INSPECTOR GENERAL

California Department of Transportation

Transit and Intercity Rail Capital Program

Program Audit



Independent Office of Audits and Investigations

Bryan Beyer, Inspector General
Matt Espenshade, Chief Deputy

November 2026
22A.PROG02



For questions or assistance concerning the contents of this report, please contact (916) 323-7111 or email ioai.reports@dot.ca.gov. Alternative format reports available upon request.

Front cover photo: Metrolink train. Source: Caltrans.

Inspector General
California Department of Transportation
Bryan Beyer, Inspector General
Matt Espenshade, Chief Deputy

November 13, 2026

Dina El-Tawansy
Director
California Department of Transportation
1120 N Street
Sacramento, CA 95814

Final Report — Transit and Intercity Rail Capital Program, Program Audit

Dear Ms. El-Tawansy:

The Independent Office of Audits and Investigations (IOAI) completed its audit of the California Department of Transportation's (Caltrans) administration of its Transit and Intercity Rail Capital Program.

Enclosed is our final report, which includes your response to the draft report. The final report is a matter of public record and will be posted on IOAI's website.

A Corrective Action Plan (CAP) addressing the recommendations is due January 15, 2027. Please send the CAP to ioai.reports@dot.ca.gov. Thereafter, IOAI will collaborate with Caltrans twice a year to assess the corrective actions taken on audit recommendations.

If you have any questions regarding this report, please contact our office at (916) 323-7111.

Sincerely

Bryan Beyer, CIG
Inspector General

cc: Cory Binns, Chief Deputy Director, Caltrans
Marlon Flournoy, Deputy Director, Planning and Modal Programs, Caltrans
Jeffrey Wyly, Chief, Division of Mass Transportation, Caltrans
Nieves Castro, Deputy Chief, Division of Mass Transportation, Caltrans
Tyffany Ayers, Policy and Audits Specialist, Division of Mass Transportation, Caltrans
Blair Thompson, Chief, Division of Risk and Strategic Management, Caltrans
Ben Shelton, Audit Chief, Internal Audits Office, Caltrans

22A.PROG02

Contents

Summary 1

Introduction 3

Audit Results: Although Caltrans Has a Limited Role in TIRCP, It Did Not Do Enough to Ensure That Local Agencies Submit Final Delivery Reports in a Timely Manner, Nor Did It Ensure That the Reports Contained the Information Necessary to Evaluate Whether the Program Has Met Its Statutory Goals 7

Appendix A. Scope and Methodology 15

Auditee's Response 17

Tables and Photos

Selected Terms and Acronyms vii

Table 1. Since 2015, CalSTA Has Awarded Over $11 Billion in TIRCP Funding to 164 Projects 4

Table 2. TIRCP Funding Sources, by Cycle 4

Table 3. Many Local Implementing Agencies Submitted TIRCP Final Delivery Reports to Caltrans Late or Failed to Submit Them at All 9

Table 4. Final Delivery Reports Collected by Caltrans Consistently Omitted Required Greenhouse Gas Emission Reduction Comparisons 12

Table A. Objectives and Methods in the Audit Process 16

Cover Photo. Metrolink train.

Selected Terms and Acronyms

Terms/Acronyms	Explanation
Allocation	The California Transportation Commission's commitment of funds to perform work for a specific project.
Award	The dollar amount awarded to an agency to implement a project.
CalSTA	California State Transportation Agency
Caltrans	California Department of Transportation
Commission	California Transportation Commission
Components	A smaller project that is part of a larger project.
Final Delivery Report	The final report produced by the local implementing agency after the project is operational.
GHG	greenhouse gas
Local Implementing Agency	The agency that receives TIRCP funding and is responsible for completing the work on a project.
SB 1	Senate Bill 1
Scope of Work	A detailed description of a project, itemizing the project's major tasks and their estimated costs and schedules.
TIRCP	Transit and Intercity Rail Capital Program
TIRCP Guidelines	Transit and Intercity Rail Capital Program Guidelines

