

## 2026 PERMANENT STIP GUIDELINES

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## **I. INTRODUCTION**

### **1. Purpose and Authority**

These guidelines describe the policy, standards, criteria, and procedures for the development, adoption, and management of the state transportation improvement program (STIP). They were developed and adopted in cooperation with Caltrans, regional transportation planning agencies, county transportation commissions, and local agencies in accordance with Government Code Section 14530.1 with the following basic objectives:

- Develop and manage the STIP as a resource management document.
- Facilitate transportation decision-making by those who are closest to the transportation problems.
- Recognize that although Caltrans is the owner-operator of the State highway system, the regional agencies have the lead responsibility for resolving urban congestion problems, including those on state highways.
- Provide incentives for regional accountability for the timely use of funds.
- Facilitate the California Transportation Commission and Caltrans's role as guardians of State capital dollars, responsible for determining how best to manage those dollars wisely and cost-effectively.
- Facilitate cooperative programming and funding ventures between regions and between Caltrans and regions.
- Make progress towards regional and statewide goals and objectives in improving the state's multi-modal transportation system.
- Emphasize partnerships between Caltrans and regional agencies in making investment decisions addressing the most critical corridor needs, regardless of mode choice or system condition.
- Mitigate negative environmental and community impacts.
- Align with the State's climate and equity goals, including the Climate Action Plan for Transportation Infrastructure (CAPTI).

The Commission intends to carry out these objectives through its guidelines, stressing accountability, flexibility, and simplicity.

### **2. Biennial Fund Estimate**

By July 15 of each odd-numbered year, Caltrans shall submit a proposed fund estimate for the following five-year STIP period to the Commission. The Commission shall adopt the fund estimate by August 15 of that same year. The assumptions on which the fund estimate is based shall be determined by the Commission in consultation with Caltrans, regional agencies, and county transportation commissions.

### **3. STIP Adoption**

Before April 1 of each even-numbered year, the Commission shall adopt a five-year STIP and submit it to the legislature and the Governor. The STIP shall be a

statement of the Commission's intent for allocation and expenditure of funds for the following five years and a resource management document to assist in the cost-effective planning and utilization of transportation resources. The STIP shall be developed in a manner consistent with the fund estimate, and the total amount programmed in each fiscal year of the STIP shall not exceed the amount specified in the fund estimate. The adopted STIP shall remain in effect until a new STIP is adopted for the next two-year STIP cycle.

#### **4. Amendments to STIP Guidelines**

The Commission may amend the adopted STIP guidelines after first giving notice of the proposed amendment and conducting at least one public hearing. The guidelines may not be amended or modified during the period between thirty days following the adoption of the fund estimate and the adoption of the STIP.

#### **5. Federal TIPs and Federal STIP**

These guidelines apply only to the transportation programming requirements specified in state statutes. They do not apply to transportation programming requirements specified in federal statutes. Generally, all projects receiving federal transportation funds must be programmed in a federal TIP (for projects in urbanized regions) and a federal STIP. Metropolitan Planning Organizations are responsible for developing and adopting federal TIPs, and Caltrans is responsible for preparing the federal STIP. Federal TIPs and STIP requirements are specified in federal statutes (Title 23 USC) and regulations (23 CFR part 450).

## **II. STIP CONTENTS**

#### **6. General**

The STIP is a biennial document adopted no later than April 1 of each even-numbered year. Each STIP will cover a five-year period and add two new years of programming capacity. Each new STIP will include projects carried forward from the previous STIP, plus new projects and reserves from among those proposed by regional agencies in their regional transportation improvement programs (RTIPs) and by Caltrans in its interregional transportation improvement program (ITIP). State highway project costs in the STIP will include all Caltrans project support costs and all project listings will specify costs for each of the following four components: (1) completion of all permits and environmental studies; (2) preparation of plans, specifications, and estimates; (3) right-of-way acquisition; and (4) construction and construction management and engineering, including surveys and inspection. (See Sections 52 and 57 of these guidelines for guidance on displaying project components and their costs.)

#### **7. County and Interregional Shares**

The STIP consists of two broad programs: the regional program, which is funded by 75% of new STIP funding, and the interregional program, which is funded by

25% of new STIP funding. The 75% regional program is further subdivided by formula into county shares. County shares are available solely for projects nominated by regions in their RTIPs. The Caltrans ITIP will nominate only projects for the interregional program. Under restricted circumstances, an RTIP may also recommend a project for funding from the interregional share (see Section 37 of these guidelines).

The 1998 STIP period constituted a single county share period ending 2003-04; later county share periods are discrete 4-year periods, ending 2026-27, 2028-29, etc. Both surpluses and deficits of county and interregional shares carry forward from one period to the next. The Commission will program each new project from a county or interregional share, including Caltrans support costs. (See Sections 58-64 of these guidelines for counting cost changes after initial programming.)

## **8. Joint Funding from Regional and Interregional Shares**

If Caltrans and a regional agency agree, they may recommend that a new project or a project cost increase be jointly funded from county and interregional shares. In that case, the region will nominate the county share in the RTIP, and Caltrans will nominate the interregional share in the ITIP.

## **9. Prior Year Projects**

The STIP shall include projects from the prior STIP that are expected to be advertised before July 1 of the year of adoption, but for which the Commission has not yet allocated funds.

## **10. 1996 STIP Projects**

All 1996 STIP project costs will be funded off the top before the division of new funds between the regional and interregional programs. This grandfathered funding will include Caltrans support costs, and the project cost display for 1996 STIP projects will conform to the same standards used for new STIP projects. Any cost changes to construction or right-of-way capital costs for 1996 STIP projects will be drawn from or credited to county and interregional shares as if they were cost changes to new STIP projects. Caltrans support costs for 1996 STIP projects will be drawn from county and interregional shares only to the extent that they are attributable to a change in project scope since the 1996 STIP. All cost changes will be drawn from or credited to the appropriate regional share. In the ITIP, Caltrans shall report on the budgets for all ongoing grandfathered 1996 STIP projects. This reporting shall include a comparison of actual expenditures to project budgets as reported in the 2012 ITIP.

## **11. Multi-Modal Corridor**

A corridor is defined as a largely linear geographic area that includes various modes of transportation that facilitate the multi-modal movement of people and goods, support the economy, and connect communities, including cross-mode connections. A multi-modal corridor is generally defined by existing and forecasted

travel patterns serving a particular travel market or markets affected by similar transportation needs and mobility issues. Origins and destinations, land use, place types, and existing and future development surrounding the transportation infrastructure also influence how the multi-modal corridor is defined. Pursuant to state and federal law<sup>1</sup> and statewide guidance<sup>2</sup>. Caltrans and regional transportation agencies prepare corridor plans to identify multi-modal transportation projects that meet state, regional, and local goals and benefit corridors around the state.

## 12. Transportation Management System Improvements

The Commission supports implementing and applying transportation management system (TMS) improvements to address highway congestion and manage transportation systems. Under current statutes, Caltrans is the owner-operator of the state highway system and is responsible for the overall management of the state highway system. The regional transportation agencies are responsible for planning and programming transportation strategies, facilities, and improvements that address regional transportation issues and systemwide congestion. The Commission encourages the regions and Caltrans to work together to plan, program, implement, operate, and manage transportation facilities as an integrated system with the objective of meeting state and regional goals while maximizing available transportation resources and overall transportation system performance.

Considering this objective and the respective responsibilities of Caltrans and the regional agencies, it is the Commission's policy that TMS improvements for state highways may be programmed in the State Highway Operations and Protection Program (SHOPP) by Caltrans in consultation with regional agencies if such improvements are part of a region's adopted strategy for addressing system wide congestion. The regions are encouraged to program TMS improvements in their RTIP for STIP programming if timely programming through the SHOPP is not possible because of funding limitations. TMS improvements include, but are not limited to, the following types of projects:

- Transportation Management Centers (TMC), including necessary computer software and hardware.
- TMC interconnect projects, which allow a TMC to substitute for another TMC during an emergency.
- TMC field elements, such as, but not limited to, traffic sensors, message signs, cameras, and ramp meters, which upgrade the existing facilities and are necessary to facilitate the operation of the TMC.

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<sup>1</sup> California Government Code Section 65086, California Streets and Highways Code Sections 2390 – 2397, Title 23 United States Code Section 135, Title 23 Code of Federal Regulations Part 450.320(c).

<sup>2</sup> 2018 Comprehensive Multimodal Corridor Plan Guidelines: <https://catc.ca.gov/programs/sb1/solutions-for-congested-corridors-program/comprehensive-multimodal-corridor-plan-guidelines>, and Caltrans Corridor Planning Guidebook: <https://dot.ca.gov/programs/transportation-planning/multi-modal-system-planning/system-planning>



To maximize the TMS benefits, TMS improvements should be coordinated with other operational improvements, such as freeway ramp/local street access modifications and auxiliary lanes. Before programming a new highway facility for construction, reconstruction, or rehabilitation in the STIP or the SHOPP, regions and Caltrans should fully consider transportation system management plans and needs and include any necessary TMC field elements to support the operation of existing or planned TMCs.

### **13. Capacity Increasing Highway Operational Improvements**

State highway operational improvements, which expand the system's design capacity, are not eligible for SHOPP funds. To the extent such projects address regional issues, the regional agency is responsible for nominating them for STIP programming through the RTIP process. To the extent such projects address interregional issues, Caltrans is responsible for nominating them for STIP programming through the ITIP process. Examples of such projects include:

- 1) High Occupancy Vehicle (HOV) lanes and HOV interchanges.
- 2) Interchange design modifications and upgrades to accommodate traffic volumes significantly larger than the existing facility was designed for.
- 3) Truck or slow vehicle lanes on freeways with six or more mixed flow lanes.

### **14. Non-Capacity Increasing Highway Operational Improvements**

State highway operational improvements that do not expand the system's design capacity, are intended to address spot congestion, and are not directly related to TMCs or TMC field elements, are eligible for the SHOPP. Regions may nominate these types of projects for STIP programming through the RTIP process if timely implementation through the SHOPP is not possible. Examples of such projects include:

- Auxiliary lanes for merging or weaving between adjacent interchanges
- Intersection modifications, including traffic signals
- Slow vehicle lanes on conventional highways and four-lane freeways
- Curve and vertical alignment corrections
- Two-way left turn lanes
- Channelization
- Turnouts
- Chain control and truck brake inspection sites
- Shoulder widening

## **III. STIP REQUIREMENTS FOR ALL PROJECTS**

### **15. Project Study Reports**

A project study report (PSR) or a PSR equivalent is required for all new projects proposed to be added to the STIP. A PSR or PSR equivalent will, at a minimum, define and justify the project scope, cost, and schedule to the satisfaction of the regional agency and Caltrans. Though a PSR or PSR equivalent may focus on the



project components proposed for programming, it must provide at least a preliminary estimate of costs for all components. This requirement does not apply to planning, programming, and monitoring projects.

A PSR and PSR equivalent must follow the requirements and standards outlined in the Commission's PSR guidelines.

A registered engineer must prepare a PSR and PSR equivalent and contain the proper approvals, including the approval of the Executive Director, Division Chief, or District Director of the nominating and implementing agencies.

The following is required for PSR equivalents:

- In a rail project where the private railroad is the implementing agency, the signature of the private railroad is not required.
- In a transit or rail procurement project, the Commission's Uniform Transit Application (UTA) may replace a PSR equivalent. All PSR and PSR equivalent requirements and standards apply to the UTA.

The final RTIP or ITIP must include a hard copy or a link to the PSR, PSR equivalent, or UTA.

## 16. Programming Project Components Sequentially

Project components may be programmed sequentially.

- A project may be programmed for the environmental phase without being programmed for the design phase.
- A project may be programmed for the design phase without being programmed for the right-of-way or construction phase.
- A project may be programmed for the right-of-way phase without being programmed for the construction phase.

The Commission recognizes a particular benefit in programming projects for environmental work only, since project costs and scheduling often cannot be determined with meaningful accuracy until environmental studies have been completed. Prematurely programming post-environmental components can needlessly tie up STIP programming resources while other transportation needs go unmet.

When proposing to program only preconstruction components to a project, Caltrans and the regional agency should demonstrate how they intend to fund the construction of a useable segment, consistent with the regional transportation plan or the Caltrans Interregional Transportation Strategic Plan.

## 17. Committed and Uncommitted Funds

### Committed Funds

The Commission will not program a project or phase of a project in the STIP without a full funding commitment from STIP funds or other committed funds. The Commission considers funds committed when programmed by the Commission, or when the agency with discretionary authority over the funds has committed to the project by ordinance or resolution.

For federal formula funds, including the Surface Transportation Block Grant Program, Highway Improvement Program, Congestion Mitigation and Air Quality, and federal formula transit funds, the commitment may be made through the federal Transportation Improvement Program adoption. For federal discretionary funds, the commitment may be made through the federal approval of a full funding grant agreement or by grant approval.

For projects where the agency is seeking federal discretionary funds such as New Starts or Small Starts for construction, the commitment may take the form of federal acceptance into Accelerated Project Delivery and Development (in the case of Small Starts) with the expectation of federal approval of an Expedited Grant Agreement, or federal approval of a project to enter Engineering (in the case of New Starts) with the expectation of federal approval of a Full Funding Grant Agreement, as long as all funding, excluding STIP funding, is committed to the project. A project programmed before receiving federal approval for construction must receive the federal approval for construction before construction allocation and no later than the end of the first full federal fiscal year after the STIP or STIP amendment is adopted, or the project will be deleted from the STIP.

When proposing to program only preconstruction components for a project, Caltrans or the regional agency should demonstrate how it intends to fund the construction of a useable segment, consistent with the regional transportation plan or the Caltrans interregional transportation strategic plan.

All proposed projects shall submit complete funding plans describing each overall project and/or usable project segment. Each plan shall list Federal, State, and local funding categories by fiscal year over the funding timeframe sought. Rail and transit projects must include how they intend to fund initial operating costs. Moreover, should the project schedule exceed the funding horizon, the amount needed beyond what is currently requested shall be indicated. This information may be incorporated in the project fact sheets (see Section 50 of these guidelines).

### Uncommitted Funds

The Commission will consider programming projects with uncommitted funds only from the Solutions for Congested Corridors Program, Trade Corridors Enhancement Program, Local Partnership Program, Local Transportation Climate Adaptation Program, Active Transportation Program, and federal discretionary programs. If the funding commitment is not secured with the adoption of the following programming cycle for these programs and alternative funding is not identified within six months, a STIP amendment will be required to delete the

projects or substitute the projects for projects that have a full funding plan commitment.

