




**August 2, 2021**

**To:** Regional Planning and Highways Committee  
**From:** Darrell E. Johnson, Chief Executive Officer   
**Subject:** 2022 State Transportation Improvement Program Overview

### **Overview**

The State Transportation Improvement Program is a 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 2022 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 for transportation projects that is administered and adopted by the California Transportation Commission (CTC). 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 to help deliver transportation capital projects that are consistent with the regional transportation plan. The remaining 25 percent is provided to the California Department of Transportation (Caltrans) for transportation projects of interregional significance and intercity rail projects through the IIP.

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. This year, the draft Guidelines, particularly related to the IIP, must align with the Climate Action Plan for Transportation Infrastructure (CAPTI), which was finalized by the California State Transportation Agency in July 2021. The CAPTI is a framework for aligning state transportation funding investments with the state's climate goals and was partially developed in response to California Executive Order N-19-19 and N-79-20, targeted at reducing greenhouse gas emissions in transportation. As noted in the draft FE, the revenue that supports the STIP derives from the price-based excise tax and Federal Highway Trust Fund. Historically, Orange County's share, which is based on a formula that considers highway centerline miles and population, is approximately 6.5 percent of the total statewide RIP. Centerline miles are calculated by measuring down the center of all lanes of traffic verses lane miles, which are calculated by multiplying the centerline roadway length by the number of through lanes.

Projects eligible for the STIP must adhere to the Guidelines and the Orange County Transportation Authority (OCTA) Capital Programming Policies that were adopted by the Board of Directors (Board) on February 11, 2019 (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.

The current 2020 STIP was approved on March 26, 2020, by the CTC. Orange County's approved 2020 STIP contained six projects for Orange County and totaled \$200.6 million (Attachment B). The CTC has already allocated \$1 million from the 2020 STIP to one project with \$80.8 million proposed to be allocated in fiscal year (FY) 2021-22 for two more projects, meaning that the remaining \$118.8 million will carry over into the 2022 STIP.

Enacted on December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (COVID Relief Funds) provided additional transportation funding that CTC will allocate. The CTC will make these funds available through the STIP process and has adopted separate funding guidelines entitled 2021 mid-cycle STIP. On June 14, 2021, the Board approved recommendations for the use of a portion of the 2021 mid-cycle STIP funds for two projects and confirmed that programming of the remaining \$10.4 million in mid-cycle STIP funds would be deferred to be considered for projects along with the 2022 STIP.

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**Discussion****2022 STIP Draft FE**

The 2022 draft FE, which was noticed by the CTC on June 23, 2021, indicates that the total statewide STIP funding capacity for the 2022 STIP is \$2.7 billion, of which approximately \$2 billion will be distributed to regional agencies through the RIP. Additional information on the 2022 STIP FE is provided in Attachment C. The OCTA share of the new capacity is approximately \$20.5 million including adjustments for prior STIP advancements. For the 2022 STIP, it is anticipated that OCTA's program of projects would be approximately \$150 million including \$118.8 million in carryover funds committed to projects in the 2020 STIP, and the \$10.4 million remaining funding available from the mid-cycle STIP. It should be noted that the final FE is subject to change as the adoption by the CTC will not occur until August 18, 2021.

**Draft 2022 Guidelines**

The Guidelines identify procedures and requirements that project sponsors and implementing agencies must adhere to in order to program, allocate, deliver, and seek reimbursement for STIP funds. In terms of the draft 2022 Guidelines, the CTC is proposing several changes.

The CTC is proposing to require all RIP submittals to include a discussion of:

- The most significant interregional highway and intercity rail needs within the region,
- The most significant multimodal corridor deficiencies within the region, and
- Any state routes within the region that might be potential candidates for a Highways to Boulevard Conversion Pilot Program.

While this does not change what type of projects can be submitted, it directs attention to needs that are more consistent with the CAPTI framework.

Additional changes proposed in the draft 2022 Guidelines related to the IIP that Caltrans must follow include:

- Identifying projects that have previously received IIP funds for preconstruction but have not been fully funded through construction,
- Developing an assessment of functional gaps within priority interregional facilities in the approved Interregional Transportation Strategic Plan,
- Identifying deficiencies within interregional multimodal corridors, and
- Discussion of possible highways to boulevards conversion.

Additionally, IIP submittals by Caltrans must now consider CAPTI climate goals to:

- Align planning and programming with objectives of the California Climate Change Scoping Plan,
- Reduce vehicles miles traveled by directing investments in a way that support infill development, especially housing near jobs,
- Reduce congestion through innovative strategies that encourage people to shift from single-occupant vehicles to other modes of travel,
- Fund infrastructure that encourages transit use, walking, and bicycling,
- Mitigate for any increases in transportation costs incurred on lower-income Californian residents.

#### **Next Steps**

Staff is coordinating with Caltrans and local agencies, as applicable, on specific project proposals for the RIP and the IIP. A schedule of next steps is included as Attachment D. Staff expects to return to the Board at the September 13, 2021 meeting with specific programming recommendations. Additionally, these recommendations are due by September 15, 2021, to the Southern California Association of Governments for modeling purposes, and to the CTC by December 15, 2021. The CTC is expected to approve the 2022 STIP at the March 2022 meeting.

The updated program of projects that will be recommended to the Board next month may include modifications to existing projects or new projects that are consistent with the OCTA Long-Range Transportation Plan, and requests to expedite existing STIP projects.

#### **Summary**

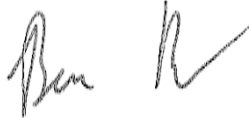
OCTA is responsible for the development and programming of the STIP projects for Orange County. With the upcoming 2022 STIP cycle, OCTA staff has started the process to consider priority projects for recommendation to the Board for the RIP submittal to the CTC.

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***Attachments***

- A. Existing Capital Programming Policies by Fund Source, February 2019
- B. Funding Plan for 2020 STIP - CTC Approved Projects, STIP Funding
- C. Fund Estimate (FE) Overview and Factors Impacting Capacity and Gasoline Consumption
- D. 2022 State Transportation Improvement Program Development Schedule

**Prepared by:**



Ben Ku  
Section Manager,  
Formula Funding Programs  
(714) 560-5473

**Approved by:**



Kia Mortazavi  
Executive Director, Planning  
(714) 560-5741