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December 16, 2024

In Reply, Refer To:
HDA-CA

ELECTRONIC CORRESPONDENCE ONLY

Mr. James R. Anderson
Chief, Division of Financial Programming, M.S. 82
California Department of Transportation
1120 N Street
Sacramento, CA 95814

SUBJECT: California 2025 FSTIP Approval

Dear Mr. Anderson:

The Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) have completed our review of the 2025 Federal Statewide Transportation Improvement Program (FSTIP), which was submitted by your letter dated November 15, 2024. As detailed in your letter, the 2025 FSTIP incorporates by reference the following 18 metropolitan planning organizations' (MPO) Federal Transportation Improvement Programs (FTIP):

- Association of Monterey Bay Area Governments (AMBAG)
- Butte County Association of Governments (BCAG)
- Fresno Council of Governments (FresnoCOG)
- Kern Council of Governments (KCOG)
- Kings County Association of Governments (KCAG)
- Madera County Transportation Commission (Madera CTC)
- Merced County Association of Governments (MCAG)
- Metropolitan Transportation Commission (MTC)
- Sacramento Area Council of Governments (SACOG)
- San Diego Association of Governments (SANDAG)
- San Joaquin Council of Governments (SJCOG)
- San Luis Obispo Council of Governments (SLOCOG)
- Santa Barbara County Association of Governments (SBCAG)
- Shasta County Regional Transportation Planning Agency (SRTA)
- Southern California Association of Governments (SCAG)
- Stanislaus Council of Governments (StanCOG)
- Tahoe Metropolitan Planning Organization (TMPO)
- Tulare County Association of Governments (TCAG)

We find that the FSTIP and FTIPs were developed through a continuing, cooperative, and comprehensive transportation planning process in accordance with the metropolitan planning provisions of 23 U.S.C. 134 and 49 U.S.C. Chapter 53, as amended by Public Law 117-58 of the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act.

In addition, the MPOs and State are required to meet the transportation conformity requirements. Transportation conformity is required by the Clean Air Act section 176(c) [42 U.S.C. 7506(c)] to ensure that federal funding and approval are given to highway and transit projects that are consistent with ("conform to") the air quality goals established by a state air quality implementation plan (SIP). The United States Environmental Protection Agency (EPA) has designated the following 14 planning areas in California as Nonattainment or Maintenance Areas for Criteria Pollutants:

- Butte County Association of Governments (BCAG)
- Fresno Council of Governments (FresnoCOG)
- Kern Council of Governments (KCOG)
- Kings County Association of Governments (KCAG)
- Madera County Transportation Commission (Madera CTC)
- Merced County Association of Governments (MCAG)
- Metropolitan Transportation Commission (MTC)
- Sacramento Area Council of Governments (SACOG)
- San Diego Association of Governments (SANDAG)
- San Joaquin Council of Governments (SJCOG)
- San Luis Obispo Council of Governments (SLOCOG)
- Southern California Association of Governments (SCAG)
- Stanislaus Council of Governments (StanCOG)
- Tulare County Association of Governments (TCAG)

As such, the above MPO Policy Boards made an initial conformity determination on the above FTIPs and associated Regional Transportation Plans (RTPs) and applicable RTP amendments. The FHWA and the FTA reviewed the conformity determinations and find that the FTIPs and the associated RTPs and RTP amendments conform to the applicable state implementation plan (SIP) in accordance with the provisions of 40 CFR Parts 51 and 93. This finding has been coordinated with Region 9 of the EPA pursuant to the Transportation Conformity Rule.

Based on our review of the information provided and our ongoing oversight of the statewide and metropolitan transportation planning processes, FHWA and FTA are approving the 2025 FSTIP. This approval is effective December 16, 2024. This approval is based on the understanding that an eligibility determination of individual projects for funding must be met, and the project sponsor must comply with all administrative and statutory requirements.

Included with this approval is the FHWA and FTA Federal Planning Finding (FPF). The FHWA and the FTA are required under 23 CFR 450.220(b) to document and issue an FPF in conjunction with the approval of the FSTIP. At a minimum, the FPF verifies that the development of the FSTIP is consistent with the provisions of both the Statewide and Metropolitan transportation

planning requirements. Furthermore, the FPF documents FHWA and FTA's recommendations for statewide and metropolitan transportation planning improvements.

If you have questions or need additional information concerning our approval and the FPF, please contact Mr. Mervin Acebo of the FTA Region 9 office at (213) 202-3957, or by email at Mervin.Acebo@dot.gov; or Ms. Abby Jackson of the FHWA California Division office at (916) 498-5854, or by email at Abigail.Jackson@dot.gov.

