROW support Services (\$0.09M).</p> <p style="padding-left: 20px;">MCP: I-215/Placentia Interchange: The minimal underrun for this project was due to ROW support services (\$0.02M).</p> <p style="padding-left: 20px;">MCP Mitigation: The first year of plant establishment was completed during the beginning of the third quarter in FY 2020/21 and the underrun in the first quarter of FY 2025/26 as due to ROW support services (\$0.4M).</p> <p style="padding-left: 20px;">MCP2 and MCP3: The Commission approved the shift from MCP2 to MCP3 at the May 2022 Commission meeting. The underrun on MCP2 was due to ROW acquisition/support services (\$1.5M) and the underrun on MCP3 was due to construction (\$28.6M), construction management/support (\$2.8M) that is not scheduled to start until the third quarter of FY 2025/26 and ROW support services (\$1.3M).</p>
<p>South Perris Station and Layover Facility (P003837)</p> <p>The South Perris Station and Layover Facility Project is the result of the combined efforts between the Commission and SCRRA to improve the existing loading platform, along the Metrolink Perris Valley Line. The improvements, along with other added amenities, will add 1,100 feet of new track which will service two additional passenger trains for loading and deboarding services. In addition, the project includes a fourth layover track at the south layover maintenance yard for various track operations.</p>	\$15,087,100	\$7,534,450	\$1,009,814	<p>The underrun of the FY 2025/26 budget in the second quarter is due to construction support services (\$0.3M), construction management (\$0.9M) and construction (\$5.3M) which is scheduled to commence fourth quarter of FY 2025/26.</p>

**Riverside County Transportation Commission
Quarterly Project Status
2nd Quarter
For the Six Months Ended December 31, 2025**

Project Description	FY 2025/26 Adopted Budget	50% of Budget	2nd Quarter Actuals	Project Status
<p>SR-79 Project (P003003, P005127, P005146, P005147, and P005148)</p> <p>The project includes the preliminary engineering environmental document, which was approved in October 2016, ROW activities for the mitigation of the project, and Segment 3 design of a new county expressway (approximately 2.7 miles), including ROW acquisition.</p>	\$44,383,600	\$22,186,250	\$663,911	<p>The underrun of the FY 2025/26 budget in the second quarter is primarily due to the following for each project:</p> <p style="margin-left: 40px;">SR-79 Realignment Study: The underrun was due to special studies (\$0.38M).</p> <p style="margin-left: 40px;">SR-79 Realignment ROW: The minimal underrun was due to ROW Support (\$0.02M) for the project.</p> <p style="margin-left: 40px;">SR-79 Re-Alignment Segment 3 and Segment 1: The underrun of FY 2025/26 budget at the second quarter is due to final design (\$1.8M). Additionally, the underrun in ROW acquisitions (\$11.5M) and ROW Support Services (\$0.77M) budget is due to ongoing acquisition negotiations with property owners for Segment 3 and (\$7.0M) for Segment 1.</p>
<p>Smart Freeways (P003051)</p> <p>The project includes environmental clearance, design, and commencement of construction of a pilot project to install a smart freeway system on the northbound I-15 in the city of Temecula.</p>	\$9,400,800	\$6,777,900	\$7,413,379	<p>The overrun of the FY 2025/26 budget is due to construction (\$2.8M) that completed in the second quarter of FY 2025/26. This was offset by an underrun due to unbilled accruals for construction support services (\$2.2M).</p>
<p>Santa Ana River Trail Extension (SART) (P007201 and P007202)</p> <p>The Commission provides support to the Riverside County Regional Park and Open Space District (District) for the projects under a cooperative planning and development agreement. The district is the lead agency for environmental compliance with NEPA and CEQA, and the Commission is responsible for project oversight and approval, final design, and construction. The projects are a joint effort between public and private agencies including the County of Orange and the United States Army Corps of Engineers. The District is responsible for 100% of the costs and is contingent on funding from the District.</p>	\$14,361,800	\$7,180,900	\$80,070	<p>The underrun in the second quarter of the FY 2025/26 budget is due to:</p> <p style="margin-left: 40px;">SART 1: ROW Support Services (\$0.02M) and final design (\$0.02M) following the ramp down due to the circulation of the environmental documents for the public.</p> <p style="margin-left: 40px;">SART 2: ROW acquisition/support (\$2.0M), construction (\$4.0M), and construction management (\$0.8M) for SART 2 that are not scheduled to commence until FY 2026/27.</p>

**Riverside County Transportation Commission
Quarterly Project Status
2nd Quarter
For the Six Months Ended December 31, 2025**

Project Description	FY 2025/26 Adopted Budget	50% of Budget	2nd Quarter Actuals	Project Status
EB 91 COP (P913055)				
This project will add an operational lane approximately three miles in length in the eastbound direction on SR-91 from the SR-241 general purpose connector to the SR-71 connector auxiliary lane.	\$6,143,800	\$3,633,400	\$1,074,237	The underrun of the FY 2025/26 budget in the second quarter is due to the extension of the RFQ release date, which resulted in underutilized project construction manager (\$1.5M), special legal services (\$0.5M), and preliminary engineering (\$0.2M).

This report discusses the significant capital projects (i.e. total original or revised budget of \$5 million or greater) and the related status. Capital project expenditures are affected by lags in invoices submitted by contractors and consultants, as well as issues encountered during certain phases of the projects. The capital projects budgets tend to be based on aggressive project schedules.

AGENDA ITEM 6C

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	Amy Weston, Accounting Supervisor Jennifer Fuller, Deputy Director of Finance
THROUGH:	Sergio Vidal, Chief Financial Officer
SUBJECT:	Monthly Investment Report

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Monthly Investment Report for the month ended January 31, 2026.

BACKGROUND INFORMATION:

The Commission’s investment report reflects investments primarily concentrated in the Riverside County Pooled Investment Fund as well as investments in mutual funds for sales tax revenue bonds debt service payments.

The Commission engaged Payden & Rygel Investment Management to make specific investments for Commission operating funds. The Commission approved an initial agreement with Payden & Rygel in May 2013 following a competitive procurement and has extended the agreement through the annual recurring contracts process.

The monthly investment report for January 2026, as required by state law and Commission policy, reflects the investment activities resulting from the 91 Project 2021 Financing and available operating cash. As of January 31, 2026, total cash and investments in the Commission’s portfolio totaled approximately \$1.97 billion and were comprised of the following:

CASH AND INVESTMENTS PORTFOLIO	AMOUNTS ¹
Operating	\$ 1,303,745,568
Trust	368,804,387
Commission-managed	<u>299,617,995</u>
Total	\$ 1,972,167,950
Note: ¹ Unreconciled and unaudited	

As of January 31, 2026, the Commission’s cash and investments adhere to both the Commission’s investment policy adopted on December 10, 2025, and permitted investments described in the indenture for the Commission’s sales tax revenue bonds and the master indenture for the

Commission's toll revenue bonds. Additionally, the Commission has adequate cash flows for the next six months.

FISCAL IMPACT:

This is an information item. There is no fiscal impact.

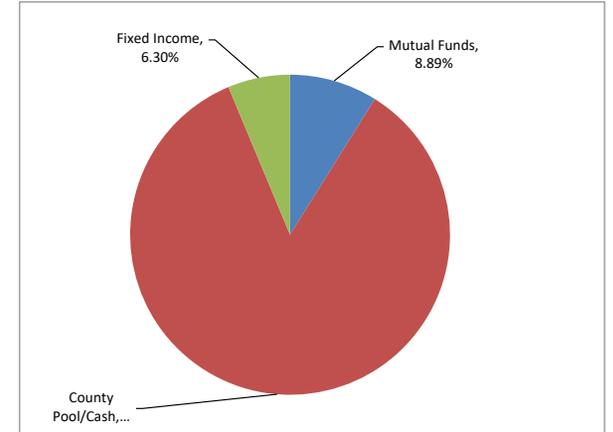
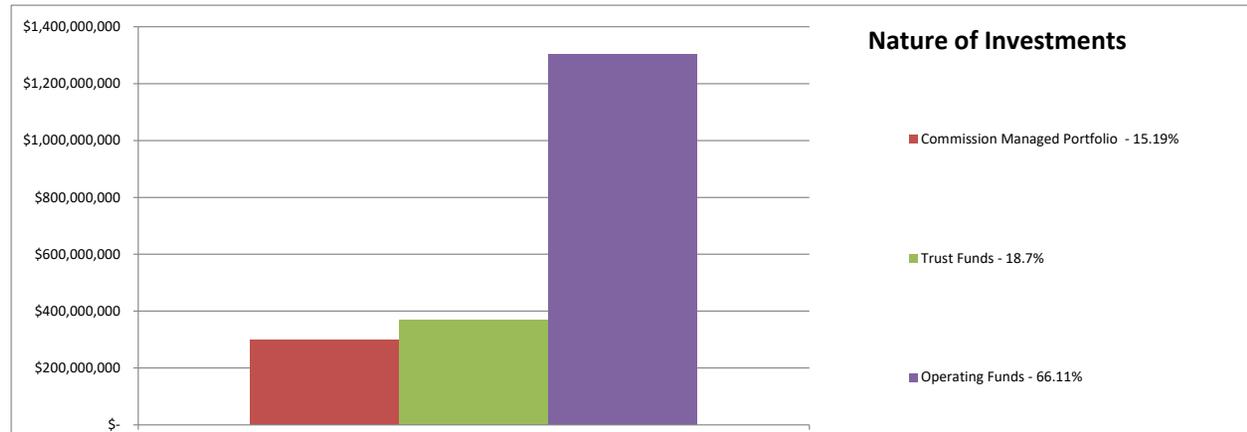
Attachment: Investment Portfolio Report for January 31, 2026

Riverside County Transportation Commission
Investment Portfolio Report
Period Ended: January 31, 2026

	STATEMENT BALANCE ¹	FINANCIAL INSTUTION	STATEMENTS	RATING MOODY'S / S&P	COUPON RATE	PAR VALUE	PURCHASE DATE	MATURITY DATE	YIELD TO MATURITY	PURCHASE COST	MARKET VALUE	UNREALIZED GAIN (LOSS)
OPERATING FUNDS												
City National Bank Deposits	41,242,628	City National Bank	Available upon request	A3/BBB+	N/A				N/A			
County Treasurer's Pooled Investment Fund	1,262,502,940	County Treasurer	Available upon request	Aaa-bf								
Subtotal Operating Funds	1,303,745,568											
FUNDS HELD IN TRUST												
County Treasurer's Pooled Investment Fund: Local Transportation Fund	368,804,387	County Treasurer	Available upon request					Available upon request				
Subtotal Funds Held in Trust	368,804,387											
COMMISSION MANAGED PORTFOLIO												
US Bank Payden & Rygel Operating	61,994,209	US Bank	Available upon request					Available upon request				
2013 Series A & Series B Reserve Fund	13,281,622	US Bank	Available upon request					Available upon request				
2021 Series B Reserve Fund	40,838,606	US Bank	Available upon request					Available upon request				
2021 Series C Reserve Fund	8,135,708	US Bank	Available upon request					Available upon request				
First American Government Obligation Fund	175,367,850	US Bank	Available upon request	N/A	N/A				N/A			
Subtotal Commission Managed Portfolio	299,617,995											
TOTAL All Cash and Investments	1,972,167,950											

Notes:

¹ Unreconciled and unaudited



AGENDA ITEM 6D

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	John Tarascio, Senior Capital Projects Manager
THROUGH:	Erik Galloway, Project Delivery Director
SUBJECT:	Quarterly Reporting of Contract Change Orders for Construction Contracts

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Quarterly Report of Contract Change Orders for Construction Contracts for the three-month period ending December 31, 2025.

BACKGROUND INFORMATION:

During the past quarter, October through December 2025, the Commission has had the following projects with open construction contracts:

1. SR-71 / SR-91 Interchange
2. MVMF Platform and Track Expansion
3. SR-60 Truck Lanes
4. I-15 SMART Freeways

DISCUSSION:

At the direction of the Executive Committee in its March 2021 meeting, a quarterly report will be filed listing the construction contract change orders issued during the previous quarter. The following table summarizes the Contract Change Orders issued in the fourth quarter of 2025, which is the second quarter of Fiscal Year 2025/26.

Contractor Change Orders executed in the 4th Quarter of CY 2025			
Project	CCO No.	Description	Amount
SR-71 / SR-91 Interchange	CCO 1-S4	Maintain Traffic	\$300,000.00
	CCO 5-S1	Real Time Network (RTN) Station	\$10,069.00
MVMF Platform and Track Expansion		None	
SR-60 Truck Lanes		None	
I-15 SMART Freeways	CCO 003-S1	Traffic Control Devices and Maintenance	\$50,000.00
	CCO 005-S1	Electrical, Utilities, and Irrigation	\$70,000.00
	CCO 010	Soil Stabilization for Stage 3B	\$32,208.00
	CCO 014	Changing TIRTL to Loop for Location 5	\$15,106.00
	CCO 015	Pole Mount TIRTL System for TIRTL Locations 19 & 20	\$27,524.00
	CCO 016	Buried Man-Made Objects & Unforeseen Field Conditions	\$153,883.00
	CCO 017	Non Compensatory Time Extension #2	\$0.00
	CCO 018	Tariff Cost for Control Specialists	\$32,018.00

FISCAL IMPACT:

The Contract Change Orders were executed using available contingency authorized with the construction contract for each project.

AGENDA ITEM 7

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	Sergio Vidal, Chief Financial Officer Jennifer Fuller, Deputy Director of Finance Daniel Hernandez, Financial Administration Manager
THROUGH:	David Knudsen, Deputy Executive Director
SUBJECT:	Proposed Policy Goals and Objectives for Fiscal Year 2026/27 Budget

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Review and approve the proposed Commission Policy Goals and Objectives for the Fiscal Year (FY) 2026/27 Budget; and
- 2) Review and approve the Fiscal Accountability Policies for the FY 2026/27 Budget.

BACKGROUND INFORMATION:

The initial step in the budget process is to develop policy goals and objectives for the upcoming fiscal year consistent with the Commission’s overall strategic direction. Furthermore, the adoption of the Commission Policy Goals and Objectives (Goals) along with the Fiscal Accountability Policies (Policies) for the annual fiscal year budget provides an opportunity to match the Commission’s spending priorities in a manner that implements commitments made to the citizens of the County of Riverside in the Measure A Expenditure Plan along with fulfilling other Commission responsibilities. The Commission’s FY 2026/27 Goals and Policies and Fiscal Accountability Policies reflect minor administrative and miscellaneous changes from the prior year’s approved FY 2025/26 Goals and Policies and Fiscal Accountability Policies.

