

Memorandum

To: CHAIR and COMMISSIONERS

Date: September 9-10, 2009

From: BIMLA G. RHINEHART
Executive Director

Reference No. 4.8
Action

Ref: **2009-10 State Transportation Improvement Program (STIP) Allocation Plan**

ISSUE

Based upon the 2009-10 revised budget, the associated trailer bill, and the 2010 State Transportation Improvement Program (STIP) Fund Estimate, Caltrans developed the 2009-10 STIP allocation capacity. Commission staff estimates that nearly \$380 million in STIP projects programmed for 2009-10 (including projects delivered in 2008-09 that could not be allocated due to a lack of funding) cannot be allocated this fiscal year.

2009-10 STIP Funding Shortfall				
(\$ millions)				
Allocation Capacity¹		Estimated Potential Allocations²		Difference
Transportation Investment Fund	188			
Transportation Facilities Account	514			
Subtotal, Flexible Funds³		Highway Projects	1,003	-301
Public Transportation Account ⁴	5	Rail & Transit Projects	79	-74
Transportation Enhancement (Federal)	77	TE Projects	81	-4
Total	784	Total	1,163	-379

RECOMMENDATION

Commission staff recommends that the Commission adopt the following 2009-10 STIP allocation plan principles and priorities.

Guiding Principles:

- Mode neutral.
- Avoid the loss of federal funds.
- Prioritize construction and other capital expenditures.
- Prioritize projects funded with other competitively selected Proposition 1B funds (the Corridor Mobility Improvement Account, the Route 99 Bond Program, the Trade Corridors Improvement Fund, State-Local Partnership Program, or the Traffic Light Synchronization Program) including projects programmed for preconstruction in the STIP.

¹ Capacity adjusted for 2009-10 right-of-way lump sum allocations and estimated TE match.

² Based on projects programmed for 2009-10 and projects delivered in 2008-09 that could not be allocated in 2008-09.

³ Although primarily used to fund highway projects, the Transportation Investment Fund (Proposition 42) and the Transportation Facilities Account (Proposition 1B) can be used for transit or highway projects.

⁴ Public Transportation Account STIP resources can only be used for transit projects.

- Consolidate bond funding by allocating Transportation Facilities Account funds (STIP Augmentation Bond) to projects with other competitively selected Proposition 1B funding. Limit additional allocations of Transportation Facilities Account funds to projects with more than \$20 million programmed for STIP construction funding.
- Limit potential allocations to projects programmed in 2009-10, projects with extensions to 2009-10, and projects delivered in 2008-09 that could not be allocated in 2008-09 because resources were insufficient (do not advance out-year projects).

General Allocation Plan Priorities:

Projects in the following categories will receive allocations on a first come, first served basis so long as sufficient capacity remains.

1. AB 3090 cash reimbursements.
 2. Planning, programming and monitoring.
 3. Projects funded with both STIP and other competitively selected Proposition 1B funds, including allocations for preconstruction components. Projects with more than \$20 million of STIP construction funding will be allocated from the Transportation Facilities Account.
 4. Projects at risk of losing federal funding if not allocated (e.g. the Transportation Enhancement program and the Highway Bridge Program)
 5. Capital funding for:
 - A. Required mitigation projects for construction projects previously allocated.
 - B. Capacity expansion projects on the interregional road system and capacity expansion intercity rail projects.
 - C. Other capacity expansion projects including local road and transit projects.
 - D. Operational improvements on the state highway system and to the intercity rail system.
 - E. Grade separation projects.
- The Commission will give lower priority to projects in the following categories (excluding TE funded projects):
 - Preconstruction funding (excluding preconstruction components for projects funded with both STIP and other Proposition 1B funds).
 - Operational improvements on local roads and transit operational improvements.
 - Local road rehabilitation and reconstruction.
 - Bicycle and pedestrian facilities.
 - Landscaping (if not a required mitigation).
 - Enhancements, including soundwalls.

Staff recommends that the Commission reevaluate allocation capacity and the allocation plan after the January 10 release of the Governor's 2010-11 Budget.

BACKGROUND

In recent years, due to unstable funding, the Commission has frequently found it necessary to adopt allocation plans to meter the allocation of limited resources. The recommended 2009-10 allocation plan principles and priorities are consistent with previous ones adopted by the Commission.