## **18. Alternative Delivery Methods**

Projects using alternative delivery methods, such as design-build, design-sequencing procurement, or the Construction Manager/General Contractor (CMGC) delivery method, should be identified at the time of programming or as soon as possible before allocation. See Section 71 of these Guidelines.

## **19. Completion of Environmental Process**

The Commission may program funding for right-of-way or construction only if it finds that the sponsoring agency will complete the environmental process and can proceed with right-of-way acquisition or construction within the five-year period of the STIP. In compliance with Sections 21102 and 21150 of the Public Resources Code, the Commission will not allocate funds to state or local agencies for design, right-of-way, or construction before environmental clearance documentation under the California Environmental Quality Act. As a matter of policy, the Commission will not allocate funds for design, right-of-way, or construction of a federally funded project before documentation of environmental clearance under the National Environmental Policy Act. Exceptions to this policy may be made when federal law allows for the right-of-way acquisition before completion of the National Environmental Policy Act review.

## **20. Caltrans/Regional Consultations**

Caltrans and regional agencies shall consult in developing the ITIP and the RTIPs. As a part of this consultation, Caltrans will advise regional agencies, as far in advance as possible, of projects that may be included in the ITIP, including the potential for joint funding from county and interregional shares. Caltrans will seek the advice of the regional agencies regarding these projects. Caltrans will also advise the appropriate regional agencies, as far in advance as possible, of any schedule and cost changes for Caltrans-implemented projects funded from regional shares in the STIP.

The consultation should allow regional agencies to consider and advise Caltrans regarding the potential impact of the ITIP on the programming of projects in the RTIP. The Commission encourages Caltrans to assist the regional agencies that are responsible for preparing a Federal TIP by identifying projects that may be included in the ITIP, recognizing that Federal regulations generally require that a project in a county with an urbanized area be included in the Federal TIP to qualify for Federal funding.

As part of this consultation, each regional agency should seek and consider the advice of Caltrans regarding potential regional program funding for State highway and intercity rail projects and should advise Caltrans, as far in advance as possible, of staff recommendations or other indications of projects that may be or

are likely to be included in the RTIP. The consultation should allow Caltrans to consider and advise the regional agency regarding the potential impact of the RTIP on the programming of projects in the ITIP. Where the regional agency prepares a Federal TIP, the consultation should provide for the timely inclusion of State highway projects in the Federal TIP.

Nothing in this section is meant to require that Caltrans or a regional agency make final commitments regarding including particular projects in the ITIP or RTIP before the December 15 submission deadline.

## **21. Minor Projects**

A STIP project does not have a minimum size. The minor reserve in the Caltrans State Highway Operation and Protection Program (SHOPP) is for SHOPP projects only. The Commission will not allocate funds from the SHOPP minor program for STIP projects' enhancements, mitigation, or cost increases.

## **22. Criteria for Measuring Performance and Cost-Effectiveness**

Regions and Caltrans are responsible for developing goals, objectives, and priorities, considering the transportation system's overall performance consistent with federal and state planning requirements. These goals and objectives are incorporated in the region's regional transportation plan (RTP), reflected in the region's RTIP, and similarly in Caltrans' Interregional Transportation Strategic Plan (ITSP) and ITIP. To maximize the state's investments in transportation infrastructure, the Commission's policy is that each RTIP and the ITIP will be evaluated for performance and cost-effectiveness at the regional level and, where applicable, at the project level.

The Commission will evaluate each RTIP and the ITIP based on the following:

- A. A performance evaluation at the regional level and how each RTIP furthers the goals of the region's RTP, and if applicable, its Sustainable Communities Strategies (SCS), and for Caltrans, how the ITIP furthers the objectives of the ITSP.
- B. An evaluation of the cost-effectiveness of the RTIP at the regional level or the ITIP at the statewide level.
- C. Project-specific data on proposed changes to the built environment.
- D. A project-specific benefit evaluation to estimate the project's benefit to the regional system from changes to the built environment is required for:
  - a. Projects with a total cost of \$50 million or greater, or
  - b. STIP programming for right-of-way and/or construction of \$15 million or more.

Consistent with Executive Order B-30-15, the project-specific benefit evaluation must include a full life-cycle cost evaluation and consider climate change impacts.

The Commission will consider the evaluations submitted by regions when making decisions on RTIPs as described in Section 65 of these guidelines. The Commission will consider the evaluations submitted by Caltrans when making decisions on the ITIP as described in Section 67 of these guidelines.

The Commission expects these evaluations to be on a life-cycle basis (full cost through the project's life, including maintenance and operation).

### **A. Regional Level Performance Evaluation**

Caltrans and each region that is a Metropolitan Planning Organization (MPO) or within an MPO shall include an evaluation of overall (RTP or CTP/ITSP level) performance using, as a baseline, the region's or state's existing monitored data (e.g., VMT, GHG, housing and jobs, pavement condition, etc.). To the extent relevant data and tools are available, the following performance measures may be reported:

- Vehicle Miles Traveled (VMT) per capita
- Percent of congested VMT (at or below 35 mph)
- Commute mode share (travel to work or school)
- Percent of distressed state highway lane-miles
- Pavement Condition Index (local streets and roads)
- Percent of highway bridge lane miles in need of replacement or rehabilitation (sufficiency rating of 80 or below)
- Percent of transit assets that have surpassed the FTA useful life period
- Highway Buffer Index (the extra time cushion that most travelers add to their average travel time when planning trips to ensure on-time arrival)
- Fatalities and serious injuries per capita
- Fatalities and serious injuries per VMT
- Percent of housing and jobs within 0.5 miles of transit stops with frequent transit service
- Mean commute travel time (to work or school)
- Change in acres of agricultural land
- CO2 emissions reduction per capita
- Accessibility and on-time performance for rail and transit
- Farebox recovery ratio

Regions outside an MPO shall include any of the above measures that the region currently monitors. A region outside an MPO (or a small MPO) may request, and Caltrans shall provide, data on these measures relative to the state transportation system in that region.

Alternatively, a region outside an MPO (or a small MPO) may use the Performance Monitoring Indicators identified in the Rural Counties Task Force's Rural and Small Urban Transportation Planning study dated June 3, 2015. These include:

- Total Accident Cost
- Total Transit Operating Cost per Revenue Mile

- Total Distressed Lane Miles, and
- Land Use Efficiency (total developed land in acres per population)

The evaluation of overall performance shall include a qualitative or quantitative assessment of how effective the RTIP or the ITIP is in addressing or achieving the goals, objectives, and standards that correspond to the relevant horizon years within the region's RTP or Caltrans' ITSP that covers the 5-year STIP period. Caltrans' evaluation of the ITIP shall also address ITIP consistency with the RTPs.

In addition, each region with an adopted SCS shall include a discussion of how the RTIP relates to its SCS. The discussion shall consist of a quantitative or qualitative assessment of how the RTIP will facilitate implementation of the SCS and identify any challenges the region faces in implementing its SCS. The report shall address the portion of the SCS relevant to that region in a region served by a multi-county transportation planning organization. As part of this discussion, each region shall identify any proposed or current STIP projects exempt from SB 375.

## **B. Evaluation of the cost-effectiveness of the RTIP or ITIP**

If appropriate and to the extent relevant data and tools are available, Regions shall use the performance measures outlined above to evaluate the cost-effectiveness of projects proposed in the STIP on a regional level. Caltrans shall do so at the statewide level.

## **C. Project-level outputs**

For each new project proposed, the region or Caltrans shall provide data on the proposed changes to the built environment, including but not limited to the items listed below. Such data shall be included in the electronic Project Programming Request (ePPR) (See Appendix A).

For state highway projects:

- New general-purpose lane-miles
- New HOV/HOT lane-miles
- Lane-miles rehabilitated
- New or upgraded bicycle/pedestrian lane/sidewalk miles
- Operation improvements
- New or reconstructed interchanges
- New or reconstructed bridges

For intercity rail and rail/transit projects:

- Additional transit miles or vehicles
- Miles of new track
- Rail crossing improvements
- Station improvements

For local street and road projects:

- New lane-miles



- Lane-miles rehabilitated
- New or upgraded bicycle/pedestrian lane/sidewalk miles
- Operation improvements
- New or reconstructed bridges

**D. A project-level benefit evaluation shall be submitted for projects for which construction is proposed, if:**

- The total amount of existing and proposed STIP for right-of-way and/or construction of the project is \$15 million or greater, or
- The total project cost is \$50 million or greater.

The project-level benefit evaluation shall address the specific benefits of the proposed project using as many of the following measures as are relevant:

- Change in Vehicle Miles Traveled (VMT) per capita
- Change in percent of congested VMT (at or below 35 mph)
- Change in commute mode share (travel to work or school)
- Change in percent of distressed state highway lane-miles
- Change in Pavement Condition Index (local streets and roads)
- Change in percent of highway bridge lane-miles in need of replacement or rehabilitation (Sufficiency Rating of 80 or below)
- Change in percent of transit assets that have surpassed the FTA useful life period
- Change in highway Buffer Index (the extra time cushion that most travelers add to their average travel time when planning trips to ensure on-time arrival)
- Change in fatalities and serious injuries per capita
- Change in fatalities and serious injuries per VMT
- Change in percent of housing and jobs within 0.5 miles of transit stops with frequent transit service
- Change in mean commute travel time (to work or school)
- Change in acres of agricultural land
- Change in CO2 emissions reduction per capita
- Changes in accessibility and on-time performance
- Change in farebox recovery ratio

The project-level benefit evaluation shall include a Caltrans-generated benefit/cost estimate, including life-cycle costs for projects proposed in the ITIP. For the RTIP, the regions may choose between the Caltrans estimate and their own estimate (explain why the Caltrans estimate was not used). The project-level evaluation must explain how the project is consistent with Executive Order B-30-15, including describing any actions taken to protect the state's most vulnerable populations. The evaluation shall be conducted by each region and by Caltrans before the RTIPs and the ITIP are submitted to the Commission for incorporation into the STIP.

### **23. Community Engagement**

The Commission requires the development of each RTIP and the ITIP to be informed by a robust community engagement process. All agencies shall include documentation of the community engagement activities undertaken to develop the program of projects proposed in each RTIP and the ITIP. This discussion can consist of community engagement conducted during the Regional Transportation Plan or California Transportation Plan development, community engagement conducted during individual project planning, or community engagement conducted for the RTIP and ITIP. Agencies should describe how community feedback was acknowledged and incorporated into each RTIP and the ITIP. This description should demonstrate the linkage between the engagement and the scope of the proposed projects. The documentation should include a summary of the benefits the RTIP or ITIP will have on the community and any potential negative community impacts. If negative community impacts have been identified, describe how these impacts are being mitigated and how the mitigation strategy was developed in coordination with the impacted community.

## **IV. REGIONAL IMPROVEMENT PROGRAM**

### **24. Submittal of RTIPs**

After consulting with Caltrans, each regional agency shall adopt and submit its RTIP to the Commission and Caltrans no later than December 15 of each odd-numbered year. The RTIP will include and separately identify:

- (a) Programming proposals from the county share(s), consistent with the STIP fund estimate and Section 27 of these guidelines. These proposals may include new projects and changes to existing STIP projects within the 5-year STIP period.
- (b) Programming proposals from the county Advance Project Development Element (APDE) share, if identified in the fund estimate, which is treated as an advance of future share (see Sections 42-47).
- (c) Any request to advance a future county share for a larger project.
- (d) Any project recommendations for the interregional share.
- (e) A discussion of the proposed project's impact on other projects planned or underway within the corridor.
- (f) Information on STIP projects (in the RTIP) completed since the last RTIP submittal (see section 78).
- (g) Discuss what regions believe are the most significant interregional highway and intercity rail needs within the region (see section 39), as well as any state routes within the region that might be potential candidates for highways to boulevards. (See section 39).
- (h) A discussion describing how community engagement was performed and the benefits the project will achieve once implemented. The discussion should include potential negative impacts and how these will be mitigated.

After approval by the regional agency Board, each RTIP will be made available electronically by the regional agency on its website, with the link provided to the Commission.

Each RTIP shall be based on the regional transportation plan and, where applicable, the Sustainable Communities Strategy developed and updated pursuant to Government Code Section 65080 and a region-wide assessment of transportation needs and deficiencies. Programming in the RTIP should not be based on a formula for distributing county shares among agencies or geographic areas.

Caltrans may nominate or recommend State highway improvement projects for inclusion in the RTIP for programming from the county share. Caltrans should also identify any additional State highway and intercity rail improvement needs within the region that could reasonably be programmed within the 3 years beyond the end of the current STIP period using revenue assumptions similar to those adopted for the fund estimate. These programming recommendations and this identification of State highway and intercity rail improvement needs should be provided to the regional agency at least 90 days before the due date for submittal of the RTIP or, if a later due date for project nominations is set by the regional agency, before that date. The regional agency has sole authority to accept Caltrans' STIP recommendations for programming in the RTIP. Caltrans shall provide a copy or list of its RTIP recommendations and identify additional state highway and intercity rail needs for each region to the Commission. Each region shall, in its RTIP, include a comparison of the projects in its RTIP and the State highway and intercity rail improvement needs identified by Caltrans, including a discussion of significant differences.

When Caltrans makes its RTIP recommendation and identifies State highway and intercity rail improvement needs, it should also share with the regional agency its plans for SHOPP projects that may be relevant to the region's consideration of RTIP projects. This is apart from the statutory requirement to make a draft of the SHOPP available for review and comment.

## **25. Project Planning, Programming, and Monitoring**

The RTIP may propose to program up to five percent of the county share for project planning, programming, and monitoring (PPM) by the transportation planning agency or, within the Southern California Association of Governments (SCAG) area, by a county transportation commission. If the RTIP proposes programming funds for both SCAG and a county transportation commission, the total will not exceed five percent of the county share.

Funds programmed for this purpose should be spread across the years of the STIP. When allocated by the Commission, the funds will be available to cover the costs of:

- Regional transportation planning, including developing and preparing the regional transportation plan and Sustainable Communities Strategy.
- Project planning, including developing project study reports or major investment studies, is conducted by regional or local agencies in cooperation with regional agencies.
- Program development, including the preparation of RTIPs and studies supporting them.
- Monitoring the implementation of STIP projects, including project delivery, timely use of funds, and compliance with State law and the Commission's guidelines.