Sincerely,

Elissa K. Konove

Digitally signed by Elissa K. Konove
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Elissa K. Konove
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Ray Tellis
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Enclosure

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U.S. Department of Transportation

Federal Highway Administration

Federal Planning Finding

FHWA, California Division

FTA, Region IX

2025 Federal Statewide Transportation Improvement Program

December 16, 2024

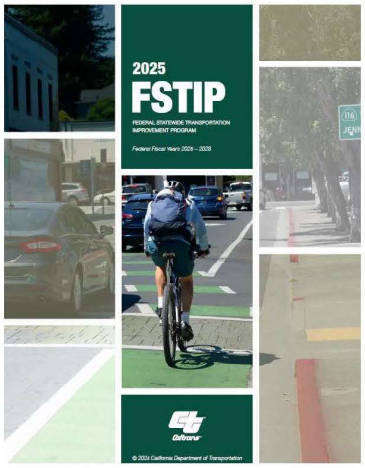

Table 1. List of Acronyms

Acronym, Abbreviation, or Alias	Explanation
BIL	Bipartisan Infrastructure Law
Caltrans	California Department of Transportation
CFMP	California Freight Mobility Plan
C.F.R.	Code of Federal Regulations
CMP	Congestion Management Process
CTC	California Transportation Commission
DOT	Departments of Transportation
FHWA	Federal Highway Administration
FLAP	Federal Lands Access Program
FLH	Federal Lands Highway
FLMA	Federal Land Management Agency
FPF	Federal Planning Finding
FSTIP	Federal Statewide Transportation Improvement Program
FTA	Federal Transit Administration
FTIP	Federal Transportation Improvement Program (regional programs)
IAC	Interagency consultation
MOU	Memorandum of Understanding
MPA	Metropolitan Planning Area
MPO	Metropolitan Planning Organization
MTP	Metropolitan Transportation Plan
PBPP	Performance-based Planning and Programming
POAQC	Project of Air Quality Concern
POP	Program of Projects
PPP	Public Participation Plan
RTP	Regional Transportation Plan
TMA	Transportation Management Area
TPM	Transportation Performance Management
U.S.C.	United States Code
USDOT	United States Department of Transportation

List of California Metropolitan Planning Organizations

Association of Monterey Bay Area Governments (AMBAG)

Butte County Association of Governments (BCAG)

Fresno Council of Governments (FresnoCOG)

Kern Council of Governments (KCOG)

Kings County Association of Governments (KCAG)

Madera County Transportation Commission (Madera CTC)

Merced County Association of Governments (MCAG)

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Sacramento Area Council of Governments (SACOG)

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Southern California Association of Governments (SCAG)

Stanislaus Council of Governments (StanCOG)

Tahoe Metropolitan Planning Organization (TMPO)

Tulare County Association of Governments (TCAG)

INTRODUCTION

The Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) are required under 23 Code of Federal Regulations (CFR) Part 450.220(b) to document and issue a Federal Planning Finding (FPF) in conjunction with the approval of the Federal Statewide Transportation Improvement Program (FSTIP).1 The FPF verifies, at a minimum, that the development of the FSTIP is consistent with the provisions of both the Statewide and Metropolitan transportation planning requirements of 23 United States Code (U.S.C.) 134, 135; 49 U.S.C. 5303-5305; 23 CFR Parts 450 and 500, and 49 CFR Part 613. This report substantiates the issuance of the FPF to support FHWA/FTA joint approval of the FSTIP based on the review of FSTIP and Federal Transportation Improvement Program (FTIP) documents, statewide and metropolitan planning self-certification statements (23 CFR Part 450.220; 23 CFR Part 450.336), and related supporting documentation.

The FPF is one part of the risk-based stewardship and oversight the FHWA and FTA conduct for the California Department of Transportation (Caltrans), the Metropolitan Planning Organizations (MPOs) and planning partners within the state. The FPF serves as a "tool" for FHWA and FTA to ensure an adequate planning process is in place to support transportation improvements through the programming of projects for the state. The FPF ties the statewide, metropolitan, and non-metropolitan planning processes together into one formal risk-based action.

This FPF first addresses the status of finding from the previous FPF issued in December 2022. Following that, this FPF addresses the consistency of the 2025 FSTIP with Federal requirements to support approval of the FSTIP.

