

AGENDA: June 16, 2005

TO: Regional Transportation Commission – Transportation Policy Workshop
FROM: Rachel Moriconi, Senior Transportation Planner
RE: Update on State and Federal Transportation Funding Issues

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission direct staff to:

1. Work with the Interagency Technical Advisory Committee (ITAC) to develop proposals for Commission consideration for the *2006 Regional Transportation Improvement Program (RTIP)*; and
 2. Continue to keep the RTC informed about developments related to the release of FY05/06 State Transportation Improvement Program (STIP) funds, AB3090 requests, the 2006 STIP, and Federal reauthorization.
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BACKGROUND

Every other year the Regional Transportation Commission programs State Transportation Improvement Program (STIP) funds in its *Regional Transportation Improvement Program (RTIP)*. Over the next two months the California Transportation Commission (CTC) will be adopting the Fund Estimate for the *2006 State Transportation Improvement Program (STIP)*. The 2006 STIP Fund Estimate will project anticipated revenues that will be available for programming between FY06/07-FY10/11. As reported at prior meetings, given recent trends which have resulted in suspension of Proposition 42 and loans from the State Highway Account to the State's General Fund, the CTC has decided to adopt a two-tiered Fund Estimate for the 2006 STIP.

DISCUSSION

FY 05/06 STIP Projects

As reported at your last meeting, at the May CTC and RTPA Group meetings CTC staff indicated that if the Governor's May budget proposal is approved there may be adequate funding to allocate funds to most, if not all, of the STIP projects programmed in FY05/06. In Santa Cruz County this would mean that that the CTC may be able to release (= allocate) over \$40 million in STIP funds programmed for the Highway 1/17 Merge Lanes project, as well as funds for construction of the Amesti Road reconstruction project, design of the Graham Hill Road safety project, continued operation of the Highway 1 Freeway Service Patrol, and RTC staff work on

the project monitoring program. See the Highway 1 Status Report (separate agenda item) for more information on how this opportunity may result in release of funding for the Highway 1/17 Merge Lanes project. RTC staff will be attending a workshop on the CTC's proposals for allocating funds on June 16th in Sacramento.

For your information, a list of the State Highway Operation and Protection Plan (SHOPP) projects in Santa Cruz County that are programmed to receive SHOPP funds in FY04/05 and FY05/06 is attached (Attachment 1). Caltrans identifies State Route projects for inclusion in the SHOPP and the CTC determines priorities among different categories of SHOPP projects. Safety and system maintenance SHOPP projects are typical given highest priority. The cost of SHOPP projects is deducted off the top of the State Highway Account prior to the CTC apportioning funds to STIP projects and programs.

AB3090 Reimbursement Requests

RTC and Transit District staffs have provided additional information to the California Transportation Commission (CTC) staff and Caltrans regarding the request for an AB3090 reimbursement for the MetroBase project. The CTC received a information on the project from Commissioner Keogh and Metro Director Les White at its May meeting. The CTC will make a final decision at its July meeting. Given uncertainties with the state budget from year to year, CTC staff remains reluctant to recommend AB3090 reimbursements to its board. However, CTC staff recently noted that since this project is eligible for Public Transit Account (PTA) funds from the STIP, that the CTC may have sufficient funds available for a regular allocation in FY06/07 for the project.

The CTC will consider the Commission's request for an AB3090 reimbursement for the Rail Right-of-Way Acquisition project at its August and September meetings.