Caltrans expenses for these purposes are included in the Department's annual budget and will not be funded through the STIP except when a region reimburses Caltrans for project study reports using funds allocated to that region for PPM.

## **26. Active Transportation Projects in the RTIP**

A region may program bicycle and pedestrian projects in its RTIP, as these projects are eligible for State Highway Account or Federal funds.

Consistent with Caltrans's Complete Streets Action Plan, regions should consider incorporating complete streets elements in all highway projects proposed for funding in the STIP.

For local road improvements, regions should consider incorporating complete street elements into their projects proposed for funding in the STIP.

## **27. County Shares, Advances, and Reserves**

The fund estimate will identify, for each county, (1) the county share for the share period that ends during the current STIP period, (2) the county's proportionate share for the portion of the new four-year period that falls within the current STIP period, and (3) the balance of the estimated share for the four-year period that extends beyond the current STIP period. For the 2026 STIP fund estimate, for example, this means (1) the available share for the period ending 2027-28, (2) the county's proportionate share for the period beginning 2028-29, and (3) an estimated proportionate share for the period ending 2031-32.

Any region may, in its RTIP, propose projects or project components during the STIP period from all of these shares, including the share for the period that extends beyond the STIP period. Unless the Commission rejects an RTIP, as described in Section 65, the Commission will include in the STIP, at a minimum, all RTIP projects carried forward from the prior STIP and all new RTIP programming proposed within the level of the county share for the share period that ends during the current STIP (i.e., for the 2024 STIP, the share for the period ending 2027-28). Beyond that, as described in Section 66, the Commission may include more or less in the STIP than each region's proportionate share for the new share period. Overall, the Commission may not program more than the available statewide

capacity for the STIP period. The RTIP shall identify those projects or components it proposes to program within the STIP period from the share for each four-year period.

As authorized by Streets and Highways Code Section 188.8(j), a region for a county with a population of less than one million may also, in its RTIP, ask the Commission to advance an amount beyond its county share for a larger project. As identified in the Fund Estimate, the requested advance may not exceed 200 percent of the county share for the four-year share period that extends beyond the current STIP period. The RTIP will separately identify the project or components it proposes to program with the advance, following the same display format used for other RTIP projects.

Any region may, in its RTIP, ask to leave all or part of its county share unprogrammed, thus reserving that amount to build up a larger share for a higher-cost project or otherwise to program projects in the county later. The Commission may use funds freed up by these reserves to advance county shares in other counties. With Caltrans's consent, the Commission may also consider advancing county shares by reserving a portion of the interregional share until the next county share period.

## **28. Federal Match**

In its RTIP, a region may propose to program State funds to match federal funds committed to a project. Such projects must meet the eligibility restrictions of the available state funds. For example, a transit project may not use State Highway Account funds to match federal funds unless the project is eligible under Article XIX of the California Constitution. The match for rail rolling stock and bus purchases can only be programmed in the STIP if Public Transportation Account capacity is available.

## **29. Regional Improvement Program Project Eligibility**

Except for project planning, programming, and monitoring, all STIP projects will be capital projects (including project development costs) needed to improve regional transportation. These projects generally may include, but are not limited to, improving State highways, local roads, public transit (including buses), intercity rail, pedestrian and bicycle facilities, grade separations, transportation system management, transportation demand management, sound walls, intermodal facilities, and safety. Non-capital costs for transportation system management or transportation demand management may be included where the regional agency finds the project to be a cost-effective substitute for capital expenditures. Other non-capital projects (e.g., road and transit maintenance) are not eligible.

In addition to meeting general program standards, all STIP projects must meet eligibility requirements specific to the STIP's funding sources, the State Highway Account, which includes both State and Federal revenues, and the Public Transportation Account. Unless the fund estimate specifies otherwise, a region



may propose, in its RTIP, projects to be funded from any of these funding sources, or a combination of them. The Commission will provide and calculate STIP county shares without regard to the individual STIP funding sources.

Except for project planning, programming, and monitoring, RTIP nominations will be consistent with the following statutory sequence of priorities for programming from the State Highway Account:

- Safety improvements on transportation facilities other than State highways where physical changes, other than adding new capacity, would reduce fatalities and the number and severity of injuries. (Safety projects on State highways are programmed in the SHOPP. However, regions may program safety improvements in their RTIP for STIP programming if timely programming through the SHOPP is not possible because of funding limitations.)
- Transportation capital improvements that expand capacity, reduce congestion, or do both. These improvements may include the reconstruction of local roads and transit facilities, non-capital expenditures for transportation systems management, and transportation demand management projects that are cost-effective substitutes for capital expenditures.
- Environmental enhancement and mitigation, including soundwall projects.

Article XIX of the California Constitution permits State revenues in the SHA only for State highways, local roads, and fixed guideway facilities.

Article XIX of the California Constitution restricts transit and rail projects that can be funded with nearly all SHA revenues to the “research, planning, construction, and improvement of exclusive public mass transit guideways (and their related fixed facilities), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, the administrative costs necessarily incurred in the foregoing purposes, and the maintenance of the structures and the immediate right-of-way for the public mass transit guideways, but excluding the maintenance and operating costs for mass transit power systems and mass transit passenger facilities, vehicles, equipment, and services.”

Additionally, SHA revenues may not be expended for these purposes “unless such use is approved by a majority of the votes cast on the proposition authorizing such use of such revenues in an election held throughout the county or counties, or a specified area of a county or counties, within which the revenues are to be expended.”

This means, for example, that rail rolling stock and buses may be funded only from Federal revenues in the STIP. The non-Federal match can only be programmed in the STIP if PTA capacity is available for such projects. The match must be provided from a non-STIP source if no PTA capacity is available.



The Commission's continuing intent is for rehabilitation projects, excluding maintenance, on the local streets and roads system to remain eligible for funding in the STIP. Proposed projects on local highways functionally classified as a local or rural minor collector (nonfederal-aid eligible) are also eligible for STIP funding. However, programming of projects on nonfederal-aid eligible routes shall be limited to the availability of state-only funding as determined by the Commission.

Pursuant to Streets and Highways Code Section 100.15, any new capacity increasing project or a major street or highway lane realignment project proposed in an RTIP and ITIP shall demonstrate that reversible lanes were considered for the project. The lead agency shall demonstrate that reversible lanes were considered when submitting the project's environmental documents for consideration of future funding.

### **30. Federalizing Transit Projects**

In accordance with Federal statutes and regulations, federal highway funds programmed for transit projects must be transferred from the Federal Highway Administration to the Federal Transit Administration (FTA) for administration when the project or project component is ready to be implemented. To facilitate the transfer and timely use of funds, the Commission encourages the implementing agency or fund applicant to submit grant applications to the FTA requesting a grant number and tentative approval of project eligibility prior to requesting Commission allocation of funds.

Transit-related projects such as parking structures and multi-modal stations should also be transferred to the FTA for administration. However, a transfer is unnecessary on an exception basis when FHWA agrees to administer the funds and the grant application. Proposed exceptions should be discussed and agreed to with Caltrans and FHWA before programming the project in the STIP and documented in the PSR equivalent and ePPR.

### **31. Increased STIP Funding Participation**

An RTIP may propose, from the county share, to increase a project's STIP funding to replace local funding already committed, provided the local funding has not been. It will not be expended or encumbered under contract before the Commission allocates STIP funds. The proposal will include the revised basis for cost sharing, as Section 54 of these guidelines specifies.

In those instances when a regional agency seeks additional STIP funding for a previously programmed project and the projected funding increase exceeds any increase in the estimated cost of that project, the board of such regional agency, by resolution of a majority of board members, shall declare in writing that the increase in the STIP funding is not for "back-filling" other non-STIP funds previously committed to the capital project which have already been, or in the future will be, redirected to non-capital activities and purposes.

### **32. Pooling of County Shares**

Two or more regional agencies may agree to consolidate their county shares for two consecutive county share periods into a single county share for both periods. A pooling agreement will become effective for a county share period if each regional agency adopts a resolution incorporating the agreement and submits it to the Commission with its RTIP. Similarly, SACOG may pool the shares of any counties in its region by adopting a resolution and submitting it with its RTIP.

As an alternative to pooling, two regional agencies may agree to accomplish the same purpose by loaning a specified dollar amount from one region's county share to the other during a STIP period, with the loaned amount to be returned in the following county share period. In its RTIP, a regional agency may also propose to contribute all or a portion of its current county share for the programming of a project in another county.

The Metropolitan Transportation Commission may pool its county shares for a STIP period by adopting a resolution and submitting it with its RTIP, provided that the amount of any county share advanced or reserved is not more than 15 percent of the county share identified in the Fund Estimate.

### **33. Consistency with Land Use Plans and Congestion Management Programs**

Projects included in the regional program shall be consistent with the adopted regional transportation plan, and where applicable, the Sustainable Communities Strategy, which state law requires to be consistent with federal planning and programming requirements. The federal requirements (23 U.S.C. 134) include factors to be considered in developing transportation plans and programs, including the likely effect of transportation policy decisions on land use and development and the consistency of transportation plans and programs with the provisions of all applicable short- and long-term land use and development plans.

Congestion Management Programs (CMP) prepared by counties not electing to be exempt from CMP requirements pursuant to Section 65088.3 of the Government Code shall be incorporated by the Regional Agency into the appropriate RTIP before its adoption and submittal to the Commission, pursuant to Government Code Section 65089.2. Projects included in the adopted RTIP shall be consistent with the CMP's capital improvement program. Projects not in the approved CMP shall not be included in the RTIP unless identified and listed separately.

## **V. INTERREGIONAL IMPROVEMENT PROGRAM**

### **34. General**

The interregional improvement program consists of STIP projects funded from the interregional program share, which is 25% of new STIP funding. Caltrans will nominate a program of projects for the interregional share in its Interregional Transportation Improvement Program (ITIP). The interregional program has two parts:

- (a) The first part, funded from up to 10% of new STIP funding, is nominated solely by Caltrans in the ITIP. It is subject to the north/south 40%/60% split and otherwise may include projects anywhere in the State. The projects may include State highway, intercity passenger rail, mass transit guideway, or grade separation projects. Non-capital costs for transportation system management or transportation demand management may be included where Caltrans finds the project to be a cost-effective substitute for capital expenditures.
- (b) The second part, funded from at least 15% of new STIP funding, is not subject to the north/south split. It is limited to intercity rail projects (including Amtrak feeder bus, interregional commuter rail, and grade separation projects) and to improvements outside urbanized areas on interregional road system routes (which are specified in statute). At least 15% of the 15% (or at least 2.25% of new STIP funding) must be programmed for intercity rail projects, including interregional commuter rail and grade separation projects.

Under restricted circumstances, an RTIP may also recommend a project for funding from the second part, described in paragraph (b). See Section 37 of these guidelines.

### **35. Interregional Program Objectives**

The Commission envisions an interregional improvement program that works toward the achievement of the following objectives:

1. Provide access for people and goods to and through all regions of California.
2. Ensure the interregional transportation system is reliable and efficient for moving people, goods, services, and emergency response.
3. Develop and operate a safe interregional transportation system for all travelers by improving public safety and security.
4. Optimize multi-modal connectivity throughout the interregional transportation system for all people.
5. Improve interregional connectivity to enhance California's diverse economy.
6. Improve and manage California's interregional transportation system in an environmentally sensitive, economical, and equitable manner that fosters livable and healthy communities and promotes social equity.
7. Ensure that the proposed investments align with CAPTI and are made in collaboration with local and regional partners.

The Caltrans draft and final ITIP shall be consistent with the ITSP prepared as required by Government Code sections 14524.4(a) and 14524.4(b). The ITSP should address the development of multi-modal corridors, including both the interregional road system and intercity rail in California, and it should define a strategy that extends beyond the STIP. The ITIP shall describe how proposed projects relate to the ITSP and how the proposed projects would implement the objectives listed above. The Commission will evaluate the ITIP and any regional

recommendations for the interregional program in light of these objectives, the ITSP, and CAPTI.

The interregional improvement program will include State highway and rail projects (potentially including mass transit guideway and grade separation projects).

For State highways, the interregional program should emphasize an interregional transportation system that provides:

- Access to and through or around all regions of California; and
- Access to California's major interstate and international gateways, including interstate and international border crossings, international airports, and seaports.

The Commission expects the identification and selection of State highway projects for the interregional program to be based on consideration of cost in relationship to the following benefits, with higher priority given to projects with greater net benefit for the investment made:

- Traffic safety, including the potential for reducing fatalities and injuries;
- Reduced travel time and vehicle operating costs for interregional travel;
- Economic benefits to California of expanding interregional commerce through faster and more reliable access between markets;
- Economic benefits to California of expanding interstate and international trade and commerce through faster and more reliable access to California's international airports and seaports; and
- Ability to mitigate adverse environmental impacts.

Commerce includes the movement of people and goods for any economic purpose. It may include extractive industries (such as mining, agriculture, or timber) or recreation.

Projects where investments have been made and have not been completed, to the extent the benefits remain or have increased, Caltrans shall prioritize these projects over new projects to complete the corridor.

There is no expectation that STIP interregional improvements will be evenly spread across the State, and spreading funding among regions is not a Commission objective for the interregional program. The Commission encourages Caltrans and smaller regions (generally with populations less than 250,000) to consider and seek partnerships to jointly fund projects on the interregional road system for the mutual benefit of the region and the state.

For rail, the interregional program should emphasize:

- The preservation and improvement of the existing system of State-sponsored intercity passenger rail and Amtrak feeder bus routes, including compliance with safety and accessibility standards and protection of the State's investment in equipment;

- The reduction of the system's dependence on State operating subsidies;
- The improvement of other passenger rail access between major urban centers, airports, and intercity rail routes that support implementation of the state's rail plan;
- The use of rail grade separations to improve service reliability for both intercity passenger rail and interregional goods movement; and
- coordination and connectivity with the State's planned high-speed rail system.

The Commission expects the identification and selection of rail capital projects for the interregional program (including Amtrak feeder bus, interregional commuter rail, and grade separations) to be based on consideration of cost in relationship to the following benefits, with higher priority given to projects with greater net benefit for the investment made:

- reduced intercity rail running times and operating costs (which may increase demand and reduce the need for operating subsidies);
- improved intercity rail schedule frequency and reliability (which may increase demand and reduce the need for operating subsidies); and
- economic benefits to California of promoting trade and commerce by creating faster and more reliable highway or rail access to markets, including access to California's international airports and seaports.