The Commission is driven by four core objectives for the people of Riverside County and the transportation system upon which they rely:

- Quality of Life;
- Operational Excellence;
- Connecting the Economy; and
- Responsible Partner

Summary of the changes by objectives are as follows:

- Quality of Life

- Clarifying edits regarding the Choice, Access, and Public Engagement goals
- Operational Excellence
 - Clarifying edits regarding State of Good Repair and Information goals
- Connecting the Economy
 - Population Growth goal revised to show the expected growth in the next 25 years.
 - Administrative changes (i.e. grammar and punctuation)
- Responsible Partner
 - Administrative changes (i.e. grammar and punctuation)
 - Clarifying edits to the Grants goal

Furthermore, based on the above-referenced objectives, the following short-term objectives were added or updated for the upcoming fiscal year:

- Continue plans, specifications, and estimates (PS&E) and right of way acquisition for SR-79 Segment 3, complete innovative funding and finance study for SR-79 Segments 1 and 2, and commence the development of I-10/SR-79 Interchange Improvement Project project study report
- Continue construction of the Mid County Parkway (MCP) 3 project and commence planning and identify funding for MCHP Segment 2 or 4
- Begin preliminary design of the I-15 Express Lanes Southern Extension Project
- Commence preliminary design and right of way acquisition for the SR-91 Eastbound Corridor Operations (91 ECOP) project
- Initiate the 15/91 Express Transit Connector Project approval/environmental document phase
- Initiate the 91 Third Express Lane project study report – project development support document
- Initiate the 91 Express Lanes Major Pavement Rehab project approval/environmental document phase
- Complete the I-10 Express Lanes project study report – project development support document
- Commence construction of the South Perris Station and Layover Expansion Project and the design of the Mead Valley Commuter Rail Station
- Complete the design and commence construction of the Perris Valley Line Double Track Project and the Riverside Downtown Station At-grade Crossing Project
- Initiate the I-215 Railroad Barrier Wall project study report and commence design of the project
- Initiate the Perris Valley Line Drainage project study report

Additionally, the fiscal accountability policies that promote fiduciary responsibility and organizational excellence are summarized in six categories:

- Financial Planning;
- Revenues;

- Expenditures/Expenses;
- Debt Management;
- Cash Management; and
- Accounting and Financial Reporting.

Summary of the changes by policy are as follows:

- Financial Planning
 - No adjustments
- Revenues
 - No adjustments
- Expenditures/Expenses
 - Updated Procurement policy adoption date to December 10, 2025
- Debt Management
 - No adjustments
- Cash Management
 - Updated Investment Policy adoption date to December 10, 2025 within Management policy
- Accounting and Financial Reporting
 - No adjustments

The Commission Policy Goals and Objectives will be linked to the individual department goals and objectives included within the FY 2026/27 Budget, and the Fiscal Accountability Policies will guide the development and monitoring of the FY 2026/27 Budget.

FISCAL IMPACT:

There is no fiscal impact related to the approval of the Commission Policy Goals and Objectives and the Fiscal Accountability Policies for the FY 2026/27 Budget. The fiscal impact will be determined upon adoption of the FY 2026/27 Budget during the upcoming June 2026 Commission meeting.

Attachments:

- 1) Proposed Commission Policy Goals and Objectives – FY 2026/27
- 2) Fiscal Accountability Policies - FY 2026/27

POLICY GOALS AND OBJECTIVES

As approved at its March 11, 2026 meeting, the Commission is driven by four core mission statements and underlying goals to improve mobility for the people of Riverside County and the transportation system upon which they rely:

QUALITY OF LIFE	
RCTC is focused on improving life for the people of Riverside County and empowering them to live life at their pace.	
Choice	RCTC empowers the people of Riverside County to choose how to safely and efficiently get to where they are going.
Environmental Stewardship	RCTC supports environmental protection by implementing sustainable practices for its capital projects, as well as designing and operating energy efficient water conserving facilities. As the managing agency of the Western Riverside County Regional Conservation Authority and a permittee of the Multiple Species Habitat Conservation Plan, RCTC protects open space for county residents and conserves habitat of threatened and endangered species.
Mobility	RCTC provides access, equity, and choice in transportation; RCTC is a multimodal mobility partner.
Equity	RCTC supports transportation services and projects that address inequities, especially those in rural, low income, and disadvantaged communities.
Access	RCTC projects and programs are the connection to employment, housing, schools, community institutions, parks, medical facilities, and shopping in the region, and RCTC strives to make them equitably accessible to all communities served.
Goods Movement	RCTC facilitates the funding and delivery of projects that mitigate the impact of increased goods movement flow through Riverside County and advocates for a reasonable balance between the need to maintain the supply chain and to protect public health. RCTC identifies solutions to reduce truck congestion and community impacts from the flow of goods from nearby ports.
Public Engagement	RCTC is dedicated to engaging all Riverside County residents through ongoing, meaningful two-way public communication and outreach.

OPERATIONAL EXCELLENCE	
RCTC is a responsible and conservative steward of taxpayer dollars.	
State of Good Repair	RCTC provides funding for road safety and maintenance as well as sustainable practices to maintain its stations and facilities.
Promises Fulfilled	Projects are completed on-time and on-budget; RCTC delivers on its promises as a steward of Riverside County residents' investment.
Efficiency	RCTC operates in an efficient and cost-effective manner.
Innovation	RCTC seeks to implement innovative transportation solutions.
Information	RCTC seeks to provide timely, transparent, and easily accessible information to the public; ensuring people receive prompt, dependable, and quality service.

CONNECTING THE ECONOMY

RCTC is a driver of economic growth in Riverside County.

Workforce Mobility	RCTC improves the economy by creating a robust workforce-to-workplace system; RCTC fosters workforce development by improving transportation access from housing to employment and education centers.
Population Growth	Riverside County’s population has quadrupled from 550,000 to nearly 2.5 million since 1976, and is projected to increase by at least 500,000 to over 3 million residents by 2050. RCTC has been responsible for anticipating and accommodating this growth while supporting the county’s economy. RCTC is mindful of and strives to be responsive to each geographic area’s unique needs.
Economic Impact	RCTC has invested over \$5.2 billion in the County’s economy from both Measure A and toll revenues, which has a multiplier impact in terms of jobs and economic opportunity throughout Riverside County.

RESPONSIBLE PARTNER

RCTC partners with local, tribal, regional, and state governments to deliver transportation projects and programs.

Streets and Roads	RCTC has invested over \$1.5 billion in local priorities for maintaining streets and roads and fixing potholes.
Transit	RCTC partners with transit operators to provide residents mobility choices, flexibility, intercity and inter-county connectivity, and access.
Active Transportation Facilities	RCTC continually improves its stations for better bicycle and pedestrian access and partners with agencies within the county to promote active transportation alternatives, including building regional trails and bicycle and pedestrian facilities in accordance with local general plans and active transportation plans.
Grants	RCTC actively pursues and obtains state and federal grants to leverage Measure A and toll revenue dollars to improve mobility for our communities.
Local Value of Measure A	RCTC invests Measure A dollars into projects and programs that benefit local communities throughout the county.
Partnerships	RCTC strives to form collaborative partnerships with key stakeholders in the public and private sectors to ensure support for projects and programs, relief from regulations, and to find solutions for shared challenges.

Staff used these core mission statements and goals to prepare this budget and develop the following short-term objectives to further guide the planning for the FY 2026/27 budget.

CAPITAL AND TOLL PROJECT DEVELOPMENT AND DELIVERY

- Continue preliminary engineering, design, right of way acquisition, and/or construction of projects included in the Western County Highway Delivery Plan and development of projects that improve operations of Metrolink commuter rail service.
- Continue as the lead agency for delivering the Coachella Valley Rail corridor (CV Rail corridor) project.
- Begin preliminary design of the I-15 Express Lanes-Southern Extension (ELPSE) project.
- Continue Plans, Specifications, and Estimates (PS&E) and right of way acquisition for the SR-79 corridor project, segment 3.
- Complete innovative funding and finance study to identify means to deliver SR-79 Segments 1 and 2.
- Commence the development of I-10/SR-79 Interchange Improvement Project Project Study Report - Project Development Support document.
- Continue construction of the MCP Ramona Expressway project.
- Commence planning and identify funding for MCP 2 or 4 project.
- Begin preliminary design and right of way acquisition for the 91 ECOP project.
- Initiate the 15/91 Express Transit Connector Project Approval/Environmental Document phase.
- Initiate the 91 Third Express Lane Project Study Report - Project Development Support document.
- Initiate the 91 Express Lanes Major Pavement Rehab Project Approval/Environmental Document phase.
- Complete the I-10 (San Geronio Pass) Express Lanes Project Study Report - Project Development Support document.
- Commence construction of the South Perris Station and Layover expansion project
- Commence design of the Mead Valley Commuter Rail Station.
- Complete the design and commence construction of the Perris Valley Line Double Track Project, 6.8 miles long.
- Complete the design and commence construction of the Riverside Downtown Station At-grade crossing project.
- Initiate the I-215 Railroad Barrier Wall Project Study Report and commence design of the project.
- Initiate the Perris Valley Line drainage Project Study Report.
- Continue to support operations planning, design, and construction of projects led by other agencies.
- Continue as lead agency for partner agency projects; continue preliminary engineering of the I-10/Highland Springs Avenue Interchange project; continue environmental clearance, design, and construction efforts for the Santa Ana River Trail; continue construction on the SR-60/Potrero Boulevard interchange phase II project; continue design of the I-15/Franklin interchange project and Pennsylvania Avenue grade separation project; and continue development of project study reports for I-15/Wildomar Trail and I-15/Bundy Canyon Road interchanges.
- Consider opportunities to implement technology-based strategies, or smart freeway projects, to manage traffic, reduce congestion and pollution, increase safety, and improve the quality of commutes. Continue operation of the Smart Freeway project on I-15 in Temecula. Complete the Design and Engineering Evaluation Report for the I-10 Ramp Metering project in the San Geronio Pass.
- Maintain and enhance communication and collaboration with the California State Transportation Agency (CalSTA), California Transportation Commission (CTC), and Caltrans to improve the Commission's ability to deliver critical projects.
- Collaborate with local jurisdictions to implement Transportation Uniform Mitigation Fee (TUMF) regional arterial program projects and facilitate the delivery of eligible arterial improvements in western Riverside County (Western County).
- Continue active engagement in state and federal efforts to streamline and modernize the California Environmental Quality Act (CEQA) and the NEPA to improve the Commission's ability to deliver critical projects.

OPERATIONS

- Efficiently operate the 91 and 15 Express Lanes, achieve high customer satisfaction, and provide a reliable travel option.
- Efficiently and cost effectively operate the nine Commission-owned and -operated commuter rail stations and the 91/Perris Valley Line (PVL) rail corridor to ensure reliable high quality commuter rail service.
- Efficiently provide motorist assistance services so that motorists can conveniently travel and use transportation facilities as safely as possible.

REGIONAL PROGRAMS

- Proactively engage state and federal legislators and agencies to advance principles identified in the adopted Legislative Platform to ensure the Commission receives due consideration for transportation projects and funding for key regional needs and mobility choice.
- Monitor transit trends and the associated economic, social, and public health factors that impact ridership and create barriers to transit growth.
- Continue to subsidize reliable and cost-effective Metrolink commuter rail service, operated by SCRRA, to, from, and throughout Riverside County.
- Provide continued leadership in the planning and development for the CV Rail corridor.
- Support innovative programs that provide transit assistance in rural areas as well as for riders with specialized transit needs.
- Promote cost controls and operating efficiency for transit operators as well as supporting regional goals to reduce congestion and improve air quality and mobility options for all users.
- Maintain effective partnerships among commuters, employers, and government to increase the efficiency of our transportation system by encouraging and promoting telework and motorized and non-motorized transportation alternatives such as vanpools.

MANAGEMENT SERVICES

- Maintain close communication with Commissioners and educate policy makers on all issues of importance to the Commission, including Measure A and key Commission funding sources.
- Develop and execute a communication, public information, and community engagement strategy for the purposes of education, partnership building, information sharing, and customer service.
- Maintain administrative program delivery costs below the policy threshold of 4% of Measure A revenues; the FY 2026/27 Management Services budget is 2.00% of Measure A revenues.
- Maintain administrative salaries and benefits at less than 1% of Measure A revenues; the FY 2026/27 administrative salaries and benefits is 0.62% of Measure A revenues.
- Maintain prudent cash reserves to provide for unplanned expenditures or economic downturns.
- Continue communicating current and anticipated financial performance for RCTC-issued debt financings ensuring the corresponding rating is achieved and issued by the applicable rating agencies.
- Establish and maintain revenues and related reserves generated from toll operations to be available for debt service in accordance with toll supported debt agreements, maintenance, repair and rehabilitation, administration, operations, and capital projects within the corridor.

FINANCIAL OVERVIEW

FISCAL ACCOUNTABILITY POLICIES

As the steward of local, state, and federal resources, RCTC maintains financial policies that promote fiduciary responsibility and organizational excellence.

FINANCIAL PLANNING	
Balanced Budget	RCTC adopts an annual budget in which recurring operating and capital expenditures and other financing uses are equal to or less than identified / recurring revenues and other financing sources including available fund balances.
Administration	<p>Allocations from local and state sources and toll operations fund administrative costs, including salaries and benefits.</p> <ul style="list-style-type: none"> • Administrative salaries and benefits cannot exceed 1% of anticipated Measure A sales tax revenues. • Administrative costs will not exceed 4% of anticipated Measure A sales tax revenues (inclusive of the 1% salary limitation).
Retirement Benefits	RCTC contributes 100% of the annual requirement related to its proportionate share of the unfunded actuarial liability (UAL) and for postretirement health care benefits.
Capital Projects	Multi-year capital projects are consistent with the strategic plan and budgeted each fiscal year based on best available estimates.
Reserves	RCTC establishes and maintains reserves in accordance with Measure A and TDA policies as well as existing financing agreements.
REVENUES	
Sales Tax	RCTC prepares annual and mid-year revenue projections incorporating current and relevant data; staff may adjust amounts during the budget process to reflect current economic trends.
Tolls	<p>RCTC-adopted policies establish congestion pricing to optimize throughput on toll facilities while generating revenue to meet all financial commitments related to:</p> <ul style="list-style-type: none"> • Debt issued to construct or repair any portion of the toll facility, payment of debt service, and satisfaction of other covenants and obligations related to indebtedness of the toll facility, including applicable reserves; • Development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facilities, including toll collection and enforcement and applicable reserves; and
Funding Sources	RCTC leverages local funding sources to maximize federal and state funding of projects.
Sale of Properties	RCTC returns proceeds from the disposition of excess properties to the programs that provided the funding sources for the property acquisition.

EXPENDITURES/EXPENSES

Priorities	RCTC annually reviews established priorities for planning and programming of capital projects.
Accountability	RCTC compares actual expenditures/expenses to the budget quarterly and appropriately explains and justifies significant deviations.
Procurement	RCTC ensures competitive, transparent, objective, and fair procurement selection processes in accordance with policies adopted on December 10, 2025.
Capital and Intangible Assets	<p>On a government-wide basis, RCTC records capital and intangible assets at historical costs, estimated historical costs if purchased or constructed, or estimated fair value at date of donation. RCTC maintains such assets in a state of good repair and safeguards them from misuse and misappropriation.</p> <ul style="list-style-type: none"> • RCTC does not capitalize non-toll infrastructure, which title will be vested with Caltrans or another governmental agency. • RCTC depreciates capital and amortizes intangible assets over the estimated useful life or service concession term.