Development of the 2006 RTIP

Over the next six months, the Regional Transportation Commission will be preparing the *2004 Regional Transportation Improvement Program (RTIP) for Santa Cruz County*. As part of development of the RTIP, the Regional Transportation Commission will have to consider the level of state funding projected to be available each year of the 2006 STIP, respond to CTC STIP Guidelines that are currently under development, and consider programming options for new Transportation Enhancement (TE) funds. **Staff recommends that the Commission direct staff to work with the Interagency Technical Advisory Committee (ITAC) to develop proposals for Commission consideration for the 2006 Regional Transportation Improvement Program (RTIP).**

Two-Tiered 2006 RTIP/STIP

As previously reported to the RTC, the CTC plans to develop a two-tiered 2006 State Transportation Improvement Program (STIP). It is intended that the first tier reflect the status quo: suspension of Proposition 42 and delayed repayment of previous loans from transportation to the General Fund. The second tier would reflect how much funding would be available if

existing statutes were followed. Under the first tier scenario, even the two additional years that are added into the 2006 STIP (FY09/10 and FY10/11) might not be enough to prevent the STIP from being in the red, and it is possible that some regions might have to remove as much as half of their projects from this “worst case scenario” tier of the STIP. The second tier STIP might be limited to delaying existing STIP projects.

The specific impacts to Santa Cruz County STIP projects are unknown, but since our county has an unprogrammed STIP balance of over \$10 million and 60% of our region’s STIP funds are programmed in FY05/06, the impacts to our region may be minimal. Staff will attend a workshop on the CTC’s two-tiered STIP proposal on June 9th and will report orally on the results of that workshop at this TPW meeting.

Performance Measures

New for the 2006 STIP, the CTC recently announced that it is considering statewide performance measures to be used to assess transportation proposals for the STIP. At a workshop on June 16th the CTC will be identifying four to five measures to incorporate into the 2006 STIP Guidelines. Measures under consideration for the 2006 STIP are shown on Attachment 2. Several of these Performance Measures have already been used to evaluate a few of the most heavily used highway corridors in the state.

RTC staff is concerned that inclusion of performance measures in the STIP Guidelines may be an attempt by the State to circumvent SB45, which empowered the regions to select projects for their county shares of STIP funds. Also, for many of the possible performance measures, data is not currently available and is unlikely to become available in time for adoption of the 2006 RTIP. On the other hand, if the “Productivity” measure for transit is selected, Santa Cruz Metro has data and would score very.

Timeline for the 2006 RTIP and STIP Adoption

- May 2005: CTC adopted funding assumptions to be used to develop the two-tiered Fund Estimate
- June 9, 2005: CTC Workshop on developing the 2006 STIP
- June 16, 2005: CTC workshop on the Draft 2006 STIP Guidelines and workshop on allocation criteria for FY05/06 STIP/SHOPP/and TCRP projects
- July 2005: CTC releases the draft 2006 STIP Fund Estimate and Guidelines
- August 2005: CTC adoption of the 2005 STIP Fund Estimate and Guidelines; ITAC identifies procedures for 2006 RTIP
- September 2005: RTC finalizes procedures for 2006 RTIP development
- November 2005: RTC reviews draft RTIP
- December 2005: RTC adopts final RTIP/Public Hearing
- December 15, 2005: Santa Cruz County RTIP due to CTC

Reauthorization of the Federal Transportation Bill, TEA-21

The most recent continuing resolution for TEA-21 reauthorization will expire on June 30, 2005. As reported at your last meeting, a conference committee has been formed to work through the differences between Senate and House proposals. The attached memo from the Commission's Washington Assistant, Carolyn Chaney, provides additional information (Attachment 3). A California contingent including Caltrans' Director, the Secretary of Business, Transportation, and Housing, regional transportation planning agencies, and various business groups met with Congressional staff and members of the conference committee this month to present California's priorities. Staff will provide an oral update on the status of reauthorization at this meeting.

SUMMARY

Over the next several months the RTC will be developing the *2006 Regional Transportation Improvement Program (RTIP)*. Staff is attending several workshops in Sacramento this month related to development of the 2006 STIP and the California Transportation Commission's (CTC) proposals for allocating funds to projects programmed in FY05/06 of the 2006 STIP.

Attachments:

1. Currently Programmed Caltrans SHOPP Projects
2. Caltrans' Possible STIP Performance Measures
3. June 7, 2005 Memorandum from Carolyn Chaney on Federal Reauthorization