

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: October 21-22, 2015

Reference No.: 4.12  
Information

From: WILL KEMPTON  
Executive Director

Subject: **2015-16 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) ALLOCATION PLAN**

**ISSUE:**

Due to insufficient transportation revenues, primarily as a result of a decrease in the price based excise tax from 18 cents to 12 cents, staff estimates that approximately \$154 million in STIP projects programmed for 2015-16 (including projects delayed from earlier years) cannot be allocated this fiscal year. This estimate is based upon the 2015-16 STIP allocation capacity developed by Caltrans and presented at the August 2015 Commission meeting.

**2015-16 STIP Funding Shortfall  
(\$ millions)**

<b>Allocation Capacity</b>		<b>Scheduled 2015-16 Allocations*</b>		<b>Shortfall</b>
State Highway Acct.	100	Highway Projects	379.4	
Federal Funds	168	Rail & Transit Projects	78.5	
Public Trans Acct.	69	Bike/Ped Projects	18.4	
TFA (1B bond)	72	Right of Way Lump Sum	93.2	
TDIF*	40	June votes w/15-16 funds	33.1	
<b>Total</b>	<b>\$449</b>	<b>Total</b>	<b>\$602.6</b>	<b>\$153.6</b>

\*Assumes no delivery delays or failures. TDIF = Transportation Deferred Investment Fund

**BACKGROUND:**

In past years, due to unstable funding, the Commission has occasionally found it necessary to adopt allocation plans to meter the allocation of limited resources. At both the June and August 2015 Commission meetings, the Department presented the estimated 2015-16 STIP allocation capacity, and staff noted that an allocation plan may be necessary due to the estimated shortfall in funding. In addition to the allocation capacity shortfall in fiscal year 2015-16, the decrease in the price based excise tax from 18 cents to 12 cents results in no new capacity for the 2016 STIP, which covers the five-year period from 2016-17 to 2020-21. Language has been included in the Guidelines specific to the 2016 STIP that allows agencies to delay 2015-16 projects into the 2016 STIP period in their Regional Transportation Improvement Programs. Unfortunately, current year delays will not resolve

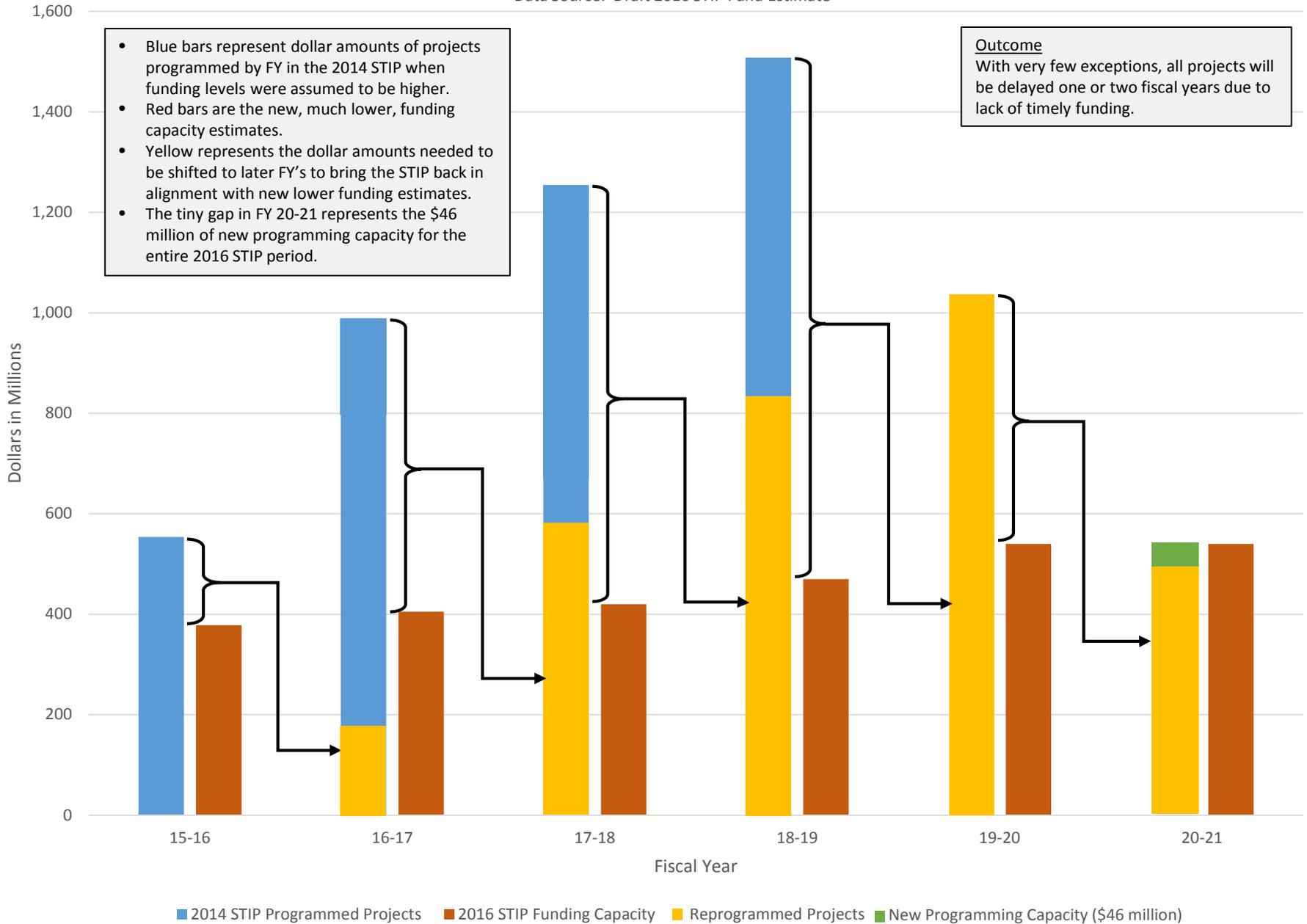
the funding issues, but carry through and contribute to the programming challenges through the next five years, as shown on the attached table.

