



COMMITTEE TRANSMITTAL

August 14, 2023

To: Members of the Board of Directors

From: Andrea West, Interim Clerk of the Board

Andrea West

Subject: 2024 State Transportation Improvement Program Overview

Regional Transportation Planning Committee Meeting of August 7, 2023

Present: Directors Do, Chaffee, Dumitru, Federico, Foley, Harper, and Khan

Absent: None

Committee Vote

This item was passed by the Members present.

Directors Foley and Khan were not present to vote on this item.

Committee Recommendation

Receive and file as an information item.



August 7, 2023

To: Regional Transportation Planning Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the memo.

Subject: 2024 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 2024 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 Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP). Seventy-five percent of the STIP funding is allocated to the RTIP, which is then provided to counties by formula to help deliver transportation capital projects that are consistent with the regional transportation plan and CTC policies. The remaining 25 percent of the STIP funding is provided to the California Department of Transportation (Caltrans) for transportation projects of interregional significance and intercity rail projects through the ITIP.

Every two years, the CTC considers changes to the STIP Guidelines (Guidelines) and approves the fund estimate (FE), which forecasts what level of funding will be available to support the STIP, as well as other state funding programs, for the following five-year period.

Projects eligible for the STIP must adhere to the Guidelines, align with the Long-Range Transportation Plan (LRTP) and track with the Orange County Transportation Authority (OCTA) Capital Programming Policies that were adopted by the Board of Directors (Board) on December 13, 2021 (Attachment A). OCTA is responsible for the development and programming of Orange County's share of the RTIP 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 RTIP and the ITIP.

The current 2022 STIP was adopted on March 16, 2022, by the CTC. Orange County's approved 2022 STIP contained seven projects totaling \$163.8 million (Attachment B). The CTC has already allocated \$1.848 million of the 2022 STIP to one project with \$23.896 million proposed to be allocated in fiscal year (FY) 2023-24, and the remaining \$138.056 million will carry over into the 2024 STIP plus new funding capacity that is further described below.

Discussion

2024 STIP Draft FE

The 2024 STIP draft FE, which was noticed by the CTC on June 28, 2023, indicates that the total statewide STIP funding capacity for the 2024 STIP is approximately \$3 billion, of which approximately \$1.674 billion will be distributed to regional agencies through the RTIP. Additional information on the 2024 STIP FE is provided in Attachment C. The OCTA share of the new capacity is approximately \$71.965 million including adjustments for prior STIP advancements. The new capacity typically will be available during the last two years of the program (FY 2027-28 and FY 2028-29). For the 2024 STIP, it is anticipated that OCTA's program of projects would be approximately \$210.021 million, including \$138.056 million in carryover funds committed to projects in the 2022 STIP in the first three years of the STIP. It should be noted that the final FE is subject to change as the adoption by the CTC will not occur until August 16, 2023.

Draft 2024 Guidelines

The Guidelines identify procedures and requirements that project sponsors and implementing agencies must adhere to program, allocate, deliver, and seek reimbursement for STIP funds. This year's draft Guidelines include several new policy changes, the most significant include:

- A new Community Engagement section,
- An increased emphasis on active transportation and complete streets,

- Incorporating aspects of the State's Climate Action Plan for Transportation Infrastructure (CAPTI) policies and strategies throughout.

The draft 2024 STIP Guidelines require the RTIP and ITIP to include documentation that addresses each of these policy changes. The community engagement documentation should include the benefit of projects and mitigation for any potential negative community impacts. For active transportation and complete streets, the guidelines require that the regions consider incorporating complete streets elements in all highway and local road projects. The required fact sheets must include an executive summary of the RTIP and ITIP projects noting how the program of projects meets regional and state priorities, significant benefits to the community and the environment, and a description of how the RTIP is advancing the goals and objectives of the Regional Transportation Plan and Sustainable Communities Strategy. The 2022 STIP included CAPTI into the guidelines and the 2024 STIP continues incorporating CAPTI's goal of addressing climate change while supporting public health, safety, and equity regarding investment of transportation dollars throughout.

Next Steps

Staff is coordinating with Caltrans and local agencies, as applicable, on specific project proposals for the RTIP. Caltrans prepares the nominations for the ITIP funding and OCTA provides suggestions and feedback as the opportunities are presented. The updated program of projects that will be recommended to the Board may include refinements to existing STIP projects, new projects that are consistent with the OCTA LRTP, and requests to expedite existing STIP projects.

