




COMMITTEE TRANSMITTAL

August 12, 2019

To: Members of the Board of Directors
From: Laurena Weinert,  Clerk of the Board
Subject: 2020 State Transportation Improvement Program Overview

Regional Planning and Highways Committee Meeting of August 5, 2019

Present: Directors Bartlett, Chaffee, Delgleize, M. Murphy, R. Murphy, and Pulido
Absent: Director Muller

Committee Vote


This item was passed by the Members present.

Committee Recommendation

Receive and file as an information item.



August 5, 2019

To: Regional Planning and Highways Committee
From: Darrell E. Johnson, Chief Executive Officer 
Subject: 2020 State Transportation Improvement Program Overview

Overview

The State Transportation Improvement Program is a biennial five-year plan of projects adopted by the California Transportation Commission for future allocations of state transportation funds. Every two years, the Orange County Transportation Authority updates the program of projects to be funded through this program. An overview of the 2020 State Transportation Improvement Program process is presented for information purposes.

Recommendation

Receive and file as an information item.

Background

The State Transportation Improvement Program (STIP) is a five-year state funding program that is adopted by the California Transportation Commission (CTC) for transportation projects. The STIP is divided into two major funding categories: the Regional Improvement Program (RIP) and the Interregional Improvement Program (IIP). Seventy-five percent of the program is allocated to the RIP, which is then provided to counties by formula. The remaining 25 percent is provided to the California Department of Transportation (Caltrans) for projects of interregional significance and intercity rail projects through the IIP.

Projects eligible for the STIP must adhere to the STIP Guidelines and the Orange County Transportation Authority (OCTA) Capital Programming Policies (CPP) that were adopted by the Board of Directors (Board) on February 11, 2019 (Attachment A). OCTA is responsible for the development and programming of Orange County's share of the RIP portion of STIP revenues, which is submitted to CTC for approval. OCTA and Caltrans coordinate the development of projects that are considered for inclusion in the RIP and the IIP.

Every two years, the STIP fund estimate (FE) revenues are forecasted and programmed for the following five-year period. The revenue that supports the STIP derives from the price-based excise tax and Federal Highway Trust Fund. Historically, Orange County's share has been 6.45 percent of the total statewide RIP.

The previous 2018 STIP was approved on March 21, 2018, by the CTC. OCTA originally submitted for \$267.873 million in STIP funding for seven Measure M2 projects and OCTA planning activities. Orange County's approved 2018 STIP contained eight projects for Orange County and totaled \$260.501 million (Attachment B). Additionally, the 2018 IIP contained \$3 million for a passing siding project in the City of Laguna Niguel.

Discussion

Based on the draft FE, the 2020 STIP provides \$569.389 million statewide in new STIP capacity as compared to the final 2018 STIP, which included \$2.259 billion of new capacity. New capacity funding is traditionally for the last two years (fiscal year {FY} 2023-24 and FY 2024-25) and does not include carryover funding from the first three years (FY 2020-21, FY 2021-22, and FY 2022-23). For Orange County, the draft 2020 FE provides a target of \$6.960 million in new capacity. Over the past four STIP cycles, Orange County has averaged approximately \$62.6 million per cycle in new capacity. This \$6.960 million in new capacity, plus the existing \$176.285 million in 2018 STIP carryover projects, equals approximately \$183.245 million for the 2020 STIP. The final FE is subject to change prior to the adoption by the CTC in mid-August.

The 2020 STIP FE is significantly lower than the 2018 STIP, and the CTC has provided three reasons for the decrease.

- Consumption of gasoline and diesel fuels are projected to decrease, which directly affect the STIP revenues.
- The 2018 STIP FE included an assumption, which increased the price-based excise tax (PBET) from 11.7 cents per gallon to 14.1 cents per gallon. The California State Board of Equalization ultimately did not increase the PBET to 14.1 cents per gallon. This left a significant shortfall in revenue in the 2018 STIP, which now must be reconciled in the 2020 STIP.
- Several projects programmed in the prior STIP were advanced to align with SB 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017) funding. These advancements drew upon funds from the current 2020 STIP FE.

