

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 16-17, 2023

From: TANISHA TAYLOR, Executive Director

Reference Number: 4.6, Action

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Subject: Adoption of the 2024 State Transportation Improvement Program Guidelines,
Resolution G-23-58

Recommendation:

Staff recommends the California Transportation Commission (Commission) adopt the 2024 State Transportation Improvement Program (STIP) Guidelines as proposed in Attachments B and C. These Guidelines include provisions specific to the 2024 STIP cycle and amendments to the permanent STIP Guidelines. The provisions specific to the 2024 STIP cycle mainly relate to schedules and funding capacity estimates.

Issue:

The Draft 2024 STIP Guideline, in accordance with Government Code Section 14530.1, were amended in coordination with the California Department of Transportation, regional transportation planning agencies, county transportation commissions, local agencies, the Equity Advisory Committee, and public stakeholders. In addition, statute requires the Commission adopt STIP Guidelines that serve as the complete and full statement of policy, standards and criteria that the Commission intends to use in selecting projects to be included in the STIP. The Draft Guidelines were presented to the Commission on June 28, 2023. Staff held a public workshop to discuss proposed revisions to the guidelines on May 17 and July 19, 2023. The Commission held the required public hearing on August 16, 2023, prior to adoption (Agenda Item 4.28).

Background:

Statute authorizes the Commission to amend the adopted STIP Guidelines after conducting at least one public hearing. The STIP Guidelines were most recently amended on August 18, 2021. The statutes call for the Commission to make a reasonable effort to adopt guideline amendments prior to the adoption of the fund estimate. In no event may the Commission change its guidelines during the period between 30 days after the fund estimate adoption and the STIP adoption.

Attachments:

- Attachment A: Resolution G-23-58 – Adoption of the 2024 STIP Guidelines
- Attachment B: Policies and Procedures Specific to the 2024 STIP
- Attachment C: 2024 STIP Guidelines (to see a strikethrough and bold version [click here](#))

CALIFORNIA TRANSPORTATION COMMISSION
Amendment to the State Transportation Improvement Program Guidelines

RESOLUTION G-23-58
Amending Resolution G-21-59

- 1.1 **WHEREAS**, Government Code Section 14530.1 requires the California Transportation Commission (Commission) adopt guidelines for the development of the State Transportation Improvement Program (STIP) and permits the Commission to amend the guidelines after conducting a public hearing; and
- 1.2 **WHEREAS**, the Commission last amended the STIP Guidelines on August 18, 2021 (Resolution G-21-59); and
- 1.3 **WHEREAS**, Government Code Section 14530.1 requires the Commission to make a reasonable effort to adopt the amended guidelines prior to its adoption of the fund estimate pursuant to Government Code Section 14525 and, in no event, to amend the guidelines during the period commencing 30 days after the fund estimate and before the adoption of the STIP; and
- 1.4 **WHEREAS**, the Commission intends to adopt the 2024 STIP Fund Estimate on August 16, 2023; and
- 1.5 **WHEREAS**, the draft 2024 STIP Guidelines were presented at the June 28, 2023, Commission meeting and Commission staff held a workshop on May 17 and July 19, 2023; and
- 1.6 **WHEREAS**, the Commission held a public hearing on the draft 2023 STIP Guidelines on August 16, 2023.
- 2.1 **NOW THEREFORE BE IT RESOLVED**, that the Commission adopts the amendments to the STIP Guidelines, as presented by Commission staff on August 16, 2023; and
- 2.2 **BE IT FURTHER RESOLVED**, that the Commission adopts the attached amendments to the policies and procedures specific to the 2024 STIP; and
- 2.3 **BE IT FURTHER RESOLVED**, that the Commission directs Commission staff ensure electronic copies of the STIP Guidelines, as amended, together with the policies and procedures specific to the 2024 STIP, are available to the public, the California Department of Transportation, regional agencies, county transportation commissions, and representatives of local agencies and transit agencies.

Policies and Procedures Specific to the 2024 State Transportation Improvement Program

The following specific policies and procedures address the particular circumstances of the 2024 State Transportation Improvement Program:

- **Schedule** – The following schedule lists the major milestones for the development and adoption of the 2024 STIP:

Caltrans presents draft Fund Estimate	June 28-29, 2023
STIP Guidelines & Fund Estimate Workshop	July 19, 2023
CTC adopts Fund Estimate & Guidelines	August 16-17, 2023
Caltrans identifies State highway needs	September 15, 2023
Caltrans submits draft ITIP	October 15, 2023
CTC ITIP hearing, South	November 1, 2023
CTC ITIP hearing, North	November 8, 2023
Regions submit RTIPs	December 15, 2023
Caltrans submits final ITIP	December 15, 2023
CTC STIP hearing, North	January 25, 2024
CTC STIP hearing, South	February 1, 2024
CTC publishes staff recommendations	March 1, 2024
CTC adopts STIP	March 21-22, 2024
- **Statewide Fund Estimate** – The overall statewide capacity for the 2024 STIP Fund Estimate identifies net new capacity in the five years of the STIP period (2024-25 through 2028-29). The estimate incorporates the Budget Act of 2023 and other 2023 legislation enacted prior to the Fund Estimate adoption. Programming in the 2024 STIP will be constrained by fiscal year.
- **COVID Relief Funds** – COVID Relief projects that received an allocation but were not obligated and/or projects pending an allocation due to the rescission of the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 will receive State, Federal, or Public Transportation Account funds.
- **Public Transportation Account** – Although the overall statewide capacity for the 2024 STIP Fund Estimate identifies new capacity for the STIP period, the 2024 STIP Fund Estimate indicates a negative program capacity for the Public Transportation Account in the first two years of the 2024 STIP and a very small positive capacity in the last three years of the STIP. Therefore, all rail and transit projects currently programmed in the STIP and those nominated in the 2024 STIP must maintain State Highway Account and/or Federal funding eligibility. Public Transportation Account funding will be used first when funding rail and transit projects (see section 29 and 35 of the permanent STIP guidelines).

- County Shares and Targets – The Fund Estimate tables of county shares and targets take into account all county and interregional shares through June 30, 2023. The shares were calculated using the statutorily required formula distribution that takes into account population and center highway lane miles.

For each county share and the interregional share, the table identifies the following amounts:

- Base (Minimum) – The base (minimum) is the county share period that falls within a STIP cycle. The 2024 STIP's minimum share period for each county and the interregional program is through 2027-28. The minimum is calculated as the sum of the share balance through the June 2023 Commission meeting and the STIP formula share of the statewide new capacity available through 2027-28. In accordance with statute and the STIP guidelines, the Commission will program all Regional Transportation Improvement Program proposals that fall within this amount unless it rejects the Regional Transportation Improvement Program in its entirety.
- Total Target – This target is determined by calculating the STIP formula share of all new capacity through 2028-29. The Total Target is not a minimum, guarantee, or limit on project nominations or on project selection in any county or region for the 2024 STIP.
- Maximum – This target is determined by estimating the STIP formula share of all available new capacity through the end of the county share period in 2031-32. This represents the maximum amount that the Commission may program in a county, other than advancing future shares, pursuant to Streets and Highways Code Section 188.8(j), to a county with a population of under one million.
- Transit and Rail Projects – As indicated in the 2024 STIP Fund Estimate, there is a negative capacity in Public Transportation Account funds in the first three years of the STIP period. Once all Public Transportation Account funding has been exhausted, rail and transit projects currently programmed will need to be delivered with other STIP fund types, if eligible. Regions may nominate transit and rail projects in its Regional Transportation Improvement Program. Nominated transit and rail projects must maintain State Highway Account and/or Federal funding eligibility.
- Bicycle and Pedestrian projects – Bicycle and pedestrian projects may be programmed in the STIP so long as they are eligible for State Highway Account and/or Federal funds.
- Limitations on planning, programming, and monitoring – The Fund Estimate includes a table of Planning, Programming, and Monitoring limitations that identifies the 5 percent limit for county shares for 2024-25 through 2026-27, based upon the 2020 and 2022 Fund Estimates. These are the amounts against which the 5 percent is applied. The Planning, Programming, and Monitoring limitation is a limit to the amount that can be programmed in any region and is not in addition to amounts already programmed.

- Grant Anticipation Revenue Vehicle (GARVEE) bonding and AB 3090 commitments – The Commission will not consider proposals for either GARVEE bonding or new AB 3090 commitments as part of the 2024 STIP. The Commission will consider AB 3090 or GARVEE bonding proposals as amendments to the STIP after the initial adoption.
- Uncommitted Funding – The Commission will consider programming projects with uncommitted funds only from the Solutions for Congested Corridors Program, Trade Corridors Enhancement Program, Local Partnership Program, and the Local Transportation Climate Adaptation Program. If the funding commitment is not secured with the adoption of the next 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.
- Advance Project Development Element – There is no Advance Project Development Element capacity identified for the 2024 STIP.
- Commission expectations and priorities – For the 2024 STIP, the Commission expects to give priority to the reprogramming of projects from the 2022 STIP, as amended.