A schedule of next steps is included as Attachment D. Staff expects to return to the Board in October with specific recommendations. Additionally, once approved, the program of projects will be formally submitted to the Southern California Association of Governments for confirmation of consistency with the regional plans, and to the CTC by their December 15, 2023, due date. The CTC is expected to approve the 2024 STIP at the March 2024 meeting.


Summary

OCTA is responsible for the development and programming of the STIP-RTIP projects for Orange County. With the upcoming 2024 STIP cycle, OCTA staff has started the process to consider priority projects that are consistent with the OCTA's LRTP for recommendation to the Board for submittal to the CTC.

Attachments

- A. Capital Programming Policies by Fund Source, December 2021
- B. 2022 STIP - CTC Approved Projects
- C. Fund Estimate Overview and Factors Impacting Capacity and Gasoline Consumption
- D. 2024 State Transportation Improvement Program Development Schedule

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**Capital Programming Policies by Fund Source
December 2021**

Equity Consideration for All Funding Programs: In addressing the mobility needs of the County, Orange County Transportation Authority (OCTA) will consider both benefits and impacts of improvements to low-income and disadvantaged communities, with the goal of improving transportation and mobility options.	
Funding Source	Updated 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 Measure M2 Ordinance No. 3, 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 R (High-Frequency Metrolink Service)	Use Project R M2 funding consistent with the M2 Transportation Investment Plan, with the latest Next 10 Delivery Plan (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 formal call awards. Supplemental funds for approved competitive projects may be changed through Board action.
Project U (Expand Mobility Choices for Seniors and Persons with Disabilities)	Use Project U M2 funds, consistent with the Measure M2 Ordinance No. 3, the Comprehensive Business Plan, and subsequent Board-approved plans and updates to the M2 Program. Funds are programmed through the annual budget process.

**Capital Programming Policies by Fund Source
December 2021**

Funding Source	Updated Measure M2 (M2) Programming Policies
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 formal call for projects awards and/or Board action. Funds for the OCTA-approved projects may be programmed through Board action.
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	Other Local Funding Programming Policies
91 Express Lanes Excess Revenues/OCTA	Please see the Policy for the Use of Excess 91 Express Lanes Toll Revenue finalized through Board action on June 9, 2014.
County Transportation Commission/Mobile Source Air Pollution Reduction Review Committee (MSRC)	Prioritize activities that encourage transit ridership and support zero-emission bus initiatives. Depending on work program criteria, submit OCTA priority projects that meet program criteria and work to support a return to source program for Orange County through all MSRC programs, including but not limited to freight focused programs. Funds are programmed through formal programming action.
Funding Source/Agency	State and Federal Programming Policies
All State and Federal Fund Sources and New Funding Programs	OCTA's goal for external funding is to be successful in increasing the use of external funds and decreasing the use of local funds, when possible. First priority of all funding sources, when consistent with the funding agency priority and policies, is to fulfill commitments to the latest Next 10 Plan, specifically M2 projects and to maintain existing OCTA assets in a state of good repair and support OCTA priorities. Consideration will be given to use state and federal funds for projects that are complementary to M2 projects and that share the M2 Program goals to reduce congestion, strengthen the economy, and improve the quality of life. All fund sources must be programmed through formal programming actions.

**Capital Programming Policies by Fund Source
December 2021**

State	
Funding Source/Agency	State Programming Policies
Active Transportation Program (ATP) – Southern California Association of Governments (SCAG) Regional Selection (Formula)/California Transportation Commission (CTC)/SCAG	OCTA, through Board action, will establish prioritization criteria, based on regional planning for SCAG regional call through Board action with every cycle.
Cap-and-Trade (Formula) – Low Carbon Transit Operations Program (LCTOP)/California Department of Transportation (Caltrans)	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 greenhouse gas (GHG) emissions, where 50 percent of the funds provide benefit for passengers in disadvantaged communities, as appropriate. Funds generated from commuter rail service in Orange County may be used in Orange County 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.
SB 1 - Local Partnership Program (LPP) – Formula/CTC	Use LPP for ready-to-deliver committed and prioritized 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 OCTA transit assets. Funds may be used for transit operations, if allowed by the State.
SB 1 - Trade Corridors Enhancement Program (TCEP)/CTC	Use TCEP for eligible trade corridor projects that meet the requirements and goals of the program.
State Transportation Improvement Program (STIP)/CTC	Use of STIP funds for eligible transit capital, freeway, traffic system management, complete streets, commuter rail, fixed-guideway projects, planning/programming and complementary activities, which seek an equitable balance among all modes and are consistent with state goals.