DEBT MANAGEMENT

Debt Limitation	Outstanding sales tax revenue debt cannot exceed \$975 million, in accordance with Measure K approved by a majority of the voters in November 2010; RCTC can issue toll-supported debt for specific highway projects based on amounts authorized by the Commission.
Management	RCTC maintains and updates the Debt Management Policy, as adopted on March 11, 2020, and Interest Rate Swap Policy, as adopted July 12, 2006, for matters related to sales tax revenue and toll-supported indebtedness.
Coverage	RCTC maintains a minimum debt service coverage ratio of 2.0x on all senior sales tax revenue debt and 1.3x on all toll-supported debt.
Issuance	RCTC issues debt for major capital projects including engineering, right of way, construction, and design-build; RCTC will not finance operating requirements except for initial toll operations. Costs of issuance, including the standard underwriter's discount, do not exceed 2% unless specifically authorized.
Maturity	All sales tax revenue debt matures prior to the termination of 2009 Measure A on June 30, 2039; all toll-supported debt matures prior to the expiration of toll facility agreements.

CASH MANAGEMENT

Management	RCTC invests funds in order of priority (safety, liquidity, and yield) in accordance with the Investment Policy, adopted on December 10, 2025 or debt agreements.
Receipts	Where possible, RCTC encourages receipt of funds by wire or electronic funds transfer to its accounts.
Payments	RCTC remits cash disbursements to local jurisdictions and vendors/consultants in a timely manner.
Operating Balances	RCTC maintains a sufficient balance within its operating bank account at the amount necessary to meet monthly expenditures/expenses.

ACCOUNTING AND FINANCIAL REPORTING

Accounting System	RCTC maintains an ERP system that integrates project and toll operations accounting needs and improves accounting efficiency.
Reporting	RCTC issues an annual comprehensive financial report and budget document; separate financial reports for the LTF, STA, SGR Program, LCTOP, and toll operations; and the State Controller's Transportation Planning Agency Financial Transactions Report and Government Compensation in California Report.
Audits	An independent accounting firm conducts an annual audit of the Commission's accounting books and records; RCTC obtains audits of Measure A and TDA funding recipients for compliance and other matters in a timely manner.

FUNCTIONAL MANAGEMENT

Unlike many governments that provide direct services to the public, the Commission's overall responsibility is to manage transportation planning and funding for the County. As a result, its budget in terms of dollars, is comprised primarily of capital-related programs and projects; the operating component of the budget is related to toll operations, multimodal programs (transit planning, rail operations, and commuter and motorist assistance services), and regional conservation. Management services, consisting of executive management, administration, external affairs, and finance, provide support to both capital and operating programs and projects. Chart 9 depicts the organization of the Commission's oversight and management functions. staff organization chart can be found in Appendix B.

CHART 9 – FUNCTIONAL ORGANIZATION CHART FY 2026/27

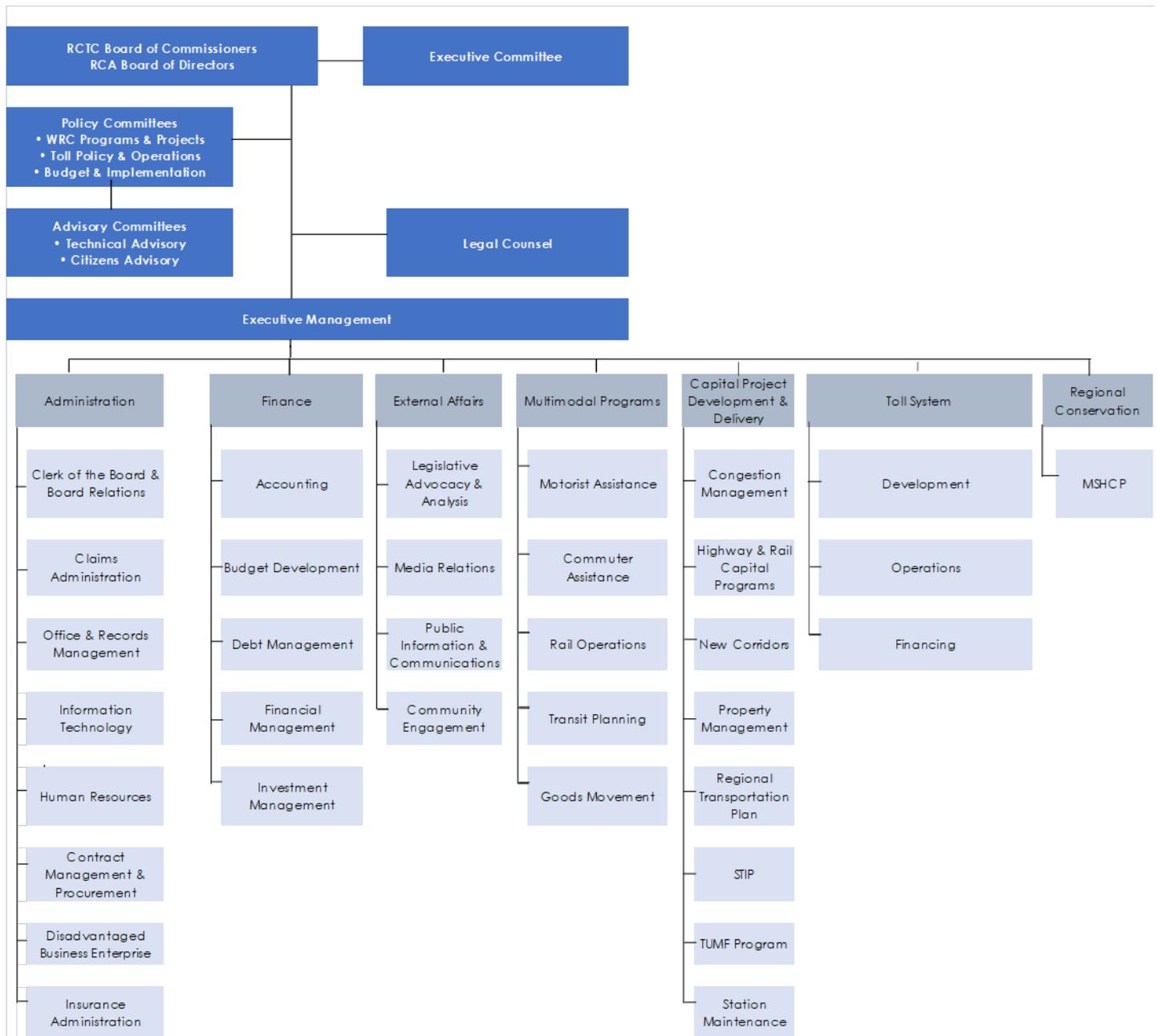


Chart 10 illustrates the relationship between the Commission’s functional management or departments and the Commission’s fund structure.

CHART 10 – RELATIONSHIP OF FUNCTIONAL MANAGEMENT AND FUND STRUCTURE

Functional Management/Department	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund
Management Services					
Executive Management	X				
Administration	X				
External Affairs	X				
Finance	X	X		X	
Regional Programs					
Planning and Programming Services	X	X			
Rail Maintenance and Operations	X	X			
Public and Specialized Transit	X	X			
Commuter Assistance		X			
Motorist Assistance		X			
Regional Conservation		X			
Capital Projects Development and Delivery		X	X	X	
Toll Operations					X

BUDGET PROCESS

The budget is the primary performance tool used to measure and control accountability of public agencies for taxpayer dollars. The budget communicates to all stakeholders (i.e., elected officials, regional agencies, and citizens) how the investment they made will be put to use by providing detailed information on the specifics of resource allocation and uses. The Commission monitors progress on a monthly basis, and it makes revisions and updates as necessary to reflect changing dynamics and accommodate unplanned requests. This results in a budget document that is useful and meaningful as a benchmark against which to evaluate government accomplishments and/or challenges and to assess compliance with fiscal accountability.

The budget process consists of six primary tasks conducted in phases throughout the fiscal year. Chart 11 illustrates the budget process for the development of the FY 2026/27 budget and monitoring of the FY 2025/26 approved budget. Each task is summarized below.

CHART 11 – BUDGET PROCESS

ID	TASK NAME	DURATION	2025						2026					
			J	A	S	O	N	D	J	F	M	A	M	J
1	Short Term Strategic Direction Phase	140 Days												
2	Resource Identification and Allocation Phase	200 Days												
3	Needs Assessment Phase	120 Days												
4	Development and Review Phase	150 Days												
5	Adoption and Implementation Phase	60 Days												
6	Budget Roles and Responsibilities	365 Days												

SHORT-TERM STRATEGIC DIRECTION PHASE

The first phase of the budget process is to determine the direction of the Commission in the short-term and to integrate this with the Commission's long-term goals and objectives, including the Western County Delivery Plan as updated and discussed in the Capital Project Development and Delivery department section. In January, staff both analyzes actual results compared to the current year budget, and maps changes in strategy for the ensuing fiscal year. Additionally, staff reviews and, if necessary, updates Commission mission statements and underlying goals. Those goals, upon review by the Board, become the Commission's short-term strategic direction.

Annually, a workshop is held for the Board to evaluate and determine where the Commission plans to be and what it desires to accomplish over the next five to ten years. The Commission held a workshop in January 2026; Commissioners provided direction on technology solutions, Measure A revenue projections, and a master plan for SR-91.

RESOURCE IDENTIFICATION AND ALLOCATION PHASE

Simultaneous with the short-term strategic direction phase, staff focuses on available funding sources and estimated carry over amounts from the current year. The Commission analyzes its fund balances, the excess of fund assets over fund liabilities, for available appropriation in the following fiscal year. Resource identification occurs throughout the year, but it is finalized in the upcoming fiscal year budget. In connection with the long-term strategic planning process, the Commission determines borrowing needs, but it adjusts such amounts in the annual budget to reflect current information.

NEEDS ASSESSMENT PHASE

Staff and consultants evaluate projects and studies for consideration in the next year. Project priority and sequencing set in the long-term strategic plan are the top candidates for budget submission. However, priorities may have changed due to economic necessities or political realities, resulting in rescheduling projects by acceleration or postponement. The Commission may add new projects or delete existing priorities.

DEVELOPMENT AND REVIEW PHASE

Using all the data and information gathered from the previously mentioned stages, department managers submit their desired budgets to the Finance Department. Finance staff compiles the information, along with staff and overhead allocations, into a preliminary or draft budget. After review by the Executive Director and inclusion of the desired changes, staff presents the draft budget to the Board for input.

ADOPTION AND IMPLEMENTATION PHASE

Staff submits the proposed budget to the Commission no later than its June meeting, and the Commission conducts a public hearing to allow for public comment on the proposed budget. The Commission may choose, after the public hearing, to adopt the budget or to request additional information and/or changes to the budget. The budget, including the salary schedule, must be adopted no later than June 15 of each year. Upon adoption by the Commission, staff enters the budget into the ERP system effective July 1 for the next fiscal year.

BUDGET ROLES AND RESPONSIBILITIES

Involvement in the budget requires all staffing levels at the Commission, as presented in the staff organization chart in Appendix B, from clerical support staff to policy makers. Each program manager develops a detailed line-item budget that consists of the operating and/or capital components and submits those budgets, by program, to the department director for review and concurrence. While all departments have operating components, rail station operations and maintenance and toll operations represent the Commission's primary operation functions that consider long-range planning. Details on these operations are included in the Rail and Toll Operations department sections, respectively. The department directors submit their budgets to the Chief Financial Officer by mid-March, and the Finance Department compiles the department budgets. Both the capital and operating budgets are combined into the draft budget for the entire Commission. The Chief Financial Officer and Executive Director review the entire budget for overall consistency with both the short and long-term strategic direction of the Commission, appropriateness of funding sources for the identified projects and programs, and reasonableness of the operating and capital budget expenditures/expenses.

Expenditure/expense activities of the funds are controlled at the budgetary unit, which is the financial responsibility level (General, Measure A, Motorist Assistance, LTF, STA, TUMF, Other Agency Projects, Regional Conservation, Capital Projects, Debt Service Funds, and Enterprise Fund) for each function (i.e., administration, operations, programs, intergovernmental distributions, debt service, capital outlay, and other financing uses). These functions provide the legal level of budgetary control (i.e., the level at which expenditures/expenses cannot legally exceed the appropriated amount).

Budget-to-actual reports are available to program managers and directors on a real-time basis through the ERP system for informational and management purposes, including identification and evaluation of any significant budget variations. During the fiscal year, management has the discretion to transfer budgeted amounts within the fiscal responsibility unit according to function or may provide support for supplemental budget appropriations requests, including reallocating budget authority between/across all Commission fund types if the overall authorized Commission approved budget authority is not increased. Supplemental budget appropriation requests that increase approved budget authority amounts, require the authorization of the Commission. The Commission may act at any monthly meeting to amend the budget. In some years, the Finance Department may compile miscellaneous requests and submit a budget appropriations adjustment at mid-year to the Commission for approval. Those budget amendments approved by the Commission are incorporated into the budget, as they occur, and are reflected in the annual comprehensive financial report in the final budget amounts reported in the budgetary schedules.

AGENDA ITEM 8

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	Eric DeHate, Transit Manager
THROUGH:	Lorelle Moe-Luna, Multimodal Services Director
SUBJECT:	Countywide Transit Report: Fiscal Years 2021/22 through 2023/24

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Countywide Transit Report for Fiscal Years (FYs) 2021/22 through 2023/24.

BACKGROUND INFORMATION:

The Commission, as the regional transportation planning agency and county transportation commission, provides funding oversight and administration of multiple transit programs within Riverside County as required by various Public Utilities Codes (PUC), ordinances, and policies. Most of the regulatory policies regarding transportation funding for transit operators in California are governed by the Transportation Development Act (TDA) of 1971. As required under PUC Section 99244, the Commission is required to regularly monitor and provide recommendations for productivity and performance improvements of the transit services receiving TDA funding. This is conducted through the Short-Range Transit Plans updates submitted annually, annual audits, and triennial TDA performance audits.

In addition to complying with the minimum requirements set forth by TDA, the Commission began the compilation of a Countywide Transit Report in 2014 to provide a “state of transit” overview. The report is a standalone review of transit services based primarily on annual audited financial data and is inclusive of not only TDA-funded public transit services but also local Measure A funded programs such as the Specialized Transit Program.

DISCUSSION:

The FYs 2021/22 – 2023/24 Countywide Transit Report (Attachment 1) provides a high-level summary of the public transit network in Riverside County with factsheets for five modes of transportation: commuter rail, fixed-route bus, demand response/paratransit bus, specialized transit, and vanpool. Key performance metrics that are highlighted include the following:

- Farebox Recovery Ratio;

- Passenger Boardings;
- Operating Costs;
- Revenue Service Hours;
- Passengers Per Revenue Hour; and
- Other indicators relevant by mode such as train service miles and subsidy per trip.