STATUS OF FINDINGS FROM PREVIOUS REVIEW

On December 16, 2022, FHWA and FTA issued a FPF in support of an approval of the 2023 FSTIP. That FPF contained recommendations for four areas:

- Recommendation – Fiscal Constraint
- Recommendation – Performance-Based Planning and Programming (PBPP) and Transportation Performance Management (TPM) Implementation
- Recommendation – Federal Land Management Agency (FLMA) Coordination
- Recommendation – Freight Planning

To determine whether the recommendations were implemented, FHWA and FTA reviewed the following:

- 2023 California FSTIP Federal Planning Finding
- Transportation Management Area Certification Review Reports of 2023 and 2024 for KCOG, MTC, SACOG, SBCAG, SANDAG, and TRPA
- California Division Planning and Air Quality Program Analysis and Risk Assessments for years 2019, 2020, 2021, 2022, 2023 and 2024
- 2023 (FTIPs from all MPOs in California
- 2023 California Freight Mobility Plan (CFMP)

[1] In California, the state's document referred to as the Federal Statewide Transportation Improvement Program (FSTIP) in federal regulations (23 U.S.C. Section 135(f)) is referred to as the Statewide Transportation Improvement Program (STIP).

2023 Recommendation – Fiscal Constraint

Caltrans reviews the Regional Transportation Plans (RTPs) of MPOs.[2] Caltrans conducts such reviews consistent with the state's RTP guidelines. FHWA and FTA recommend Caltrans ensures that, consistent with Federal requirements and guidance, MPOs are preparing fiscally constrained Metropolitan Transportation Plans (MTP) and FTIPs. New and future funding sources should be reasonable to assume and MPOs should be able to document this. Existing Caltrans processes currently address this need for FTIPs. Caltrans should address MTP fiscal constraint during MTP reviews and could consider additional emphasis as it works with the California Transportation Commission (CTC) to update the state's RTP guidelines document.

Disposition

The Caltrans Division of Transportation Planning and Division of Programming held statewide FSTIP meetings where the topic of fiscal constraint was emphasized with MPOs. At these events, Caltrans shared updated guidance on fiscal constraint for developing FTIPs, the FSTIP, and the long-range transportation plan. The Caltrans Division of Programming reviews draft FTIPs for fiscal constraint. FHWA participated in the state's RTP guidelines update process, and the updated guidelines address MTP fiscal constraint during MTP reviews.

2023 Recommendation - Performance-Based Planning and Programming (PBPP) and Transportation Performance Management (TPM) Implementation

The implementation of TPM through PBPP has increasingly become a priority of FHWA and FTA for over a decade while implementing federal transportation legislation. MPOs are required to conduct their planning and programming processes using performance driven processes. FHWA and FTA recommend that Caltrans addresses this topic with each of the MPOs in the state to ensure that they are conducting comprehensive, PBPP processes. With respect to the project selection component of that comprehensive process, MPOs should be able to document that they employ a regionwide, competitive, performance-based project selection process. Consistent with 23 CFR Part 450.326(a), MPOs are the entities responsible for FTIP development to reflect the priorities of the RTP. FHWA and FTA will continue to assist and support Caltrans and the MPOs regarding this topic through, at a minimum, the provision of statewide training to advance TPM through decision-making.

Disposition

In December 2023, Caltrans updated a Planning and Programming Memorandum of Understanding (MOU) to include roles, responsibilities, and written provisions for developing and sharing information with MPOs related to transportation performance data, the selection of performance targets, and the reporting of performance targets. Thereafter, Caltrans sent a five-question poll to all MPOs to survey their current processes to develop, select and report transportation performance targets, the results of which were shared with FHWA in early 2024. The results indicated that there is variation in MPO's implementation of the MOU developed by Caltrans.

Due to this variation, Caltrans continues to assess how best to integrate TPMs with MPO's projects and will work with FHWA and MPOs to determine the best path forward. Some ideas include having MPOs track TPMs for a sample of different project types to compare results and

[2] In California, the long-range transportation plan of a Metropolitan Planning Organization (MPO) referred to as the Metropolitan Transportation Plan (MTP) in federal regulations is referred to as the Regional Transportation Plan (RTP).

determine how to adjust TPM targets accordingly. Additionally, Caltrans suggested that more discretionary grant funding could help meet performance targets.

2023 Recommendation - Federal Land Management Agency Coordination
State DOTs, MPOs, and FLMAs are required to coordinate throughout their transportation planning and programming processes. The FHWA and FTA recommend that Caltrans ensures that MPOs are coordinating with FLMAs during their planning and programming processes as required. As Caltrans is required to coordinate with FLMAs as it conducts planning and programming efforts as well, there are opportunities for Caltrans to coordinate its efforts with the MPOs to avoid duplicative efforts. Caltrans is encouraged to work with the MPOs to coordinate regional and statewide efforts. The FHWA and FTA are willing to assist partners in California through coordination with Federal Lands Highway.

Disposition
Caltrans has begun to develop coordination procedures with FLMAs. Requirements are addressed in 23 U.S.C. 134, 135 and 201 and the implementing regulations under 23 CFR Part 450 describe how the agencies are required to coordinate throughout their transportation planning processes. The FHWA and FTA continue to be willing to assist partners in California through coordination with FHWA's Office of Federal Lands Highway.

