

Agenda: September 1, 2005

**To:** Regional Transportation Commission  
**From:** Rachel Moriconi, Senior Transportation Planner  
**RE:** Proposed Process for the 2006 Regional Transportation Improvement Program

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## RECOMMENDATIONS

The Interagency Technical Advisory Committee (ITAC) and staff recommend that the Regional Transportation Commission (RTC):

1. Indicate its intent to program 80% of projected new State Transportation Improvement Program (STIP) and STIP Transportation Enhancement (TE) programming capacity to regionally significant projects;
  2. Indicate its intent to program the remainder (20%) of new programming capacity to projects submitted by local jurisdictions, distributed on a population basis, with consideration to be applied to smaller local jurisdictions to ensure sufficient funds to allow a minimum project be developed; and
  3. Indicate its intent to consider programming a portion of the RTC's share of RTIP funds to the Highway 1 Soquel-Morrissey Auxiliary Lanes Project and request that Caltrans program 25% of the project costs in the Interregional Transportation Improvement Program (ITIP).
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## BACKGROUND

Under state transportation legislation, SB 45, state and federal funding for various types of state highway and other major transportation projects is programmed every two years through the *State Transportation Improvement Program (STIP)*. The STIP is adopted by the California Transportation Commission (CTC) from projects nominated by the state's regional transportation planning agencies (including RTC) and Caltrans through the *Regional and Interregional Transportation Improvement Programs (RTIP and ITIP)*.

The regional program of the STIP (RTIP) is funded from 75% of projected new STIP funding and the interregional program (ITIP) is funded from 25% of new STIP funding. The 75% regional program is further subdivided by formula into County Shares. County Shares are available solely for projects determined by regions in their *Regional Transportation Improvement Programs (RTIP)*. Each county's RTIP must be consistent with its *Regional Transportation Plan* and the CTC's STIP Guidelines.

The CTC reviews the projects nominated through the RTIPs and ITIPs from throughout the state and ensures that the number of projects selected for inclusion in the STIP match projected

revenues as outlined in the five year Fund Estimate.

As the result of the ongoing diversion of transportation funds to fill gaps in the State General Fund, the 2004 STIP had very little new funding capacity and the CTC delayed projects previously programmed in the 2002 STIP to match the updated funding projections through FY08/09. The current list of Santa Cruz County projects programmed in the 2004 STIP is attached ([Attachment 1](#)).

For the 2006 STIP, the CTC is assuming that prior loans to the State General Fund will be repaid and revenues from Proposition 42 (the state sales tax on gasoline) will be released to transportation. The 2006 STIP will include funding projections and programming through FY10/11.

## **DISCUSSION**

### **Process for Adopting the 2006 RTIP**

In order to meet state deadlines, the RTC will need to adopt the 2006 RTIP this winter. At its June Policy Workshop, the RTC directed staff to work with the Interagency Technical Advisory Committee (ITAC) to develop proposals for the 2006 RTIP.

The primary issues that need to be considered when preparing the *Regional Transportation Improvement Program (RTIP)* are:

- How much money will be available to our region?
- How should projected new funds be programmed?/What are regional priorities?
- Schedule for 2006 RTIP adoption

### **How Much Money Is Available to Santa Cruz County?**

At its July 14, 2005 meeting, the CTC received Caltrans' preliminary draft 2006 STIP Fund Estimate for the state as a whole. Due to recent developments surrounding federal reauthorization and the financing plan for the Bay Bridge, the final Fund Estimate will not be adopted by the CTC until September 29, 2005. The Fund Estimate shows two tiers: a Worst Case scenario and a Best Case scenario. Under both scenarios, funds from the State Highway Account (SHA) and Federal Trust Fund (FTF) will be fully expended on the State Highway Operations and Protection Program (SHOPP – state highway safety and maintenance projects) and Caltrans operations, making the STIP dependent on the state sales tax on gasoline (Proposition 42) and prior loan repayments.

As discussed at prior RTC meetings, **under the Worst Case scenario there would be no funding for any of the projects currently programmed in the STIP.** The Worst Case scenario shows what happens if prior loans to the State General Fund are not repaid and future funds from the state sales tax on gasoline (Proposition 42) continue to be diverted to the State General Fund, as occurred in FY04/05. Under this Worst Case scenario there would not even be enough funding available for projects currently programmed in the 2004 STIP.

Under the Best Case scenario for the 2006 STIP, all loans to the State General Fund will be repaid and all of the revenues from the state sales tax on gasoline will be realized. Based on Caltrans' preliminary estimates, **this Best Case scenario results in up to \$2 billion in new programming capacity statewide in FY09/10 and FY10/11.** Although this is an overly optimistic scenario, the CTC will use these funding projections as the basis for the 2006 STIP. The actual funding situation will likely fall somewhere in between the Best Case and Worst Case STIP Fund Estimate projections.

### **Santa Cruz County's Share**

Based on the preliminary estimate for the Best Case scenario that there will be \$2 billion in new STIP programming capacity statewide, **RTC staff estimates that the 2006 STIP may include up to \$20 million in new programming capacity for Santa Cruz County in FY09/10-FY10/11.** However, because the release of STIP funds is subject to legislative action each year, the amount of STIP funds that will actually be allocated by the CTC may continue to be constrained.

The \$20 million in estimated new programming capacity includes the region's unprogrammed balance from the 2002 and 2004 STIP (\$8.5 million) and \$550,000 in new Transportation Enhancement Activity (TE) funds projected to be available in FY09/10-10/11. We will receive official numbers for our regional shares of STIP and TE funds when the CTC adopts the Fund Estimate in late September.