Caltrans and the Commission may evaluate a project as part of a series of related projects in the same location or corridor for either highways or rail. The evaluation may consider the costs and benefits of the projects as a group. All projects in the group should be included in the ITSP as priorities for near-term funding, whether or not proposed for the STIP.

Where a potential interregional program project may provide substantial local benefits, dividing costs between the regional and interregional programs is appropriate. In this case, the project's evaluation for the interregional program should be based on the interregional program cost share in relation to the benefits described in this section.

Pursuant to Streets and Highways Code Section 100.15, any new capacity increasing project or a major street or highway lane realignment project proposed in an RTIP and ITIP shall demonstrate that reversible lanes were considered for the project. The lead agency shall demonstrate that reversible lanes were considered when submitting the project's environmental documents for consideration of future funding.

### **36. Submittal of Caltrans ITIP**

After consulting with regional agencies and other local transportation authorities, Caltrans shall submit its draft ITIP to the Commission no later than October 15 of each odd-numbered year. Two hearings, one in the south and one in the north, will be held by November 15 to provide the opportunity for public input regarding



projects proposed in the ITIP. Caltrans shall submit its final ITIP, including a summary of the major comments received at the hearings and responses to those comments, to the Commission no later than December 15 of each odd-numbered year. At the same time, Caltrans will transmit a copy of the ITIP to each regional agency. The ITIP will include programming proposals from the interregional share for the five-year STIP period. These proposals may consist of new projects, program reserves, changes to prior STIP interregional program projects, and the interregional share of proposals for jointly funding new projects or cost increases from county and interregional shares.

The ITIP shall include, for each proposed project, information (including assumptions and calculations) to support an objective analysis of interregional program priorities. That information, based on the project study report, shall include:

- an estimate of total project costs, including mitigation costs and support costs;
- an estimate of the time of completion of project construction;
- an estimate of annual project benefits (at project opening) due to vehicle time savings and vehicle operating costs;
- for road projects, an estimate of annual project benefits (at project opening) due to reductions in fatalities and injuries;
- for rail or Amtrak feeder bus projects, an estimate of the project's impact on ridership and the need for operating subsidies;
- a discussion of the proposed project's impact on other projects planned or underway within the corridor; and
- a description of how the project would implement the interregional strategic plan, including a description of its impact on California's economic growth, the interregional distribution of goods, and the environment; and
- for every new project proposed for funding, or a carry-over project with cost changes, a cost-benefit analysis using the California Life-Cycle Benefit/Cost analysis must be included.
- A discussion describes how community engagement was performed and the benefits the project will achieve once implemented. The discussion should include potential negative impacts and how these will be mitigated.

Caltrans should consider nominating, in the ITIP, preconstruction funding for projects that Caltrans intends to propose for one of the competitive programs created under the Road Repair and Accountability Act of 2017 (SB 1).

Caltrans should consider fast-tracking new CAPTI-aligned project nominations in early planning phases. This will be done in collaboration with local and regional partners and be in addition to the need to continue funding for existing ITIP projects.

The ITIP will be posted on the Department's website, with the link provided to the Commission.



### **37. Regional Recommendations for the Interregional Program**

A regional agency may, in its RTIP, recommend improvements outside urbanized areas on interregional road system routes for funding from the interregional share. Interregional road system routes are defined in statute at Streets and Highways Code Sections 164.10 to 164.20, inclusive. By statute, the Commission may program a regional recommendation for the interregional program only if the Commission “makes a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by [Caltrans].” The Commission cautions regions, especially those with priority needs in both urbanized and non-urbanized areas, that non-urbanized area projects of highest regional priority should be proposed in the RTIP from the county share. The interregional program is not a nonurbanized area program, and the Commission does not intend to use the interregional program to meet most State highway needs in nonurbanized areas. The Commission anticipates programming regional recommendations for funding from the interregional program only when a recommended project constitutes a cost-effective means of implementing the Interregional Transportation Strategic Plan (see Section 35 of these guidelines).

Any regional recommendation for the interregional program shall be made in the RTIP and separate and distinct from the RTIP proposal for programming from the county share(s). Each project nominated in this way must constitute a usable segment of highway. The nomination must be to fund the project fully through the interregional program. The nomination may not be part of a proposal for joint funding between the regional and interregional programs. Joint funding proposals may be made only in concert with Caltrans, with the region proposing the county share in its RTIP and Caltrans proposing the interregional share in the ITIP.

An RTIP proposal for interregional funding should be accompanied by information (including assumptions and calculations) to support the objective analysis that the Commission must make before it can program the project. That information, based on the project study report, shall include:

- an estimate of total project costs, including mitigation costs and support costs;
- an estimate of the time of completion of project construction;
- an estimate of annual project benefits (at project opening) due to vehicle time savings and vehicle operating costs;
- for road projects, an estimate of annual project benefits (at project opening) due to reductions in fatalities and injuries;
- for rail or Amtrak feeder bus projects, an estimate of the project’s impact on ridership and the need for operating subsidies;
- a discussion of the proposed project’s impact on other projects planned or underway within the corridor; and
- a description of how the project would implement the interregional strategic plan, including its impact on California’s economic growth, the interregional distribution of goods, and the environment.

In addition, an RTIP proposal for interregional funding must include a cost-benefit analysis using the California Life-Cycle Benefit/Cost Analysis.

### **38. Regional Transportation Plan**

Projects included in the interregional program shall be consistent with the relevant adopted regional transportation plan(s) and, where applicable, the sustainable communities strategy.

### **39. Interregional Highway and Intercity Rail Needs**

The ITIP shall identify projects that have previously received ITIP funds for pre-construction phases in the last ten years but have not been fully funded through construction.

Each interregional highway and intercity rail investment proposed in the ITIP must include a discussion of how the proposed investment is informed by the most recently approved Interregional Transportation Strategic Plan and how the proposed investments are meeting the need(s) identified in a corresponding corridor plan and the approved Interregional Transportation Strategic Plan.

Robust planning efforts must ensure that proposed investments maximize benefits, including benefits to equity, safety, multimodal travel choices, congestion relief, goods movement, ability to support evacuation, and adaptation to climate change. The Department shall provide, annually by December 31<sup>st</sup>, an update on system needs across all corridors encompassing the following facilities:

- State highways that are specified in Streets and Highways Code Sections 164.10 through 164.20
- Intercity passenger rail systems

The update should include the status of comprehensive multimodal corridor efforts led by the Department.

### **40. Active Transportation Projects in the ITIP**

Caltrans should consider incorporating complete street elements, where applicable, into all projects proposed for funding. Complete street elements include elements that improve safety for all users, including people using bicycle and pedestrian facilities.

Where a proposed project on the state highway system is connected to a local transportation facility, the Commission encourages partnership with the regional agency to incorporate complete streets.

Caltrans may propose standalone active transportation projects in the ITIP if they improve or enhance interregional movement of people and goods. Examples include:

- First/Last mile connections to the intercity rail or multi-region bus systems.
- Bicycle highways that cross multiple regions along the interregional road system.
- Projects that complete a multi-use trail that crosses multiple regions.

#### **41. Projects and Reserves**

The ITIP shall include a complete proposal for the programming of the STIP interregional share which complies with the various statutory restrictions, including: the two parts described in Section 34 of these guidelines (the 10% and 15% parts), the north/south split of the first part, and the 2.25% intercity rail minimum of the second part. Any portion of the interregional share not proposed for a specific project may be proposed as a reserve for future programming. This may include reserves of any kind, including a proposal to reserve a portion of the interregional share for the next share period to free up funding for county share advances.

### **VI. ADVANCE PROJECT DEVELOPMENT ELEMENT**

#### **42. Fund Estimate for Advance Project Development Element**

Each fund estimate will identify an amount available pursuant to subdivision (c) of Section 14529.01 of the Government Code for the STIP Advance Project Development Element (APDE), with county and interregional shares identified separately. These APDE amounts are independent of the amounts identified as regular programming capacity.

#### **43. Programming of APDE County and Interregional Shares**

Regions and Caltrans may propose projects from their respective county and interregional APDE shares in the RTIPs and ITIP, and they may propose joint regional and interregional APDE funding for a project. The proposal and adoption of projects will be the same as for other STIP projects, except that projects to be programmed through the APDE are limited to the two STIP project development components: (1) environmental and permits, and (2) plans, specifications, and estimates. Projects may not be programmed through the APDE if they are simultaneously programmed to acquire right-of-way (including support) or construct from regular STIP programming capacity. Project development work already programmed in the STIP may not be shifted to the APDE.

#### **44. Program Year**

APDE projects will be proposed for programming, adopted into the STIP, and allocated like other projects programmed in the STIP's five fiscal years. APDE local projects, when programmed, are subject to the STIP's timely use of funds provisions.

#### **45. Program Amendments**

APDE projects may be amended into the STIP at any time in the same manner as other STIP amendments. The amendments will identify the county or interregional APDE share from which the projects will be funded.

#### **46. Effect on Regular County and Interregional Shares**

APDE programming will be treated as an advance of the regular future county or interregional share. However, every county, including a county in a region with a population of over one million, is eligible for APDE programming. If all or a portion of any county or interregional APDE share is not programmed, that amount will become available to program for any STIP purpose in the next STIP. Amounts programmed in the current STIP from an APDE share will be deducted from the regular county or interregional share for the next STIP. The Fund Estimate for the next STIP will include a new APDE fund estimate with new county and interregional APDE shares.

#### **47. APDE Shares May Not Be Exceeded**

The programming of a county or interregional APDE share may not exceed the amount identified in the Fund Estimate. A county or interregional APDE share may not be loaned or advanced. However, regional agencies agreeing to pool their regular county shares (Section 32 of these guidelines) may also pool their APDE shares. Any region may program project development work from its regular STIP county share.

### **VII. DISPLAY OF PROJECT DESCRIPTIONS AND COSTS**

#### **48. Project Description**

Each new or carryover project proposed for programming in the STIP shall include the following information:

- (a) The name of the agency responsible for project implementation.
- (b) The project title, including a brief nontechnical description of the project location and limits (community name, corridor, street name, etc.), and a phrase describing the type and scope of the project. By definition, the Commission will regard the limits for a rehabilitation project on local streets and roads, including adjacent or nearby streets and roads, thus providing greater flexibility in project scope.
- (c) A Caltrans-provided unique project identification number (PPNO).
- (d) The route number and post-mile limits should be identified for projects on the State highway system. GPS coordinates (longitude and latitude) and cross streets should be identified for local projects not on the state highway system.
- (e) The delivery schedule for each of the project's milestones.
- (f) Any appropriate funding restriction or designation, including projects eligible for Public Transportation Account funding, projects requiring state-only funding, or projects requiring Federal funds. Agencies proposing projects requiring state-

- only funding (including local street and road projects not eligible for federal aid) should recognize that the availability of state-only financing may be limited.
- (g) New and carryover projects shall include the current funding plan, including the total project cost and the source and amounts of local or other non-STIP funds, if any, committed to the project.
  - (h) A map showing the project location and corridor.
  - (i) The legislative districts where the projects are located.
  - (j) The project's identification or page number as reflected in the RTP.

#### 49. State-only Funding

All projects must follow the Federal-Aid Funding Guidelines adopted by the Commission for state-only funding. The Commission will assume that all projects will be qualified for Federal transportation funding unless the RTP or ITIP designates otherwise. Whenever a region designates a project to be programmed for State-only (non-Federal) funding, the RTP will explain the reason for this designation. The Commission will not program a state highway project for state-only funding without consulting with Caltrans. Projects programmed without state-only funding designation and later proposed for state-only funding allocations will be subject to Caltrans's recommendation for exception to federal funding prior to Commission approval as described in Section 69 of these guidelines.

#### 50. Fact Sheets

All regions and Caltrans shall submit a one- or two-page fact sheet with their respective RTP and ITIP. The fact sheet shall include:

- (a) An executive summary of the RTP and ITIP highlighting the region and the State's top priorities.
- (b) A summary of the most significant benefits the proposed investments will provide to the region(s), including the community's safety, environment, equity, and economic benefits.
- (c) For the regions, a description of how the RTP is advancing the goals and objectives of the Regional Transportation Plan and, where applicable, the Sustainable Communities Strategy.
- (d) For Caltrans, a description of how the ITIP is advancing the goals and objectives of the ITSP.
- (e) A description of how the RTPs and the ITIP align with the State's goals. If a region has prepared a Comprehensive Multimodal Corridor Plan, a Bicycle Plan, or any other regional plans, include a discussion of the RTP's consistency with those plans. Similarly, for Caltrans, the fact sheet should be consistent with the ITIP's plans, which Caltrans may have prepared.
- (f) The agency's logo.

The fact sheet will be posted on the Commission's website and must comply with state and federal web accessibility laws and standards.

## **51. STIP Database**

Caltrans is responsible for developing, upgrading, and maintaining an electronic database record of the adopted STIP and Commission actions that amend the STIP. Caltrans will provide the Commission and the regional agencies with appropriate access to the STIP database to facilitate the STIP's development, analysis, and management.

## **52. Cost Estimates for Project Components**

For each project proposed for programming, the RTIP or ITIP shall list costs separately for each of the four project components:

- (1) environmental studies and permits;
- (2) preparation of plans, specifications, and estimates,
- (3) right-of-way, and
- (4) construction.

The RTIP or ITIP shall list separate costs for Caltrans support and capital outlay for the right-of-way and construction components on Caltrans-implemented projects. This brings the total to six (6) project cost components for Caltrans projects.

For each project component, the amount programmed shall be escalated to the year proposed for programming, based on the current cost estimate updated as of November 1 of the year the RTIP or ITIP is submitted. The standard escalation rate for the STIP shall be the rate specified in the fund estimate for the STIP. Caltrans or a region may use alternative escalation factors for right-of-way or other costs deemed appropriate. STIP costs and non-STIP costs will be displayed separately. For Caltrans-implemented projects programmed in an RTIP, Caltrans shall provide the region with cost updates at least 90 days prior to the date RTIPs must be submitted to the Commission.

When project design, right-of-way, or construction is programmed before the sponsoring agency completes the environmental process, updated cost estimates shall be submitted in the RTIP or ITIP in the STIP cycle following completion of the environmental process. Cost estimates for project components that are programmed and not allocated shall be updated, as needed, based on the most current cost information during every STIP cycle.