2023 Recommendation – Freight Planning
Under the Bipartisan Infrastructure Law (BIL), an approved BIL compliant plan is required to be in place to receive federal freight funds. The FHWA and the FTA recommend that Caltrans continues its update to the CFMP to be BIL compliant and approved by July 23, 2023; Caltrans is encouraged to contact federal agencies for assistance as needed. FHWA will provide technical assistance to Caltrans as the plan update is developed. Additionally, FHWA recognizes that California is a complex and diverse state and there are multiple offices within Caltrans – within Caltrans headquarters and in twelve districts – that are involved in the freight planning process. Because of this, FHWA will provide freight planning technical assistance in summer 2023 to support and enhance the state's freight planning capacity.

Disposition
Caltrans implemented the recommendation and have a federally compliant freight planning program. On July 23, 2023, the state's BIL compliant plan was signed and approved. FHWA provided technical assistance in 2023 to support the state's freight planning capacity.

FINDINGS RELATED TO THE 2025 FSTIP

To determine if Caltrans transportation planning and programming processes substantially meet the Federal requirements, FHWA and FTA reviewed the following as they relate to the 2025 FSTIP:

- 2023 California FSTIP FPF
- Transportation Management Area Certification Review Reports of 2023 and 2024 for KCOG, MTC, SACOG, SBCAG, SANDAG, and TRPA
- California Division Planning and Air Quality Program Analysis and Risk Assessments for Years 2019, 2020, 2021, 2022, 2023, and 2024
- 2025 MPO FTIPs
- 2023 CFMP

Based on a review of the items listed above, FHWA and FTA find that California's statewide and metropolitan planning process substantially meets the Federal requirements. FHWA and FTA also finds that some improvements are warranted to ensure continued compliance with the Federal requirements and therefore are issuing the following recommendations:

2025 Recommendation –Ensure Project Group Listings are Consistent with Federal Regulations

During the review of the MPO FTIPs, inconsistencies with 23 CFR Part 450.218(j) were found, including:

- In a maintenance and non-attainment area, regionally significant projects and projects not exempt from conformity were included in a grouped project listing.
- Projects in the planning phase are grouped together with projects in the construction phase.

Regionally significant projects and projects not exempt from air quality conformity within non-attainment or maintenance areas will need to be ungrouped and listed individually in the FSTIP. Grouping projects inappropriately presents a risk for all the projects listed within the group. Additional guidance is provided in 23 CFR Part 450.218(j):

> *Projects that are not considered to be of appropriate scale for individual identification in a given program year may be grouped by function, work type, and/or geographic area using the applicable classifications under 23 CFR Part 771.117(c) and (d) and/or 40 CFR Part 93. In nonattainment and maintenance areas, project classifications must be consistent with the "exempt project" classifications contained in the EPA's transportation conformity regulations (40 CFR Part 93(a)). In addition, projects proposed for funding under 23 U.S.C. Chapter 2 that are not regionally significant may be grouped in one line item or identified individually in the FSTIP.*

In the instance mentioned in the paragraph above, divvying projects into fewer group listings puts all the projects at risk in the grouped lists because the groupings were too broad; thereby, undermining the efficiency benefits of grouped listings. Rather, a best practice when utilizing grouped listings is to create numerous grouped listings, where each grouped listing is tailored to a smaller subset of projects, consistent with classifications mentioned in 23 CFR Part 450.218(j) above.

In accordance with 23 CFR Part 450.218 (j), Caltrans will need to ensure that their oversight procedures include sufficient review of the project grouping status. Caltrans shall also ensure that project classifications are consistent with the "exempt project" classifications contained in the EPA's transportation conformity regulations (40 CFR Part 93(a)) for all non-attainment and maintenance areas. FHWA and FTA recommend Caltrans' Federal Programs Branch coordinate with their Air Quality Branch to develop oversight procedures for all MPOs within nonattainment or attainment-maintenance areas to ensure that regionally significant projects and projects not exempt from air quality conformity are appropriately identified in the FSTIP.

2025 Recommendation – Considering Transit Operators and Use of Group Project Listings for Administrative Flexibility

FTA allows flexibility in satisfying the public participation process required of the FTA programs through the public participation process of the FTIP update and amendments. Such

flexibility is described in FTA Circular 9050.1A (2024) (pp. V-5-6). Public participation is required under these programs to allow the public to comment on the breadth of projects funded with FTA formula programs known as the Program of Projects (POP). Recipients of FTA formula funding must satisfy the public participation requirements outlined in statute (e.g. 49 U.S.C. 5307(b)(1) through (7) and 49 U.S.C. 5339(a)(3)).