CTC staff indicated that the diminished 2020 FE would not have an adverse impact on currently programmed projects, but would not allow for funding advancements of existing projects, nor would they be able to accommodate cost increases in the STIP.

Staff will return to the Board in September 2019 with the proposed program of projects that is consistent with the Board-approved CPP. The updated program of projects may include modifications to existing projects, new projects, and requests to use local dollars to advance existing STIP projects.

OCTA will need to consider the updated 2020 STIP Guidelines in selecting projects for nomination. The 2020 STIP Guidelines include a minor change regarding uncommitted funds. Previously, the 2018 STIP Guidelines provided an exemption for projects seeking competitive SB 1 funds which were not fully funded. These projects would no longer be considered for STIP funding. The CTC may program a project component only if it finds that the component itself is fully funded, either from STIP funds or other committed funds.

Staff has communicated with key stakeholders, such as Caltrans, to solicit input (Attachment C). The meeting with Caltrans is also an opportunity for OCTA to discuss Caltrans' submittal of the IIP and the State Highway Operation and Protection Program. Staff expects to return to the Board next month with specific programming recommendations that are due by September 2019 to the Southern California Association of Governments for modeling purposes and to the CTC by December 15, 2019.

Summary

OCTA is responsible for the development and programming of the STIP projects for Orange County. With the upcoming 2020 STIP cycle, OCTA staff has started the process to consider priority projects for recommendation to the Board for the Regional Transportation Improvement Program submittal to the CTC.

Attachments

- A. Existing Capital Programming Policies by Fund Source, February 2019
- B. 2018 STIP CTC-Approved Projects
- C. 2020 State Transportation Improvement Program Development Schedule

Prepared by:



Ben Ku
Section Manager,
Formula Funding Programs
(714) 560-5473

Approved by:



Kia Mortazavi
Executive Director,
Planning
(714) 560-5741

**Existing Capital Programming Policies by Fund Source
February 2019**

Funding Source	Measure M2 (M2) Programming Policies
M2 Programs	
Projects A-M (freeway projects on Interstate 5, State Route 22, State Route 55, State Route 57, State Route 91, Interstate 405, and Interstate 605)	Use projects A-M M2 funding consistent with the M2 Transportation Investment Plan, the M2020 Plan, and subsequent Board of Directors (Board)-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.
Freeway Environmental Mitigation Program (Tied to projects A-M)	Utilize five percent net revenues derived from M2 funding for projects A-M consistent with the M2 Transportation Investment Plan, with the M2020 Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through Board approval actions for needed environmental mitigation projects.
Project N (Freeway Service Patrol)	Use Project N funds for the Freeway Service Patrol Program. Funds are programmed through the annual budget process.
Project O (Regional Capacity Program) and Project P (Regional Traffic Signal Synchronization Program)	Use Project O and Project P M2 funding consistent with the M2 Transportation Investment Plan, and consistent with the Comprehensive Transportation Funding Programs (CTFP) Guidelines. Program funds to projects through the cyclical CTFP call for projects (call) programming recommendations.
Project Q (Local Fair Share Program)	Use Project Q M2 funds consistent with the M2 Transportation Investment Plan. Funds are programmed through the annual budget, but actual disbursements may be adjusted based on the formula distribution of funds.
Project R (High-Frequency Metrolink Service)	Use Project R M2 funding consistent with the M2 Transportation Investment Plan, with the latest Next 10 Plan, with the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Program funds to projects through formal programming actions.
Project S (Transit Extensions to Metrolink) and Project T (Metrolink Gateways)	Use Project S and Project T M2 funding consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through a call.
Project U (Expand Mobility Choices for Seniors and Persons with Disabilities)	Use Project U M2 funds, consistent with the M2 Transportation Investment Plan, the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Funds are programmed through the annual budget process.
Project V (Community-Based Transit Circulators) and Project W (Safe Transit Stops)	Use Project V and Project W M2 funding consistent with the M2 Transportation Investment Plan, and consistent with CTFP Guidelines. Program funds to projects through a call.