Where a project or project component will be funded from multiple county shares or jointly from the interregional and county shares, the amounts programmed from the different shares will be displayed separately. Amounts programmed for any component shall be rounded to the nearest \$1,000. For jointly funded projects, the county share or ITIP share contribution programmed for a component shall each be rounded to the nearest \$1,000.



### **53. Authority and Responsibility**

For projects on the State highway system, only cost estimates approved by the Caltrans Director or by a person authorized by the Director to approve cost estimates for programming will be used. Only cost estimates approved by the Chief Executive Officer or other authorized officer of the responsible local implementing agency will be used for other projects.

### **54. Basis for Cost Sharing**

Where a project or project component is to be funded from both STIP and non-STIP sources, the ePPR submitted with the RTIP or ITIP shall indicate whether the programming commitment is for a particular dollar amount, a particular percentage of total project cost, or a particular element or item of work. For projects with SHOPP funding, the RTIP shall discuss the SHOPP-eligible components and their current condition.

Where a project or project component is to be jointly funded from the interregional share and a county share or funded from multiple county shares, the ePPR submitted with the RTIP and/or ITIP shall indicate the basis for apportioning cost increases or decreases between the shares. The Commission must approve any changes after adopting the cost-sharing distribution.

Without an alternate cost-sharing arrangement approved by the Commission at the time of allocation, project costs, including increases and savings, will be apportioned in the same percentages as programmed.

Where a project is funded from both STIP and non-STIP sources, and where the Commission has approved non-proportional spending allowing for the expenditure of STIP funds before other funds, (sometimes referred to as sequential spending), the project is not eligible for an increase (supplemental) allocation under the authority delegated to Caltrans by Commission Resolution G-12 until all other funds committed to the project have been expended.

Where a project is delivered using an alternative delivery method (e.g., public-private partnership), with operation and maintenance included, the operation and maintenance shall not be funded from the STIP or subject to the cost-sharing requirements of this section.

All funding agreements must be consistent with the STIP Guidelines.

### **55. Program Year for Cost Components**

The cost of each project component will be listed in the STIP no earlier than the state fiscal year in which the project component can be delivered, as described below.

(a) Project development

(1) Local agency project development costs for environmental studies and permits will be programmed in the fiscal year during which environmental studies will begin. The fiscal year during which the draft environmental document is scheduled for circulation will be identified in the STIP. Costs for the preparation of plans, specifications, and estimates will be programmed in the fiscal year during which this work will begin. Where appropriate, local agency costs for environmental studies and design may be listed in different fiscal years.

(2) Caltrans project development costs for environmental studies and permits will be programmed in the fiscal year during which the environmental studies begin. Caltrans shall not begin environmental studies until the fiscal year in which project development costs for environmental studies and permits are programmed. The fiscal year during which the draft environmental document is scheduled for circulation will be identified in the STIP. Costs for preparing plans, specifications and estimates will be programmed in the fiscal year during which this work will begin. Caltrans shall not begin preparing plans, specifications, and estimates until CEQA and NEPA (if applicable) are completed and until the fiscal year in which project development costs for preparing plans, specifications, and estimates are programmed.

Caltrans may not begin preconstruction work on a project earlier than the year in which that project component is programmed unless funding becomes available through the delay of other STIP projects. The Commission must approve this through a STIP amendment specified in Section 75 or a time extension defined in Section 74.

Caltrans will report, outside the STIP, on year-by-year expenditures for project development components.

(b) Right-of-way

Right-of-way costs, including Caltrans support costs, will be programmed in the fiscal year during which right-of-way acquisition (including utility relocation) contracts will first be executed.

(c) Construction

Construction costs, including Caltrans construction support costs, will be programmed in the fiscal year during which construction contracts will be advertised or, for Caltrans-implemented projects, when the Ready to List milestone is achieved. All construction costs in or related to a single construction contract should be listed in one fiscal year, regardless of the time construction costs will be paid. Projects requiring separate construction contracts should be listed separately for the STIP, even if they are corridor

projects grouped for project development and right-of-way programming, as described in Section 63 of these guidelines.

## **56. Escalation Adjustments**

All projects will count against share balances based on their fully escalated (inflated) costs. All project RTIP and ITIP nominations shall therefore be at costs escalated to the year project delivery is proposed (see Sections 52 and 55 of these guidelines). Cost estimates for project components that are programmed and not allocated shall be updated, as needed, based on the most current cost information during every STIP cycle. A revised ePPR (per Appendix A) shall be submitted for every updated project. Commission staff may make further escalation adjustments, in consultation with Caltrans and regions, to make its staff recommendations and develop the STIP (see Section 68 of these guidelines). Ordinarily, the Commission will apply escalation adjustments only to Caltrans construction costs, not to right-of-way, project development, or local projects.

## **57. Prior Costs for Grandfathered 1996 STIP Projects**

For every Caltrans project carried forward to the 1998 STIP, Caltrans will identify the amount of its expenditures for right-of-way (including support) and project development through the 1997-98 fiscal year. When added to the amounts remaining and programmed for the 1998 STIP period, these amounts will establish the project component base cost for share balance tabulations and adjustments, as described in Sections 58-64 of these guidelines. All other cost changes will be drawn from or credited to the appropriate regional share. In the ITIP, Caltrans shall report on the budgets for all ongoing grandfathered 1996 STIP projects. This reporting shall include a comparison of actual expenditures to project budgets as reported in the 2012 ITIP.

# **VIII. SHARE BALANCES AND ADJUSTMENTS**

## **58. Long-term balances**

With assistance from Caltrans and regional agencies, the Commission will maintain a long-term balance of county and interregional shares, as specified in Streets and Highways Code Section 188.11. The Commission will calculate the cumulative share balances as of the end of the preceding fiscal year and make them available for review by Caltrans and regional agencies by August 15 each year.

## **59. Local Projects**

For share balances, the Commission will allocate the costs counted for local projects (all project work not implemented by Caltrans).

The Commission may approve a downward share adjustment to reflect the voted allocation if the construction contract award allotment is less than 80 percent of the

engineer's final estimate. The regional agency should make its request by letter to the Commission no later than three months after the construction contract award date.

No adjustment will be made after the allocation vote for any amount not expended by the local agency. To provide a degree of flexibility to local agencies in administering projects, allocated funds may be shifted between project components to accommodate cost changes within the following limits:

- That agency may also expend any amount allocated to a local agency for environmental studies and permits for plans, specifications, and estimates. Any amount allocated to a local agency for plans, specifications, and estimates may also be expended by that agency for environmental studies and permits.
- Additionally, a local agency may expend an amount allocated for project development, right of way, or construction for another project phase, provided that the total expenditure shifted to a phase in this way is no more than 20 percent allocated for either phase. This means that the amount transferred by a local agency from one phase to another may be no more than 20 percent of whichever of the phases has received the smaller allocation from the Commission.

Shifting allocated funds between components will not impact county share balances, based on the actual amounts allocated for each component.

## **60. Construction**

For share balances, the costs counted for Caltrans construction projects are the engineer's final estimate presented to the Commission for allocation vote.

At the request of Caltrans and with the approval of the regional agency for the county share, the Commission may approve a downward share adjustment of the allocation vote if the construction contract award allotment is less than 80 percent of the engineer's final estimate. The Department, with the approval of the regional agency, when necessary, should make its request by letter to the Commission no later than three months after the construction contract award date.

No other adjustment will be made after the allocation vote for the award amount or for changes in expenditures, except where the Commission votes a supplemental allocation during or following construction. No share adjustment will be made for supplemental allocations made by Caltrans under the authority delegated by Commission Resolution G-12, except that when a Commission supplemental vote is larger than it otherwise would have been because of a prior G-12 rescission (negative G-12) made by Caltrans, the effect of the negative G-12 will be excluded when counting the Commission's supplemental vote for share balances. The programmed amount will be counted when a project has not been voted.

## **61. Construction Support**

For share balances, the costs counted for Caltrans construction support are the amount identified and presented to the Commission for the allocation vote. No other share adjustment for cost differences less than 120% of the Commission's original allocation will be made. No adjustment will be made for supplemental allocations made by Caltrans under the authority delegated by Commission Resolution G-12. For costs equal to or greater than 120% of the Commission's original allocation, the Commission shall require a supplemental allocation, the full amount of which shall be counted for purposes of share balances.

## **62. Right-of-Way**

For sharing balances, the costs counted for right-of-way on Caltrans implemented projects, including right-of-way support costs, are the amounts programmed for right-of-way in the STIP. No adjustment will be made for cost differences within 20 percent of the amount programmed for right-of-way reported at the time of construction allocation and/or contract acceptance. This flexibility is intended to facilitate the tracking of share balances and is not intended to be permission to overspend a project budget.

For Caltrans projects that achieve right-of-way certifications 1 or 2 at the time of Commission construction allocation, costs will be counted at the time of the vote. For Caltrans projects with a right-of-way certification other than 1 or 2, the reporting of the final estimate may be deferred until the right-of-way certification is updated. In no case shall this deferral exceed 12 months.

To encourage accurate estimates and minimize the manipulation of share balances, the Commission will consider STIP amendments for Caltrans implemented project right-of-way costs only in conjunction with the statewide review of right-of-way costs in the annual right-of-way plan.

## **63. Project Development**

For share balances, the costs counted for Caltrans project development are the amounts programmed for environmental studies and permits, and preparing plans, specifications, and estimates. No adjustment will be made for cost differences within 20 percent of the amount programmed for project development at the time of construction allocation. This flexibility is intended to facilitate the tracking of share balances and is not intended to be permission to overspend a project budget. To encourage accurate estimates and minimize the manipulation of share balances, the Commission will consider STIP amendments for project development only when the change in total project development costs is 20 percent or more or when changes in project development costs are the result of STIP amendments to change the scope of the project.

## **64. Federal Earmark Funds**

Federal funds earmarked for specific projects that are not subject to federal obligation authority or are accompanied by their obligation authority, either individually or by project group, are not included in the Fund Estimate or programmed in the STIP. Because these funds are made available outside the STIP, they do not count against county or interregional shares. Suppose the sponsor or implementing agency for the earmarked project seeks RTIP or ITIP funding to match the federal earmark funds or to complete funding for the project. In that case, the project becomes a STIP project, and the earmark funds are treated as non-STIP funds.

If federal earmark funds become available for projects already programmed in the STIP, the earmark funds may be used in one of three ways:

- (1) If the STIP project is not fully funded, the earmark funds may be used to help fully fund the project.
- (2) If the project is fully funded, the earmark funds may increase its scope or supplement the state or local funds already committed to the STIP project.
- (3) If earmark funds supplant committed funds, the beneficiary of the tradeoff will be as follows:
  - (a) For projects funded with county or local funds, the county share and/or local funds will be credited with the benefit.
  - (b) For projects funded with interregional share funds, the interregional share will be credited with the benefit.
  - (c) For jointly funded projects, the interregional share, the county share, and/or the local fund will each be credited with the benefit in proportion to their respective funding commitments in the STIP project.

The Commission advises sponsors and implementing agencies for earmark projects that earmark funds are limited in availability for each specified project, or for groups of projects, to annual obligation authority and annual allocation percentages specified in federal statutes. This means that the full amount of federal earmark funds specified in federal statute may not be available for the project at planned implementation. These limitations shall be considered when determining the amounts of earmarked funds available for the options described in the previous two paragraphs.

## **IX. COMMISSION ACTION AND ADOPTION**

### **65. Commission Action on RTIP Proposals**

The Commission will include all RTIP projects nominated from the county share for the four-year share period that ends during the current STIP (i.e., the period ending in 2030-31 for the 2026 STIP) unless the Commission finds that (a) the RTIP is not consistent with these guidelines, (b) there are insufficient funds to implement the



RTIP, (c) there are conflicts with other RTIPs or with the ITIP, (d) a project is not in an approved CMP or is not included in a separate listing in the approved RTIP as provided by Government Code 65082, or (e) the RTIP is not a cost-effective expenditure of State funds. In making its finding, the Commission will consider the cost-effectiveness evaluation of the RTIP submitted by the region as required in Section 19 of these guidelines. If a region nominates only projects with uncommitted funds (see Section 16) for the four-year share period that ends during the current STIP, the Commission may view the RTIP as not a cost-effective use of state funds if there is a significant risk of the projects not receiving the funding commitments. The Commission may also evaluate based on the criteria in Section 19 of these guidelines. If the Commission makes one of those findings, it may entirely reject the RTIP. For the six (6) county SCAG area, the Commission will incorporate or reject each county's RTIP separately. For MTC and SACOG, the Commission will incorporate or reject the multicounty RTIP. For counties that pool county shares, the Commission will incorporate or reject the counties' RTIPs together.

If the Commission proposes to reject an RTIP, it will provide notice to the regional agency not later than 60 days after the date it receives the RTIP. The Commission's Executive Director may provide the notice by letter; the notice does not require formal Commission action. The notice will specify the factual basis for the proposed rejection. The Commission will act on the proposed rejection of an RTIP no later than the adoption of the STIP. No later than 60 days after the Commission rejects an RTIP, it will hold a public hearing on the RTIP in the affected region unless the regional agency proposes to waive the hearing and submit a new RTIP. Whenever the Commission rejects an RTIP, the regional agency may submit a new RTIP. Unless the new RTIP is rejected in the same manner, it will be incorporated into the STIP as a STIP amendment. This amendment will not require a separate 30-day public notice if the new RTIP is limited to projects considered in the STIP hearings or a public hearing on the proposed RTIP rejection.

The Commission may also program projects proposed in the RTIP for funding from the estimated county share for the four-year share period that extends beyond the current STIP (in the 2026 STIP, this is the share period ending 2031-32) or from advances against future share periods. A decision by the Commission not to program any of these proposed projects does not constitute or require a rejection of the RTIP. Any portion of the county share for the four-year period not programmed in the current STIP will remain available for programming within the same period in the following STIP.

## **66. Commission Action on Advances and Reserves**

In selecting projects for funding beyond the county share for the share period that ends during the current STIP, including advances, the Commission intends to consider regional agency priorities and the extent to which each RTIP includes:

- Projects consistent with Governor's Executive Order B-30-15 (based on documentation submitted in the RTIP).
- Projects implement a cost-effective RTIP, considering the evaluation submitted as required by Section 19 of these guidelines.
- Projects that complete or fund further components of projects included in the prior STIP.
- Grandfathered projects from the 1996 STIP.
- Projects within the corridor that meet identified State highway and intercity rail improvement needs as described in Section 24.
- Projects that leverage federal discretionary funds.
- Projects that leverage discretionary local funds that would otherwise not be spent on a transportation-related purpose.
- Projects that provide regional funding for interregional partnership projects.