In the event that sufficient delays are not proposed by the regions, staff has drafted the attached criteria to be used to recommend 2015-16 STIP allocations to ensure that the allocation capacity is not exceeded. After discussions with stakeholders, staff expects to bring a final plan back for adoption at the December 2015 Commission meeting.

Attachment

# 2016 STIP Reprogramming Exercise

Data Source: Draft 2016 STIP Fund Estimate



- Blue bars represent dollar amounts of projects programmed by FY in the 2014 STIP when funding levels were assumed to be higher.
- Red bars are the new, much lower, funding capacity estimates.
- Yellow represents the dollar amounts needed to be shifted to later FY's to bring the STIP back in alignment with new lower funding estimates.
- The tiny gap in FY 20-21 represents the \$46 million of new programming capacity for the entire 2016 STIP period.

**Outcome**  
With very few exceptions, all projects will be delayed one or two fiscal years due to lack of timely funding.

■ 2014 STIP Programmed Projects ■ 2016 STIP Funding Capacity ■ Reprogrammed Projects ■ New Programming Capacity (\$46 million)

## **2015-16 STIP ALLOCATION PLAN**

STIP projects programmed in 2015-16 or extended into 2015-16 will be recommended for allocation based on criteria chosen to reflect statewide goals and policies, including Governor's executive orders. Agencies will receive allocations for projects on a first come, first served basis so long as additional capacity remains, using the following criteria, in priority order:

- AB 3090 cash reimbursements
- Planning, Programming and Monitoring
- Projects funded with both STIP and other competitively selected funds
- Projects at risk of losing federal funding if not allocated
- Project Allocations for:
  - Required mitigation projects for construction projects previously allocated
  - Safety projects on the state highway system (that cannot be funded by SHOPP)
  - Operational improvements on the state highway system
  - Capacity expansion intercity rail projects
  - Operational improvements on intercity rail system
  - Capacity expansion urban transit projects with intercity rail benefit or significant regional benefit
  - Operational improvements to transit with intercity rail benefit or significant regional benefit
  - Capacity expansion projects on state highways with freight benefit or that demonstrate significant economic impact, and that incorporate multiple corridor elements (rail, transit and/or active transportation)
  - Capacity expansion projects on state highways with freight benefit or that demonstrate significant economic impact
  - Local road rehabilitation and reconstruction
  - Operational improvements on local road and transit operational improvements
  - Active Transportation projects
  - Capacity expansion projects on state highways (other than those detailed above)
  - Capacity expansion local road projects and capacity expansion transit projects without intercity rail or significant regional benefit
  - Preconstruction funding for projects on the state highway system (excluding preconstruction components for projects funded with both STIP and other competitively selected funds)
  - Preconstruction funding for projects on local roads (excluding preconstruction components for projects funded with both STIP and other competitively selected funds)