**Existing Capital Programming Policies by Fund Source
February 2019**

Funding Source	Measure M2 (M2) Programming Policies
Project X (Environmental Cleanup)	<p>Use Project X M2 funding consistent with the M2 Transportation Investment Plan and consistent with CTFP Guidelines. Program funds to projects through the CTFP call.</p> <p>The Environmental Cleanup Program consists of two programs. The Tier 1 Grant Program is designed to mitigate the more visible forms of pollution. Tier 1 consists of funding for equipment purchases and upgrades to existing catch basins and related devices such as screens, filters, and inserts. The Tier 2 Grant Program consists of funding regional, multi-jurisdictional, and capital-intensive projects, such as constructed wetlands, detention/infiltration basins, and bioswales.</p>
Funding Source/Agency	State and Federal Programming Policies
All State and Federal Fund Sources	<p>First priority of all funding sources is to fulfill commitments to the latest Next 10 Plan, specifically M2 projects and to maintain existing the Orange County Transportation Authority's assets in a state of good repair. Consideration will also be given to use state and federal funds for projects that are complementary to M2 projects and that share the program goals to reduce congestion, strengthen the economy, and improve the quality of life. All fund sources must be programmed through formal programming actions.</p>
State	
Active Transportation Program (ATP) – Southern California Association of Governments (SCAG) Regional Selection (Formula)/California Transportation Commission (CTC)/SCAG	<p>Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</p>
Cap-and-Trade (Competitive) – Affordable Housing and Sustainable Communities Program (AHSC)/Strategic Growth Council	<p>Use AHSC for fixed-guideway and transit corridor projects that serve disadvantaged communities and reduce greenhouse gas (GHG) emissions.</p> <p>*Note – In the guidelines, a transit project must be paired with an affordable housing project for Transit Oriented Development Program funds.</p>
Cap-and-Trade (Formula) – Low Carbon Transit Operations Program (LCTOP)/California Department of Transportation (Caltrans)	<p>Use LCTOP for transit operations or capital for expansion of bus transit service, fare reduction programs, and other bus and commuter rail transit efforts that increase ridership and reduce GHG emissions, where 50 percent of the funds provide benefit for passengers in disadvantaged communities. Funds generated from commuter rail service in Orange County may be used in Orange County for the expansion of commuter rail service, fare reduction programs for commuter rail, and other eligible commuter rail efforts that increase ridership and reduce GHG emissions.</p>
Cap-and-Trade (Competitive) – Transit and Intercity Rail Capital Program (TIRCP)/California State Transportation Agency	<p>Use TIRCP for capital projects that expand bus and rail service to increase ridership and for projects that improve the integration between bus and rail systems. Projects must also reduce GHG emissions.</p>