Additionally, the report provides highlights of major ridership trends, future strategies to meet demand, and marketing initiatives underway as the transit providers maneuver through the recovery phase to regain ridership.

How Are We Doing?

The network of nine (9) public transit service providers and 15 human service operators carried approximately 7.1 million passenger trips in FY 2021/22, 9.4 million passenger trips in FY 2022/23, and over 10 million passenger trips in FY 2023/24. In 2019, prior to COVID-19, transit operators and human service operators carried 15.5 million passenger trips. Ridership has been recovering steadily, supported in large part by free and discounted fare programs for special events and students. Transit operators also began strategically restoring services that were reduced during the pandemic. Assembly Bill's 90 and 149 were enacted in 2020 and 2022 to waive or reduce farebox recovery requirements. With the changes, farebox recovery ratios met or exceeded requirements for fixed-route services. On public demand response services, farebox recovery averaged 5.5 to 5.7 percent, below the statewide target of 10 percent. Annual operating costs for public transit services from FY 2021/22 through FY 2023/24 for the county exceeded \$158 million, with revenues comprised of 52.1 percent from state, 33.5 percent from federal, and 14.4 percent from local funding sources, such as Measure A.

Transit operators remain committed to prioritizing customer safety while advancing strategies to restore and grow ridership. Efforts include offering free or reduced fares, closely monitoring travel patterns to optimize service, and expanding community outreach and engagement with local businesses. Operators also focused on strategic planning and investing in technology upgrades such as real-time bus tracking and mobile fare payment systems. In addition, agencies are modernizing their fleets and beginning infrastructure improvements for zero-emission vehicles to meet state mandates and improve regional air quality.

The report provides a glimpse of the road towards recovery for transit operators. The next report will provide a better understanding of the implementation of strategic plans and gradually start the transition towards a zero-emission future based on the audited data in FY 2025/26.

FISCAL IMPACT:

This item does not have a fiscal impact.

Attachment: Countywide Transit Report: Fiscal Years 2021/22 - 2023/24

FACTS ABOUT RIVERSIDE COUNTY



7,200
Square Miles



2.5 million
Residents

5 MODES of Public Transit



Commuter Rail



Fixed-Route Bus



Public Demand Response
(advance reservation services, Dial-A-Ride)



Specialized Transportation



Vanpool Services

Total Operating Costs

FY 21/22
\$158.1M

FY 22/23
\$185.3M

FY 23/24
\$209.7M

The Riverside County Transportation Commission's Countywide Transit Report is an update on the state of Riverside County transit for the last three fiscal years. Riverside County has an extensive transit network comprised of commuter rail, fixed-route and demand response buses, specialized transportation, and vanpool services. The services are provided by nine public transit service providers and 15 community-based service operators.

Countywide ridership has steadily rebounded from the COVID-19 pandemic, increasing from approximately 5.8 million trips (about 16,000 trips per day) in FY 2020/21 to 10 million trips (nearly 28,000 trips per day) in FY 2023/24, a 71% increase from the lowest point. Actual ridership has exceeded planned projections, supported in large part by free and discounted fare programs for special events and students. Transit operators also strategically restored services that were reduced during the pandemic.

Looking Ahead

Riverside County transit operators remain committed to prioritizing customer safety while advancing strategies to restore and grow ridership. Efforts include offering free or reduced fares, closely monitoring travel patterns to optimize service, and expanding community outreach and engagement with local businesses. Operators are also focusing on strategic planning and investing in technological upgrades such as real-time bus tracking and mobile fare payment systems. In addition, agencies are modernizing their fleets and beginning infrastructure improvements for zero-emission vehicles to meet state mandates and improve regional air quality.



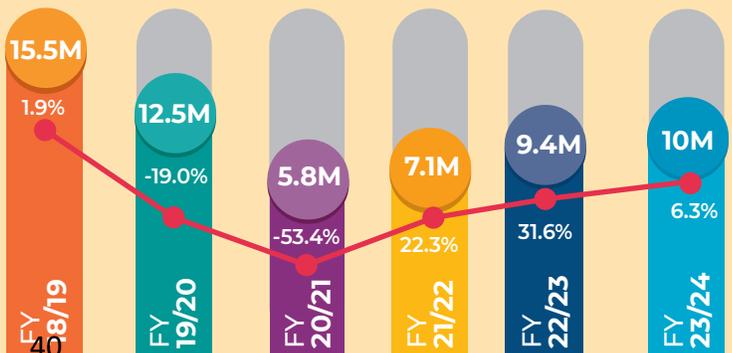
Total Operating Costs by Fund Source

Local Funds
14.4%

State Funds 52.1%

Federal Funds
33.5%

Public Transit Ridership Annual Passenger Trips



As a member agency of the Southern California Regional Rail Authority, or Metrolink, the Commission has a vested interest in commuter rail services. Metrolink services seven commuter rail lines, three of which serve Riverside County. Metrolink is a valuable alternative for commuters who travel to major employment and destination centers in southern California.

Metrolink has implemented new initiatives to regain ridership, including Metrolink Reimagined, an optimized schedule that expands services to provide more coverage throughout the day, and several discount fare promotions for students and low-income families.

RCTC owns and maintains all nine Metrolink stations and rail property along the Perris Valley Line in the county. Several capital projects are underway to all for future expansion on the Perris Valley Line Corridor. The stations are multimodal transit centers with regional and local bus connections that also serve as park & ride locations to encourage rideshare. Station safety, maintenance, and rehabilitation projects continue to be a priority.

Riverside Line
Riverside to Los Angeles via San Bernardino

59 Route Miles | **11** Trains on Weekdays



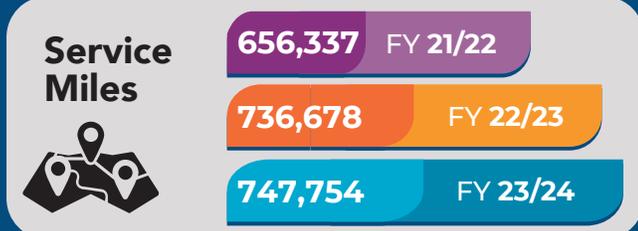
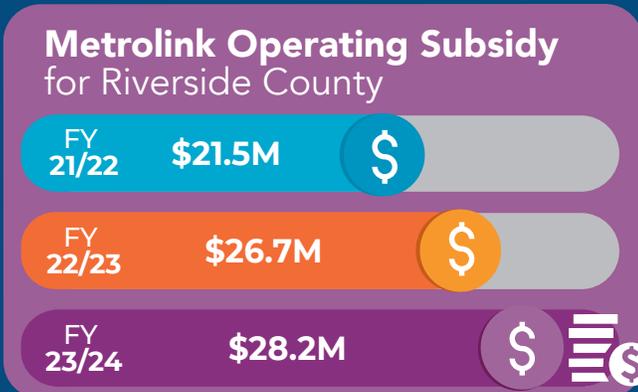
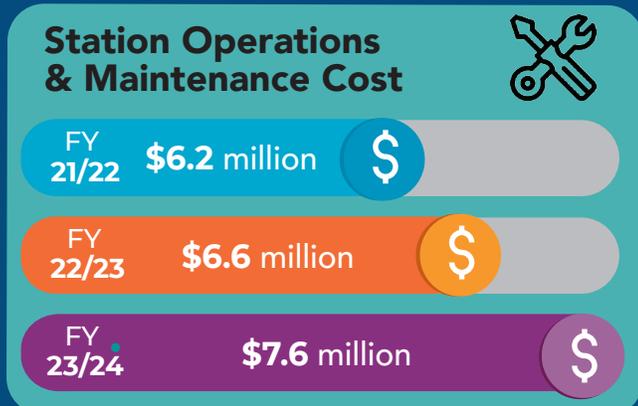
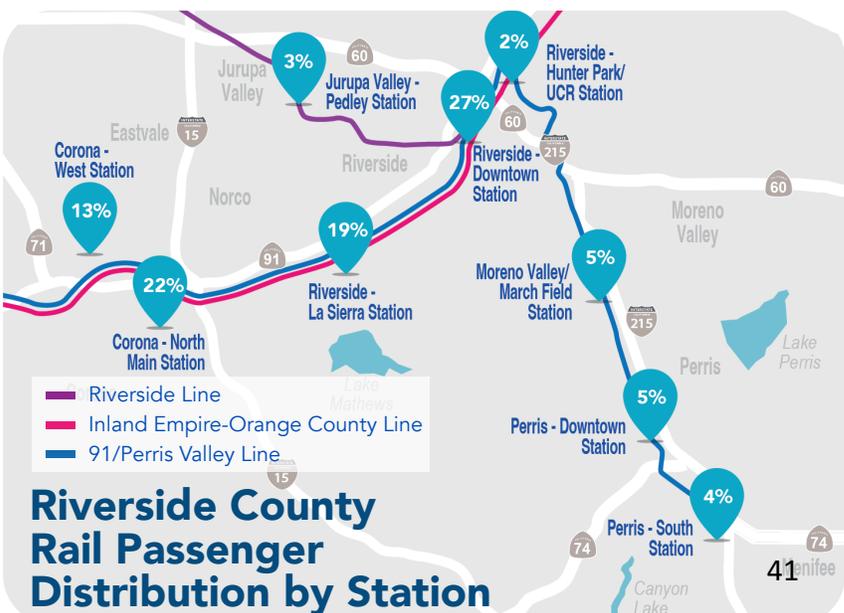
Inland Empire-Orange County Line
San Bernardino to Oceanside

100 Route Miles | **14** Trains on Weekdays | **4** Trains on Weekends



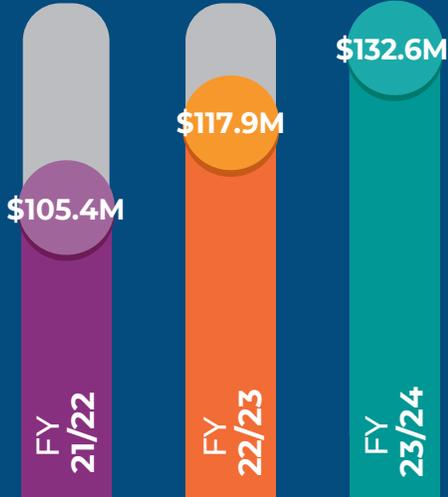
91/Perris Valley Line
Perris to Los Angeles via Fullerton

84 Route Miles | **12** Trains on Weekdays | **4** Trains on Weekends



Total Operating Costs



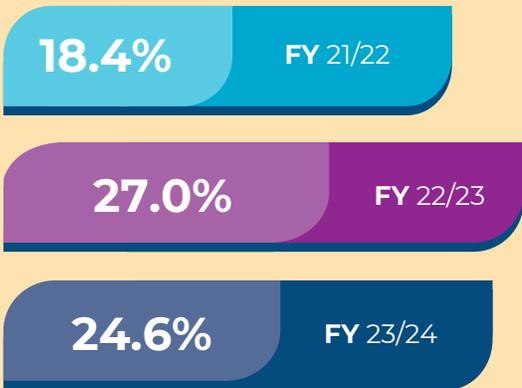
Riverside County has six public bus operators that provide local, intercity, and express fixed-route bus services. This includes 58 local and intercity routes and six express bus routes. These services provide an environmentally friendly alternative for residents to travel to work, school, medical appointments, and other essential tasks. During this period, bus operators invested in technology advancements, replacing and upgrading vehicles and facilities, and introduced free and reduced fares to regain ridership.

Transit operators also continued to partner with one another and local jurisdictions to seek new funding opportunities from competitive grants.

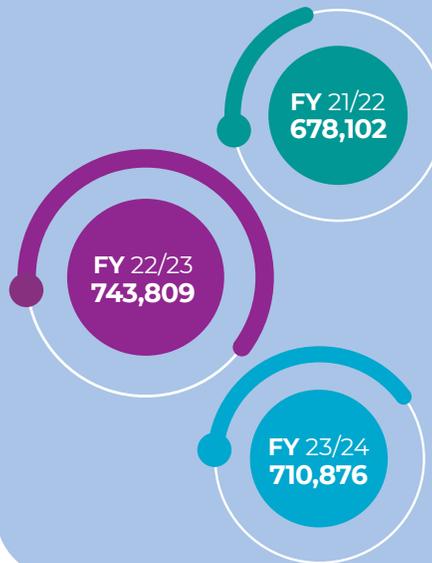


Farebox Recovery Ratio

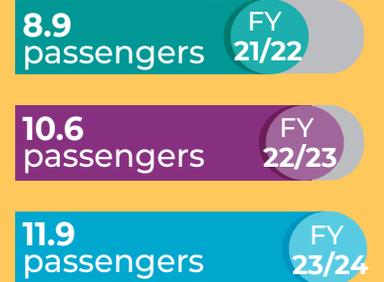
The farebox recovery ratio is a crucial performance state-mandated indicator that gauges how much paying users contribute to funding operations. Farebox recovery minimums vary by operator, generally 20% for urban and 10% for rural areas. Due to the pandemic, Assembly Bill's 90 and 149 were enacted in 2020 and 2022 to waive or reduce farebox recovery requirements.



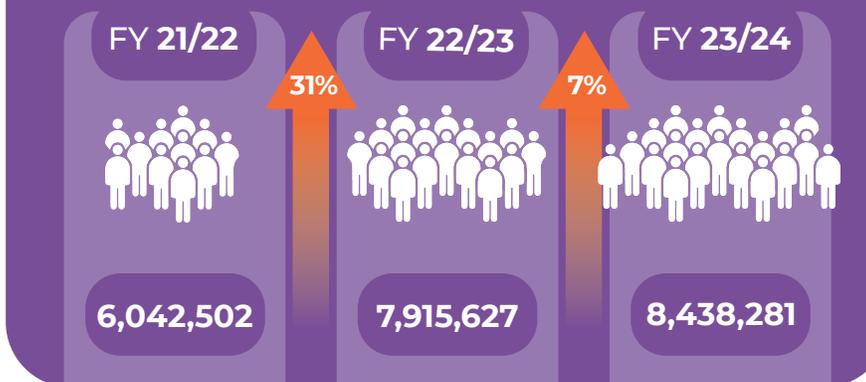
Revenue Service Hours



Average Passengers per Hour



Passenger Boardings



Demand response, or paratransit services, in the county are predominately modeled as shared ride public transportation systems with advance reservations. This enables routes and schedules to be structured to transport multiple passengers to their destinations.

Complimentary paratransit service is generally provided within 3/4 of a mile from a local fixed-route service. These services are typically provided to seniors and those who qualify under the Americans with Disabilities Act and are intended for individuals who are unable to use the fixed-route bus system. These riders are among the most vulnerable users in the transportation network.