Several MPOs have developed procedures to allow such flexibility to recipients of FTA funds consistent with previous Circular Guidance. Such procedures include documentation in an MPO's FTIP and FTIP Amendments that the public participation process of those updates satisfy the public participation requirements of FTA's programs since the FTIP lists a transit operator's projects similar to the POP. This is allowed as FTIP and FTIP Amendments are released for public review, as outlined in an MPO's public participation plan.

Several FTIPs group transit projects together in either "group listings" or "lump sum" projects. This allows MPOs to "swap" projects in group listings as described in the Administrative Modification procedures so long as those changes meet the threshold of the administrative modification. Unlike FTIP Amendments, Administrative Modifications are not subject to public review. As such, swapping projects through Administrative Modifications inhibits the transparency and accessibility to information and thus opens the transit operators to non-compliance of 49 U.S.C. 5307(b)(1) if the public was not provided an opportunity to comment on new transit projects that are modified, added to, or deleted from a group listing through an Administrative Modification action.

Caltrans should identify and work with those MPOs that utilize group project listings for projects with FTA funds and identify any potential risk of those recipients of FTA funds found in non-compliance of 49 U.S.C. 5307(b)(1). The MPOs should identify and document how the FTA recipients can mitigate this risk. Both FTA and FHWA understand the need for flexibility especially when obligating federal funds. However, this should not place an FTA recipient at risk of non-compliance with Federal statute.

2025 Recommendation – Increase Stewardship of Performance-Based Planning and Programming (PBPP)

The implementation of TPM through PBPP continues to be a priority of FHWA and FTA for over a decade while implementing federal transportation legislation. Notable progress continues to be made by Caltrans and MPOs in this area, including implementation of a MOU that includes a consistent set of roles, responsibilities, and written provisions for developing and sharing information related to transportation performance data, the selection of performance targets, and the reporting of performance targets, continuing to coordinate closely with FHWA and MPOs to identify strategies to better implement a consistent process across MPOs, and documentation in the MPO's FTIPs and the certification review process.

MPOs are required to conduct their planning and programming processes using performance driven processes. PBPP is referenced in the U.S.C. for metropolitan, statewide, and nonmetropolitan transportation planning. In the case of metropolitan transportation planning the U.S.C. states: "[MPOs]…, in cooperation with the State and public transportation operators, shall develop long-range transportation plans and transportation improvement programs through a performance-driven, outcome-based approach to planning" (23 U.S.C. Section 134(c)(1); 49 U.S.C. Section 5303(c)(1)). "The metropolitan transportation planning process shall provide for the establishment and use of a performance-based approach to transportation decision-making to

support the national goals…." (23 U.S.C. Section 134(h)(2); 49 U.S.C. Section 5303(h)(2)). In the case of statewide and nonmetropolitan transportation planning, 23 U.S.C. Section 135(d)(2) and 49 U.S.C. Section 5304(d)(2) state the following:

> *The statewide transportation planning process shall provide for the establishment and use of a performance-based approach to transportation decision-making to support the national goals…and the general purposes [of the public transportation program]. The performance measures and targets established [in relation to national performance measures] shall be considered by a State when developing policies, programs, and investment priorities reflected in the statewide transportation plan and statewide transportation improvement program.*

While there has been progress related to PBPP in California, ongoing efforts of Caltrans and the MPOs have revealed a continued need for improvement within the state. As a result of the 2021 corrective action, Caltrans created a MOU in 2023 to begin to standardize the implementation of PBPP across MPOs. After rollout of the MOU, a five-question poll assessed how each MPO integrated PBPP – the results of which indicated further efforts would be necessary to implement TPM more broadly and consistently across MPOs. Additionally, 23 U.S.C. Section 150(e) requires "States to report biennially on condition and performance, the progress they have made toward the achievement of targets, the effectiveness of investments..." In the most recent TPM Mid-Year Progress Report (2024) submitted by Caltrans, performance on a number of the 2-year statewide targets fell well below the anticipated target. Caltrans should work with the MPOs to set targets and better integrate the PBPP process in project identification and selection. With support from FHWA, Caltrans should improve its stewardship of the PBPP requirement to support MPOs integrate standardized, yet flexible set of PBPP practices. Some ideas include tracking TPMs across a representative sample of different project types to compare results and determine how to adjust TPM targets accordingly, and tracking progress toward implementation and further refining the 2023 MOU developed by Caltrans.

2025 Recommendation – Increase Federal Land Management Agency (FLMA) Coordination

FLMA consultation and coordination at the statewide level is minimal; however, Caltrans has been an active applicant and recipient of funds from the Federal Lands Access Program (FLAP), as listed in the Rural Non-MPO project Appendices (Exhibit I).