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Summary

The State Legislature created the Transit and Intercity Rail Capital Program (TIRCP) in 2014 to fund transformative capital improvement projects throughout California. These projects are intended to reduce emissions of greenhouse gases, increase ridership, integrate rail service, and improve transit safety. The Legislature gave the California State Transportation Agency (CalSTA) authority over the program, and CalSTA delegated to the California Department of Transportation (Caltrans) the authority for administration of the TIRCP. Under the program, local implementing agencies submit project applications for TIRCP funding to CalSTA, which selects the projects. Caltrans is responsible for administering the TIRCP in accordance with TIRCP guidelines and with all applicable California Transportation Commission (Commission) and Caltrans policies and procedures. Caltrans is also responsible for some aspects of program oversight, including collecting reports from local implementing agencies while the projects are in progress and after the projects become operational.

Our audit determined that Caltrans' oversight of local implementing agencies' TIRCP reporting needs improvement. Despite CalSTA's TIRCP guidelines requiring Caltrans to collect and analyze local implementing agencies' final delivery reports for operable TIRCP projects, Caltrans does not always ensure that it collects completed reports on time. As a result, local implementing agencies submitted many of the final delivery reports we reviewed late and/or without information essential to determine whether the projects achieved the anticipated outcomes as intended. Specifically, for 11 of the 23 completed projects we reviewed, local agencies submitted final delivery reports late or did not submit them to Caltrans at all. For five of these projects, local implementing agencies submitted final delivery reports more than one year after they were due. One local implementing agency—Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency—submitted its final delivery report for the Pacific Surfliner Transit Transfer Program project nearly eight years late. Additionally, we found that in most cases, local implementing agencies did not report the greenhouse gas emissions reductions achieved compared to the reductions they originally estimated when seeking funding, as required by TIRCP guidelines. We found that the information provided by the local implementing agencies about other performance outcomes—such as increased ridership and improved safety—was also insufficient for Caltrans to be able to verify the reported data, had it done so.

The TIRCP is key to the State's efforts to make transit and rail services a realistic alternative to the automobile and reduce greenhouse gas emissions. Unless Caltrans improves its oversight of local implementing agencies' reporting TIRCP projects' performance outcomes when those projects become operational, Caltrans, CalSTA, the Legislature, and other stakeholders lack the information necessary to determine whether the TIRCP is meeting the objectives laid out in state law.

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Introduction

Background

California's transportation system is complex and dynamic, consisting of more than 36 million registered vehicles using over 50,000 lane miles that make up the state highway system. California has an extensive network of state highways and local streets and roads that help move people and goods around and through the state. California also has other modes of mass transportation to move large numbers of people at once. Mass transportation includes what are commonly referred to as "transit" services, such as city buses, subways, and ferries, as well as intercity rail. California's mass transportation infrastructure consists of approximately 22,000 transit vehicles serving more than 700 transit passenger stations and 2,550 miles of intercity rail corridors. In recent years, the State has made significant investments in expanding transit and rail networks as one of several strategies for reducing California's greenhouse gas (GHG) emissions and addressing highway congestion.

TIRCP Objectives:

- Reduce emissions of greenhouse gases.
- Expand and improve transit service to increase ridership.
- Integrate the rail service of the state's various operations, including integration with the high-speed rail system.
- Improve transit safety.

Source: CA Public Resources Code section 75220

The State Legislature created the TIRCP in 2014 to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems. Eligible TIRCP projects include intercity and commuter rail projects, bus rapid transit projects, and projects involving ferries. The TIRCP also seeks to improve connectivity and seamless travel through network integration projects such as contactless payment systems and coordinated schedules among public agencies. In total, TIRCP projects are expected to expand multimodal transportation access and options for all Californians across all regions of the state.

TIRCP Funding Sources

According to the March 2026 TIRCP semi-annual report, CalSTA has awarded more than $11.8 billion in TIRCP funds to 164 projects throughout the state in seven awarding cycles from 2015 to 2025. See Table 1 on the following page for details.