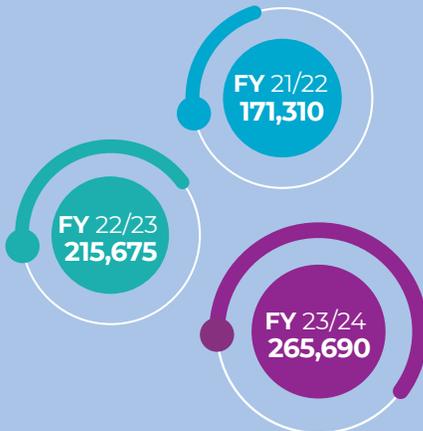
Travel training programs such as RTA's Freedom to Go have been successful at teaching Dial-A-Ride users and others to utilize fixed-route services, enabling passengers to gain more independence and expand their mobility options.

Revenue Service Hours

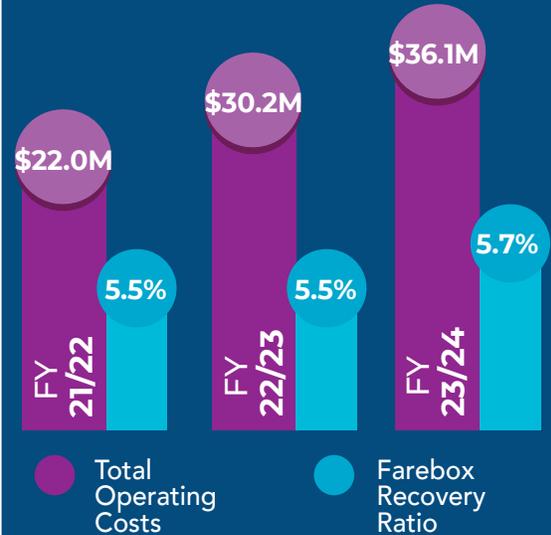
Average Passengers per Hour



1.8 passengers	FY 21/22
2.1 passengers	FY 22/23
2.2 passengers	FY 23/24



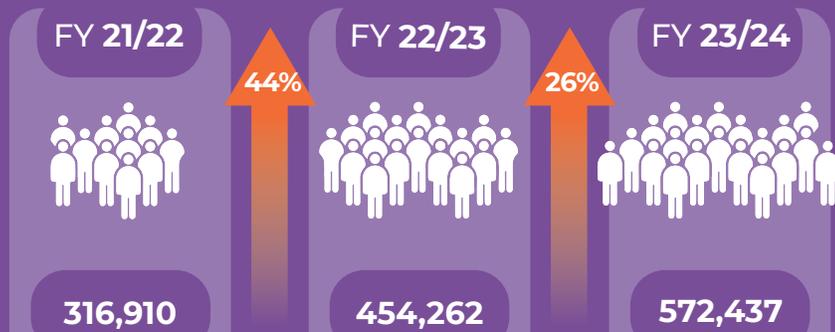
Total Operating Costs & Farebox Recovery Ratio



Microtransit in the County

Both RTA and SunLine have microtransit programs in Riverside County. SunLine's 'SunRide' program has eight zones, and with the SunRide app, riders can plan and book a ride to pick them up within walking distance of their specified location and drop them off at a bus stop or point of interest within the designated zone. In the Hemet-San Jacinto area, RTA launched 'GoMicro,' an on-demand pilot microtransit program that offers shared rides within the zone. Riders can request a ride when they need it and get picked up within 60 minutes of their request. Microtransit services such as these may expand in other parts of the county to reduce costs and increase ridership while addressing first- and last-mile connections.

One-way Passenger Boardings

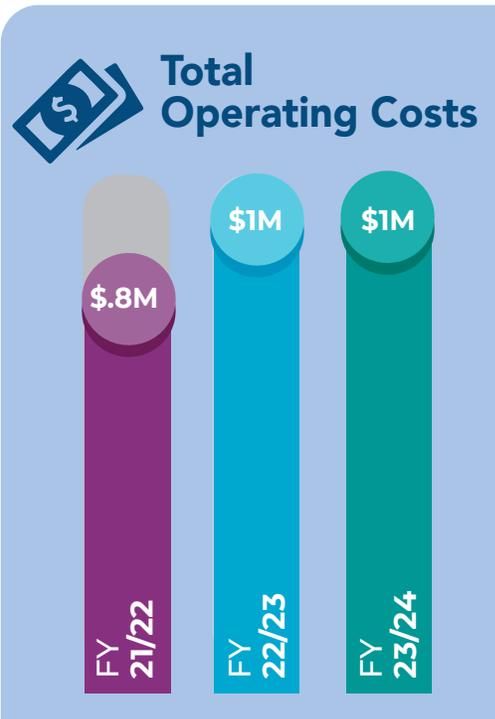


VANCLUB

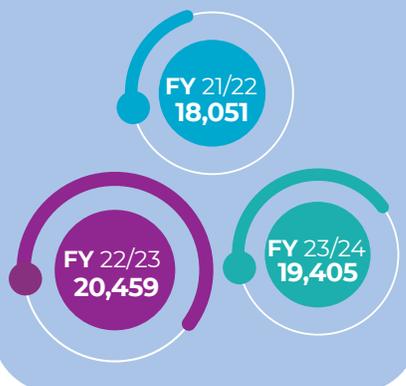
Vanpooling is an efficient public transportation alternative for commuters with longer travel distances or routes and schedules that are difficult to serve with traditional transit. It provides a cost-saving option for employee commuters and serves as an effective employer benefit to help attract and retain workers. The Commission has operated its vanpool program, VanClub, since 2018, originally serving western Riverside County worksites. The program initially provided a \$400 monthly subsidy per vanpool, which was increased to \$600 per month in 2023. In 2024, VanClub was expanded to eastern Riverside County, establishing a countywide vanpool program. VanClub plays a critical role in delivering measurable commute, congestion, and environmental benefits while expanding reliable commute options throughout Riverside County.



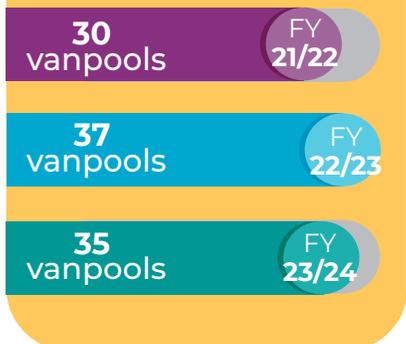
RCTC also provides a suite of employer and commuter programs through its Commuter Assistance Program, IE Commuter, offering turnkey solutions that help employers promote sustainable transportation options such as transit, while also assisting residents in identifying convenient, cost-effective ways to travel to work. Services include access to personalized transit itineraries, carpool and vanpool matching, and commuter incentives.



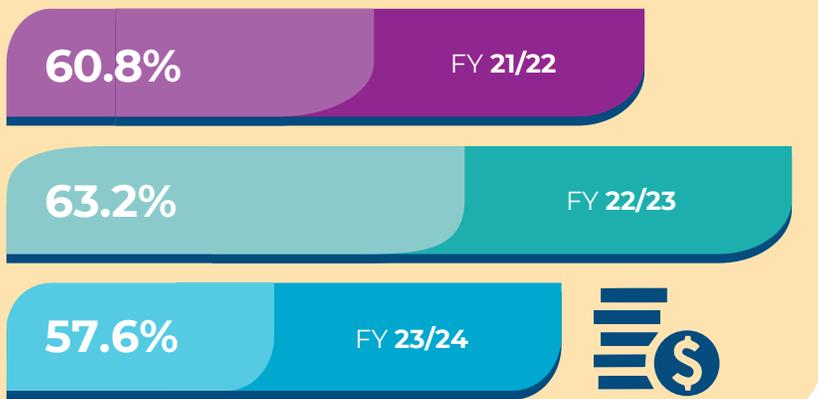
Revenue Service Hours



Average Vanpools per Month



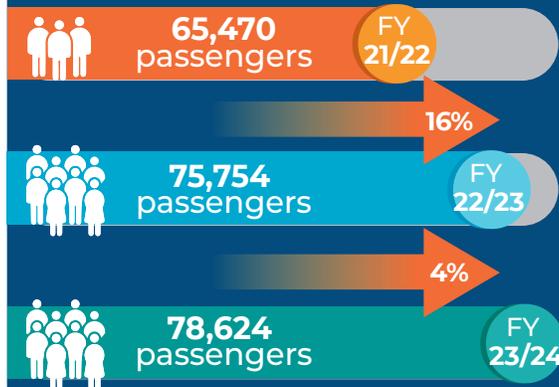
Farebox Recovery Ratio



Single Occupancy Vehicle Trips Eliminated



Passenger Boardings in Western Riverside County

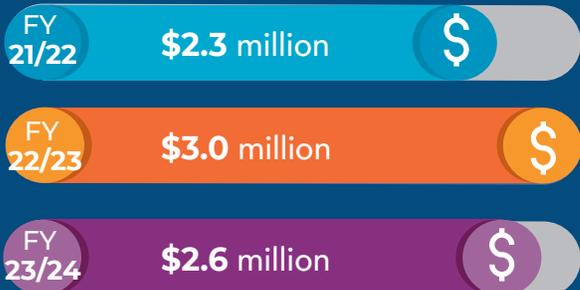


A portion of Measure A, the half-cent local sales tax revenues is used for specialized transit services. In Western Riverside County, RCTC awards funding to public and human service providers of transit services for persons with disabilities, low income, seniors, and veterans through the Specialized Transit Program. These specialized services meet the needs of the most vulnerable population that are either outside of the fixed-route bus and senior and disabled public demand response service areas, or have specific needs that cannot be met using traditional services. These services expand mobility options for individuals who cannot drive, have no one to drive them, or have difficulty using public transit.

In the Coachella Valley, Measure A transit funds are allocated to SunLine, and are also used to expand transit options and keep costs low for seniors and the disabled.



Measure A Subsidy for Western Riverside County



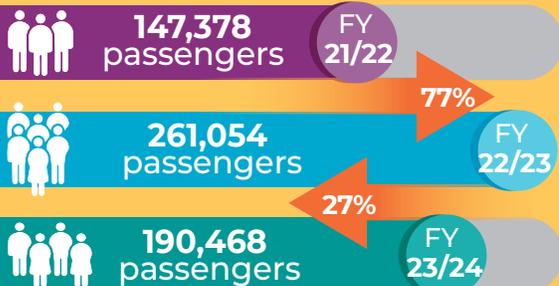
SPECIALIZED TRANSIT PROGRAMS IN 5 CATEGORIES



- Demand response services**
 Operating assistance for services to individuals who cannot be served by existing public transit
- Mileage reimbursement programs**
 Reimbursing volunteer drivers per mile for authorized trips they provide
- Bus pass programs**
 Distributing day passes for the county's fixed-route bus system to human service agencies to assist with clients' urgent transportation needs
- Mobility management programs**
 Assisting clients by providing information on how to use the transportation options that are available to them
- Travel training programs**
 Teaching riders how to plan trips, navigate and use the public transit fixed-route bus system

Passenger Boardings

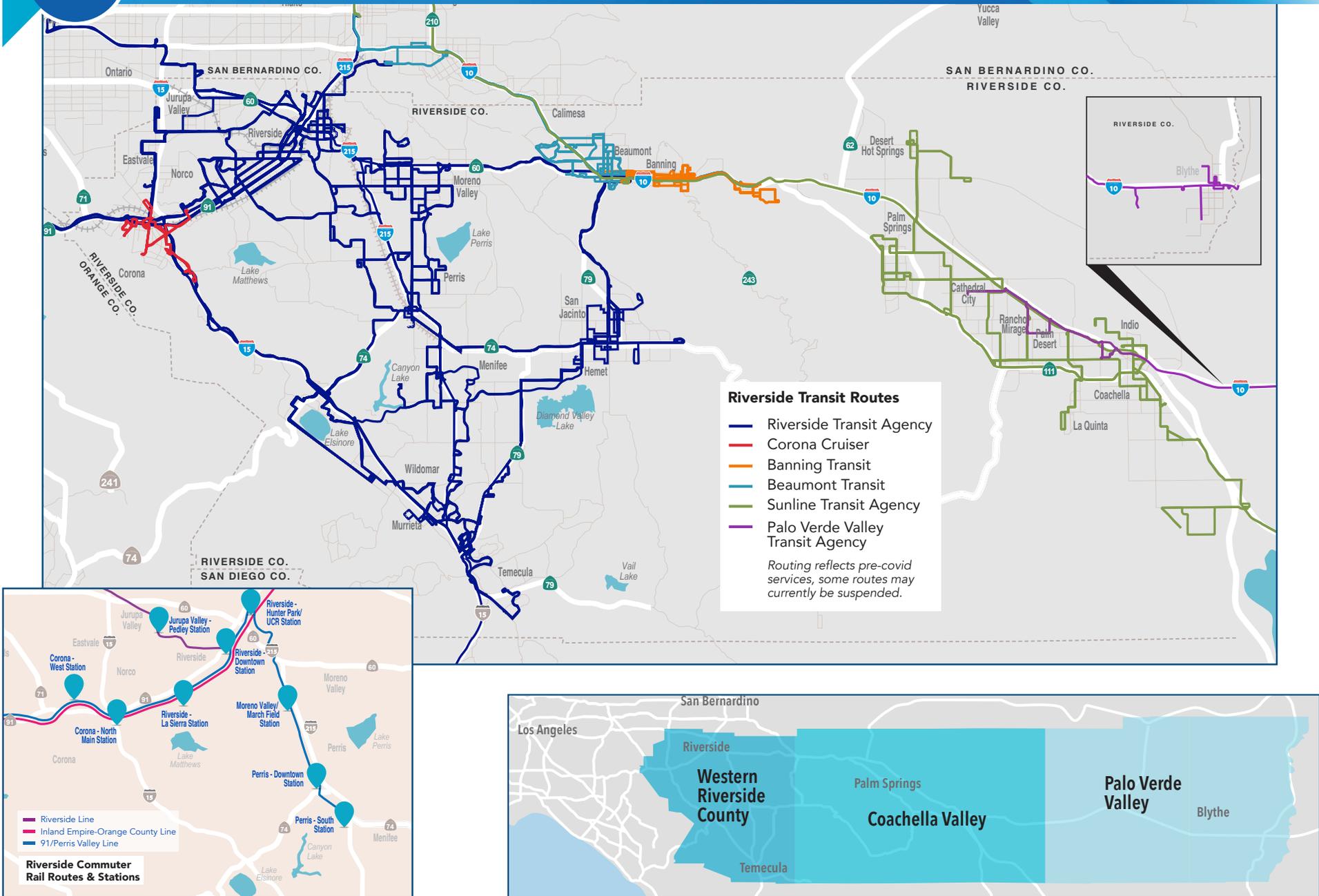
Inclusive of travel training and bus pass program trips.



