

STAFF REPORT

SUBJECT: 2002 STIP Allocation Plan

MEETING DATE: May 15, 2003

AGENDA ITEM: 14

RECOMMENDATION:

Receive report on State Transportation Improvement Program (STIP) allocation plan adopted by the California Transportation Commission and impacts on projects programmed for allocation through FY 2003-04.

SUMMARY:

At its April meeting the California Transportation Commission (CTC) adopted an allocation plan for the 2002 STIP. A State Highway Account funding shortfall in the current year resulting from several factors will make it impossible to approve funding allocations for all 2002 STIP projects that are scheduled for delivery this year. The allocation plan establishes the CTC's priorities for approving funding votes for projects programmed in the 2002 STIP. As result of the size of the funding shortfall and the CTC's priorities, it appears that none of the projects in Santa Barbara County programmed for FY 02-03 will be eligible for an allocation this year. Furthermore, projects programmed in FY 03-04 will also be delayed as a result of the CTC's decision to use all STIP revenues anticipated through FY 03-04 for projects programmed in FY 02-03. Projects listed in Table 2 of the staff report representing virtually all of the STIP projects programmed in Santa Barbara County in 02-03 and 03-04 will be likely be delayed for a year or more.

DISCUSSION:

Beginning in January 2003, the CTC curtailed any new fund allocation votes and identified a process, working in conjunction with Caltrans and the RTPA's to get a complete grasp on the financial impacts of the budget crisis. Between January 2003 and March 2003 the CTC wanted to complete the steps listed below in order to resume fund votes in April 2003.

1. Complete an inventory of projects requiring allocations.
2. Identify the amount of cash in the State Highway Account (SHA) expected to be available for projects programmed in the STIP and the State Highway Operation and Protection Program (SHOPP).
3. Develop an allocation plan based on priority criteria.

Allocation Plan Process

A statewide inventory of transportation projects was completed by mid-February 2003. The inventory resulted in valuable information on the 2002 STIP related to allocations and expenditures to date, and the remaining amounts and timing for future allocations.

Another key piece of information was completion of the revised projection of cash in the SHA that would be available for new project allocations while at the same time meeting existing commitments to fund previous allocations and other programs. In March 2003, the revised projection was released. The projection identified \$1.8 billion available for allocation for STIP and SHOPP projects through the end of FY 03-04.

The CTC then established its criteria for assigning allocation priorities. The priority criteria were based on the guiding principles adopted by the CTC as shown below.

- A) **Provide Economic Stimulus:** CTC expressed a desire to emphasize projects that are ready to be delivered to construction, as these projects create jobs and provide near-term economic benefits..
- B) **Act in Accordance with Statutory Priorities:** CTC emphasized their desire, pursuant to Section 167 of the Streets and Highways Code, to prioritize funding for projects that:
 - 1. Rehabilitate and maintain the State highway system
 - 2. Improve Safety
 - 3. Improve Capacity
- C) **Maintain Current Allocation Formulas:** CTC indicated that they would maintain current approach of giving priority to SHOPP projects provide system preservation and safety benefits, then split the remaining funds for the STIP via the 75% regional (RTIP)and 25% interregional (ITIP)

Exercising the guiding principle of “statutory priority” the CTC identified an “off the top” share for the SHOPP of 1.2 billion (2/3 of all available revenue). That left \$600 million to fund programmed projects in the STIP, though the need over that same time period was determined to be on the order of \$2.0 billion. The full range of priority criteria developed by the CTC are shown in Table 1, along with the dollars and number of Santa Barbara County regional projects in those categories.

**Table 1
CTC Priority Criteria**

Priority Category		Total Programmed (\$ million)	STIP Projects in SB County
1.	Projects with required mitigation	\$9.5	0
2.	STIP used as a local match	\$1.7	0
3.	Planning, Programming and Monitoring FY 02-03	\$2.9	0
4.	Capacity Projects with 02-03 Programming		
a.	Construction Programmed in FY 02-03	\$588.3	0
Funding Cutoff Occurs Here			
b.	Construction Programmed in FY 03-04	\$14.3	0
c.	Construction Programmed After FY 03-04	\$4.2	0
d.	No Construction Programmed	\$11.5	0
5.	Non-Capacity Projects with 02-03 Programming		
a.	Construction Programmed in FY 02-03	\$71.5	3
b.	Construction Programmed in FY 03-04	\$6.3	2
c.	Construction Programmed After FY 03-04	\$0.9	0
d.	No Construction Programmed	\$1.3	0
6.	Projects Deliverable in 02-03 but programmed in 03-04	\$424.8	1
7.	Projects Deliverable in 02-03 but requiring TCRP funds	\$48.5	0
8.	Other Projects	\$3.8	0
Totals		\$1,190	6

Impacts to Regional Projects

As can be seen in Table 1, the funding cutoff for the STIP occurs immediately after category 4a, above which there are no Santa Barbara County Regional projects identified. The highest prioritized projects for SBCAG's region occur further down the line, well below the funding cutoff line. What this means is that no new allocations will be voted for the six projects that were programmed in FY 02-03 totaling \$1.6 million and another 6 projects that were programmed in FY 03-04 totaling \$26.8 million.

**Table 2
Regional Projects Impacted**

Project	Agency	Phase	Amount (\$1000)
Funding Year: 02-03			
Sidewalk Installation Project	City of Santa Barbara	Construction	\$200
Road Rehabilitation Program at various locations	City of Santa Barbara	Design	\$232
Coast Route Bike Path Improvements	City of Carpinteria	Design	\$70
US 101 Evans to Sheffield Auxiliary Lane and Class I Bike path	Caltrans	Construction	\$836
Evans Ave/Ortega Hill Rd Intersection	County of Santa Barbara	Construction	\$310

Subtotal FY 02-03			\$1,648
Funding Year: 03-04			
US 101- Santa Maria Six-Lane	Caltrans	Construction	\$18,772
Planning, Programming and Monitoring	SBCAG		\$135
Traffic Solutions (maintenance and enhancement)	SBCAG		\$134
US 101 Evans to Sheffield Auxiliary Lane and Class I Bike path	Caltrans	Construction	\$2,264
Road Rehabilitation Program at various locations	City of Santa Barbara	Construction	\$3,085
Road Rehabilitation Program at various locations	City of Lompoc	Construction	\$1,262
Coast Route Bike Path Improvements	City of Carpinteria	Construction	\$1,162
Subtotal FY 03-04			\$26,814
Total			\$28,462

The size of the State Highway Account shortfall is impacting projects many STIP projects throughout the state including some in Santa Barbara County. In general terms, 2 out of every 3 projects programmed for a funding allocation vote in FY 2002-03 and 2003-04 will have to be deferred. Unfortunately, the STIP projects programmed in Santa Barbara County are not a high enough priority to be included in the CTC's allocation plan. Of particular concern is the \$18.8 million 101/Santa Maria Six lane project which is by far the largest project in the region affected by the shortfall. Caltrans completed the construction plans for this project last year and the project has been waiting for an allocation vote since December 2002.

COMMITTEE REVIEW: An informational report was presented to TTAC at its May 1 meeting.

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