

**Proposed Changes to Capital Programming Policies by Fund Source
February 2019**

Funding Source/ Agency	Change to Existing Programming Policies	
	Current Policy	Proposed Policy
State		
California Freight Investment Program (CFIP)/California Transportation Commission (CTC)	Use of CFIP funds first for eligible Measure M2 (M2) Program projects which meet the requirements and goals of the program, then fund other eligible priority Orange County projects	Program will be removed as it was repaced by SB 1 (Chapter 5, Statutes of 2017) - Trade Corridors Enhancement Program (TCEP {see below})
Proposition 1B State-Local Partnership Program (SLPP)/CTC	Use of SLPP for local streets and roads and freeway construction projects, contingent on matching funds availability. Seek equitable balance between freeways and local streets and roads	Program will be removed as it has ended and there is no opportunity to redirect savings
SB 1 - Local Partnership Program (LPP) – Formula/CTC	New Program – no policy	Use LPP for ready-to-deliver M2 projects which are compatable 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)/California Department of Transportation (Caltrans)	New Program – no policy	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	New Program – no policy	Use TCEP first for eligible M2 Program projects that meet the requirements and goals of the program, then fund other eligible Orange County projects * Replaces California Freight Investment Program

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Federal		
Federal Transit Administration (FTA) Section 5307 Formula/FTA	<p>Use funds in the following order:</p> <ol style="list-style-type: none"> (1) preventive maintenance, (2) capital cost of contracting, and (3) bus replacement. <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>	<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 5339 Formula /FTA	<p>Use funds in the following order:</p> <ol style="list-style-type: none"> (1) bus replacement, (2) capital maintenance, and (3) other bus capital projects as identified in the bus capital plan. 	<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)	New Program – no policy	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 CFIP. See above.	Currently these funds are administered by the state through the TCEP (see TCEP above).

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	Proposed Policy	Current Policy
Federal (Con't.)		
Surface Transportation Block Grant (STBG) Program - Formerly the Regional Surface Transportation Program/Caltrans for FHWA	Use STBG funds for M2 Freeway Program (consistent with M2020 priorities), grade separations, and local streets and roads.	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.