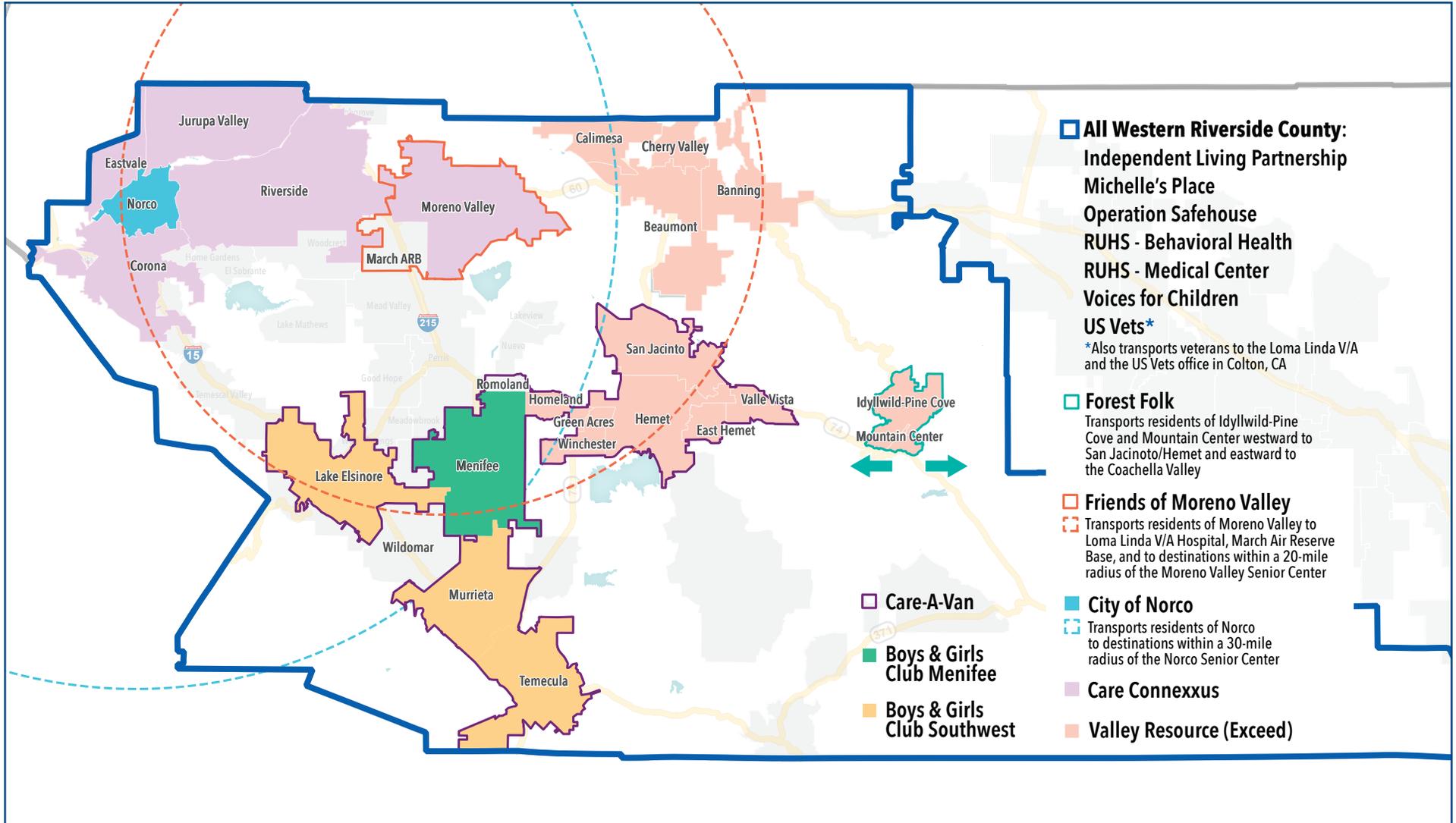
Average Subsidy per Trip and Total Cost per Trip



Riverside County Transit Routes



Measure A Specialized Transit Map



AGENDA ITEM 9

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	Monica Morales, Senior Management Analyst Eric DeHate, Transit Manager
THROUGH:	Lorelle Moe-Luna, Multimodal Services Director
SUBJECT:	Fiscal Years 2021/22 - 2023/24 Transportation Development Act Triennial Performance Audit Results for the Commission and Riverside County Transit Operators

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file the Fiscal Years (FYs) 2021/22 through 2023/24 Transportation Development Act (TDA) Triennial Performance Audit report for the Commission; and
- 2) Receive and file the FYs 2021/22 through 2023/24 TDA Triennial Performance Audit reports for the cities of Banning, Beaumont, Corona, and Riverside; Palo Verde Valley Transit Agency (PVVTA); Riverside Transit Agency (RTA); and SunLine Transit Agency (SunLine).

BACKGROUND INFORMATION:

In accordance with state law (California Public Utilities Code Section 99246), the Commission is required every three years to arrange for the performance audits of its activities as well as the activities of the transit operators to which it allocates TDA funds such as Local Transportation Funds (LTF) and State Transit Assistance (STA). At its March 2025 meeting, the Commission approved the selection of Micheal Baker International Inc. to conduct the triennial performance audits for FYs 2021/22, 2022/23, 2023/24 and an option to extend the contract for the next triennial audits covering FYs 2024/25, 2025/26 and 2026/27. The scope of work included the review of the seven public transit operators of the cities of Banning, Beaumont, Corona, and Riverside; PVVTA; RTA; SunLine; and the Commission. All audits have been completed, and reports will be transmitted to Caltrans before the April 2026 deadline, as required by TDA.

DISCUSSION:

TDA Triennial Performance Audit of the Commission

The auditors' charge in the Commission's triennial performance audit process was to:

- Assess the Commission’s compliance with the 14 TDA regulations as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.
- Evaluate the efficiency and effectiveness of the Commission activities related to transportation planning, programming, regional coordination, grant management and oversight; and
- Review of the Commission’s actions and progress on the implementation of prior triennial performance audit recommendations.

The Commission’s FYs 2021/22 – 2023/24 Triennial Audit (Attachment 1) concluded that the Commission is in compliance with all TDA regulations and provided the following two recommendations to further enhance its role and responsibilities:

1. Ensure city of Beaumont Transit completes and submits separate State Controller Reports for general public transit and for specialized services.

This recommendation was a carryover from the last triennial audit. One remaining operator, the city of Beaumont, continues to submit one State Controller Report. Staff will continue to work with the operator to ensure that it is adhering to the proper financial reporting procedures.

2. Further the standardization and optimization of web-based data management across transit operators.

This is a new recommendation to support the development and standardization of a database management system to promote consistency, data quality, and clearer input and verification protocols for operators. The Commission currently utilizes TransTrack for transit operators and is under contract with the vendor to make improvements that will reduce manual data entry, enhance data collection and performance monitoring, and increase efficiency for both Commission and transit operator staff.

TDA Triennial Performance Audits of the Public Bus Operators

The TDA requires that an operator receiving TDA funds be audited for efficiency, effectiveness, and economy of the operation. The major elements of performance audits of transit operators include review of compliance requirements, transit operator functions, and performance indicators. Generally, the transit operators’ reports show that they are providing their services effectively and within the requirements of state law, with a few exceptions as noted in each operator’s report.

The auditor is also required to follow-up on the prior performance review recommendations and assess progress made. The auditors outlined findings and made recommendations for each of the public transit operators. Highlights of recommendations for each transit operator are summarized as follows.

City of Banning

1. Ensure timely completion and submittal of external TDA financial reports.
2. Ensure timely completion and submittal of the Transit Operators Financial Transactions Report.
3. Provide consistent and accurate performance measures on all external and internal transit reporting, including to the State Controller and RCTC.
4. Continue efforts to hire and retain a transit manager.
5. Continue efforts to develop a Comprehensive Operational Analysis (COA).

City of Beaumont

1. Prepare and submit separate State Controller Transit Operators Financial Transactions Reports for general public transit and specialized service.
2. Actively pursue and strategically leverage Beaumont Transit's eligibility for federal transit funding under the Federal Transit Administration's Urbanized Area Formula Program and related discretionary grant opportunities.

City of Corona

1. Advance implementation of the COA microtransit service options to underserved areas.
2. Strengthen targeted outreach to students and senior riders.

City of Riverside

1. Ensure timely completion and submittal of external TDA financial reports.
2. Advance strategic long-term planning through a COA.
3. Expand rider education and outreach through Ecolane Integration.

RTA

1. Monitor demand response operational performance trends.
2. Monitor maintenance costs relative to the active fleet.
3. Report GoMicro microtransit operating data separately to the State Controller's Office.

SunLine

1. Continue addressing maintenance facility conditions, particularly during summer season.
2. Improve grant financial management.

PVVTA

1. Conduct a Comprehensive Fare Study.

Staff and the transit operators will be tracking the progress on implementing the above recommendations. As part of the annual SRTP updates, the operators describe the current implementation status of each of their recommendations from their most recent TDA triennial performance audits. Staff will also continue to work with the transit agencies to assist them in developing better administrative practices to ensure that any negative findings found in the recent audits are not repeated in the next triennial performance audit period.

FISCAL IMPACT:

There is no fiscal impact for this item.

Attachments: ([Click on the Link for the Attachments 1 – 8](#))

- 1) RCTC FYs 2022-2024 TDA Triennial Performance Audit
- 2) City of Banning FYs 2022-2024 TDA Triennial Performance Audit
- 3) City of Beaumont FYs 2022-2024 TDA Triennial Performance Audit
- 4) City of Corona FYs 2022-2024 TDA Triennial Performance Audit
- 5) City of Riverside FYs 2022-2024 TDA Triennial Performance Audit
- 6) RTA FYs 2022-2024 TDA Triennial Performance Audit
- 7) SunLine FYs 2022-2024 TDA Triennial Performance Audit
- 8) PVVTA FYs 2022-2024 TDA Triennial Performance Audit

AGENDA ITEM 10

RIVERSIDE COUNTY TRANSPORTATION COMMISSION	
DATE:	February 23, 2026
TO:	Budget and Implementation Committee
FROM:	Tyler Madary, Legislative Affairs Manager
THROUGH:	Jeanette Flores, External Affairs Director
SUBJECT:	State and Federal Legislative Update

STAFF RECOMMENDATION:

This item is for the Committee to recommend the Commission take the following action(s):

- 1) Receive and file a state and federal legislative update; and
- 2) Adopt the following bill position:
 - a) AB 1855 (Gonzalez) – Support.

BACKGROUND INFORMATION:

State Update

The Legislature is now in full swing as February 20 was the deadline for legislators to introduce bills for consideration. Over the coming months, the Legislature will turn its attention to holding committee hearings on bills and the Governor’s budget proposal. Staff will continue to monitor opportunities to support, oppose, and provide feedback on bills pertinent to the Commission’s legislative priorities consistent with the 2026 State and Federal Legislative Platform.

Assembly Bill 1855 (Gonzalez) Staff Recommendation – Support

On February 4, RCTC Executive Director Aaron Hake and staff traveled to Sacramento to meet with members of Riverside County’s legislative delegation and professional committee staff to discuss legislation drafted by RCTC staff at Commission direction and authored by Assemblymember Jeff Gonzalez (Indio) to reform California Environmental Quality Act (CEQA) requirements for passenger rail projects such as the Coachella Valley Rail Project.

The RCTC-sponsored legislation, which was introduced on February 11 as Assembly Bill (AB) 1855, builds on Senate Bill (SB) 71 (2025) by Senator Scott Wiener (San Francisco) that expanded CEQA exemptions for certain passenger rail projects. If enacted, AB 1855 would expand these provisions further to streamline the delivery of passenger rail projects, such as the Coachella Valley Rail Project, to promote mobility options in driving-dependent communities.

Supporting AB 1855 is consistent with the Commission's adopted 2026 State and Federal Legislative Platform, including under the following sections:

Key Policy Issues for 2026

- Streamline CEQA review and requirements for passenger rail projects, including the Coachella Valley Rail Project (CV Rail).

Project Delivery Streamlining

- Support all efforts to reduce project delivery timelines and provide flexibility to meet planning requirements due to changing circumstances, while maintaining important environmental protections.

Alternatives to Driving

- Support the continued development of a multimodal transit system in Riverside County that promotes equitable access through geographic reach and service frequency, commuter mobility choice, and environmental sustainability, as well as maximizes regional competitiveness for state and federal funding.

Passenger Rail

- Support efforts to secure state and federal funding for the Coachella Valley Rail project and streamline its project delivery.

Federal Update

Fiscal Year 2026 Appropriations

On February 2, the President signed into law Fiscal Year (FY) 2026 appropriations legislation, including the Transportation, Housing, and Urban Development bill. Notably, this bill includes four of RCTC's Community Project Funding (CPF)/Congressionally Directed Spending (CDS) requests, including:

- \$5 million for the 15 Express Lanes Project Southern Extension, submitted by Representative Ken Calvert (Corona);
- \$3 million for the 91 Eastbound Corridor Operations Project, submitted by Representative Young Kim (Anaheim);
- \$850,000 for the Metrolink Double Track Project: Moreno Valley to Perris, submitted by Representative Mark Takano (Riverside); and
- \$850,000 for the Mead Valley Metrolink Station/Mobility Hub, submitted by Representative Mark Takano (Riverside).

As Congress turns to beginning the FY 2027 appropriations process, RCTC staff await details on CPF/CDS applications. RCTC staff will monitor the application and funding guidelines for CPF/CDS requests and prepare to submit applications to members of Congress.

Surface Transportation Reauthorization

On February 2, RCTC submitted a joint letter with the Orange County Transportation Authority, Imperial County Transportation Commission, San Bernardino County Transportation Authority, and Ventura County Transportation Commission to leadership in the Senate Environment and Public Works Committee and House Transportation and Infrastructure Committee urging their support to restore the suballocation process for federal formula funds in upcoming surface transportation reauthorization legislation. Specifically, the letters call for restoring the distribution of Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) program funds to county transportation commissions, such as RCTC, which was done for decades until 2021.

Amending federal statute to allow county transportation commissions to once again select projects for STBG and CMAQ program funding will restore a process that is locally responsive, more efficient, and will allow for a selection of projects that better align with the mobility needs of residents, families, and businesses. RCTC staff will continue to work with regional partners to advocate in support of including this language either in committee base text or when the bills are brought to the House and Senate Floors for amendments.

FISCAL IMPACT:

This is a policy and information item. There is no fiscal impact.

Attachments:

- 1) AB 1855 (Gonzalez)
- 2) Regional CTC Surface Transportation Reauthorization Letter – Senate EPW
- 3) Regional CTC Surface Transportation Reauthorization Letter – House T&I
- 4) Legislative Matrix – March 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL**No. 1855**

Introduced by Assembly Member Jeff Gonzalez
(Coauthors: Assembly Members Castillo, Jackson, Johnson, and
Wallis)
 (Coauthors: Senators Seyarto and Valladares)

February 11, 2026

An act to amend Section 21080.25 of the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 1855, as introduced, Jeff Gonzalez. California Environmental Quality Act: exemption: passenger rail service.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

CEQA, until January 1, 2040, exempts from its requirements certain projects for the improvement, institution, or increase of passenger rail service, including the maintenance, construction, or rehabilitation of stations, terminals, or existing operations facilities, which will be exclusively used by zero-emission trains or certified Tier 4 or cleaner

rolling stock or locomotives, as provided. CEQA requires, for purposes of this exemption, that the project be located entirely within an existing rail right-of-way or existing highway right-of-way, as provided.