Table 1. Since 2015, CalSTA Has Awarded Over $11 Billion in TIRCP Funding to 164 Projects

TIRCP Award Totals (in millions) and Project Counts

	Cycle 1 (2015)	Cycle 2 (2016)	Cycle 3 (2018)	Cycle 4 (2020)	Cycle 5 (2022)	Cycle 6 (2023)	Cycle 7 (2024)	TOTALS
Total Amount Awarded	$224,278	$944,534	$5,896,112	$992,942	$796,100	$1,040,300	$1,333,342	$11,227,608
Number of Awarded Projects	14	14	28	17	23	41	27	**164**

Source: Caltrans' March 2026 TIRCP Semi-Annual Report, reporting current funding status as of December 31, 2025.
Note: Totals reflect data recorded in Caltrans' TIRCP Semi-Annual Report. The source report contains conflicting total figures across sections.

As shown in Table 2 below, funding for TIRCP projects comes primarily from the Greenhouse Gas Reduction Fund, from Senate Bill 1 (SB 1)—also known as the Road Repair and Accountability Act of 2017—and from the state's General Fund. Local implementing agencies can use other federal, state, and local regional or private funds for matching funds purposes.

Table 2. TIRCP Funding Sources, by Cycle

Cycle	Funding
1	Greenhouse Gas Reduction Fund
2	Greenhouse Gas Reduction Fund and Senate Bill 132
3	Greenhouse Gas Reduction Fund and SB 1
4	Greenhouse Gas Reduction Fund and SB 1
5	Greenhouse Gas Reduction Fund, SB 1, and Assembly Bill 180
6	General Fund
7	Greenhouse Gas Reduction Fund and SB 1

Source: Caltrans' TIRCP Semi-Annual Report dated March 2026.

Roles and Responsibilities

CalSTA is responsible for the following:

- Approving the guidelines that describe the policy, standards, criteria, and procedures for the development, adoption, evaluation, and administration of the TIRCP.
- Evaluating applications and selecting projects that comply with the objectives of the program (which are outlined in the text box on page 3).
- Selecting the highest-rated applications that meet the program objectives.
- Publishing a five-year program of projects and presenting the program to the Commission.

The Commission

The Commission is responsible for allocating funding to projects in the TIRCP program after CalSTA has approved the program of projects for funding. The Commission can grant project delivery deadline extensions when an implementing agency requests one but only after Caltrans recommends the extension and CalSTA agrees.

Caltrans

Caltrans is responsible for administering the TIRCP consistent with the guidelines and with all applicable Commission and Caltrans policies and procedures for the administration of similar grant programs.

Specifically, below are some of Caltrans' responsibilities related to the TIRCP:

- Reviewing allocation requests submitted by the local implementing agencies and determining whether to recommend the request to the Commission if the project is determined ready to proceed.
- Certifying that the project's plans, specifications, and estimates are complete, that right-of-way clearances are achieved, and that all necessary permits and agreements are executed prior to developing the project allocation recommendation.
- Receiving local implementing agencies' quarterly reports and final delivery reports to ensure the projects achieve the goals of the program identified when CalSTA decided to fund the projects.
- Reporting to the Commission semi-annually on the status of the projects in the TIRCP.

On February 9, 2026, Caltrans announced it was taking "major steps in strengthening its commitment to public transportation by establishing a new Deputy Director for Transit and Rail Programs and restoring the Division of Mass Transportation to create a dedicated team focused on providing faster, more reliable and connected transit services statewide."

Then in April 2026, Caltrans moved the office charged with administering the TIRCP from the Division of Local Assistance to the restored Division of Mass Transportation. According to Caltrans, the Division of Mass Transportation, in partnership with the Division of Rail, will work closely with partners to integrate transit into California's transportation system and support initiatives that make public transportation more convenient and more sustainable.

Local Implementing Agencies

The agencies that received TIRCP funding and are responsible for the following:

- Encumbering and expending funds consistent with state law.
- Submitting quarterly reports to Caltrans on activities and progress toward implementation of the projects. The purpose of the reports is to ensure that each project achieves the goals of the program, is executed in a timely fashion, and is within the scope and budget identified when the decision was made to fund the project.
- Providing final delivery reports to Caltrans within one year after the projects become operable. The final delivery reports are to include the scope of the completed project as compared to the programmed project, the performance outcomes derived from the project as compared to those described in the project application, "before" and "after" pictures documenting the project, the final costs as compared to the approved project budget—by component and by fund type—and the project's duration as compared to the project's scheduled duration in the project application.