To improve FLMA consultation in project planning and programming, better leverage funds from the FLAP program, and better address projects of greatest need/benefit, a state-structured engagement process could provide Federal Lands Highway (FLH) a coordinated approach for targeted engagement throughout the state. Led by FLH, Multi-Agency Planning is a national effort intended to accomplish better alignment of transportation priorities between FLMA, state, MPO, and local public agencies.

FHWA and FTA recommend the following:

- Caltrans can request each MPO and non-MPO region to outline specific FLMA coordination procedures in their Public Participation Plans, detailing mechanisms for engagement with FLMAs at key stages of transportation planning and programming. This includes notifying FLMA stakeholders about upcoming planning cycles, solicitations for project needs, and opportunities for

public agency comment.

- Caltrans could establish and maintain a centralized, statewide database of FLMA contacts. MPOs and non-MPO regions will be responsible for updating their respective FLMA contacts on a periodic basis, reporting this information to Caltrans to ensure the master contact database remains current. This centralized resource will streamline communication and consultation efforts between state, local, and federal partners.
- Incorporate a structured process for consulting FLMA stakeholders during project selection to ensure FLMA priorities and concerns are addressed. In project selection meetings and consultations, encourage MPOs to provide FLMA partners with opportunities to discuss alignment of projects with federal lands' access needs and public land stewardship goals.
- Caltrans could facilitate coordinated outreach between Federal Lands Highway and MPOs based on MPO planning update cycles, ensuring targeted FLMA engagement at optimal times for influencing regional transportation planning and avoiding duplicative efforts. This coordination would include developing a consultation schedule to synchronize Federal Lands Highway engagement efforts with MPO planning timelines, providing MPOs and FLMAs ample time to address mutual interests and refine project proposals collaboratively.

2025 Recommendation – Process Development for Programming Discretionary Grants
The FSTIP must include all FHWA and FTA discretionary grant projects, inclusive of capital and non-capital (planning or other) surface transportation projects, consistent with 23 C.F.R. Part 450.216(g). However, FHWA understands MPOs may not always be aware of federal discretionary grant awards made directly to local agencies within the boundaries of their jurisdiction. Nonetheless, a prerequisite to executing capital discretionary grant agreements for projects funded through Title 23 U.S.C. and Title 49 U.S.C. Chapter 53 is that the project be programmed in the FSTIP.

As explained in 23 C.F.R. Part 450.218(h), the FSTIP shall contain all regionally significant projects requiring an action by the FHWA or the FTA whether or not the projects are to be funded with 23 U.S.C. Chapters 1 and 2 or 49 U.S.C. Chapter 53 funds (e.g., addition of an interchange to the Interstate System with State, local, and/or private funds, and congressionally designated projects not funded under title 23 U.S.C. or 49 U.S.C. Chapter 53).

In summary, all Title 23 U.S.C. and Title 49 U.S.C. Chapter 53 discretionary grant projects must be included in their respective FTIPs and FSTIP, regardless of whether the discretionary grant funds planning, operating, or capital activities. Some federal transportation discretionary grants are not funded through Title 23 U.S.C. and Title 49 U.S.C. Chapter 53, such as the Safe Streets and Roads for All discretionary grant program, which is administered by the USDOT Office of the Secretary. These discretionary grant projects are not required (except for those that are regionally significant) to be in the FSTIP. However, it is a best practice to include them in the FSTIP, and FHWA and FTA encourage this practice. The BIL enables the USDOT to award federal funds directly to local public agencies, and a process or mechanism is needed to create awareness of federal discretionary grant programming needs among MPOs and Caltrans to reduce impacts to FHWA-local recipient grant agreement execution dates. As an administrative task, it is recommended that Caltrans, MPOs, FTA, and FHWA engage in process development

to build awareness of Title 23 and Title 49 Chapter 53 discretionary grant projects in need of programming on a recurring basis.

2025 Recommendation - Strengthen Meaningful Tribal Government Involvement and Consultation in Transportation Planning and Programming
State DOTs, MPOs, and Tribal governments are required to coordinate throughout their transportation planning and programming processes. State and MPO planning requirements are addressed in 23 U.S.C. 134 and 135, and the implementing regulations under 23 C.F.R. Part 450 describe how the agencies and governments are required to consult and coordinate throughout their transportation planning processes.