The selection of projects for additional programming will be consistent with the standards and criteria in section 67 of the STIP guidelines. In particular, the Commission intends to focus on Regional Transportation Improvement Program proposals that meet State highway improvement and intercity rail needs as described in section 24 of the guidelines. The Department should provide a list of the identified state highway and intercity rail needs to regional agencies and to the Commission by September 15, 2023, consistent with Government Code Section 14530.1. Should the Department fail to provide a region and the Commission with this information, the Commission will assume there are no unmet state highway or intercity rail needs in that region.

Governor Brown issued Executive Order B-30-15 on April 29, 2015, related to climate change and establishing an interim statewide greenhouse gas emission reduction target to reduce greenhouse gas emissions to 40 percent below 1990 levels by 2030. The order also requires that State agencies take climate change into account in their planning and investment decisions and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives. In addition, State agencies' planning and investments shall be guided by the following principles:

- Priority should be given to actions that both build climate preparedness and reduce greenhouse gas emissions;
- Where possible, flexible and adaptive approaches should be taken to prepare for uncertain climate impacts;
- Actions should protect the state's most vulnerable populations; and
- Natural infrastructure solutions should be prioritized.

The interim statewide greenhouse gas emissions reduction target in Executive Order B-30-15 was permanently codified by Senate Bill 32 (Pavley, 2016) through Health and Safety Code Section 38566 which directs the California Air Resources Board, in adopting rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions, to ensure that statewide greenhouse gas emissions are reduced to at least 40 percent below the statewide greenhouse gas emissions limit no later than December 31, 2030.

Executive Order B-30-15 and the requirements of Senate Bill 32 must be considered by the Department and Regional Agencies when proposing new programming for the 2024 STIP. The Commission intends to consider Executive Order B-30-15 and the provisions of Senate Bill 32 when approving programming recommendations in the event that programming requests exceed programming capacity.

Governor Newsom issued Executive Order N-19-19 on September 20, 2019, to redouble the State's effort to reduce greenhouse gas emissions and mitigate the impacts of climate change while building a sustainable and inclusive economy.

Executive Order N-19-19 specifically calls on the California State Transportation Agency to leverage \$5 billion in annual discretionary transportation infrastructure funding to address climate change. State Transportation Improvement Program funding identified in Executive Order N-19-19 includes the Interregional Transportation Improvement Program.

The California State Transportation Agency adopted the Climate Action Plan for Transportation Infrastructure (CAPTI) on July 12, 2021. CAPTI provides a framework to guide transportation investments to minimize emissions and impacts from climate change. The Commission expects projects proposed in the Interregional Transportation Improvement Program align with CAPTI in coordination with local and regional partners.

2024 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. The guidelines were developed and adopted 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 role as guardian of State capital dollars, with responsibility for determining how best to manage those dollars in a wise and cost-effective manner.
- Facilitate cooperative programming and funding ventures between regions and between Caltrans and regions.
- Make progress towards regional and statewide goals and objectives in the improvements of 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 to the Commission a proposed fund estimate for the following five-year STIP period. 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

Not later than April 1 of each even numbered year the Commission shall adopt a five-year STIP and submit it to the legislature and to the Governor. The STIP shall

be a statement of the Commission's intent for allocation and expenditure of funds for the following five years as well as a resource management document to assist in the planning and utilization of transportation resources in a cost-effective manner. The STIP shall be developed 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 also in a federal STIP. Metropolitan Planning Organizations are responsible for developing and adopting federal TIPs and Caltrans is responsible for preparing the federal STIP. The requirements for federal TIPs and the federal STIP are specified in federal statutes (Title 23 USC) and federal 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 53 and 56 of these guidelines for guidance on the display of project components and their costs.)

7. County and Interregional Shares

The STIP consists of two broad programs, the regional program funded from 75% of new STIP funding and the interregional program funded from 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 shares and interregional shares carry forward from one period to the next. The Commission will program each new project, including Caltrans support costs, either from a county share or from the interregional share. (See Sections 59-65 of these guidelines for the method of 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 prior to 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 prior to 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 the same 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. Caltrans, in the ITIP, shall report on the budgets for all ongoing grandfathered 1996 STIP projects. This reporting shall include a comparison of actual expenditures compared to project budgets as reported in the 2012 ITIP.

11. Multi-Modal Corridor

A corridor is defined as a largely linear geographic area including 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 influences how the multi-modal corridor is defined. Pursuant to state and federal law¹ and statewide guidance², Caltrans and regional transportation agencies prepare corridor plans to identify multi-modal transportation projects that will meet state, regional, and local goals and benefit corridors around the state.

12. Transportation Management System Improvements

The Commission supports implementation and application of transportation management system (TMS) improvements to address highway congestion and to 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 which 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 in the SHOPP. TMS improvements include, but are not limited to, the following types of projects:

¹ 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).

² 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>

- 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.