Implementing agencies must be public agencies. Public agencies include the following:

- Joint power agencies.
- Local municipalities that operate transit service.
- Construction authorities.
- Transportation authorities.
- Other similar public entities created by statute.

Audit Results

Finding 1. Although Caltrans Has a Limited Role in TIRCP, It Did Not Do Enough to Ensure That Local Agencies Submit Final Delivery Reports in a Timely Manner, Nor Did It Ensure That the Reports Contained the Information Necessary to Evaluate Whether the Program Has Met Its Statutory Goals

As we explained in the Introduction, multiple agencies are involved in various aspects of TIRCP, leaving Caltrans with a limited role in the program. CalSTA is responsible for evaluating project applications and selecting projects for TIRCP funding; the Commission is responsible for allocating funding to applicants for projects selected by CalSTA; and local implementing agencies are responsible for completing the projects. CalSTA also approves TIRCP's guidelines. Those guidelines assign Caltrans the responsibility of administering TIRCP in a manner consistent with the administration of similar grant programs.

The TIRCP guidelines require that local implementing agencies provide final delivery reports to Caltrans within one year after a project becomes operable. The guidelines also require local implementing agencies to include the following elements in the final delivery report:

- The scope of the completed project as compared to the programmed project.
- Performance outcomes derived from the project as compared to those described in the project application. This should include "before" and "after" measurements and estimates (ridership/service levels, greenhouse gas reductions—including updated estimates of the greenhouse gas reductions over the life of the project—benefit to disadvantaged communities, low-income communities, and/or low-income households, project co-benefits, etc.), and an explanation of the methodology used to quantify the benefits.
- "Before" and "after" photos documenting the project.
- The project's final costs, compared to the project's approved project budget, by component and fund type, and an estimate of TIRCP funds spent to benefit disadvantaged communities, low-income communities, and/or low-income households.
- The project's duration compared to the project's scheduled duration in the project application.

For Caltrans to evaluate the program's effectiveness in meeting the intended objectives, it is essential for the department—as the delegated TIRCP administrator—to ensure that the projects' final delivery reports include required data: specifically, information related to the performance outcomes that result from the project. This information and data tie directly

to TIRCP's objectives listed in state law. However, we found that despite the requirements in TIRCP guidelines for local implementing agencies to send Caltrans final delivery reports within one year of project operability, and despite the importance of the reports in determining whether the projects achieved their intended outcomes, Caltrans did not always collect the reports from local implementing agencies. In fact, when we began the audit, Caltrans did not have a process in place to track project operability dates.

As shown in the tables on the following pages, Caltrans' oversight of final reporting was deficient. For instance, Table 3 shows that for 11 of the 23 operable projects, final delivery reports were either overdue or Caltrans did not collect them at all. In the most egregious case—the reporting on the Pacific Surfliner Transit Transfer Program project—Caltrans collected a final delivery report nearly eight years after operability. Table 3 also shows that four reports did not include submission dates, so we could not make a determination on the number of days those reports were late or whether they were overdue. Additionally, for three projects implemented by the same public agency, the agency submitted one final delivery report; however, the report was not project-specific. Consequently, we were unable to determine whether the final delivery report fulfilled the reporting requirement for any of the three projects. Lastly, as indicated in Table 3, the final delivery report was submitted by the due date for the remaining five projects.