If the Commission approves a region's request to advance an amount beyond its county share for the four years to program a larger project, the advance will be deducted from the county share for the following county share period. Suppose the Commission does not approve the advance and does not program the project or project components that the RTIP proposed to program with the advance. In that case, the Commission will reserve any portion of the county share left unprogrammed until the next STIP. This action will not require a rejection of the entire RTIP.

An RTIP request to reserve part or all of a county share until the next STIP or county share period will free up current period funding that the Commission may use to advance county shares in other counties. With Caltrans's consent, the Commission may also consider advancing county shares by reserving a portion of the interregional share until the next county share period.

## **67. Commission Action on Interregional Program**

The Commission will program the interregional share of the STIP from projects nominated by Caltrans in its ITIP or alternative recommendations made by regions in their RTIPs. By statute, the Commission may program a regional recommendation for the interregional program only if the Commission "makes a finding, based on an objective analysis, that the recommended project is more cost-effective than a project submitted by [Caltrans]." The Commission may decline to program any project it finds inconsistent with these guidelines or not a cost-effective expenditure of State funds. In making its finding, the Commission will consider the cost-effectiveness evaluation of the ITIP submitted by Caltrans as required in Section 19 of these guidelines. The Commission may also evaluate based on the criteria in Section 19 of these guidelines. After a review of the nominated projects, the Commission may elect to leave a portion of the interregional share unprogrammed and reserved for later interregional programming or, with the consent of Caltrans, may reserve a portion of the interregional share for the next share period to free up funding for county share advances.

## **68. STIP Respreading of Projects**

The Commission may program projects, project components and project reserves in fiscal years later than the fiscal years proposed in the RTIP or ITIP if the Commission finds it necessary to do so to ensure the total amount programmed in each fiscal year of the STIP does not exceed the amount specified in the fund estimate as required by Section 14529(e) of the Government Code. In that case, the Commission will compare all projects nominated for the year(s) from which projects will be postponed, considering (1) regional priorities and the leveling of regional shares across the STIP period, and (2) the availability of PTA or other restricted funds by fiscal year.

## **X. STIP MANAGEMENT**

### **69. Allocation of Funds**

The Commission will consider allocating funds for a project or component when it receives an allocation request and recommendation from Caltrans. The Commission will only consider allocating construction and/or construction support funds to projects that are ready to advertise. For ready-to-advertise projects, the Commission expects Caltrans to certify that a project's plans, specifications, and estimate (PS&E) are complete, environmental and right-of-way clearances are secured, and all necessary permits and agreements (including railroad construction and maintenance) are executed. Projects not ready for advertisement will not be placed on the Commission's agenda for allocation approval. All construction allocations, *including rail equipment procurements*, are valid for six months from the date of allocation unless the Commission approves an extension (see Section 73 regarding timely use of funds).

When requesting an allocation of funds for the right-of-way or construction of a transit or intercity rail project in which the transit or rail operator will not own the improved facility, the request for allocation must be accompanied by a copy of the executed agreement with the facility owner that details the benefits the operator is to receive following the capital improvements.

All allocations will be made in units of \$1,000, and all allocation requests shall therefore be in units of \$1,000. The request will include determining funding availability and recommending the funding source. The recommendation on the source of funding shall consist of the amounts by fund account, i.e., State Highway Account, Public Transportation Account, or Federal Trust Fund, as well as the fund type within the account, including the type of federal funds. Caltrans' recommendation to the Commission for state-only funding of a project will be made in accordance with Caltrans' current policy for exceptions to federal funding. The final determination of the fund type available for a project will be made in the Commission's allocation of funds. The Commission will approve the allocation only

if the funds are available and are necessary to implement the project as programmed in the STIP.

In compliance with Sections 21102 and 21150 of the Public Resources Code, the Commission may not allocate funds to local agencies for design, right-of-way, or construction before environmental clearance documentation under the California Environmental Quality Act (CEQA). As a matter of policy, the Commission will not allocate funds to local agencies for design, right-of-way, or construction of a federally funded project before environmental clearance documentation under the National Environmental Policy Act (NEPA). Exceptions to this policy may be made when federal law allows for the acquisition of right-of-way before completion of NEPA review.

All funds allocated are subject to the timely use of funds provision as described in Section 73 of these guidelines.

The Commission will consider making an allocation that exceeds the amount programmed in the STIP if a region or the interregional program has an adequate unprogrammed share balance or if the Commission finds it can approve an advance to the county share or to the interregional share. Unallocated amounts are available for allocation until the end of the fiscal year in which they are programmed in the STIP. Funds not allocated are subject to the timely use of funds provisions described in Section 73 of these guidelines.

If a project or project component is ready for implementation earlier than the fiscal year that it is programmed in the STIP, the implementing agency may request an allocation in advance of the programmed year. The Commission may allocate in advance of the programmed year if it finds that the allocation will not delay funding availability for other projects.

When a local agency (including a transit agency) is ready to implement a project or project component, the agency will submit a request to Caltrans. Caltrans will review the request, prepare appropriate agreements with the agency, and recommend the request to the Commission for action. After receipt of the application, the typical time required to complete Caltrans review, recommendation, and Commission allocation is 60 days. The specific details and instructions for the allocation, transfer and liquidation of funds allocated to local agencies are included in the Local Assistance Procedures for Administering Local Projects in the STIP prepared by Caltrans in consultation with the Commission and regional and local agencies. Allowable reimbursable costs are eligible for reimbursement only after the Commission approves the allocation.

## **70. Allocation of Right of Way Capital for Caltrans implemented projects**

Pursuant to Commission Resolution G-01-09, the Commission delegated authority to Caltrans for sub-allocations and/or adjustment authority to streamline and help in the management of right of way. Annually, Caltrans will present for Commission

review and acceptance a Right of Way Capital Plan. Only programmed projects may be included in the Right of Way Capital Plan. The annual right-of-way capital allocation will not exceed the amount programmed for capital project costs. Unprogrammed right-of-way commitments, such as post-certification costs and inverse condemnation, are funded through the right-of-way capital fund reservation established in the STIP Fund Estimate.

Prior to the approval of the environmental document, Caltrans is restricted from right-of-way expenditures with the exception of the following activities that may occur during the PA&ED phase:

- Permits to enter
- Environmental permit fees
- Positive location of utilities
- Agreements for railroad coordination
- Preliminary title fees

Commitments related to the items listed above are limited to five percent of the overall amount approved in the annual Right of Way Capital Plan.

Beginning in fiscal year 2019-20 or later, projects programmed for right-of-way capital of \$10 million or more, it must receive Commission approval for project-level allocations prior to expenditure of funds. If a project's right-of-way capital initially falls below this threshold but increases to \$10 million or more, an individual project allocation will be required.

Caltrans will provide the Commission quarterly status reports on right-of-way capital plan expenditures. The report shall include a summary, by program, of the funds programmed, allocated, and expended. Changes to the allocation amounts for individual projects must also be included in the quarterly report. Any project identified by Caltrans as needing additional right-of-way capital after the Commission accepts the Right-of-Way Capital Plan will need to be highlighted in the quarterly report, including information on how the additional right-of-way costs will be managed.

## **71. Allocation of Alternative Delivery Methods**

Projects using design-build, design-sequencing procurement, or Construction Manager/General Contractor (CMGC) delivery method shall be identified during programming or before allocation. The Commission will not allocate funds to a project using design-build, design-sequencing, or CMGC procurement without CEQA and NEPA (if applicable) clearance as specified in Section 71 of these guidelines. These project delivery methods will be programmed and allocated in the same manner as projects utilizing design-bid-build delivery. However, schedule, scope, and cost flexibility may be requested and approved consistent with allocation and programming capacity and the timely use of funds rules.



For projects using Design-Build or design-sequencing procurement methods, the allocation for the Plans, Specifications, and Estimate phase may be used to fund up to 30 percent of the Plans, Specifications, and Estimate effort, the right-of-way requirement determination, and the development of the Request for Qualifications and Request for Proposal. Construction support and construction capital allocation must be approved before releasing the Request for Proposal to short-listed Design-Build proposers. After approval of the Design-Build contract, the Design Builder's design costs are funded by the construction capital allocation. The construction support allocation funds Caltrans' oversight of the Design-Builder's design.

For projects using the CMGC delivery method, the Contract Manager's contract costs during the design phase are considered design phase expenditures. Upon award of the construction contract, the contractor shifts to the General Contractor role, and expenditures will be reported as construction phase expenditures.

If a project using the CMGC delivery method is divided into separate work packages for delivery and the packages are unknown at the time of programming, the work packages may be split at the time the initial allocation is requested. A list of the anticipated work packages and their delivery year must accompany the initial construction allocation request. When the first allocation is approved, subsequent construction allocations must provide updated lists for anticipated work packages. A STIP amendment will not be required, provided the scope remains unchanged.

## **72. SB 184 Reimbursement Allocations**

Government Code Section 14529.17, as amended by SB 184 (2007), permits a regional or local agency to expend its funds for a STIP project in advance of the Commission's approval of a project allocation and to be reimbursed for the expenditures after the Commission approves the allocation. However, the statute does not require the Commission to approve an allocation that it would not otherwise approve.

To qualify for reimbursement of expenditures before the Commission approves a project allocation, the regional or local agency must submit a project allocation request that includes notice of the agency's intent to expend its funds for the project before the allocation approval.

When submitting the original to Caltrans, the regional or local agency should send a copy of the allocation request to the Commission's Executive Director.

The local entity must comply with all legal requirements for the project and any project expenditures, including Federal and State environmental laws. Expenditures for projects programmed for Federal funding still require advance approval of the Federal obligation for the project (E-76). Any local agency must



intend to take advantage of the reimbursement provisions of Section 14529.17, understand its obligations, and the risk that is inherently involved.

Only expenditures made by or under contract with a regional or local agency for a project that was and is programmed in the STIP are eligible for reimbursement allocations by the Commission. Project expenditures must be in accordance with the STIP at the time of expenditure and allocation.

The following expenditures are not eligible for reimbursement allocations by the Commission:

- expenditures made before adoption of the project component in the STIP;
- expenditures made before the submittal of the allocation request or before the beginning of the fiscal year for which the project is programmed;
- expenditures that exceed the amount that was or is programmed in the STIP for the particular project component;
- expenditures made by Caltrans;
- expenditures made by a regional or local agency for a project component that was or is programmed for Caltrans implementation;
- expenditures made by a regional or local agency on the State highway system, except in accordance with a project-specific cooperative agreement executed between the local agency and Caltrans; and
- expenditures made by a regional or local agency for a project component that was or is programmed for implementation by another regional or local agency, except in accordance with a project-specific agreement between the two agencies.

The Commission will approve reimbursement allocations only if the regional or local agency submits an allocation request before the first expenditure and the Commission finds no legal impediment to a Commission allocation, other than lack of State budget authority, at the time of expenditure. If, at the time of the allocation request, the Commission finds a lack of sufficient funding available and would otherwise approve the allocation, then the Commission will approve the project for future allocation when funding becomes available. However, even the inclusion of a project in the STIP, the availability of state budget authority, and the lack of specific legal impediment do not obligate the Commission to approve an allocation where the Commission finds that the allocation is not an effective use of state funds, is inconsistent with the Commission's guidelines or policies, or is inconsistent with state or regional plans.

### **73. Timely Use of Funds**

#### Project Delivery Deadlines:

- Allocation deadline –
  - For locally implemented projects, all phases programmed are available for allocation until June 30<sup>th</sup> of the fiscal year in which the funds are programmed.

- For Caltrans implemented projects, construction, construction support costs, or right of way capital of \$10 million or more, are available for allocation until June 30<sup>th</sup> of the fiscal year in which the funds are programmed.

Programmed funds not allocated within this deadline will lapse and be deleted from the STIP. The Commission will not immediately make the funds available to the county or interregional share for reprogramming. However, the Commission will adjust the share balance to restore the funds in the next county share period.

- Expenditure deadline – Funds allocated to local projects for environmental, design, right of way, and PPM must be spent by the end of the second fiscal year following the fiscal year in which the funds were allocated. For example, a project allocated in fiscal year 2024-25 must be spent by June 30, 2027. For local projects, the local agency must invoice Caltrans for these costs no later than 180 days after the fiscal year in which the final expenditure occurred.
- Contract Award deadline – Commission policy is that funds allocated for construction, including intercity-rail projects, or for the purchase of equipment must be encumbered by the award of a contract within six (6) months of the date of allocation unless the Commission approves an extension as described in Section 74.
- Construction contract acceptance deadline – After the award of the construction contract, the local agency or Caltrans has up to 36 months to complete (accept) the contract.
  - For local projects, the local agency has 180 days **after** contract acceptance to make the final payment to the contractor or vendor, prepare the final Report of Expenditure and submit the final invoice to Caltrans for reimbursement.
  - Given the flexibility of the planning, programming, and monitoring funds, time extensions will not be considered for these funds.
- Additional time for project completion at the time of allocation – The Commission may approve additional time for project delivery at the time of allocation, which includes the completion of work and the liquidation of funds, to accommodate the proposed expenditure plan for the project, except for funds allocated for planning, programming, and monitoring.
- Federal Transit Administration Transfers – Federal highway transportation funds programmed and allocated for transit projects are considered obligated and are deducted from the state's federal obligation authority balances as soon as they are transferred to the Federal Transit Administration (FTA) as described in Section 30 of these guidelines. Federal

funds for such projects will be considered encumbered and expended upon completion of the fund transfer to FTA. State funds allocated to match the federal funds for such projects will be subject to the timely use of funds provisions described in this section. Upon completion of such projects, after FTA notification of final project costs, FHWA will adjust obligation records accordingly. Any federal funds transferred to FTA but not expended will be rescinded as state highway account revenue, with no adjustment to county shares. Any state match funds allocated but not expended will also be rescinded with no adjustment to county shares.

Whenever a contract award does not encumber allocated funds or transfer to FTA or is expended within the deadlines specified above, all unencumbered, not transferred, or unexpended funds from the allocation will be rescinded. The Commission will not adjust the county or interregional share for any unencumbered allocation balance.

