CALIFORNIA STATE TRANSPORTATION AGENCY

NOTICE OF FUNDING OPPORTUNITY
CYCLE 2 of FLEXIBLE STATE RAIL ASSISTANCE
September 8th, 2026

Summary: This Notice of Funding Opportunity (NOFO) announces a funding opportunity to support rail projects that advance California's passenger rail vision as articulated in the 2024 California State Rail Plan. This funding is available for intercity rail agencies, public agencies authorized to plan and/or manage intercity rail operations for aspiring corridors, and Caltrans. Public Utility Code section 99312.3 directs 50 percent of all SRA to intercity rail agencies and 50 percent to commuter rail agencies. Further, statute directs a minimum of 25 percent of funding to each of the state's three intercity rail corridors with regularly scheduled service. CalSTA determines the distribution of the remaining 25 percent, which is the subject of this NOFO.

The amount available funding for award in this cycle is expected to be up to $66,631,000. This funding covers the actual accrued amounts between Fiscal Years (FY) 2020-2021 through FY 2025-26 as well as forecasted revenues from FY 2026-27 through FY 2029-30. Applications are due no later than **Monday, October 19th at 5pm.**

Eligibility:

Eligible applicants are:

(a) Public agencies, including joint powers authorities, responsible for state-supported intercity rail services
(b) Public agencies, including joint powers authorities, responsible for commuter rail services.
(c) Caltrans

Project Eligibility:

Eligible projects are as follows:

1. Construction projects on new/emerging corridors that result in the ability to operate new or expanded intercity or commuter rail service.
2. Projects that test, commission and deploy zero or low emission passenger rail vehicles.
3. Capital expenditures necessary to replace obsolete or aging rail signal systems and track infrastructure that improve operational flexibility and reliability.

4. Operations expenditures that avoid service cuts and/or otherwise maintain existing levels of service or operations expenditures that may be used to provide expanded intercity or commuter rail service.
5. Transportation planning activities are eligible projects. This may include, but is not limited to, service development plans, environmental reporting, feasibility studies, alternative analysis, strategic plans, ridership modeling, multi-agency integration efforts, schedule optimization, and long-and short-range transit planning.

For a construction project to be eligible for this funding cycle, projects should meet one or more of the following requirements. The most competitive projects will meet multiple criteria.

1. New / Emerging Corridor Benefit: If an applicant is seeking construction funding, the project should enable new service or expand/enhance service and ridership on a new or emerging corridor, including service expansions on corridors in development or early implementation.
2. Deployment of zero or low emission passenger rail vehicles: the project clearly explains how the funding will be used to deploy new zero or low emission vehicles into revenue service.
3. Operational reliability and safety improvement: the project clearly explains how the replacement of obsolete or aging rail signal systems and track infrastructure will improve operational flexibility and reliability.
4. Full Funding Plan: The project must have a complete, feasible full funding plan for the construction scope, including committed and/or highly reliable funding sources sufficient to deliver the project.
5. Safety Benefit: The project must produce clear, measurable safety improvements for rail operations, rail users, workers, or communities.
6. Readiness: The project must demonstrate readiness, including progress toward environmental clearance and deliverability within a reasonable timeframe.

For an operations project to be eligible for this funding cycle, projects should meet one or more of the following requirements. The most competitive projects will meet multiple criteria.

1. Maintains existing operations, including but not limited to, demonstrating how the agency will mitigate service cuts, fare increases, or layoffs relative to the service baseline in the year of the award. The applicant must demonstrate how the service can be maintained beyond the grant period of performance absent additional state funding. Evidence may include service

and schedule rationalization, cost containment, fare policy and collection improvements, network integration among connecting systems to improve connectivity and the seamlessness of the travel experience for users by eliminating points of friction during a public transportation journey.

2. Supports new service in a new/emerging corridor. Priority will be given to multi-year operating commitments in new/emerging corridors.
3. Provides evidence of matching funds to support maintenance of service, an expansion of service, or a proposed new service.
4. Demonstrates coordination with other operators or agencies where service overlaps or needs span multiple systems across jurisdictional boundaries.
5. Demonstrates readiness to obligate and expend funds within the award period, including any staffing, scheduling, or procurement steps already underway.

All applicants, whether requesting operating or capital funds, must submit a cash flow schedule identifying the amount of funding needed by fiscal year. Thie information will be used to determine the timing of allocations and to align available funding with projects that have the earliest funding needs.