Table 3. Many Local Implementing Agencies Submitted TIRCP Final Delivery Reports to Caltrans Late or Failed to Submit Them at All

Local Implementing Agency	Project Title	Operational Date ^	Final Delivery Report Submitted	Final Delivery Report Submission Date	Overdue (In Days)
Monterey-Salinas Transit	Monterey Bay Operations and Maintenance Facility/Salinas Transit Service Project	9/30/2018	√	6/21/2019	-
Sacramento Regional Transit District	Refurbishment of Seven Light Rail Vehicles	6/30/2020	√	4/27/2021	-
Sonoma-Marin Area Rail Transit District	SMART Rail Car Capacity Project	9/15/2022	√	10/24/2022	-
Antelope Valley Transit Authority	Regional Transit Interconnectivity & Environmental Sustainability	10/31/2022	√	10/1/2023	-
Anaheim Transportation Network	#Electrify Anaheim: Changing the Transit Paradigm in Southern California	4/26/2024	√	3/7/2025	-
Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency	Pacific Surfliner Transit Transfer Program	7/1/2016	√	3/25/2025	2,824
Capitol Corridor Joint Powers Authority	Travel Time Reduction	6/17/2019	√	10/1/2023	1,202
San Diego Association of Governments	South Bay Bus Rapid Transit	1/27/2019	√	11/3/2022	1,011
Orange County Transportation Authority	Bravo! Route 560 Rapid Buses	2/11/2018	√	3/3/2021	751
San Diego Metropolitan Transit System	San Diego Metropolitan Transit System Trolley Capacity Improvements Project	6/30/2019	√	2/15/2022	595
Los Angeles County Metropolitan Transportation Authority	Willowbrook/Rosa Parks Station and Blue Line Light Rail Operational Improvements	12/20/2023	√ **	7/13/2026	571
Foothill Transit	Transforming California: Bus Electrification, Service Expansion and Rail Integration	6/1/2023	√	6/13/2025	378
Antelope Valley Transit Authority	From the Desert to the Sea: Antelope Valley Transit Authority and Long Beach Transit Zero Emission Bus Initiative	9/30/2023	√	3/24/2025	176
SunLine Transit Agency, Antelope Valley Transit Authority, and Kern Regional Transit	Zero Emission and Van Pool Expansion in the Antelope Valley, Kern County and Coachella Valley	7/14/2023	√ *	8/26/2024	44

Continued on following page.

Local Implementing Agency	Project Title	Operational Date ^	Final Delivery Report Submitted	Final Delivery Report Submission Date	Overdue (In Days)
San Joaquin Regional Rail Commission	Altamont Corridor Express (ACE) Wayside Power	7/8/2018	√	7/18/2019	10
Southern California Regional Rail Authority	Purchase of 9 Fuel-Efficient Tier IV Locomotives	9/15/2022	√	Missing date	/
San Joaquin Regional Transit District	BRT Expansion: MLK Corridor and Crosstown Miner Corridor	7/29/2018	√	Missing date	/
City of Fresno	Southwest Fresno Community Connector	12/14/2022	√	Missing date	/
City of Santa Monica	Electric Blue: Electrification of City of Santa Monica's Big Blue Bus	8/16/2021	√	Missing date	/
San Bernardino County Transportation Authority	Redlands Passenger Rail	10/24/2022	X	Final delivery report not submitted	994
San Francisco Municipal Transportation Agency	SFMTA Light Rail Vehicle Fleet Expansion	6/30/2019	Not Project-Specific†		
San Francisco Municipal Transportation Agency	Light Rail Modernization and Expansion Program	3/26/2019			
San Francisco Municipal Transportation Agency	Transit Capacity Expansion Program	12/31/2019			

Table Key:

√ = Final delivery report submitted to Caltrans.

X = Final delivery report had not been submitted to Caltrans as of July 2026.

^ = Operational dates are maintained by Caltrans and are presented here as reported to us. These dates were not independently verified.

/ = Final delivery report was submitted but due to a missing submission date, we could not determine the number of overdue days or whether the report was overdue.

* This project consisted of three partner agencies. Each partner submitted a final delivery report. We used the date on the last final delivery report submitted for our calculation of overdue days.

** Caltrans gave the agency an informal extension. However, under TIRCP guidelines, only CalSTA can approve final delivery report due date extensions.

† Report did not contain project-specific information. The agency submitted one report for three different projects; however, it does not explicitly identify any of the three projects.