**Capital Programming Policies by Fund Source
December 2021**

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"> • Fixed-guideway and/or high-occupancy vehicle or high-occupancy toll operational improvements, • vanpool program and rideshare services, • rail and bus transit capital projects, • traffic light synchronization projects, • new or expanded transit operations (three years of CMAQ funding may be used for the first five years), and • eligible bicycle and pedestrian projects. <p>All projects that use CMAQ funds must demonstrate a quantifiable air quality benefit. Projects must be recommended based on performance.</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 5310 Formula Funds/FTA	<p>Use funds for eligible enhancements to paratransit capital and operations.</p>

**Capital Programming Policies by Fund Source
December 2021**

Funding Source/Agency	Federal Programming Policies
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 express bus transit for bus transit capital maintenance. Use of funding must also benefit OCTA express bus services.
FTA Section 5339 Formula Funds/FTA	Use funds for: <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 FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan).
National Highway Freight Program/CTC for FHWA	These funds are administered by the state through the TCEP (see TCEP above).
Surface Transportation Block Grant Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA	Use funds for M2 Freeway Program (consistent with the latest Next 10 Plan) and for other non-M2 freeway projects that are complementary with the M2 freeway program, local streets and roads, and bicycle, pedestrian and/or complete streets projects. Funds may also be used for countywide planning activities up to five percent annually. Projects will be recommended based on performance.
Transportation Alternatives Program – CTC/SCAG through ATP	These funds are administered by the state through the ATP. See ATP above.

2022 STIP - CTC Approved Projects													
STIP Funding							Other Funding						
2022 STIP (In Thousands)	2022-23	2023-24	2024-25	2025-26	2026-27	Total STIP	Prior STIP	STBG/CMAQ	Local	SB-1 LPP-F	Other ¹	Unfunded Need	Total Project Cost
Projects													
I-5 Improvements from I-405 to Yale Avenue - Segment 1 (Con)			95,338			95,338		47,473	46,188	11,374	5,421		205,794
I-5 Improvements from SR-73 to El Toro Road (replacement planting/landscaping)			6,000			6,000			6,365				12,365
Planning, Programming, and Monitoring	1,848	515	1,056	1,030	1,030	5,479							5,479
SR-74 Gap Closure and Multimodal Improvements		13,000			24,600	37,600	6,313	30,000	7,200		6,400	1,000	88,513
Transit Security and Operations Center (TSOC) (CON)		10,381				10,381			4,789	27,475	25,616		68,261
SR-57 Truck Climbing Lane Phase II - Lambert Road to County Line (ENV)				6,500		6,500							6,500
Digital Bus Stop Signs 13" Along High-Quality Transit Corridors (143 Sign)				2,500		2,500							2,500
2022 STIP subtotal	1,848	23,896	102,394	10,030	25,630	163,798	6,313	77,473	64,542	38,849	37,437	1,000	389,412

1. Other funds include \$5.421 million in National Highway Performance Program, \$0.25 million in SHOPP, \$4.0 million in Earmarks and \$2.15 million in Developer Fee for SR-74 Gap Closure Project. \$16.353 million in SB 1 State of Good Repair, \$5.603 million in Transit System Safety, Security and Disaster Response Account, and \$3.660 million in Coronavirus Response and Relief Supplemental Appropriations Act of 2021 for TSOC