Caltrans will provide monthly reports to the Commission on projects that have not been awarded or transferred to FTA within six months of the date of the Commission's allocation.

These provisions for the timely use of funds do not apply to Caltrans project development costs, Caltrans right-of-way support costs, or Caltrans right-of-way capital under \$10 million, which the Commission does not allocate.

Funds allocated to Caltrans for right-of-way capital, as specified in Section 70, must be initiated as expenditures within six months of the allocation. Whenever allocated right-of-way capital funds have not initiated expenditure within six months of allocation, the funds will be rescinded, unless the Commission approves a project expenditure time extension. The Commission will not adjust the county or interregional share for rescinded allocated right-of-way funds.

Caltrans has up to 72 months to complete the scope of work specified in the right-of-way phase.

The Commission will not amend the STIP to delete or change the program year of the funding for any project component programmed in the current fiscal year or earlier, except:

- (1) to reprogram funds from a construction project to later mitigation work required for that project, including landscaping or soundwalls, or
- (2) to reprogram funds from one project to another within an identified multi-modal corridor, as defined in Section 11, or
- (3) where the projects are being delivered using the Construction Management/General Contractor delivery method to deliver early work packages as specified in Section 72.

In either of these cases, the Commission will consider the amendment only if it is proposed concurrently with an allocation of funds programmed for the project in the

current fiscal year. These three amendments are adjustments that may be incorporated into the Commission's allocation action. In that case, they do not require the separate notice ordinarily required of STIP amendments.

Where a project or project component will not be ready for allocation as programmed in the current fiscal year, the agency responsible for the project should request an extension of the allocation deadline since the project is not eligible for a STIP amendment.

#### **74. Delivery Deadline Extensions**

The Commission may extend a delivery deadline, as described in Section 73, upon the request of the regional agency or the agency responsible for project delivery. No deadline may be extended more than once. However, there are separate deadlines for allocation, for award of a contract, for expenditures for project development or right-of-way, and for project completion, and each project component has its own deadlines. The Commission may consider the extension of each of these deadlines separately.

All requests for project delivery deadline extensions shall be submitted directly to the appropriate Caltrans district at least 60 days prior to the specific deadline for which the particular extension is requested (e.g., 60 days prior to June 30<sup>th</sup> to request the extension of allocation deadlines). The extension request should describe the specific circumstance that justifies the extension and identify the delay directly attributable to that circumstance. Caltrans will review extension requests and forward them to the Commission for action. Unlike proposed STIP amendments, extension requests do not require a 30-day notice period.

- Allocation time extension (20 months maximum) – The Commission may extend the deadline for allocation of funds only once and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and cannot exceed 20 months.
- Contract award time extension (20 months maximum) – The Commission may extend the deadline for contract award only once and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and cannot exceed 20 months.
- Project development expenditure time extension (20 months maximum) – The Commission may extend the deadline for each project development expenditure of the environmental, design, and right-of-way phases only once and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not

exceed the period of delay directly attributed to the extraordinary circumstance and cannot exceed 20 months.

- Project completion time extension (20 months maximum) – The Commission may extend the deadline for project completion of the construction phase only once and only if it finds that an unforeseen and extraordinary circumstance beyond the control of the responsible agency has occurred that justifies the extension. The extension will not exceed the period of delay directly attributed to the extraordinary circumstance and cannot exceed 20 months.

For each request to extend the deadline to allocate project construction funds, the agency requesting the extension should submit a project construction STIP history in conjunction with the request. The request should also identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each project construction STIP amendment, including the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. The Commission intends to review this history when considering a construction allocation extension request.

## **75. STIP Amendments**

The Commission may amend the STIP at the entity's request, either Caltrans or the regional agency that originally nominated the STIP project. The Commission will amend the STIP only after providing at least 30 days of public notice. Projects proposed by amendment will be subject to the same standards and criteria that apply to RTIP and ITIP proposals. Each amendment will designate from which county share(s) or interregional share the project is being funded, and the Commission will adjust share balances accordingly. An amendment may not create or increase a county share deficit unless the Commission can approve an advance of the county share (see Sections 27 and 66 of these guidelines).

All regional requests for STIP amendments shall be submitted directly to the appropriate Caltrans district. For each amendment that would delay the year of construction, the agency requesting the amendment should submit a project construction STIP history in conjunction with the amendment request. The request should also identify any cost increase related to the delay and how the increase would be funded. The STIP history should note the original inclusion of project construction in the STIP and each prior project construction STIP amendment, including the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. The Commission intends to review this history when considering a STIP amendment that would delay the year of construction.

Caltrans will review proposed amendments and forward them to the Commission for public notice and action. The Commission encourages Caltrans, in cooperation with regions and Commission staff, to develop and implement procedures to



standardize and streamline the amendment process and enhance regions' accountability for amendments to projects not administered by Caltrans.

An amendment may change the scope, cost, or program year of any STIP project, except that the Commission will not amend the STIP:

- to change Caltrans right-of-way costs, except in conjunction with the annual right-of-way plan, or to make an adjustment of more than 20 percent in conjunction with the Commission's allocation of project construction funding;
- to delete or change the program year of the funding for any project component after the beginning of the fiscal year for which it is programmed (except for the adjustments at the time of allocation described in Section 73);
- to change Caltrans construction support or project development costs, except when the change in total construction support or project development costs is 20 percent or more, unless the cost change is the result of a STIP amendment to change the scope of the project; or
- to change the programming of any funds after they have been allocated.

## **76. Approval of AB 3090 Arrangements**

Under Government Code Section 14529.7, as amended by AB 3090 (1992), the Commission, the Department, a regional agency, and a local agency may enter into either one of two types of arrangements under which a local agency pays for the delivery of a STIP project with its funds in advance of the year in which the project is programmed. Under the first type of arrangement, the local agency that advances the STIP project has another project or projects of equivalent value programmed in its place, and these arrangements are implemented by a STIP amendment designating the specified dollar amount for an "AB 3090 replacement project" without identifying the specific project to be implemented as the replacement. Under the second type of arrangement, the local agency that advances the STIP project is programmed to receive a direct cash reimbursement. Those arrangements are implemented by a STIP amendment that approves the Department to execute a reimbursement agreement and programs the reimbursement for the fiscal year in which the project was scheduled in the STIP or a later year.

Scheduled project reimbursements have the highest STIP priority among projects programmed within a fiscal year, although reimbursements are subject to the availability of the appropriate fund type. In most cases, reimbursement will be programmed over several years. Additionally, the Department may pay the reimbursements quarterly if so specified in the reimbursement agreement.

The Commission has adopted separate AB 3090 Reimbursement Guidelines (Resolution G-02-13) that describe specific procedures for reimbursement arrangements. The following is the Commission's policy for approving AB 3090 arrangements for either replacement projects or reimbursements.



1. The Commission intends to encourage local agencies that wish to use local funds to advance the delivery of projects programmed for construction in the STIP when State funds are insufficient to support direct project allocations. In doing so, the Commission will consider approving either AB 3090 replacement projects or AB 3090 direct reimbursement arrangements, giving preference to the programming of AB 3090 replacement projects where feasible or to AB 3090 reimbursements using federal funds and the local advance construction process.
2. Where a local agency proposes to use its own funds for early delivery of a project component programmed in the STIP for a future fiscal year, the Commission will consider approval of an AB 3090 replacement project under the following conditions:
  - a. The regional agency approves the arrangement.
  - b. The local agency has identified a local fund source for the project component, and there is a reasonable expectation that the AB 3090 approval will accelerate the construction delivery of an STIP project.
  - c. The local agency commits to award a contract or otherwise begin delivery of the project component within six (6) months of the Commission's approval, with the understanding that the arrangement may be cancelled if that condition is not met. AB 3090 arrangements for construction or the purchase of equipment are valid for six months from the date of approval unless the Commission approves an extension.
  - d. The STIP amendment approving the arrangement will replace the project component with an unidentified replacement project in the same fiscal year.
3. Where a local agency proposes to use its funds for early delivery of a project component programmed in the STIP for a future fiscal year, the Commission will consider approval of an AB 3090 reimbursement only when the following additional conditions are met:
  - a. The regional agency explicitly finds the project to be the region's highest priority among STIP projects programmed for that fiscal year. A regional agency unable to make such a finding shall, in its request for an AB 3090 reimbursement, explain why it cannot make the finding and the relative priority of the STIP projects programmed for that fiscal year.
  - b. The Commission determines that reimbursement would be consistent with the fund estimate.
  - c. The source of local funds to deliver the project could not or would not be made available for an AB 3090 replacement project. The request for AB 3090 reimbursement approval shall identify the source of local funds to be used, why the funds would not be available for the STIP project without an AB 3090 direct reimbursement arrangement, and what the funds would be available for if not used for the STIP project.
  - d. Before approving an AB 3090 reimbursement arrangement, the Commission will consider programming the reimbursement in a later

fiscal year, consistent with the project's regional and state priority for funding and the projected availability of funds to support other projects. The Commission will not change the reimbursement programming after approval.

- e. The Commission will not approve AB 3090 reimbursement arrangements intended solely to protect a project from being reprogrammed or to protect a local agency's share of STIP funding.
4. The Commission will also consider approval of an AB 3090 reimbursement arrangement for a project component programmed in the current fiscal year if insufficient funds are available to approve a direct allocation. In this case, the AB 3090 approval will schedule the reimbursement for the next fiscal year or later. In making a current year request for an AB 3090 reimbursement arrangement, the region shall explain why the project cannot be advanced using a reimbursement allocation (as described in section 70).
5. In considering approval of AB 3090 reimbursement arrangements, the Commission intends to ensure that no more than \$200 million in reimbursements is scheduled statewide for any one fiscal year and that no more than \$50 million in reimbursements is scheduled for the projects of any single agency or county for any one fiscal year. The Commission intends to evaluate the limit on AB 3090 reimbursement arrangements biennially as a part of the STIP fund estimate and STIP guidelines. A local agency may request the approval of an AB 3090 reimbursement arrangement that exceeds the aforementioned limits. The Commission will consider such requests on a case-by-case basis. In evaluating such requests, the Commission will weigh the impact that exceeding the limits might have on allocating other STIP projects.

## **77. Selection of Projects for GARVEE Bonding**

If the fund estimate projects the availability of federal funding for the STIP, the Commission may, by STIP amendment, select STIP projects proposed from either an RTIP or the ITIP for accelerated construction through GARVEE bonding. With the agency's agreement to propose the project, the Commission may designate a STIP project for GARVEE bonding even if the original RTIP or ITIP did not specifically propose GARVEE bonding. The Commission may also select projects programmed in the SHOPP for accelerated construction through GARVEE bonding. The Commission will select projects for GARVEE bonding that are major improvements to corridors and gateways for interregional travel and goods movement, especially projects that promote economic development and projects that are too large to be programmed within current county and interregional shares or the SHOPP on a pay-as-you-go basis. The Commission expects that, generally, these will be projects that require bond proceeds exceeding \$25 million. Major improvements include projects that increase capacity, reduce travel time, or provide long-life rehabilitation of key bridges or roadways.

Each bond will be structured for debt service payments over a term of not more than 12 years. In designating projects for bonding and scheduling bond sales, the

Commission will consider the overall annual debt service limit of 15 percent of Federal revenues.

GARVEE bonds cover only the federally funded portion of a project's cost (generally 88½ percent). GARVEE bonding in California is structured so that the State's future Federal transportation apportionments cover all debt service payments. This requires that the entire non-Federal portion of the project cost (including costs of issuance and interest) be provided on a pay-as-you-go basis at the time of construction. The Commission's policy is that the non-federal portion of project costs will be programmed within the current STIP and SHOPP capacity. Although local funds may be applied to the non-federal share, the ability of a local agency to contribute non-STIP funding will not be a major criterion in the selection of projects for GARVEE bonding.

## **78. Project Delivery**

It is a Commission policy that all transportation funds allocated through the State be programmed and expended in a timely manner to avoid the accumulation of excessive fund balances and the lapse of federal funds. The Commission's goal is that transportation projects programmed against funds allocated through the State be delivered no later than scheduled in the appropriate transportation programming document. For this goal, delivery means allocation or obligation of funds for the programmed project or project component. For projects delivered by Caltrans, the Commission's delivery goal each fiscal year is 90% of the projects programmed in each fiscal year and 100% of the funds programmed in each fiscal year. For projects delivered by agencies other than Caltrans, the Commission's delivery goal each fiscal year is 90% of the projects programmed in each fiscal year and 95% of the funds programmed in each fiscal year.

Caltrans will provide the Commission with status reports on project delivery in October, January, April, and July of each fiscal year for projects to be delivered by Caltrans.

Caltrans and regions will also provide the Commission with a report on completed projects. Caltrans shall report this information at least semiannually. Each regional agency shall, in its RTIP, report on all STIP projects completed between adopting the RTIP and adopting the previous RTIP. The report shall include a summary, by component and fund type, of the funds programmed, allocated, and expended when the construction contract was accepted. For projects with a total cost of \$50 million or greater or a total STIP programmed amount (in right-of-way and/or construction) of \$15 million or greater, the reports shall also include a discussion of the project benefits that were anticipated before construction, compared to an estimate of the actual benefits achieved. Caltrans or a regional agency may elect to defer the reporting of project benefits if it believes such a deferral is needed to assess the project benefits better. If reporting is deferred, Caltrans or the regional agency shall include a list of all the projects for which reporting has been deferred and indicate when it anticipates reporting.

In consultation with Commission staff, regional agencies, and county transportation commissions, Caltrans will develop a format and content requirement for the reports.

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## **XI. STIP DEVELOPMENT SCHEDULE AND PROCEDURES**

### **79. STIP Development Schedule**

The following schedule lists the major milestones for the development and adoption of the STIP:

<b>STIP Milestones</b>	<b>Date</b>
Caltrans presents the Draft Fund Estimate to the CTC.	By July 15 of each odd-numbered year
CTC adopts Fund Estimate.	By August 15 of each odd-numbered year
Caltrans submits the draft ITIP to the CTC.	By October 15 of each odd-numbered year
CTC ITIP hearing – North CTC ITIP hearing – South	By November 15 of each odd-numbered year
Regions submit their RTIPs to CTC Staff.	By December 15 of each odd-numbered year
Caltrans submits its ITIP to CTC Staff.	By December 15 of each odd-numbered year
CTC STIP hearing – North	Jan. – Feb. each even-numbered year
CTC STIP hearing – South	Jan. – Feb. each even-numbered year
CTC publishes staff recommendations.	At least 20 days prior to the adoption of the STIP
CTC adopts the STIP.	By April 1 of each even-numbered year

### **80. ITIP Hearings**

Before Caltrans adopts and submits the final ITIP, the Commission will hold at least two hearings, one in northern and one in southern California, to provide opportunities for public input regarding projects proposed in the ITIP.