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

13. Capacity Increasing Highway Operational Improvements

State highway operational improvements, which expand the design capacity of the system, 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 that are significantly larger than the existing facility was designed for.
- 3) Truck or slow vehicle lanes on freeways of six or more mixed flow lanes.

14. Non-Capacity Increasing Highway Operational Improvements

State highway operational improvements which do not expand the design capacity of the system, and which 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 the programming of planning, programming, and monitoring funds.

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

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

The following is required for PSR equivalents:

- For a rail project where the private railroad is the implementing agency, the signature of the private railroad is not required.
- For 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.

A hardcopy or a link to the PSR, PSR equivalent, or UTA must be included with the final RTIP or ITIP

16. Programming Project Components Sequentially

Project components may be programmed sequentially.

- A project may be programmed for environmental work only without being programmed for plans, specifications, and estimates (design).
- A project may be programmed for design without being programmed for right-of-way or construction.
- A project may be programmed for right-of-way without being programmed for construction.

The Commission recognizes a particular benefit in programming projects for environmental work only since project costs and project scheduling often cannot be determined with meaningful accuracy until environmental studies have been completed. The premature programming of 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 it intends to fund the construction of a useable segment, consistent with the regional transportation plan or the Caltrans Interregional Transportation Strategic Plan.

17. Committed Funds

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

For federal formula funds, including Surface Transportation Block Grant Program, Highway Improvement Program, Congestion Mitigation and Air Quality and federal formula transit funds, the commitment may be by federal Transportation Improvement Program adoption. For federal discretionary funds, the commitment may be by 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 that is programmed prior to receiving federal approval for construction must receive the federal approval for construction prior to construction allocation and no later than the end of the first full federal fiscal year after adoption of the STIP or STIP amendment, 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 full funding plans describing each overall project and/or useable project segment. Each plan shall list Federal, State, and local funding categories by fiscal year over the timeframe that funding is sought. For rail and transit projects, it must include how they intend to fund initial operating costs. Moreover, should the project schedule exceed the funding horizon, then the amount needed beyond what is currently requested shall be indicated. This information may be incorporated in the project fact sheets (see Section 49 of these guidelines).

18. Alternative Delivery Methods

Projects using alternative delivery methods such as design-build, design-sequencing procurement, or Construction Manager/General Contractor (CMGC) delivery method should be identified at the time of programming, or as soon as possible prior to allocation. See Section 72 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 prior to documentation of environmental clearance 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 prior to documentation of environmental clearance under the National Environmental Policy Act. Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of the National Environmental Policy Act review.

20. Caltrans/Regional Consultations

Caltrans and regional agencies shall consult with each other in the development of 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, and 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 the inclusion of particular projects in the ITIP or RTIP in advance of the December 15 deadline for submission.

21. Minor Projects

There is no minimum size for a STIP project. 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 enhancements, mitigation, or cost increases for STIP projects.

22. Criteria for Measuring Performance and Cost-Effectiveness

Regions and Caltrans are responsible for developing goals, objectives and priorities that include consideration of the overall performance of the transportation system consistent with federal and state planning requirements. These goals and objectives are incorporated in the region's regional transportation plan (RTP) and are also 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, it is the Commission's policy 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 goals of the ITSP.
- B. An evaluation of the cost-effectiveness of the RTIP at the regional level or 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 take climate change impacts into account.

The Commission will consider the evaluations submitted by regions when making decisions on RTIPs as described in Section 60 of these guidelines. The

Commission will consider the evaluations submitted by Caltrans when making decisions on the ITIP as described in Section 62 of these guidelines.

The Commission expects that these evaluations will be on a life-cycle basis (full cost through the life of the project, 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 below listed 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.

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

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

Regions shall, if appropriate and to the extent relevant data and tools are available, use the performance measures outlined above to evaluate 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 PPR.

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 upgrade 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 a description of 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 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 include community engagement conducted during the Regional Transportation Plan or California Transportation Plan development, and community engagement conducted during individual project planning or community engagement conducted for the RTIP and the ITIP itself. Agencies should describe how community feedback was acknowledged and incorporated into each RTIP and the ITIP. This description should clearly 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 a description of 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 to 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 23 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 43-48).
- (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 79).
- (g) A discussion of what the regions believe are the most significant interregional highway and intercity rail needs within the region (see section 34B), and any state routes within the region that might be potential candidates for highways to boulevards. (See section 40).
- (h) A discussion describing how community engagement was performed and the benefits the project will achieve once it's implemented. The discussion should include any 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 Sustainable Communities Strategy that has been 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 distribution of county share 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 expect to 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 prior to the due date for submittal of the RTIP or, if a later due date for project nominations is set by the regional agency, prior to that date. The regional agency has sole authority for deciding whether to accept Caltrans' STIP recommendations for programming in the RTIP. Caltrans shall provide a copy or list of its RTIP recommendations and identification of 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 identification of 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 5 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 5 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 costs of:

- Regional transportation planning, including the development and preparation of the regional transportation plan and Sustainable Communities Strategy.
- Project planning, including the development of project study reports or major investment studies, conducted by regional agencies or by 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 Caltrans is reimbursed for project study reports by a region using funds allocated to that region for PPM.