Acronyms

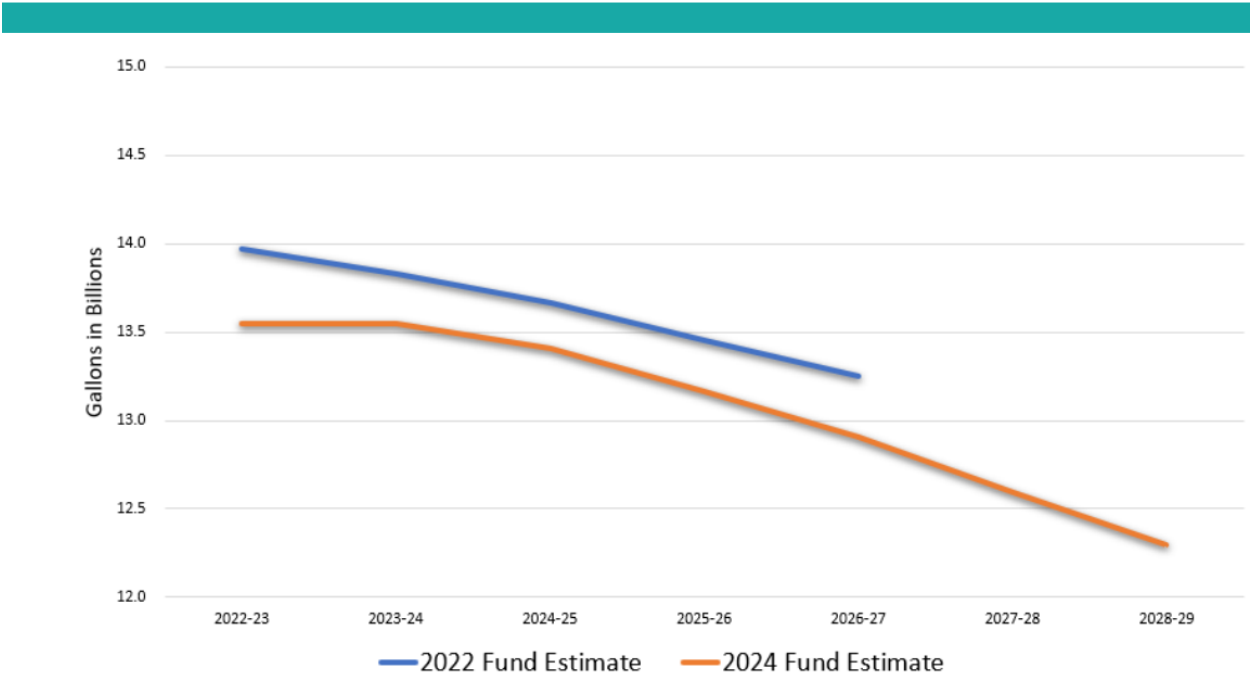
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| CMAQ - Congestion Mitigation and Air Quality | SB 1 - (Chapter 5, Statutes of 2017) |
| CON - Construction | SR-55 - State Route 55 |
| CTC - California Transportation Commission | SR-73 - State Route 73 |
| ENV - Environmental | SR-74 - State Route 74 |
| I-5 - Interstate 5 | SHOPP - State Highway Operation and Protection Program |
| I-405 - Interstate 405 | STBG - Surface Transportation Block Grant Program |
| LPP-F - Local Partnership Program - Formula | STIP - State Transportation Improvement Program |
| M2 - Measure M2 | STBG - Surface Transportation Block Grant Program |

Fund Estimate Overview and Factors Impacting Capacity and Gasoline Consumption

The 2024 draft fund estimate (FE), which was noticed by the California Transportation Commission (CTC) on June 28, 2023, indicates that the total State Transportation Improvement Program (STIP) funding capacity is \$3.0 billion. This is an overall increase of 12 percent from the 2022 STIP capacity of \$2.7 billion. The increase is due to marginal growth in gasoline excise tax due to inflation. However, the State is forecasting a continuing decline in gasoline demand for the 2024 STIP, and gasoline consumption does not return to the same level of consumption prior to the coronavirus due to the changes in gasoline consumption patterns. The comparison of 2022 FE and 2024 FE is shown in the chart below. This gradual decline in gasoline demand will have an impact on future STIP programs assuming the STIP continues to be limited to the gasoline excise tax.

The 2024 STIP cycle is expected to provide funding of \$210.021 million to the Orange County Transportation Authority, including 2022 STIP projects already programmed and new 2024 STIP capacity.

Factors Impacting Capacity – Gasoline Consumption



From the California Department of Transportation Draft 2024 STIP Fund Estimate Presentation to CTC – June 28, 2023

2024 State Transportation Improvement Program Development Schedule

- August 16-17, 2023 – California Transportation Commission (CTC) adopts the State Transportation Improvement Program (STIP) fund estimate.
- September 24, 2023 – the Orange County Transportation Authority (OCTA) STIP/Regional Transportation Improvement Program (RTIP) draft projects submitted to the Southern California Association of Governments for regional modeling analysis.
- October 2, 2023 – Present to OCTA Regional Transportation Planning Committee the STIP/RTIP.
- October 9, 2023 – Present to the OCTA Board of Directors item for approval the STIP/RTIP.
- October 9, 2023 – Finalize OCTA STIP/RTIP projects as submitted to the Southern California Association of Governments for regional modeling analysis.
- October 15, 2023 – The California Department of Transportation (Caltrans) submits the final draft Interregional Improvement Program (IIP).
- November 2023 – CTC Interregional Transportation Improvement Program (ITIP) hearing – South.
- November 2023 – CTC ITIP hearing – North.
- By December 15, 2023 – STIP/RTIP and Caltrans ITIP submittal due to CTC.
- January 25, 2024 – CTC STIP hearing – North.
- February 1, 2024 – CTC STIP hearing – South.
- March 1, 2024 – CTC publishes staff recommendations.
- March 21-22, 2024 – CTC adopts STIP.