If the applicant does not need to specifically go to the agency's Board to request permission to authorize and approve the application, then only the signature of an executive (i.e. General Manager/Executive Director/CEO) authorized to submit is needed. A board resolution or authorized agent form is not required to be filed at the time of application submittal.

Final Filing Date:

Submission of electronic version of the signed project cover letter and Project Narrative Document must be submitted no later than 10/19/2026 at 5:00 PM to SRA@CalSTA.ca.gov. However, agencies requesting operations funding may submit earlier, and CalSTA reserves the right to award funding on a rolling basis prior to the final deadline.

The program email account can receive attachments totaling no more than 40MB. Should attachments total more than 40 MB, multiple emails, clearly numbered in sequence ("Email x of x" as part of the subject line), may be submitted. If an agency is submitting multiple applications, please clearly identify this in your submission and clearly explain how submissions are prioritized by your agency.

Contact Information:

For more information regarding this solicitation, please contact the program electronically at: sra@calsta.ca.gov.

Pre-application meetings to discuss project concepts with CalSTA:

Prospective applicants should schedule a pre-application meeting to discuss project concepts should consider requesting a virtual meeting via sra@calsta.ca.gov.

Evaluation Criteria and CalSTA Priorities:

For construction projects, CalSTA is prioritizing projects that advance the service vision articulated in the 2024 California State Rail Plan (SRP). CalSTA will score and rank eligible applications using the criteria below. CalSTA may also apply qualitative judgment to ensure alignment with statewide rail goals and deliverability.

A. New Service / Ridership on New or Emerging Corridors

- Strength and credibility of the project's role in enabling new service or meaningful service/ridership expansion on a new/emerging corridor;
- Connection to an operational plan (service levels, schedules, rolling stock assumptions if relevant);
- Ridership methodology and evidence supporting demand and benefits.

B. Construction + Full Funding Plan + Match Strength

- Completeness and feasibility of the full funding plan for the construction scope;
- Degree of funding commitment and financial reliability (e.g., executed agreements, board actions, programmed funds);
- Higher match ratios and stronger leveraging of non-state funds will be evaluated favorably;
- Sound cash-flow and ability to manage cost escalation.

C. Deployment of Zero or Low Emission Rail Deployment

- Vehicles are procured or under procurement and the project can complete testing, commissioning, and deployment within the award period.
- Clear pathways for testing, certification, and integration with existing infrastructure.
- Extent to which the project advances statewide emissions goals or serves as a demonstration for future deployments.

D. Operational Reliability

- Degree of improvement to reliability or flexibility, such as reduced delay or ability to add future service.
- Extent to which the project lays groundwork for future capital phases.
- Extent to which the project modernizes critical rail infrastructure.

C. Safety Improvements

- Clarity and magnitude of safety outcomes, such as risk reduction, conflict reduction, state-of-good-repair safety benefits, and measurable safety performance improvements;
- Evidence-based safety rationale (e.g., safety analysis, documented risk history, engineering basis, operational safety improvement).

D. Project Readiness

- Status and schedule for environmental clearance (CEQA/NEPA as applicable);
- Design maturity and construction schedule realism;
- Right-of-way / third-party coordination readiness;
- Procurement approach and risk management (key risks, mitigations, contingencies).

For operations projects, CalSTA is prioritizing projects that either maintain existing operations or expand service or introduce service on new/emerging corridors. CalSTA will score and rank eligible applications using the criteria below. CalSTA may also apply qualitative judgment to ensure alignment with statewide rail goals and deliverability.

E. Demonstrated ability that the funding will be used to avoid service cuts or otherwise maintain existing levels of service for eligible applicants.

- Maintains existing operations, including but not limited to, demonstrating how the agency will mitigate service cuts, fare increases, or layoffs relative to the service baseline in the year of the award.
- Demonstrates coordination with other operators or agencies where service overlaps or needs span multiple systems across jurisdictional boundaries.
- Demonstrates readiness to obligate and expend funds within the award period, including any staffing, scheduling, or procurement steps already underway.

F. Supports new service in a new/emerging corridor.

- Priority will be given to multi-year operating commitments in new/emerging corridors.
- Demonstrates a high level of service readiness and start date certainty. This may include operating agreements, host railroad access, equipment availability, and crew resources are secured.
- Demonstrates coordination with other operators or agencies where service overlaps or needs span multiple systems across jurisdictional boundaries.
- Demonstrates readiness to obligate and expend funds within the award period, including any staffing, scheduling, or procurement steps already underway.