




August 7, 2017

To: Regional Planning and Highways Committee
From: Darrell Johnson, Chief Executive Officer 
Subject: 2018 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 2018 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 May 8, 2017 (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. The 2018 STIP will include additional support from the Road Repair and Accountability Act of 2017 (SB 1 {Chapter 5, Statutes of 2017}). SB 1 creates several new programs, as well as augments existing funding sources, and is estimated to provide \$52.5 billion for transportation purposes over the next ten years. It was signed into law on April 28, 2017 by the Governor, and will stabilize the STIP, as well as provide an estimated \$100 million annually into the STIP. An overview of SB 1 was submitted to the Board as an information item on July 10, 2017 (Attachment B).

The previous 2016 STIP was approved on May 18-19, 2016, by the CTC. OCTA originally submitted for \$164.8 million in funding for eight projects. Due to the statewide reductions, Orange County's approved STIP contained five projects for Orange County, totaling \$122.6 million, and the Interregional Transportation Improvement Program (ITIP) contained \$3 million for one ITIP project in Orange County (Attachment C). The approved RIP consisted only of carry over projects, deletion of two projects from the 2014 STIP, and a delay of the majority of Orange County's share.

Discussion

Based on the draft FE, the 2018 STIP covering fiscal year (FY) 2018-19 through FY 2022-23 provides programming capacity of \$2.259 billion statewide, compared with the final 2016 STIP of \$1.3 billion. For Orange County, the draft FE provides new capacity of \$118.591 million. The new capacity, plus existing carry over projects, equals approximately \$236.051 million for the 2018 STIP. The final FE and updated guidelines will be adopted by the CTC in mid-August, and these amounts are subject to change.

Staff will return to the Board in September 2017 with the proposal for an updated program of projects that is consistent with the Board-approved CPP. The updated program of projects may include minor modifications to existing projects as well as new projects.

OCTA will need to consider the updated 2018 STIP guidelines in selecting projects for nomination. The 2018 STIP guidelines include the following changes:

- Additional performance measures will be requested for rail and transit projects;
- Outputs and outcomes will be standardized in the application;
- For new capacity enhancing highway projects, the local agency is required to consider reversible lanes;

- Clarification that operation and maintenance for public private partnership projects are ineligible for STIP funds;
- Design-build projects must be identified at the time of programming or as soon as possible before allocation of funds;
- Semi-annual reports are now required for locally implemented projects.

Staff has scheduled meetings with key stakeholders to solicit input (Attachment D). 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 29, 2017, to the Southern California Association of Governments for modeling purposes, and to the CTC by December 15, 2017.

Summary

OCTA is responsible for the development and programming of the STIP projects for Orange County. With the upcoming 2018 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, May 2017
- B. SB 1 (Chapter 5, Statutes of 2017) Overview
- C. Funding Plan for 2016 STIP Recommended Projects – Submitted
- D. 2018 STIP Development Schedule

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