Source: IOAI analysis of information included in final delivery reports and completed TIRCP projects data provided by Caltrans, as of July 2026.

Caltrans has since started to track report status; yet as of July 2026, Caltrans had still not collected one of the reports that was required to be submitted. When we asked Caltrans whether it had taken steps to track project operability dates and ensure the timely collection of final delivery reports from local implementing agencies, an official from the Office of Project Development, Management and Delivery stated that the "Office has developed and implemented a Smartsheet database for TIRCP administration. This system is continually being expanded and refined to meet program needs. The Office is currently working to incorporate tracking of operability dates and FDRs [final delivery reports] into the database by June 30, 2026." We did not evaluate the Smartsheet database system because it was still under development at the time of our audit fieldwork.

In addition to not consistently collecting local implementing agencies' final delivery reports when due, Caltrans did not always ensure that the final delivery reports included performance outcome comparisons, as required by the TIRCP guidelines. The guidelines specifically state that the purpose of the final delivery reports is to ensure that the project achieves the goals of the program identified when the decision was made to fund the project. Despite the importance of the final delivery reports, many of the reports we reviewed lacked the performance outcome comparisons required by the guidelines.

As we detailed in the Background section, the Legislature created the TIRCP program to fund transformative capital improvement projects that would reduce greenhouse gas emissions, increase ridership, and improve safety, among other performance outcomes. Consistent with that legislative intent, the TIRCP guidelines require that local implementing agencies submit to Caltrans final delivery reports that include performance outcomes tied to the overall objectives of TIRCP.

To determine whether the projects achieved their anticipated outcomes, TIRCP's guidelines require local implementing agencies to compare the performance outcomes achieved after the project becomes operable to those described in the project application. The comparisons should include "before" and "after" measurements and estimates for greenhouse gas reductions, ridership, and other metrics, such as safety improvement performance outcomes. Despite the guidelines requiring Caltrans to collect this information, most of the final delivery reports we reviewed that Caltrans had collected for completed projects lacked all or some of this information. As seen in Table 4 on the following page, more than half of the final delivery reports provided to us by Caltrans did not include required greenhouse gas emissions reductions comparisons.

Table 4. Final Delivery Reports Collected by Caltrans Consistently Omitted Required Greenhouse Gas Emission Reduction Comparisons

Local Implementing Agency	Project Title	GHG Comparison	
		Included	Not Included
Monterey-Salinas Transit	Monterey Bay Operations and Maintenance Facility/Salinas Transit Service Project		X
San Joaquin Regional Rail Commission	Altamont Corridor Express (ACE) Wayside Power	√	
Sacramento Regional Transit District	Refurbishment of Seven Light Rail Vehicles		X
Sonoma-Marin Area Rail Transit District	SMART Rail Car Capacity Project		X
Southern California Regional Rail Authority	Purchase of 9 Fuel-Efficient Tier IV Locomotives		X
Antelope Valley Transit Authority	Regional Transit Interconnectivity & Environmental Sustainability	√	
San Joaquin Regional Transit District	BRT Expansion: MLK Corridor and Crosstown Miner Corridor	√	
Orange County Transportation Authority	Bravo! Route 560 Rapid Buses		X
San Diego Metropolitan Transit System	San Diego Metropolitan Transit System Trolley Capacity Improvements Project	√	
San Diego Association of Governments	South Bay Bus Rapid Transit		X
Capitol Corridor Joint Powers Authority	Travel Time Reduction		X
Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency	Pacific Surfliner Transit Transfer Program		X
Los Angeles County Metropolitan Transportation Authority	Willowbrook/Rosa Parks Station and Blue Line Light Rail Operational Improvements	√	
SunLine Transit Agency, Antelope Valley Transit Authority, and Kern Regional Transit	Zero Emission and Van Pool Expansion in the Antelope Valley, Kern County and Coachella Valley		X
Foothill Transit	Transforming California: Bus Electrification, Service Expansion and Rail Integration		X
Anaheim Transportation Network	#Electrify Anaheim: Changing the Transit Paradigm in Southern California		X
Antelope Valley Transit Authority	From the Desert to the Sea: Antelope Valley Transit Authority and Long Beach Transit Zero Emission Bus Initiative	√	
City of Santa Monica	Electric Blue: Electrification of City of Santa Monica's Big Blue Bus		X
City of Fresno	Southwest Fresno Community Connector	√	

Source: IOAI analysis of information included in the final delivery reports and project applications.