The State is required to consult with Tribal governments in the development of the long-range transportation plan and FSTIP (23 C.F.R. Part 450.210(c)). States shall, to the extent practicable, develop a documented process(es) that outlines roles, responsibilities, and key decision points for consulting with Tribal governments and the Department of the Interior in the development of the long-range statewide transportation plan and the FSTIP. Furthermore, these documented processes should stand apart from any existing public participation plans, recognizing Tribal governments are distinct from the "public" and the requirements outlined in 23 C.F.R. Part 450.210(a). It is recommended that there be documented processes included in the draft 2027 FSTIP for 1) involving Tribal governments in transportation planning and programming, and 2) consulting Tribal governments in transportation planning and programming, recognizing "involvement" and "consultation" are not interchangeable terms. FHWA and FTA also recommend that Caltrans and the MPOs include documentation of the method they will use to periodically assess whether their efforts toward Tribal involvement and Tribal consultation have produced meaningful collaboration with Tribal governments and Tribal involvement in planning decisions.

23 C.F.R. Part 450.316(c) requires Metropolitan Planning Areas (MPA) with Tribal lands appropriately involve Tribal governments in developing RTP and FTIP documents. It is recommended that Caltrans encourage MPOs to document processes that outline roles, responsibilities, and key decision points for consulting with Tribal governments in the development of RTP and the FTIP. A best practice for facilitating involvement with Tribal government representatives is to have Tribal government representation on MPO policy boards or steering committees, in addition to following documented processes for Tribal consultation that is distinct from an MPO's public involvement processes.

2025 Recommendation – Revisit the Caltrans Public Participation Plan (PPP) to Improve Public Participation in Transportation Planning and Programming Processes
Meaningful public engagement and participation is foundational in order to adequately plan and program transportation facilities and to fulfill numerous state and federal laws. Public participation is required not only for the FSTIP, but other activities including but not limited to the interagency consultation (IAC) process for regional and project-level transportation conformity. Both processes are guided by the Caltrans Public Participation Plan (PPP).

Regarding the FSTIP, public participation must be consistent with 2 C.F.R. Part 452.10. MPOs must involve the public in development of FTIPs consistent with 2 C.F.R. Part 450.316. During the federal review period of the 2025 FSTIP, federal agencies had difficulty accessing some MPOs FTIPs online and lacked access to the Caltrans PPP (the PPP web address was broken).

Furthermore, project listings and groupings in the FSTIP vary amongst each of the MPOs and non-MPO listings. As a result, it is difficult to locate projects since all the listings are organized differently. One example is the difficulty in finding transit projects funded through FTA's State managed funding programs such as Sections 5310, 5311, and 5339, and additional funding sources that can serve tribal governments.

Projects vary greatly throughout the State, from large scale projects in urban centers that move millions to rural transportation projects that provide access to essential goods and services – a concept that is difficult for the public to adequately grasp due to the way in which projects are listed in the FSTIP. As such, we recommend as a best practice that the project listings should be easy to access and understand for all stakeholders.

Regarding the IAC process for regional and project-level transportation conformity, Caltrans has often cited that MPOs struggle to provide adequate documentation demonstrating the fulfillment of the IAC and public consultation requirements (40 C.F.R. Part 93.112). Specifically, there is inconsistent documentation of the public consultation processes, records of significant decisions such as concurrence that a project is not a Project of Air Quality Concern (POAQC) or other determinations documenting the result of the IAC process, and summaries of comments and responses to comments.

Both FHWA and FTA recommend that by December 16, 2025, Caltrans review the process for public engagement with input from offices across Caltrans, FHWA, FTA, and MPOs, including methods to conduct public engagement more meaningfully and effectively; to document the public engagement and decision-making process; and to produce planning and programming documents which are more legible and accessible (including electronic) to the public. In this effort, both FHWA and FTA encourage Caltrans to upload a publicly accessible updated version of the PPP to the Caltrans website and to explore ways in which the public could more easily review and understand the projects programmed in the FSTIP through means additional to a PDF document. The State of Michigan offers a good example.[3]

2025 Recommendation – Review and Update Congestion Management Processes and Procedures as Defined by Transportation Planning Legislation and Regulations

Federal legislation and regulations require a congestion management process (CMP) in transportation management areas (TMAs). As explained in 23 U.S.C. 134(k)(3) and 23 C.F.R. Part 450.322(a), the CMP is a systematic approach for managing congestion through a process that:

> *…Provides for the safe and effective integrated management and operation of the multimodal transportation system, based on a cooperatively developed and implemented metropolitan-wide strategy, of new and existing transportation facilities eligible for funding under Title 23 U.S.C, and Title 49 U.S.C. Chapter 53 through the use of travel demand reduction, …job access projects, and operational management strategies.*

23 C.F.R. Part 450.322(d) mandates that the CMP shall include:

[3] Mi Transportation Program Portal, or https://experience.arcgis.com/experience/f3a4872ac4444f5eac3adf4c656d0a53/page/TransportationProjPortal/?views=Home