### **81. STIP Hearings**

Before the adoption of the STIP, the Commission will hold two STIP hearings for Caltrans and regional agencies, one in northern California and one in southern California. By statute, the hearings are “to reconcile any objections by

any county or regional agency to the department's program or the department's objections to any regional program." The Commission will expect any objections to the Caltrans program or to a regional program to be expressed in terms of the undesirable impact that the program would have on the implementation of the respective agency's long-range transportation plan(s). The Commission expects regional agencies and Caltrans to discuss how the infrastructure projects included in each program help attain regional and statewide goals, including those in Governor's Executive Orders B-30-15 B-32-15, and N-19-19, where applicable.

## **82. Transmittal of RTIPs**

By statute, regional agencies must adopt and submit their RTIPs to the Commission and Caltrans no later than December 15 of odd-numbered years. The Commission requests that each region send an electronic copy to [Kacey.Ruggiero@catc.ca.gov](mailto:Kacey.Ruggiero@catc.ca.gov) and one hard copy of its RTIP, addressed to:

Executive Director  
California Transportation Commission  
1120 N Street, Mail Station 52  
Sacramento, CA 95814

Caltrans requests that each region send an electronic copy to [Sudha.Kodali@dot.ca.gov](mailto:Sudha.Kodali@dot.ca.gov), [OCIP@dot.ca.gov](mailto:OCIP@dot.ca.gov), one hard copy to the appropriate Caltrans District Director, and one hard copy addressed to:

Chief, Division of Financial Programming  
Attention: Office of Capital Improvement Program  
Department of Transportation  
Mail Station 82  
P. O. Box 942874  
Sacramento, CA 94274-0001

## **83. Transmittal of Draft and Final ITIP**

By statute, Caltrans must submit its draft ITIP and final ITIP to the Commission no later than October 15 and December 15, respectively, of odd-numbered years. The Commission requests that Caltrans post the draft ITIP and the final ITIP on their website and send an electronic copy to [Kacey.Ruggiero@catc.ca.gov](mailto:Kacey.Ruggiero@catc.ca.gov) and one hard copy of the draft ITIP and final ITIP addressed to:

Executive Director  
California Transportation Commission  
1120 N Street, Mail Station 52  
Sacramento, CA 95814



#### **84. Commission Staff Recommendations**

Commission staff shall prepare recommendations for the STIP's adoption at least twenty days before the adoption date. The staff recommendations will be made available to the Commission, Caltrans, and the regional agencies.

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## **XII. APPENDICES**

### **Appendix A: Electronic Project Programming Request**

A link to the ePPR tool may be found at:

<https://dot.ca.gov/programs/financial-programming/office-of-capital-improvement-programming-ocip>

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## **Appendix B: Performance Indicators and Measures**

Use the following table B1 to indicate quantitatively the overall regional level performance of your Regional Transportation Plan (RTP), and where applicable, Sustainable Communities Strategy (SCS) or California Transportation Plan, and the Interregional Transportation Strategic Plan (ITSP). For regions outside an MPO, or a small MPO, the second table B1(a) may be used in addition to or as a replacement for B1.

If tables B1 and/or B1(a) are insufficient in indicating how progress towards attaining goals and objectives contained in each RTP, and where applicable, SCS, and the ITSP is assessed and measured, include the following information:

- List your performance measures.
- Provide a quantitative and/or qualitative analysis (include baseline measurement and projected program or project impact).
- State the reason(s) why selected performance measures are accurate and useful in measuring performance. Please be specific.
- Identify any and all deficiencies encountered in as much detail as possible.

For qualitative explanations, state how progress towards attaining goals and objectives contained in each RTP, SCS, and, where applicable, the ITSP is assessed and measured.

<b>B1 Evaluation – Regional Level Performance Indicators and Measures</b>			
Goal	Indicator/Measure	Current System Performance (Baseline)	Projected System Performance (indicate timeframe)
Congestion Reduction	Vehicle Miles Traveled per capita		
	Percent of congested Vehicle Miles Traveled (at or below 35 mph)		
	Commute mode share (travel to work or school)		
Infrastructure Condition	Percent of distressed state highway lane-miles		
	Pavement Condition Index (local streets and roads)		
	Percent of highway bridges by deck area classified in Poor condition		
	Percent of transit assets that have surpassed the FTA useful life period.		
System Reliability	Highway Buffer Index (the extra time cushion that most travelers add to their average travel time when planning trips to ensure on-time arrival)		
Safety	Fatalities and serious injuries per capita		
	Fatalities and serious injuries per Vehicle Miles Traveled		
Economic Vitality	Percent of housing and jobs within 0.5 miles of transit stops with frequent transit service		
	Mean commute travel time (to work or school)		
Environmental Sustainability	Change in acres of agricultural land		
	CO <sub>2</sub> emissions reduction per capita		

<b>B1(a) Evaluation</b>			
<b>Rural Specific Regional Level Performance Indicators and Measures</b>			
Goal	Indicator/Measure	Current System Performance (Baseline)	Projected System Performance (indicate timeframe)
Congestion Reduction	Vehicle Miles Traveled per capita, area, by facility ownership, and/or local vs tourist		
	Peak Volume/Capacity Ratio or Thresholds (threshold volumes based on HCM 2010)		
	Commute mode share (travel to work or school)		
Transit	Total operating cost per revenue mile		
Infrastructure Condition	Distressed lane-miles, total and percent, by jurisdiction		
	Pavement Condition Index (local streets and roads)		
Safety	Total accident cost per capita and VMT		
Environmental Sustainability	Land Use Efficiency (total developed land in acres per population)		

**Agencies may use the following table B2 to evaluate the cost-effectiveness of the RTIP or ITIP.**

<b>B2 Evaluation - Cost-Effectiveness Indicators and Measures</b>			
Goal	Indicator/Measure (Per thousand dollars invested)	Current Level of Performance (Baseline)	Projected Performance Improvement (indicate time frame)
Congestion Reduction	Reduce Vehicle Miles Traveled per capita		
	Reduce percent of congested VMT (at or below 35 mph)		
	Change in commute mode share (travel to work or school)		
Infrastructure Condition	Reduce percent of distressed state highway lane-miles		
	Improve Pavement Condition Index (local streets and roads)		
	Reduce percent of highway bridge deck area in Poor Condition		
	Reduce percent of transit assets that have surpassed the FTA useful life period		
System Reliability	Reduce Highway Buffer Index (the time cushion added to average commute travel times to ensure on-time arrival)		
Safety	Reduce fatalities and serious injuries per capita		
	Reduce fatalities and serious injuries per Vehicle Miles Traveled		
Economic Vitality	Increase percent of housing and jobs within 0.5 miles of transit stops with frequent transit service		
	Reduce mean commute travel time (to work or school)		
Environmental Sustainability	Change in acres of agricultural land		
	CO <sub>2</sub> emissions reduction per capita		



Agencies may use the following table B3 to identify by proposed project, or in summary for all proposed projects, changes to the built environment.

<b>B3 Evaluation - Project Changes or Increased Capacity Benefits</b>			
Project Type Or Mode	Change to the Built Environment	Indicator/ Measure	Benefits or Performance Improvement at Project Completion
State Highway	New general-purpose lane-miles		
	New HOV/HOT lane-miles		
	Lane-miles rehabilitated		
	New or upgrade bicycle lane/sidewalk miles		
	Operational improvements		
	New or reconstructed interchanges		
	New or reconstructed bridges		
Transit or Intercity Rail	Additional transit service miles		
	Additional transit vehicles		
	New rail track miles		
	Rail crossing improvements		
	Station improvements		
Local streets and roads	New lane-miles		
	Lane-miles rehabilitated		
	New or upgrade bicycle lane/sidewalk miles		
	Operational improvements		
	New or reconstructed bridges		

## **Appendix C: Addendum for LATIP Programs**

### **ADDENDUM to STIP GUIDELINES Local Alternative Transportation Improvement Programs State Routes 84 and 238**

**Authority and Scope:** Government Code Section 14528.56, added by Chapter 291 (AB 1386) of the Statutes of 2009, authorizes the California Transportation Commission (Commission) to incorporate into the state transportation improvement program guidelines additional guidelines specific to the local alternative transportation improvement program, and to adopt guidelines to establish a process to approve advancing a project, if the project is included in the local alternative transportation improvement program approved pursuant to Section 14528.5 or 14528.55 of the Government Code.

The Commission may amend these guidelines any time after first giving notice of the proposed amendments.

**Development of the Local Alternative Transportation Improvement Program:**

Sections 14528.5 and 14528.55 of the Government Code authorize the development of a local alternative transportation improvement program (TIP) to address transportation problems which were to be addressed by the planned state transportation facilities on State Highway Route 238 in the City of Hayward and Alameda County, and on State Highway Route 84 in the Cities of Fremont and Union City. The City and/or County will act jointly with the transportation planning agency to develop and file the local alternative TIP. Priorities for funding in the local alternative TIPs shall go to projects in the local voter-approved transportation sales tax measure.

The local alternative TIP must be submitted to the Commission prior to July 1, 2010.

All proceeds from the sale of the excess properties, less any reimbursements due to the federal government and all costs incurred in the sale of those excess properties (properties acquired to construct a new alignment for a freeway or expressway bypass to State Highway Route 238 in the City of Hayward and in the County of Alameda, and State Highway Route 84 in the Cities of Fremont and Union City) shall be allocated by the Commission to fund the approved local alternative TIP.

**Administration of the Local Alternative TIP:** Project funds programmed in the local alternative TIP shall be allocated and expended in the same manner as state funds made available for capital improvement projects in the state transportation improvement program (STIP) adopted by the Commission pursuant to Section 14529 of the Government Code. These funds shall not be subject to the formula distributions specified in Sections 164, 188 and 188.8 of the Streets and Highways Code.

**Advancement of a Project in the Local Alternative TIP:** A local agency may, with the concurrence of the appropriate transportation planning agency, the Commission, and the Department of Transportation (Department), advance a project included in the local alternative TIP prior to the availability of sufficient funds from the sale of respective excess properties, through the use of its own funds.

Advancement of a project or projects shall not change the priority for funding and delivery of all projects within each respective approved local alternative TIP.

A local agency may enter into an agreement with the appropriate transportation planning agency, the Department, and the Commission to use its own funds to develop, purchase right-of-way for, and construct a transportation project within its jurisdiction that is included in the respective local alternative TIP.

If the local agency uses local voter-approved sales and use tax revenues to advance a project, any reimbursement made shall be used for the same purposes for which the imposition of the sales and use tax is authorized.

**Submittal of Advancement Request:** Requests shall be submitted to the Department by the applicant in accordance with established timeframes for project amendments to be placed on the agenda for timely consideration by the Commission.

To be considered by the Commission, an advancement request shall:

- Be signed by a duly authorized agent(s) of the applicant agency and the implementing agency if different.
- Include all relevant information as described below.
- Indicate that the implementing agency is ready to start work on the project or project component.
- Have a complete and committed funding plan for the component covered by the advancement request.
- Indicate the anticipated schedule for expenditures and completion of the component.

**Content and Format of Advancement Request:** The Commission expects a complete request to include, at a minimum, the following information as applicable:

- A letter requesting advancement approval. The request shall include a summary of any concurrent actions needed from the Commission and a discussion of the source(s), amount, and funding commitment to be used to advance the project.
- Alternate local funding source(s) that will be substituted for the local alternative TIP funds and a demonstration of commitment of those funds (e.g., resolution, minute order) from its policy board.
- An expenditure schedule for the component covered by the advancement request.

- If jointly funded with STIP or Proposition 1B funds, a STIP or Proposition 1B allocation request, an AB 3090 request, or a Proposition 1B LONP request must be included.
- Requests to advance right-of-way purchase or construction must include documentation for Commission review of the final environmental document, as appropriate, and approval for future funding consideration.

**Review and Approval of Advancement Requests:** The Department will review advancement requests for consistency with these guidelines and place the request on the Commission meeting agenda.

Advancement will only be granted for work consistent with the approved project's scope, schedule, and funding.

Upon approval of the advancement, the Department will execute a cooperative agreement or Master Agreement/Program Supplement with the local agency before it can reimburse eligible project expenditures.

**Initiation of Work:** The project requested to be advanced shall be ready to proceed upon approval. The local agency shall report to the Department/Commission within four months following advancement approval on progress in executing agreements and third-party contracts needed to execute the work.

**Allocations:** The Commission will allocate funds for the advanced project when scheduled in the local alternative TIP, contingent on sufficient funds being available in the appropriate Special Deposit Fund. Pursuant to the agreement with the local agency, the Department shall reimburse the local agency for the actual cost of developing and constructing the project, including the right-of-way acquisition. Reimbursement of project development costs shall not exceed 20 percent of estimated construction costs, or any lesser amount mutually agreed to by the Department, Commission, and local agency. Interest and other debt service costs are not reimbursable.

In no case will an allocation be made that exceeds the amount of funds available in the respective account established in the Special Deposit Fund from the sale of excess properties from Route 84 or Route 238. The agency advancing the project accepts the risk that sufficient funds may not be realized from the sale of the excess properties to fully reimburse all project costs.

## **Appendix D: Title VI Requirements**

### **TITLE VI REQUIREMENTS**

All projects programmed in the STIP shall comply with the following provisions:

- The implementing agency assumes responsibility and accountability for the use and expenditure of program funds. Applicants and implementing agencies must comply with all relevant federal and state laws, regulations, policies, and procedures.
- The implementing agency will ensure that no person or group(s) of persons shall, on the grounds of race, color, national origin, sex, age, disability, limited English proficiency, or income status, be excluded, or otherwise subject to discrimination, related to projects programmed and allocated by the Commission, regardless of whether the programs and activities are federally funded. The implementing agency will comply with all Federal and State statutes and implementing regulations relating to nondiscrimination.
- A current list of Title VI/nondiscrimination and related authorities is available on the Commission's website at [www.catc.ca.gov](http://www.catc.ca.gov).