This bill would instead eliminate the condition that the public project be exclusively used by zero-emission trains or certified Tier 4 or cleaner rolling stock or locomotives, thereby expanding the scope of the exemption. The bill would require, for purposes of the exemption, the mainline rail of the project, instead of the whole project, to be located entirely within an existing right-of-way or existing highway right-of-way.

As part of the above-described exemption, CEQA prohibits a public project from being eligible for that exemption if used by certified Tier 4 or cleaner rolling stock or locomotives that are not zero-emission rolling stock or locomotives and the project is located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter and ozone.

This bill would instead authorize an otherwise ineligible project, as described above, to be eligible for the exemption if the project would provide daily passenger rail service between termini more than 5 miles apart where none exists as of January 1, 2027, and the rail service would run parallel to a state highway or interstate highway corridor.

Because a lead agency would be required to determine whether a project qualifies for these expanded exemptions, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 21080.25 of the Public Resources Code
- 2 is amended to read:
- 3 21080.25. (a) For purposes of this section, the following
- 4 definitions apply:
- 5 (1) “Affordable housing” means any of the following:

1 (A) Housing that is subject to a recorded covenant, ordinance,
2 or law that restricts rents or sales prices to levels affordable, as
3 defined in Section 50052.5 or 50053 of the Health and Safety
4 Code, to persons and families of moderate, lower, or very low
5 income, as defined in Section 50079.5, 50093, or 50105 of the
6 Health and Safety Code, respectively.

7 (B) Housing that is subject to any form of rent or price control
8 through a public entity’s valid exercise of its police power.

9 (C) Housing that had been occupied by tenants within five years
10 from the date of approval of the development agreement by a
11 primary tenant who was low income and did not leave voluntarily.

12 (2) “Bicycle facilities” includes, but is not limited to, bicycle
13 parking, bicycle sharing facilities, and bikeways as defined in
14 Section 890.4 of the Streets and Highways Code.

15 (3) “High-occupancy vehicle” means a vehicle with three or
16 more occupants.

17 (4) “Highway” means a way or place of whatever nature,
18 publicly maintained and open to the use of the public for purposes
19 of vehicular travel. “Highway” includes a street.

20 (5) “Local agency” means a public transit operator, city, county,
21 city and county, special district, joint powers authority, local or
22 regional transportation agency, or congestion management agency.

23 (6) “Part-time transit lanes” means designated highway
24 shoulders that support the operation of transit vehicles during
25 specified times and are not open to nonpublic transit vehicles at
26 any time.

27 (7) “Project labor agreement” has the same meaning as defined
28 in paragraph (1) of subdivision (b) of Section 2500 of the Public
29 Contract Code.

30 (8) “Public transit operator” has the same meaning as “operator”
31 in Section 99210 of the Public Utilities Code, or means a public
32 entity that provides contracted paratransit services.

33 (9) “Skilled and trained workforce” has the same meaning as
34 provided in Chapter 2.9 (commencing with Section 2600) of Part
35 1 of Division 2 of the Public Contract Code.

36 (10) “Transit lanes” means street design elements that delineate
37 space within the roadbed as exclusive to transit use, either full or
38 part time.

39 (11) “Transit prioritization projects” means any of the following
40 transit project types on highways or in the public right-of-way:

1 (A) Signal and sign changes, such as signal coordination, signal
2 timing modifications, signal modifications, or the installation of
3 traffic signs or new signals.

4 (B) The installation of wayside technology and onboard
5 technology.

6 (C) The installation of ramp meters.

7 (D) The conversion to dedicated transit lanes, including transit
8 queue jump or bypass lanes, shared turning lanes and turn
9 restrictions, the narrowing of lanes to allow for dedicated transit
10 lanes or transit reliability improvements, or the widening of existing
11 transit travel lanes by removing or restricting street parking.

12 (E) Transit stop access and safety improvements, including, but
13 not limited to, the installation of bus shelters, lighting, transit bulbs,
14 and the installation of transit boarding landings and islands.

15 (12) “Transportation demand management program” means a
16 specific program of strategies, incentives, and tools to be
17 implemented, including, with specified annual status reporting
18 obligations, to reduce vehicle trips by providing opportunities for
19 the public to choose sustainable travel options, such as transit,
20 bicycle riding, or walking. A specific program of strategies,
21 incentives, and tools includes, but is not limited to, any of the
22 following:

23 (A) Provision of onsite electric vehicle charging stations in
24 excess of applicable requirements.

25 (B) Provision of dedicated parking for car share or zero-emission
26 vehicles, or both types of vehicles, in excess of applicable
27 requirements.

28 (C) Provision of bicycle parking in excess of applicable
29 requirements.

30 (b) This division does not apply to any of the following projects:

31 (1) Pedestrian and bicycle facilities that improve safety, access,
32 or mobility, including new facilities, within the public right-of-way.

33 (2) Projects that improve customer information and wayfinding
34 for transit riders, bicyclists, or pedestrians within the public
35 right-of-way.

36 (3) Transit prioritization projects.

37 (4) A project for the designation and conversion of general
38 purpose lanes to high-occupancy vehicle lanes or bus-only lanes,
39 or highway shoulders to part-time transit lanes, for use either during
40 peak congestion hours or all day on highways with existing public

1 transit service or where a public transit agency will be
2 implementing public transit service as identified in a short-range
3 transit plan.

4 (5) (A) A public project for the protection, improvement,
5 institution, or increase of microtransit, paratransit, shuttle, bus,
6 ferry, bus rapid transit, or light rail service, including the protection,
7 maintenance, construction, operation, or rehabilitation of stops,
8 stations, terminals, or existing operations facilities, which will be
9 exclusively used by zero-emission, near-zero-emission, low oxide
10 of nitrogen engine, compressed natural gas fuel, fuel cell, or hybrid
11 powertrain vehicles, rail or cable cars, rolling stock, or vessels.
12 The project shall be located entirely within an existing public
13 right-of-way or existing highway right-of-way, whether or not the
14 right-of-way is in use for rail or public mass transit and is wholly
15 within the boundaries of an urbanized area or urban cluster, as
16 designated by the United States Census Bureau.

17 (B) A public project otherwise identified in subparagraph (A)
18 shall not apply to the exemption pursuant to this paragraph after
19 January 1, 2032, if used primarily by near-zero-emission, low
20 oxide of nitrogen engine, compressed natural gas fuel, or hybrid
21 powertrain vehicles. This subparagraph shall not apply to a public
22 project otherwise identified in subparagraph (A) used by articulated
23 buses.

24 (C) A public project for the construction or rehabilitation of a
25 ferry terminal that a lead agency has submitted a notice of
26 preparation for an environmental impact report pursuant to Section
27 21092 before January 1, 2026, shall not apply to the exemption
28 pursuant to this paragraph.

29 (D) A public project for transit services operated by a
30 transportation network company, as defined in Section 5431 of
31 the Public Utilities Code, shall not apply to the exemption pursuant
32 to this paragraph, unless the services are operated by a microtransit
33 provider contracted by the lead agency that uses a managed fleet
34 of multipassenger vehicles dedicated to that service.

35 (6) (A) A public project for the improvement, institution, or
36 increase of passenger rail service, other than light rail service
37 eligible under paragraph (5), including the maintenance,
38 construction, or rehabilitation of stations, terminals, or existing
39 operations facilities, which will be ~~exclusively~~ used by
40 zero-emission trains or certified Tier 4 or cleaner rolling stock or

1 locomotives, as provided in Section 1033.101 of Title 40 of the
 2 Code of Federal Regulations. The *mainline rail for that* project
 3 shall be located entirely within an existing rail right-of-way or
 4 existing highway right-of-way, whether or not the right-of-way is
 5 in use for passenger rail transit.

6 (B) A public project otherwise identified in subparagraph (A)
 7 shall not be eligible for the exemption pursuant to this paragraph
 8 if used by certified Tier 4 or cleaner rolling stock or locomotives
 9 that are not zero-emission rolling stock or locomotives and the
 10 project is located in an air basin designated as a serious, severe,
 11 or extreme nonattainment area for particulate matter and ozone.
 12 *This subparagraph shall not apply to a public project that would*
 13 *provide daily passenger rail service between termini more than*
 14 *five miles apart where none exists as of January 1, 2027, and the*
 15 *rail service would run parallel to a state highway or interstate*
 16 *highway corridor.*

17 (7) (A) A public project to construct or maintain infrastructure
 18 or facilities to charge, refuel, power, or maintain zero-emission
 19 public transit buses, trains, or ferries, provided the project is carried
 20 out by a public transit agency and the project is any of the
 21 following:

22 (i) Located on property owned, leased, or operated by the local
 23 agency.

24 (ii) Located within an existing public right-of-way.

25 (iii) Located on property owned by a public or private utility
 26 within an urbanized area.

27 (B) A lead agency applying an exemption pursuant to this
 28 paragraph for hydrogen refueling infrastructure or facilities
 29 necessary to refuel or maintain zero-emission public transit buses,
 30 trains, or ferries shall comply with clauses (i), (iii), and (iv) of
 31 subparagraph (D) of, and with subparagraph (E) of, paragraph (1)
 32 of subdivision (d).

33 (8) The maintenance, repair, relocation, replacement, or removal
 34 of any utility infrastructure associated with a project identified in
 35 paragraphs (1) to (7), inclusive.

36 (9) A project that consists exclusively of a combination of any
 37 of the components of a project identified in paragraphs (1) to (8),
 38 inclusive.

39 (10) (A) A project that combines a project identified in
 40 paragraphs (1) to (8), inclusive, and a housing development project

1 that is either subject to a nondiscretionary approval or is exempt
2 from this division.

3 (B) This paragraph does not exempt the housing development
4 project described in subparagraph (A) from any other applicable
5 requirements under any other law.

6 (11) A planning decision carried out by a local agency to reduce
7 or eliminate minimum parking requirements or institute parking
8 maximums, remove or restrict parking, or implement transportation
9 demand management requirements or programs.

10 (c) Except as provided in subdivision (g), a project exempt from
11 this division under this section shall meet all of the following
12 criteria:

13 (1) (A) A local agency is carrying out the project and is the
14 lead agency for the project.

15 (B) The lead agency shall take an action to approve a project
16 as follows:

17 (i) The lead agency's governing board shall take an action at a
18 public meeting.

19 (ii) Notwithstanding clause (i), if a lead agency has an alternative
20 project approval process for a project subject to subdivision (b),
21 it may instead follow that alternative process.

22 (2) The project does not induce single-occupancy vehicle trips,
23 add additional highway lanes, widen highways, or add physical
24 infrastructure or striping to highways except for minor
25 modifications needed for the efficient and safe movement of transit
26 vehicles, bicycles, or high-occupancy vehicles, such as extended
27 merging lanes, shoulder improvements, or improvements to the
28 roadway within the existing right-of-way. The project shall not
29 include the addition of any auxiliary lanes.

30 (3) The construction of the project shall not require the
31 demolition of affordable housing units.

32 (d) (1) A project that is exempt from this division under this
33 section that is, based on the project engineer's cost estimate at the
34 time the local agency takes an action pursuant to subparagraph (B)
35 of paragraph (1) of subdivision (c), anticipated to exceed one
36 hundred million dollars (\$100,000,000) shall also meet all of the
37 following criteria:

38 (A) The project is incorporated in a regional transportation plan,
39 sustainable communities strategy, general plan, or other plan that
40 has undergone a programmatic-level environmental review

1 pursuant to this division within 10 years of the approval of the
2 project.

3 (B) The project’s construction impacts are fully mitigated
4 consistent with applicable law.

5 (C) (i) The lead agency shall complete and consider the results
6 of a project business case and a racial equity analysis. The Office
7 of Land Use and Climate Innovation may set guidelines for the
8 project business case and the racial equity analysis or delegate that
9 authority to metropolitan planning organizations.

10 (ii) The racial equity analysis required under this subparagraph
11 shall identify the racial equity impacts of the project, identify who
12 will benefit from and be burdened by the project, and, where
13 significant or disproportionate impacts exist, suggest strategies,
14 designs, or actions to mitigate those impacts.

15 (D) The lead agency shall hold noticed public meetings as
16 follows:

17 (i) Before determining that a project is exempt pursuant to this
18 section, the lead agency shall hold at least three noticed public
19 meetings in the project area to hear and respond to public
20 comments.

21 (ii) At least one of the three public meetings shall review the
22 project business case and the racial equity analysis. The review of
23 these documents does not inhibit or preclude application of this
24 section.

25 (iii) The lead agency shall conduct at least two noticed public
26 meetings annually during project construction for the public to
27 provide comments.

28 (iv) The public meetings held pursuant to clauses (i) to (iii),
29 inclusive, shall be in the form of either a public community
30 planning meeting held in the project area or in the form of a
31 regularly scheduled meeting of the governing body of the lead
32 agency.

33 (E) The lead agency shall give public notice of the meetings in
34 subparagraph (D) to the last known name and address of all the
35 organizations and individuals that have previously requested notice
36 and shall also give the general public notice using at least one of
37 the following procedures:

38 (i) Publication of the notice in a newspaper of general circulation
39 in the area affected by the project. If more than one area will be
40 affected, the notice shall be published in the newspaper of largest

1 circulation from among the newspapers of general circulation in
2 those areas.

3 (ii) Posting of the notice onsite and offsite in the area where the
4 project is located.

5 (iii) Posting of the notice on the lead agency’s internet website
6 and social media accounts.

7 (2) In addition to the requirements of paragraph (1), for a project
8 described in that paragraph for which at least 50 percent of the
9 project or project’s stops and stations are located in an area that is
10 at risk of residential displacement and that will have a maximum
11 of 15-minute peak headways, the local agency shall complete an
12 analysis of residential displacement and suggest antidisplacement
13 strategies, designs, or actions. For a project subject to this
14 paragraph, the lead agency shall define or identify areas at risk of
15 residential displacement.

16 (3) The amount in paragraph (1) shall be adjusted pursuant to
17 subdivision (j).

18 (e) (1) A project that is exempt from this division under this
19 section that is, based on the project engineer’s cost estimate at the
20 time the local agency takes an action pursuant to subparagraph (B)
21 of paragraph (1) of subdivision (c), anticipated to exceed fifty
22 million dollars (\$50,000,000) shall also comply with clauses (i),
23 (iii), and (iv) of subparagraph (D) of, and with subparagraph (E)
24 of, paragraph (1) of subdivision (d).

25 (2) The amount in paragraph (1) shall be adjusted pursuant to
26 subdivision (j).