### **How should these projected new funds be programmed?**

Given that it is unlikely that available funds will actually match projections in the Best Case Scenario STIP Fund Estimate (or that any of the \$20 million in new STIP funds will be realized by FY10/11), **the ITAC and staff recommend that instead of holding a competitive process, the RTC program 80% (or \$16 million based on the preliminary estimates) of projected programming capacity to regionally significant projects and 20% (or \$4 million) to projects submitted by local jurisdictions. The ITAC and staff recommend the funds to local jurisdictions be divided based on population.**

Based on the CTC's STIP Guidelines, projects proposed for inclusion in the 2006 STIP are subject to the following criteria:

- Projects must be included in or consistent with the *Regional Transportation Plan (RTP)*.
- Project Study Reports (or PSR equivalents) will need to be developed for any new projects.
- The CTC will program a project component only if it finds that the component itself is fully funded. Phases of projects that are not fully funded cannot be listed in the STIP. Due to cost increases on some projects currently programmed in the STIP, it may be necessary for a local jurisdiction to dedicate its entire share of funds to an existing project.
- All projects must be capital projects, except PPM and cost-effective Traffic System

Management (TSM) and Transportation Demand Management (TDM) projects (which include rideshare and Freeway Service Patrol programs).

- TE projects will need to meet all federal requirements (ex. NEPA, DBE, etc).
- TE-eligible projects are enhancements to traditional road projects above and beyond required environmental mitigation. Eligible projects include: pedestrian or bicycle facilities and safety programs, acquisition of natural lands, historic preservation, landscaping and scenic beautification, rails to trails, outdoor advertising, archaeological projects, water pollution control, transportation related museums, and vehicular related wildlife mortality prevention.
- Projects must collectively demonstrate cost-effectiveness based on either the CTC's or RTC's Performance Measures.

In order to increase the chances of a programmed project receiving an allocation from the CTC if funds do become available, it would be beneficial for local jurisdictions to consider the CTC's allocation priorities, such as Highway Bridge Replacement and Rehabilitation Program (HBRR)-matching funds and operational/capacity improvements, when selecting projects for their share of funds. Staff will return to future ITAC and RTC meetings with a list of regionally significant candidate projects to be considered for the 2006 RTIP.

### **Request to Caltrans for Caltrans-Controlled STIP Funding**

Staff has met with Caltrans, as required by the CTC, to discuss possible projects along the state highway system for inclusion in the STIP. The focus of that discussion was on possible joint Interregional Transportation Improvement Program (ITIP)/RTIP projects. Based on that discussion, and given the recent inclusion of \$2.9 million in the federal Transportation Equity Act: A Legacy for Users (TEA-LU) for the Highway 1 Soquel-Morrissey Auxiliary Lanes Project, **staff and the ITAC recommend that the RTC indicate its intent to consider programming a portion of its regional share of STIP funds to the Highway 1 Soquel-Morrissey Auxiliary Lanes project and request that Caltrans program 25% of the total project costs (\$9-11 million) in the ITIP.**

The RTC will make its decision on whether to actually program RTIP funds to this project in early 2006 when it adopts the 2006 RTIP. In the meantime, the RTC will hold an open house and public hearing on the project this fall and we will learn more about the likelihood of the project receiving Caltrans' ITIP funds.

### **Proposed STIP Guideline Amendments - Performance Measures**

Caltrans and the CTC have backed down from mandating that regions utilize performance measures identified in the STIP Guidelines to evaluate their RTIPs and projects. Though SB45 allows the CTC to establish performance measures, the CTC and Caltrans have modified the performance measure proposal in order to recognize that some measures may not be appropriate for all regions or projects and that data deficiencies exist in several areas. As such the latest proposal allows regions to report on the performance measures identified in their *Regional Transportation Plans* (RTP) in these instances. RTC staff plan to take advantage of this option.

## **Additional Options for Programming New Funds**

Given the CTC's projection that it will be necessary to program and allocate TE and Public Transit Account (PTA) funds as quickly as possible, staff will also be working with project sponsors to identify opportunities to transfer TE and PTA (transit) eligible projects that are currently programmed to receive Regional Surface Transportation Program (RSTP) funds into the 2006 STIP and free up those RSTP funds for smaller projects that would otherwise have a difficult time going through the federal process. In order to help conduct this analysis, as well as to gain a better understanding of funding deficiencies of existing STIP projects, staff is working with project sponsors to review and update information on projects currently programmed in the *2004 Regional Transportation Improvement Program (RTIP)*.

## **2006 RTIP Schedule**

Based on the delay in adoption of the STIP Fund Estimate, 2006 RTIPs will probably not be due to the California Transportation Commission until late January/early February. The remaining timeline for development and adoption of the 2006 RTIP and STIP is as follows:

- May 2005: CTC adopted funding assumptions used to develop the Fund Estimate
- July 2005: CTC released the preliminary draft 2006 STIP Fund Estimate and Guidelines
- September 2005: RTC approves process for 2006 RTIP development
- Late September 2005: CTC adoption of the 2005 STIP Fund Estimate and Guidelines
- September/October 2005: ITAC identifies projects for 2006 RTIP, updates information on existing projects
- November 2005: Committee review of draft RTIP
- December 2005: RTC reviews draft RTIP
- January/February 2006: RTC adopts final RTIP at a Public Hearing
- June 2006: CTC adoption of the 2006 STIP

## **SUMMARY**

The California Transportation Commission (CTC) is in the process of updating the *2006 State Transportation Improvement Program (STIP)*. The STIP is the means by which the California Transportation Commission programs state and federal funding to regions for projects of regional significance. According to preliminary estimates there may be \$20 million in Transportation Enhancement and regional share STIP funds available to Santa Cruz County for programming in the 2006 STIP. Staff and the ITAC recommend the RTC approve a general process for programming these funds.

Attachment:

1. Projects Currently Programmed for STIP Funds