26. Active Transportation Projects in the RTIP

Bicycle and pedestrian projects may be programmed by a region in its RTIP as these projects are eligible for either State Highway Account or Federal funds.

Consistent with Caltrans' 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 streets elements as part of 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 2024 STIP fund estimate, for example, this means (1) the available share for the period ending 2025-26, (2) the county's proportionate share for the period beginning 2028-29, and (3) an estimated proportionate share for the period ending 2029-30.

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 60, 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 2025-26). Beyond that, as described in Section 61, the Commission may include in the STIP

either more or less 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 project components that it proposes to program within the STIP period from the share for each four-year share 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. 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, as identified in the Fund Estimate. The RTIP will separately identify the project or project 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 at a later time. The Commission may use funds freed up by these reserves to advance county shares in other counties. The Commission, with the consent of Caltrans, may also consider advancing county shares by reserving a portion of the interregional share until the next county share period.

28. Federal Match

A region may, in its RTIP, 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 as a match to 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 transportation in the region. 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 revenues 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 in the SHOPP.)
- Transportation capital improvements that expand capacity or reduce congestion or do both. These improvements may include the reconstruction of local roads and transit facilities and non-capital expenditures for transportation systems management and transportation demand management projects that are a cost-effective substitute for capital expenditures.
- Environmental enhancement and mitigation, including soundwall projects.

Article XIX of the California Constitution permits the use of 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 the Federal revenues in the STIP. For such projects, the non-Federal match can only be programmed in the STIP if PTA capacity is available. If no PTA capacity is available, the match will have to be provided from a non-STIP source.

It is the continuing intent of the Commission that rehabilitation projects, excluding maintenance, on the local streets and roads system remain eligible for funding in the STIP. Proposed projects on local highways functionally classified as local or as 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 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. In order to facilitate the transfer and timely use of funds, the Commission encourages the implementing agency or fund applicant to submit grant applications to 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 FTA for administration. However, on an exception basis, a transfer is not necessary when FHWA agrees to administer the funds and the grant application. Proposed exceptions should be discussed and agreed to with Caltrans and FHWA prior to programming the project in the STIP and documented in the PSR equivalent and (PPR).

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 that the local funding has not been and will not be expended or encumbered under contract prior to the Commission's allocation of STIP funds. The proposal will include the revised basis for cost sharing, as specified in Section 49 of these guidelines.

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 the purpose of “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 agreeing to a loan of 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. A regional agency, in its RTIP, may also propose to contribute all or a portion of its current county share for the programming of a project located 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, Sustainable Communities Strategy, which state law requires 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 prior to 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 capital improvement program of the CMP. 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 achievement of the following six objectives:

- Provide access for people and goods to and through all regions of California.
- Ensure that the interregional transportation system is reliable and efficient for the movement of people, goods, services, and emergency response.
- Develop and operate a safe interregional transportation system for all travelers by improving public safety and security.
- Optimize multi-modal connectivity throughout the interregional transportation system for all people.
- Improve interregional connectivity to enhance California's diverse economy.
- 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.

- Ensure that the proposed investments are in alignment with CAPTI and that these investments are done 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 section 14524.4(a) and 14524.4(b). The ITSP should address 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 both 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 negative 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 the spreading of funding among regions is not a Commission objective for the interregional program. The Commission does encourage Caltrans and smaller regions (generally with populations less than 250,000) to consider and seek formation of 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.

Article XIX of the California Constitution permits the use of 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 the Federal revenues in the STIP. For such projects, the non-Federal match can only be programmed in the STIP if PTA capacity is available. If no PTA capacity is available, the match will have to be provided from a non-STIP source.

It is the continuing intent of the Commission that rehabilitation projects, excluding maintenance, on the local streets and roads system remain eligible for funding in the STIP. Proposed projects on local highways functionally classified as local or as 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 availability of state only funding as determined by the Commission.

For either highways or rail, Caltrans and the Commission may evaluate a project as part of a series of related projects in the same location or corridor. 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, it is appropriate that costs be divided between the regional and interregional programs. In this case, the evaluation of the project for the interregional program should be based on the interregional program cost share in relationship 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 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 include 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 describing how community engagement was performed and the benefits the project will achieve once it's implemented. The discussion should include any 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 nonurbanized areas, that nonurbanized 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 shall be separate and distinct from the RTIP proposal for programming from the county share(s). Each project nominated in this way must constitute a useable 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 a description of 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, sustainable communities strategy.