In addition to not ensuring that final delivery reports included greenhouse gas emission reduction information, Caltrans did not always ensure that local agencies' final delivery reports included comparisons for other performance outcomes, such as ridership and safety improvements. Despite the TIRCP guidelines' requirement for Caltrans to collect this information from local implementing agencies, all but two of the reports lacked complete comparisons for both ridership and safety. Our review of 19 project applications revealed that 18 applications identified ridership as an anticipated performance outcome but only seven final delivery reports provided comparisons of ridership outcomes. As to safety, although 17 of the 19 project applications identified safety as an anticipated performance outcome, only two agencies included this outcome in their final delivery reports.

Caltrans pointed to several reasons for not having collected complete final delivery reports, as required by TIRCP guidelines. According to managers at Caltrans, the guidelines only require Caltrans to ensure that the local implementing agency has delivered the project and that the project is serving the intended purpose. However, the TIRCP guidelines specifically state that the final delivery reports must contain performance outcomes derived from the project as compared to those described in the project application. Also, according to an official from the Office of Project Development, Management and Delivery, staff review the final delivery reports to verify that the submitted reports meet the requirements. However, our review clearly shows that Caltrans project managers were not consistently taking those steps. The official informed us that the Office of Project Development, Management and Delivery plans to work with CalSTA to review and update the final delivery report section of the TIRCP guidelines. The official added that following that review and update, the Office of Project Development, Management and Delivery will proceed with developing a standard final delivery report template and will establish standard operating procedures for the review of final delivery reports with a target completion date by the end of 2026.

Unless Caltrans ensures that local implementing agencies submit the required information, there is no way for Caltrans or any other entity to properly evaluate whether the project has produced its intended benefits. And without the required data for each completed project, there is no way for CalSTA, the Legislature, or other stakeholders to evaluate whether TIRCP as a whole is meeting the objectives specified in state law.

Recommendations

1.1 To ensure that local implementing agencies comply with the basic requirements for project award recipients and to help Caltrans meet its obligations to ensure projects are meeting program goals, Caltrans should take the following actions:

   a. Ensure that its tracking of final delivery reports includes the date that local implementing agencies anticipate a project will be operational and includes the due date for submitting a final delivery report based

on the anticipated operational date. If local implementing agencies do not submit the final delivery report on time, Caltrans project managers should follow up promptly.

b. Provide written notice to the local implementing agency when it does not submit final delivery reports on time. Provide CalSTA with an updated list of delayed reports annually.

1.2 To determine whether the TIRCP program is achieving the goals specified in state law and to determine whether the funded projects achieved the benefits outlined in the applications when the State funded the projects, Caltrans project managers should analyze final delivery reports by taking the following actions:

a. Verify that final delivery reports contain complete comparisons of performance outcomes achieved to those described in the project application.

b. Require local implementing agencies to resubmit their projects' final delivery reports to include comparison data on all performance outcomes described in the project application if the final delivery report did not include all comparisons or provide appropriate quantifiable supporting information.

Appendix A. Scope and Methodology

Audit Objective

The audit objective was to review and evaluate Caltrans' policies and procedures for managing the TIRCP to ensure the program is administered efficiently, effectively, and in compliance with applicable laws and regulations.

Audit Period

Our audit period was from February 6, 2015, through July 14, 2026.

Criteria

We gained an understanding of the TIRCP and identified relevant criteria by reviewing state law and CalSTA guidelines, by examining project applications and final delivery reports, and by interviewing key Caltrans personnel responsible for TIRCP oversight.

Risk Assessment and Internal Control

We performed a risk assessment that included identifying and evaluating whether Caltrans properly designed and implemented internal controls significant to our audit objective. Our evaluation of internal controls focused on Caltrans' processes for tracking project operability dates and collecting final delivery reports. We also assessed Caltrans' process for reviewing final delivery reports that required comparisons of projects' anticipated performance outcomes, as described in the project applications.