27 (f) (1) (A) Except as provided in subdivision (g), as part of the
28 lead agency’s governing board action pursuant to subparagraph
29 (B) of paragraph (1) of subdivision (c), the lead agency shall certify
30 that the project will be completed by a skilled and trained
31 workforce.

32 (B) Subparagraph (A) does not apply if the lead agency has an
33 existing policy or certification approved by its governing board
34 that requires the use of a skilled and trained workforce to complete
35 the project if the lead agency is a signatory to a project labor
36 agreement that will require the use of a skilled and trained
37 workforce on the project.

38 (2) (A) Except as provided in subparagraph (B), for a project
39 that is exempted under this section, the lead agency shall not enter
40 into a construction contract with any entity unless the entity

1 provides to the lead agency an enforceable commitment that the
2 entity and its subcontractors at every tier will use a skilled and
3 trained workforce to perform all work on the project or a contract
4 that falls within an apprenticeship occupation in the building and
5 construction trades in accordance with Chapter 2.9 (commencing
6 with Section 2600) of Part 1 of Division 2 of the Public Contract
7 Code.

8 (B) Subparagraph (A) does not apply if any of the following
9 requirements are met:

10 (i) The lead agency has entered into a project labor agreement
11 that will bind all contractors and subcontractors performing work
12 on the project to use a skilled and trained workforce and the entity
13 has agreed to be bound by that project labor agreement.

14 (ii) The project or contract is being performed under the
15 extension or renewal of a project labor agreement that was entered
16 into by the lead agency before January 1, 2021.

17 (iii) The entity contracted to perform the project entered into a
18 project labor agreement that will bind the entity and all its
19 subcontractors at every tier performing the project to use a skilled
20 and trained workforce.

21 (g) Subdivisions (c) and (f) do not apply to a project described
22 in paragraph (11) of subdivision (b).

23 (h) If the lead agency determines that a project is not subject to
24 this division pursuant to this section, and the lead agency
25 determines to carry out that project, the lead agency shall file a
26 notice of exemption with the Office of Land Use and Climate
27 Innovation and the county clerk of the county in which the project
28 is located in the manner specified in subdivisions (b) and (c) of
29 Section 21152.

30 (i) (1) The amendments made to paragraph (5) of subdivision
31 (b) by Chapter 987 of the Statutes of 2022 (Senate Bill 922 of the
32 2021–22 Regular Session) may apply to projects for which a lead
33 agency has filed a notice of exemption under this section before
34 January 1, 2023.

35 (2) For projects for which a lead agency has filed a notice of
36 exemption under this section before January 1, 2023,
37 notwithstanding subdivision (d), as it read on December 31, 2022,
38 the lead agency may certify that the project will be completed by
39 a skilled and trained workforce after the granting of the exemption

1 under this section or the lead agency may demonstrate compliance
2 with subparagraph (B) of paragraph (1) of subdivision (f).

3 (j) (1) Beginning January 1, 2026, and every two years
4 thereafter, the Office of Land Use and Climate Innovation shall
5 adjust the amounts reflected in paragraph (1) of subdivision (c)
6 and paragraph (1) of subdivision (e) to reflect changes in the
7 Consumer Price Index, as indicated in the Consumer Price Index
8 for All Urban Consumers, as calculated by the Department of
9 Finance based on the United States Bureau of Labor Statistics data
10 for the most recent odd-numbered year, and publish the updated
11 amounts on its internet website.

12 (2) Notwithstanding the rulemaking provisions of the
13 Administrative Procedure Act (Chapter 3.5 (commencing with
14 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
15 Code), the Office of Land Use and Climate Innovation may
16 implement, interpret, or make specific this subdivision without
17 taking any regulatory action.

18 (k) This section shall remain in effect only until January 1, 2040,
19 and as of that date is repealed.

20 SEC. 2. No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 a local agency or school district has the authority to levy service
23 charges, fees, or assessments sufficient to pay for the program or
24 level of service mandated by this act, within the meaning of Section
25 17556 of the Government Code.

O



February 2, 2026

The Honorable Shelley Moore Capito
Chair
Senate Committee on Environment and Public Works
410 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Sheldon Whitehouse
Ranking Member
Senate Committee on Environment and Public Works
456 Dirksen Senate Office Building
Washington, D.C. 20510

Subject: Restore Certainty of STBG and CMAQ Formula Distribution for Large MPOs

Dear Chair Capito and Ranking Member Whitehouse:

The undersigned county transportation commissions from the largest metropolitan planning area in the nation write to express support for including legislative language in the upcoming surface transportation authorization that would improve flexibility and transparency in the distribution and use of Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) program formula funds. This language was previously submitted to the Senate Environment and Public Works Committee.

For three decades, STBG and CMAQ funds were distributed by population from the California Department of Transportation to the county transportation commissions, as required by state law. This California law reflects the understanding that county transportation commissions are better positioned to identify and select priority projects for STBG and CMAQ funding. Once selected, STBG and CMAQ funding were programmed on projects in the region's Transportation Improvement Program (TIP) prepared by its federally designated metropolitan planning organization (MPO), the Southern California Association of Governments (SCAG).

In 2021, however, the Federal Highway Administration (FHWA) ended this long-standing process by requiring MPOs—not county transportation commissions—to have project selection authority for STBG and CMAQ funding. In the case of our respective county transportation commissions, this project selection authority now rests with SCAG. While we respectfully disagree with FHWA's interpretation, the upcoming surface transportation authorization legislation provides an opportunity to correct this issue.

Restoring county transportation commission project selection authority will yield substantial efficiency gains by reducing administrative layers and directing more funding to actual project delivery. County transportation commissions are directly responsible for planning, funding, and implementing multimodal improvements within their jurisdictions; allowing the entities closest to project development to select projects shortens delivery timelines and ensures that STBG and CMAQ funds flow more quickly to shovel-ready needs in a manner that ensures full obligation of federal funds. The current process allows MPOs to retain a portion of these formula funds for regional planning and administrative functions that do not directly advance construction or congestion improvements. The current process also forces local agencies to pursue STBG and CMAQ funding on an annual basis rather than having the certainty to strategize the highest and best use of federal funds for priority projects over

The Honorable Shelley Moore Capito, Chair
The Honorable Sheldon Whitehouse, Ranking Member
February 2, 2026
Page 2

multi-year periods. The cumulative effect is slower delivery and fewer dollars reaching local projects. Amending federal statute to allow county transportation commissions to once again select projects for STBG and CMAQ program funding will restore a process that is locally responsive, more efficient, and will allow for a selection of projects that better align with the mobility needs of residents, families, and businesses.

SCAG is a valued regional partner. The SCAG region is the largest and most complex metropolitan planning area in the nation, spanning six counties, nearly 200 cities, and over 19 million residents. A single, centralized regional project selection process cannot adequately address the breadth and scope of local transportation and air quality needs across over 38,000 square miles. Restoring the previous distribution framework for STBG and CMAQ formula funding would better serve the diversity and complexity of the region.

As Congress continues to develop a surface transportation authorization bill, we support reinstating the previous formula funding framework, limited to large MPOs with populations over 10 million in states that have codified distribution processes in statute.

The following is the proposed legislative language:

Amend 23 U.S.C. §134(j) with:

(5) Formula distribution in large metropolitan areas.

In metropolitan planning areas with a total population exceeding 10,000,000, as determined by the most recent decennial census, the state department of transportation shall distribute funds provided under sections 133 and 149 to county transportation commissions created under state statute for project selection, based on the following:

(A) The distribution process for funding under section 133 shall be based on population.

(B) The distribution process for funding under section 149 shall be based on a formula that accounts for population and attainment status.

(C) The metropolitan planning organization retains responsibility for the final approval of the transportation improvement program.

The proposed language may also serve as a future model as the nation's population continues to grow – promoting efficiency and local control in high-growth regions to bolster the American economy.

The undersigned county transportation commissions of the SCAG region urge your support for the inclusion of this language in the surface transportation authorization legislation – either during the Senate Environment and Public Works Committee's consideration of the bill or on the Senate floor.

If you have questions regarding our proposal and request, please do not hesitate to contact our respective designated staff.

Sincerely,



Aaron Hake

Executive Director

Riverside County Transportation Commission

Contact: Tyler Madary, Legislative Affairs Manager, (951) 505-2272, tmadary@rctc.org

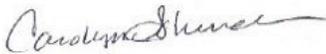
The Honorable Shelley Moore Capito, Chair
The Honorable Sheldon Whitehouse, Ranking Member
February 2, 2026
Page 3



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Chief Executive Officer
Orange County Transportation Authority
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David Aguirre
Executive Director
Imperial County Transportation Commission
Contact: (760) 592-4494



Carrie Schindler
Executive Director
San Bernardino County Transportation Authority
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Martin Erickson
Executive Director
Ventura County Transportation Commission
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CC: The Honorable Alex Padilla, U.S. Senate
The Honorable Adam Schiff, U.S. Senate



February 2, 2026

The Honorable Sam Graves
 Chair
 House Committee on Transportation and Infrastructure
 2165 Rayburn House Office Building
 Washington, D.C. 20515

The Honorable Rick Larsen
 Ranking Member
 House Committee on Transportation and Infrastructure
 2164 Rayburn House Office Building
 Washington, D.C. 20515

Subject: Restore Certainty of STBG and CMAQ Formula Distribution for Large MPOs

Dear Chair Graves and Ranking Member Larsen:

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For three decades, STBG and CMAQ funds were distributed by population from the California Department of Transportation to the county transportation commissions, as required by state law. This California law reflects the understanding that county transportation commissions are better positioned to identify and select priority projects for STBG and CMAQ funding. Once selected, STBG and CMAQ funding were programmed on projects in the region's Transportation Improvement Program (TIP) prepared by its federally designated metropolitan planning organization (MPO), the Southern California Association of Governments (SCAG).

In 2021, however, the Federal Highway Administration (FHWA) ended this long-standing process by requiring MPOs—not county transportation commissions—to have project selection authority for STBG and CMAQ funding. In the case of our respective county transportation commissions, this project selection authority now rests with SCAG. While we respectfully disagree with FHWA's interpretation, the upcoming surface transportation authorization legislation provides an opportunity to correct this issue.

Restoring county transportation commission project selection authority will yield substantial efficiency gains by reducing administrative layers and directing more funding to actual project delivery. County transportation commissions are directly responsible for planning, funding, and implementing multimodal improvements within their jurisdictions; allowing the entities closest to project development to select projects shortens delivery timelines and ensures that STBG and CMAQ funds flow more quickly to shovel-ready needs in a manner that ensures full obligation of federal funds. The current process allows MPOs to retain a portion of these formula funds for regional planning and administrative functions that do not directly advance construction or congestion improvements. The current process also forces local agencies to pursue STBG and CMAQ funding on an annual basis rather than having the certainty to strategize the highest and best use of federal funds for priority projects over

The Honorable Sam Graves, Chair
The Honorable Rick Larsen, Ranking Member
February 2, 2026
Page 2

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(A) The distribution process for funding under section 133 shall be based on population.

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(C) The metropolitan planning organization retains responsibility for the final approval of the transportation improvement program.

The proposed language may also serve as a future model as the nation's population continues to grow – promoting efficiency and local control in high-growth regions to bolster the American economy.

The undersigned county transportation commissions of the SCAG region urge your support for the inclusion of this language in the surface transportation authorization legislation – either during the House Transportation and Infrastructure Committee's consideration of the bill or on the House floor.

If you have questions regarding our proposal and request, please do not hesitate to contact our respective designated staff.

Sincerely,



Aaron Hake

Executive Director

Riverside County Transportation Commission

Contact: Tyler Madary, Legislative Affairs Manager, (951) 505-2272, tmadary@rctc.org

The Honorable Sam Graves, Chair
The Honorable Rick Larsen, Ranking Member
February 2, 2026
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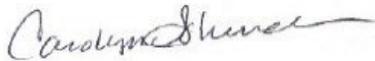
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Martin Erickson
Executive Director
Ventura County Transportation Commission

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dpeschka@goventura.org

CC: The Honorable Jay Obernolte, Member of Congress, CA-8
The Honorable Vince Fong, Member of Congress, CA-20
The Honorable Salud Carbajal, Member of Congress, CA-24
The Honorable Raul Ruiz, Member of Congress, CA-25
The Honorable Julia Brownley, Member of Congress, CA-26
The Honorable Judy Chu, Member of Congress, CA-28
The Honorable Laura Friedman, Member of Congress, CA-30
The Honorable Gil Cisneros, Member of Congress, CA-31
The Honorable Brad Sherman, Member of Congress, CA-32
The Honorable Pete Aguilar, Member of Congress, CA-33
The Honorable Jimmy Gomez, Member of Congress, CA-34
The Honorable Norma Torres, Member of Congress, CA-35

The Honorable Sam Graves, Chair
The Honorable Rick Larsen, Ranking Member
February 2, 2026
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The Honorable Ted Lieu, Member of Congress, CA-36
The Honorable Linda Sánchez, Member of Congress, CA-38
The Honorable Mark Takano, Member of Congress, CA-39
The Honorable Young Kim, Member of Congress, CA-40
The Honorable Ken Calvert, Member of Congress, CA-41
The Honorable Robert Garcia, Member of Congress, CA-42
The Honorable Maxine Waters, Member of Congress, CA-43
The Honorable Nanette Barragán, Member of Congress, CA-44
The Honorable Derek Tran, Member of Congress, CA-45
The Honorable Lou Correa, Member of Congress, CA-46
The Honorable David Min, Member of Congress, CA-47
The Honorable Darrell Issa, Member of Congress, CA-48
The Honorable Mike Levin, Member of Congress, CA-49

RIVERSIDE COUNTY TRANSPORTATION COMMISSION - POSITIONS ON STATE AND FEDERAL LEGISLATION – MARCH 2026

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
AB 334 (Petrie- Norris)	Current state law limits the sharing of toll customer data necessary for interoperability with other states, limiting toll operators' ability to collect toll revenue from out-of-state drivers in an efficient manner. The existing process is cumbersome, requires significant staff time, and may lead to penalties on customers that may otherwise be avoided. AB 334 enables toll operators in California, such as RCTC, to participate in a future national interoperability program, enhancing service to customers and streamlining the transaction process.	Ordered to Senate Inactive File on 9/13/2025. Two-year bill.	<i>Support</i>	4/9/2025
SB 512 (Pérez)	SB 512 provides statutory clarity confirming that transportation agencies with existing sales tax authority may administer a voter-approved transactions and use tax as determined by a citizens' initiative.	Passed out of the Assembly on 9/4/2025. Assembly amendments concurred in on 9/11/2025. Vetoed by Governor on 10/13/2025.	<i>Support Based on Platform</i>	7/9/2025
AB 1145 (Gonzalez)	Requires the California Department of Transportation to conduct a study on State Highway Route 74 by December 31, 2027 with a goal of improving safety of travelers and address enforcement of commercial vehicle facility bypassing.	Senate Transportation hearing canceled at the request of the author on 7/1/2025. Two-year bill.	<i>Support</i>	7/11/2025