39. Interregional Highway and Intercity Rail Needs

The ITIP shall identify projects that have previously received ITIP funds in the last ten years for pre-construction phases 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 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 be made to 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 by December 31st, annually, 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, inclusive of 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 provided that 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 multi-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 30 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 that is 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 in order 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 for acquisition of right-of-way (including support) or construction 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 and adopted into the STIP and allocated in the same manner as 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 are to be funded.

46. Effect on Regular County and Interregional Shares

APDE programming will be treated as an advance of regular future county or interregional share, although every county, including a county in a region over one million population, 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 that are 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 that have agreed to pool their regular county shares (Section 28 of these guidelines) may also pool their APDE shares. Any region may choose to 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 as including adjacent or nearby streets and roads, thus providing greater flexibility in project scope.
- (c) A unique project identification number (PPNO) provided by Caltrans.
- (d) For projects on the State highway system, the route number and post-mile limits. For local projects not on the State highway system, the GPS coordinates (longitude and latitude) and cross streets should be identified.
- (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 funding 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.

49. State-only Funding

All projects must follow the Federal-Aid Funding Guidelines as adopted by the Commission for state-only funding. The Commission will assume that all projects will be qualified for Federal transportation funding unless the RTIP or ITIP designates otherwise. Whenever a region designates a project to be programmed for State-only (non-Federal) funding, the RTIP 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 recommendation for exception to federal funding prior to Commission approval as described in Section 64 of these guidelines.

50. Fact Sheets

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

- (a) An executive summary of the RTIP 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 safety, environment, equity, and economic benefits to the community.
- (c) For the regions, a description of how the RTIP 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's goals and objectives.
- (e) A description of how the RTIPs and the ITIP aligns 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 RTIP's consistency with those plans. Similarly for Caltrans, the fact sheet should include the ITIP's consistency with any plans Caltrans may have prepared.

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. To facilitate the development, analysis, and management of the STIP, Caltrans will provide the Commission and the regional agencies appropriate access to the STIP database.

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.

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

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 elect to use alternative escalation factors for right-of-way or other costs as it deems 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 are 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 that have not been 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 share and a county share, 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. For other projects, only cost estimates approved by the Chief Executive Officer or other authorized officer of the responsible local implementing agency will be used.

54. Basis for Cost Sharing

Where a project or project component is to be funded from both STIP and non-STIP sources, the PPR 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 include a discussion of the SHOPP eligible components and the current condition of those components.

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 PPR submitted with the RTIP and/or ITIP shall indicate the basis to be used for apportioning cost increases or decreases between the shares. Any changes subsequent to adoption to the cost sharing distribution, must be approved by the Commission.

In the absence of 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 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 cost component will be listed in the STIP no earlier than in the State fiscal year in which the particular 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. Local agency costs for environmental studies and design may be listed in different fiscal years, where appropriate.

(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 the preparation of plans, specifications and estimates will be programmed in the fiscal year during which this work will begin. Caltrans shall not begin preparation of plans, specifications and estimates until CEQA and NEPA (if applicable) is completed and until the fiscal year in which project development costs for preparation of 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. This must be approved by the Commission through a STIP amendment as specified in Section 67, or a time extension as specified in Section 66.

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 that are included in or related to a single construction contract should be listed in one fiscal year, regardless of the length of time over which 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 64 of these guidelines.

56. Escalation Adjustments

All projects will count against share balances on the basis of their fully escalated (inflated) costs. All project RTIP and ITIP nominations shall therefore be at costs escalated to the year in which project delivery is proposed (see Sections 53 and 56 of these guidelines). Cost estimates for project components that are programmed and that have not been allocated shall be updated, as needed, based on the most current cost information during every STIP cycle. A revised PPR (per appendix A) shall be submitted for every updated project. Commission staff may make further escalation adjustments, in consultation with Caltrans and regions, in making its staff recommendations and in developing the STIP (see Section 69 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 for project development through the 1997-98 fiscal year. These amounts, when added to the amounts remaining and programmed for the 1998 STIP period, will establish the project component base cost for the purpose of share balance tabulations and adjustments, as described in Sections 53-58 of these guidelines. All other cost changes will be drawn from or credited to the appropriate regional share. Caltrans, in the ITIP, shall report on the budgets for all ongoing grandfathered 1996 STIP projects. This reporting shall include a comparison of actual expenditures compared to project budgets as reported in the 2012 ITIP.

VIII. SHARE BALANCES AND ADJUSTMENTS

58. Long-term balances

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

59. Local Projects

For the purpose of share balances, the costs counted for local projects (all project work not implemented by Caltrans) will be the amounts actually allocated by the Commission.