Assessment of Data Reliability

Generally accepted government auditing standards require that we assess the sufficiency and appropriateness of the computer-processed information used to materially support our findings, conclusions, or recommendations. In performing this audit, we relied on operational dates in an Excel spreadsheet that Caltrans uses to track completed TIRCP projects for the purpose of determining when final delivery reports were due. We interviewed subject matter experts knowledgeable about the data and determined that the dates were gathered by Caltrans project managers from local implementing agencies during preparation of a semi-annual report for the Commission. To gain some assurance of the accuracy of these dates, we reviewed 19 available final delivery reports and found that 15 contained various project activity dates that corresponded to the spreadsheet. Although we determined the project operability dates in this spreadsheet were of undetermined reliability for our audit purposes, there is sufficient evidence to support our overall audit conclusions.

Compliance Statement

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a

reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Methodology

Based on our planning, we developed specific methods for gathering evidence to obtain reasonable assurance to address the audit objectives, as detailed in Table A below.

Table A. Objectives and Methods in the Audit Process

Audit Objective	Methods
To review and evaluate Caltrans' policies and procedures for managing the TIRCP to ensure it is administered efficiently, effectively, and in compliance with applicable laws and regulations.	Reviewed legislation and identified goals and responsibilities related to the TIRCP. Reviewed applicable guidelines and determined roles and responsibilities related to the TIRCP. Worked with key personnel from Caltrans' Division of Mass Transportation to determine Caltrans' process for collecting final delivery reports within one year of project operability and to identify the 23 operable projects as of July 2026. In testing the 23 projects, we took the following actions: Obtained local implementing agencies' project applications and compared projects' anticipated performance outcomes to the outcomes that the implementing agencies reported in their final delivery reports so that we could determine whether the local implementing agencies reported required performance outcome comparisons.

Auditee's Response

CALIFORNIA STATE TRANSPORTATION AGENCY GAVIN NEWSOM, GOVERNOR

California Department of Transportation

OFFICE OF THE DIRECTOR
P.O. BOX 942873, MS–49 | SACRAMENTO, CA 94273–0001
(916) 654-6130 | FAX (916) 653-5776 TTY 711
www.dot.ca.gov

November 5, 2026

Mr. Bryan Beyer
Inspector General
Independent Office of Audits and Investigations
1304 O Street, Suite 200
Sacramento, CA 95814

Dear Mr. Beyer:

The California Department of Transportation (Caltrans) concurred with the one finding and two recommendations from the Transit and Intercity Rail Capital Program Draft Audit Report (22A.PROG02) dated October 22, 2026, and welcomes the opportunity to address the items identified in the Independent Office of Audits and Investigations (IOAI) review. This audit spanned over an 11-year period (from February 6, 2015, to July 14, 2026).

Caltrans is pleased the audit took note of the efforts made to improve practices during the course of the audit. We support IOAI's recommendations and many have already been addressed since the audit commenced in 2021. Full documentation will be provided in the upcoming formal Corrective Action Plan.

Sincerely,

Cory Binns (Nov 5, 2026 11:35:09 PST)

FOR DINA A. EL-TAWANSY
Director

c: Cory Binns, Chief Deputy Director
Marlon Flournoy, Deputy Director, Planning and Modal Programs
Sukhvinder (Sue) Takhar, Acting Deputy Director, Rail, Transit & Aeronautics
Jeffrey Wyly, Chief, Division of Mass Transportation
Nieves Castro, Deputy Chief, Division of Mass Transportation
Tyffany Ayers, Policy and Audits Specialist, Division of Mass Transportation
Blair Thompson, Chief, Division of Risk and Strategic Management
Ben Shelton, Audit Chief, Internal Audits Office

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STATE OF CALIFORNIA
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Independent Office of Audits and Investigations

P.O. Box 942874, MS-2
Sacramento, CA 94274-0001
(916) 323-7111 | oig.dot.ca.gov