**Existing Capital Programming Policies by Fund Source
February 2019**

Funding Source/Agency	State and Federal Programming Policies
Proposition 1A/CTC	All funds are programmed.
Proposition 1B – Competitive Programs Funding/CTC	Maximize the Orange County allocations consistent with each program and ensure the receipt of allocated funds.
Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA)/ Caltrans	Use PTMISEA funds for commuter rail improvements and to fund existing State Transportation Improvement Program (STIP) - Public Transit Administration projects (approximately \$60 million) currently programmed in the 2010 STIP and for eligible OC Bridges projects.
Proposition 1B – Transit System Safety, Security and Disaster Response Account (TSSSDRA)/California Governor’s Office of Emergency Services	Use TSSSDRA to support capital projects that enhance the safety, security, and emergency response capabilities of transit.
Proposition 116 (CTC)	Use cost savings for commuter or intercity rail capital improvement projects along the Metrolink corridor (between the cities of Buena Park and San Clemente) that are funded with Measure M1 and M2 funds on a first-come, first-served basis.
SB 1 - Local Partnership Program (LPP) – Formula/CTC	Use LPP for ready-to-deliver M2 projects which are compatible with state goals and seek to balance funds between freeways, streets and roads, transit capital and eligible environmental clean-up and based on the timing for the request for project nominations.
SB 1 - State of Good Repair (SGR)/Caltrans	Use funds for bus transit capital projects and for maintenance, rehabilitation, and replacement of existing Orange County Transportation Authority (OCTA) transit assets
SB 1 - Trade Corridors Enhancement Program (TCEP)/CTC	Use TCEP first for eligible M2 Program projects that meet the requirements and goals of the program, then fund other eligible Orange County projects
STIP/CTC	Use of STIP funds for M2 freeway, commuter rail, fixed-guideway projects, planning/programming and complementary activities, which seek an equitable balance between freeways and transit capital and are consistent with state goals.

**Existing Capital Programming Policies by Fund Source
February 2019**

Funding Source/Agency	State and Federal Programming Policies
Federal	
Congestion Mitigation and Air Quality (CMAQ)/Caltrans for Federal Highways Administration (FHWA)	<p>Use CMAQ funding for:</p> <ul style="list-style-type: none"> • M2 fixed-guideway and/or M2 high-occupancy vehicle or high-occupancy toll operational improvements, • as match to leverage funding for OC Bridges grade separation projects, • vanpool program and rideshare services, • other rail and bus transit capital projects, • traffic light synchronization projects, and • new or expanded bus transit operations (three years of CMAQ funding may be used for the first five years). <p>Set-asides: Bicycle and pedestrian projects up to a ten percent set-aside and contingent on ready-to-go projects as submitted through competitive calls.</p>
Federal Transit Administration (FTA) Section 5307 Formula/FTA	<p>Use funds to support ongoing transit operations and SGR through (not in priority order):</p> <ul style="list-style-type: none"> • preventive maintenance, • capital cost of contracting, and • bus replacement. <p>Lower priority but eligible if funding available:</p> <ul style="list-style-type: none"> • other priority capital projects that are consistent with the comprehensive business plan. <p>Set-Asides: Up to 20 percent for paratransit operating assistance, one percent for transit security (unless funded using local, state, or other federal funds), and percent of funds generated by rail operations to be used for rail operations and capital projects.</p>
FTA Section 5309 Fixed-Guideway Capital Investment Grants (“New Starts”)/FTA	Prioritize M2 fixed-guideway projects that are following project development requirements consistent with the “New Starts” and/or “Small Starts” process.
FTA Section 5310 Formula Funds/FTA	Use funds for eligible enhancements to paratransit capital and operations.
FTA Section 5337 Formula Funds/FTA	Use funds for commuter rail rehabilitation and/or renovation projects, for capital projects that maintain and/or replace equipment and facilities to keep the commuter rail system in a state of good repair and for preventive maintenance. Use funds generated by bus transit for bus transit capital maintenance.

**Existing Capital Programming Policies by Fund Source
February 2019**

Funding Source/Agency	State and Federal Programming Policies
FTA Section 5339 Formula Funds/FTA	<p>Use funds for:</p> <ul style="list-style-type: none"> • capital maintenance, • capital cost of contracting, • bus replacement, and • other bus capital projects as identified in the transit asset management plan.
Highway Infrastructure Program/Caltrans for Federal Highway Administration (FHWA)	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan).
National Highway Freight Program/CTC for FHWA	Currently these funds are administered by the state through the TCEP (see TCEP above).
Surface Transportation Block Grant (STBG) Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan) and local streets and roads. Funds may also be used for countywide planning activities up to five percent annually
Transportation Alternatives Program (TAP) – CTC/SCAG through ATP	Use 100 percent of annual TAP apportionment for bicycle and pedestrian projects through a competitive call to local agencies. Currently these funds are administered by the state through the ATP. See ATP above.