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. In order 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:

- Any amount that is allocated to a local agency for environmental studies and permits may also be expended by that agency for plans, specifications, and estimates. Any amount that is 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 of the amount actually 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 of allocated funds between components will not impact county share balances. County share balances will be based on actual amounts allocated for each component.

60. Construction

For the purpose of 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 the purpose of share balances. Where a project has not been voted, the programmed amount will be counted.

61. Construction Support

For the purpose of share balances, the costs counted for Caltrans construction support is the amount identified and presented to the Commission for allocation vote. No other share adjustment will be made for cost differences that are less than 120% of the Commission's original allocation. 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 the purpose of share 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 that are within 20 percent of the amount programmed for right-of-way reported at time of construction allocation, and/or at time of 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 time of Commission construction allocation, costs will be counted at time of 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 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 the purpose of share balances, the costs counted for Caltrans project development are the amounts programmed for both environmental studies and permits, and preparing plans, specifications, and estimates. No adjustment will be made for cost differences that are within 20 percent of the amount programmed for

project development at 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 own 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. If 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, 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 be used to increase the scope of the project, or they may be used to supplant the state or local funds already committed to the STIP project.
- (3) If committed funds are supplanted by earmark funds, the beneficiary of the tradeoff will be as follows:
 - (a) For projects funded with county share or local funds, the county share and or local fund 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 projects that are jointly funded, 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 to 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 the time of planned implementation. These limitations shall be taken into account when determining the amounts of earmark 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 2027-28 for the 2024 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 make its own evaluation based on the criteria in Section 19 of these guidelines. If the Commission makes one of those findings, it may reject the RTIP in its entirety. For the 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 in its entirety. For any counties that choose to 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 in 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 2024 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 that is 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 that implement a cost-effective RTIP, giving consideration to 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 20
- projects that leverage federal discretionary funds
- projects that leverage discretionary local funds that would otherwise not be spent for 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-year period to program a larger project, the advance will be deducted from the county share for the following county share period. If 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, the Commission will reserve any portion of the county share that is thereby 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. The Commission, with the consent of Caltrans, 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 RTIP 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 make its own evaluation 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 in order 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, giving consideration to (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 allocation of funds for a project or project component when it receives an allocation request and recommendation from Caltrans. The Commission will only consider an allocation of 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) is 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 74 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 clearly 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 a determination of the

availability of funding and a recommendation on the source of funding. The recommendation on the source of funding shall include 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 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 fund type available for a project will be made in the Commission's allocation of funds to the project. 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 prior to documentation of environmental clearance 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 prior to documentation of environmental clearance under the National Environmental Policy Act (NEPA). Exceptions to this policy may be made in instances where federal law allows for the acquisition of right-of-way prior to completion of NEPA review.

All funds allocated are subject to the timely use of funds provision as described in Section 65 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 65 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 make an allocation in advance of the programmed year if it finds that the allocation will not delay availability of funding 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. The typical time required, after receipt of the application, to complete Caltrans review, and 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 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 FY 2019-20 or later, projects programmed for right of way capital of \$10 million or more 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 with 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 be included in the quarterly report. Any project identified by Caltrans as needing additional right of way-capital after Commission acceptance of 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 at the time of programming or prior to allocation. The Commission will not allocate

funds to a project using design-build, design-sequencing procurement, or CMGC procurement without CEQA and NEPA (if applicable) clearance as specified in Section 70 of these guidelines. These project delivery methods will be programmed and allocated in the same manner as projects utilizing design-bid-build delivery, although flexibility in schedule, scope and cost may be requested and approved consistent with allocation and programming capacity, and 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. A 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. Caltrans' oversight of the Design-Builder's design is funded by the construction support allocation.

Projects using the CMGC delivery method, the Contract Manager 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 CMGC delivery method is divided into separate work packages for delivery and the packages are unknown at 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. At the time the first allocation is approved, Subsequent construction allocations must provide updated lists for the remaining anticipated work packages. A STIP amendment will not be required, provided that the overall scope remains the same.

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 own funds for a STIP project, in advance of the Commission's approval of a project allocation, and to be reimbursed for the expenditures subsequent to the Commission's approval of the allocation. However, the statute does not require the Commission to approve an allocation it would not otherwise approve.

To qualify for reimbursement of expenditures prior to the Commission's approval of 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 own funds for the project prior to the allocation approval.

The regional or local agency should submit a copy of the allocation request to the Executive Director of the Commission at the same time it submits the original to Caltrans.

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). It is important that any local agency intending to take advantage of the reimbursement provisions of Section 14529.17 understand its obligations and the risk that is inherently involved.