- Methods to monitor and evaluate the performance of the multimodal transportation system, identify the causes of recurring and non-recurring congestion, identify and evaluate alternative strategies, provide information supporting the implementation of actions, and evaluate the effectiveness of implemented actions;
- Definition of congestion management objectives and appropriate performance measures to assess the extent of congestion and support the evaluation of the effectiveness of congestion reduction and mobility enhancement strategies for the movement of people and goods. Since levels of acceptable system performance may vary among local communities, performance measures should be tailored to the specific needs of the area and established cooperatively by the State, affected MPO(s), and local officials in consultation with the operators of major modes of transportation in the coverage area, including providers of public transportation;
- Establishment of a coordinated program for data collection and system performance monitoring to define the extent and duration of congestion, to contribute to determining the causes of congestion, and evaluate the efficiency and effectiveness of implemented actions. To the extent possible, this data collection program should be coordinated with existing data sources (including archived operational/ITS data) and coordinated with operations managers in the metropolitan area;
- Identification and evaluation of the anticipated performance and expected benefits of appropriate congestion management strategies that will contribute to the more effective use and improved safety of existing and future transportation systems based on the established performance measures.

Caltrans and its partners have proposed tolling and managed lanes projects throughout California TMAs. FHWA has received several requests to provide technical support and review project proposals. Based on technical assistance provided and review conducted, FHWA could not determine consistency with the TMAs' congestion management processes. FHWA recommends that Caltrans review its processes and update its policies and or procedures related to congestion management, to ensure that the MPOs located in TMAs are implementing a process that complies with 23 U.S.C. 134(k)(3) and 23 C.F.R. Part 450.322(a) and that proposed tolling and managed lanes projects are being vetted through the congestion management process.

Federal legislation allows State laws, rules, or regulations to constitute the CMP if approved by the Secretary (23 U.S.C. 135(j); also see 23 C.F.R. Part 450.322 (g)).

FHWA and FTA also find that Caltrans efforts warrant recognition and thereby issue the following commendations:

2025 Commendation – Sustained Periodic Evaluation of Facilities Repeatedly Requiring Repair and Reconstruction Due to Emergency Events
23 CFR Part 667 requires that each State department of transportation (State DOT), shall conduct statewide evaluations to determine if there are reasonable alternatives to roads, highways, and bridges that have required repair and reconstruction activities on two or more occasions due to emergency events. Caltrans has exceeded this requirement by maintaining a listing of sites that have sustained repeated damage, keeping the list up to date.

2025 Commendation – Caltrans implementation of Air Quality Conformity Process Improvements

FHWA and FTA commend Caltrans on their implementation of air quality conformity process improvements. The Caltrans Headquarters Air Quality Branch, in collaboration with the Office of Hazardous Waste, Air, Noise, and Paleontology, conducts quality assurance reviews of all project-level conformity submittals under National Environmental Policy Act (NEPA) Assignment 23 U.S.C. Section 327. Project sponsors are required to complete the FHWA Submittal Package form, which outlines the necessary components regarding project scope and design consistency (40 C.F.R. Part 93.115(b)(1)) and fiscal constraint (23 C.F.R. Part 450.104). Before submitting the complete package to the FHWA, project sponsors must obtain a signature from the Caltrans Headquarters reviewer. This signature ensures the package includes all required materials and content for FHWA review and approval. This process and the FHWA Submittal Package form were developed in partnership with the FHWA to facilitate and streamline the conformity determination process.

2025 Commendation – Support with Implementing Discretionary Grants

Caltrans is a close partner with FTA and FHWA in delivering BIL discretionary grant funded projects. The Caltrans Planning and Modal Program helps those eligible apply for competitive discretionary grant awards. When projects in California are awarded United States Department of Transportation (USDOT) discretionary grants, the Caltrans Office of Federal Programs, within the Division of Local Assistance, is available to serve as a pass-through entity to eligible local agencies. This involves working with Caltrans Legal and the subrecipient to develop designated subrecipient agreements tailored to each discretionary grant program and 2 C.F.R. Part 200 Uniform Administrative Requirements. Caltrans Local Assistance Engineers and Planners conduct oversight of the subrecipients to ensure federal award compliance, including assisting with review of invoices and reporting, and more, as well as conducting environmental and right of way oversight for both subrecipients and direct recipients of federal transportation awards in California. The Caltrans Office of Federal Resources and Caltrans Office of Financial Programming help ensure discretionary grant funds are accounted for and flow to the nonfederal entity as intended.

If you have questions or need additional information concerning the FPF, please contact Mr. Mervin Acebo of the FTA Region IX at (415) 734-9456 or by email at Mervin.Acebo@dot.gov, or Ms. Abby Jackson at (916) 498-5854 or by email at Abigail.Jackson@dot.gov.