2018 STIP CTC-Approved Projects

2018 STIP-Approved (In Thousands)	STIP Funding					Other Funding			Total Project Cost		
	2018-19	2019-20	2020-21	2021-22	2022-23	Total STIP	STBG/CMAQ	Pending Approval		M2	Other ¹
I-5 Improvements from SR-73 to Oso Parkway (Segment 1)	73,735					73,735	28,167		68,372	18,242	188,516
I-5 Improvements from Alicia Parkway to El Toro Road (Segment 3)					69,911	69,911	49,897		44,715		164,523
I-5 Improvements from SR-73 to El Toro Road (replacement planting/landscaping)					6,000	6,000			1,900		7,900
SR-55 Orange County Central Corridor Improvement from I-405 to I-5				80,000		80,000	103,805		110,327	116,800	410,932
SR-57 Truck Climbing Lane Phase I - Lambert Road Interchange Improvements	9,000					9,000			6,856	84,144	100,000
PPM	1,481			1,848	1,848	5,177					5,177
STIP Subtotal	84,216	-	-	81,848	77,759	243,823	181,869	-	232,170	219,186	877,048
APDE											
I-5 Improvements from I-405 to SR-55					12,628	12,628	8,000	7,372	5,000		33,000
APDE											
SR-57 Truck Climbing Lane Phase II - Lambert Road to County Line			4,050			4,050			250		4,300
Totals	84,216	-	4,050	81,848	90,387	260,501	189,869	7,372	237,420	219,186	914,348

1. Other funds include \$18,242 million in Local Partnership Program, \$46.8 million in State Highway Operations and Protection Program, \$70 million in Solutions for Congested Corridors Program, \$0.924 million in demonstration funds, \$10,720 in local city funds, \$65.705 million in Trade Corridors Enhancement Program, and \$6.795 million in Infrastructure for Rebuilding America funds.

Acronyms

- STIP - State Transportation Improvement Program
- CTC - California Transportation Commission
- STBG - Surface Transportation Block Grant Program
- CMAQ - Congestion Mitigation and Air Quality
- M2 - Measure M2
- I-5 - Interstate 5
- SR-73 - State Route 73
- SR-55 - State Route 55
- I-405 - Interstate 405
- SR-57 - State Route 57
- PPM - Planning, programming, and monitoring
- APDE - Advance Project Development Element

2020 State Transportation Improvement Program Development Schedule

- August 14-15, 2019 - California Transportation Commission (CTC) adopts State Transportation Improvement Program (STIP) fund estimate.
- September 5, 2019 - Present to the Orange County Transportation Authority (OCTA) Regional Planning and Highway Committee the STIP/Regional Transportation Improvement Program (RTIP).
- September 9, 2019 - Present to OCTA Board of Directors the STIP/Regional Transportation Improvement Program (RTIP) item for approval.
- September 30, 2019 - OCTA STIP/RTIP projects submitted to the Southern California Association of Governments for regional modeling analysis.
- By October 1, 2019 - The California Department of Transportation (Caltrans) submits the final draft Interregional Transportation Improvement Program (ITIP).
- By October 10, 2019 - CTC ITIP hearing – North.
- By October 16, 2019 - CTC ITIP hearing – South.
- By December 15, 2019 - STIP/RTIP submittal due to CTC.
- By December 15, 2019 - Caltrans ITIP submittal due to CTC.
- January 30, 2020 - CTC STIP hearing – South.
- February 6, 2020 - CTC STIP hearing – North.
- February 28, 2020 - CTC publishes staff recommendations.
- March 25-26, 2020 - CTC adopts STIP.