Only those expenditures made by or under contract to 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 at the time of allocation.

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

- expenditures made prior to adoption of the project component in the STIP;
- expenditures made prior to the submittal of the allocation request or prior to 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 prior to the first expenditure and the Commission finds that there was 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 that there is a lack of sufficient funding available and that it 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 30th of the fiscal year in which the funds are programmed in the STIP.
 - For Caltrans implemented projects, construction, construction support costs, or right of way capital of \$10 million or more, are available for allocation until June 30th of the fiscal year in which the funds are programmed in the STIP.

Programmed funds not allocated within this deadline will lapse and will then be deleted from the STIP. The Commission will not make the funds immediately available to the county share or interregional share for reprogramming. The Commission will, however, 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 costs must be expended 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 2022-23 must be expended by June 30, 2025. 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 below.
- 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 for the use of 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 notification by FTA of final project costs, FHWA will adjust obligation records accordingly. Any federal funds which were transferred to FTA but not expended will be rescinded as state highway account revenue with no adjustment to county shares. Any state match funds which were allocated but not expended will also be rescinded with no adjustment to county shares.

Whenever allocated funds are not encumbered by the award of a contract or transfer to FTA, or 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 balance of the allocation.

Caltrans will provide monthly reports to the Commission on projects which 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 71, must initiate expenditure 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 allocated right of way funds that are rescinded.

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 types of 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 74, 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 30th 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 its 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 expenditures of the environmental, design and right of way phases only once and only if its 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 each project development expenditures of the environmental, design and right of way phases only once and only if its 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, in conjunction with the request, a project construction STIP history. 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, for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. It is the Commission's intent to review this history when considering a construction allocation extension request.

75. STIP Amendments

The Commission may amend the STIP at the request of the entity, 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 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 finds that it can approve an advance of the county share (see Sections 27 and 67 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, in conjunction with the amendment request, a project construction STIP history. 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, for each, the amendment date, the dollar amount programmed for construction, and the scheduled year of construction delivery. It is the Commission's intent 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 a set of procedures to standardize and streamline the amendment process and to enhance the accountability of regions for amendments of projects which are 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 65);
- 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 own 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, and those arrangements are implemented by a STIP amendment that gives

approval to 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 the approval of AB 3090 arrangements for either replacement projects or reimbursements.

1. The Commission intends to encourage local agencies who wish to use local funds to advance the delivery of projects programmed for construction in the STIP when State funds are not sufficient to support direct project allocations. In doing so, the Commission will consider the approval of 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 result in the acceleration of construction delivery of a 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 for 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 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 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 is unable to 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 be used 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 programming of the reimbursement 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 there are not sufficient funds currently available to approve a direct allocation. In this case, the AB 3090 approval will schedule the reimbursement for the next fiscal year or a later year. 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 64A).
 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 reimbursements 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 exceeding the limits might have on the allocation of 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 agreement of the agency that proposed 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's expectation is 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 give consideration to 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 project cost (including costs of issuance and interest) be provided at the time of construction on a pay-as-you-go basis. The Commission's policy is that the non-federal portion of project costs will be programmed within 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 in order to avoid accumulation of excessive fund balances and to avoid lapse of federal funds. It is the Commission's goal that transportation projects programmed against funds allocated through the State be delivered no later than scheduled in the appropriate transportation programming document. For purposes of 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 (FY) is 90% of the projects programmed in each FY and 100% of the funds programmed in each FY. For projects delivered by agencies other than Caltrans the Commission's delivery goal each FY is 90% of the projects programmed in each FY and 95% of the funds programmed in each FY.

Caltrans will provide the Commission with status reports on project delivery in October, January, April, and July of each FY 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 the adoption of the RTIP and the adoption of the previous RTIP. The report shall include a summary, by component and fund type, of the funds programmed, allocated, and expended at the time 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 prior to 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 better assess the project benefits. 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.

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

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:

STIP Milestones	Date
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 their ITIP to CTC Staff	By December 15 of each odd numbered year
CTC STIP hearing – North	Jan. – Feb. each even numbered years
CTC STIP hearing – South	Jan. – Feb. each even numbered years
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

Prior to Caltrans' adoption and submittal of the final ITIP, the Commission will hold a minimum of two hearings, one in northern and one in southern California, to provide opportunity for public input regarding projects proposed in the ITIP.

81. STIP Hearings

Prior to 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 that regional agencies and Caltrans would discuss how the infrastructure projects included in each program help to 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 are required to adopt and submit their RTIPs both to the Commission and to Caltrans no later than December 15 of odd numbered years. The Commission requests that each region sends an electronic copy to 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 sends an electronic copy to Rambabu.Bavirisetty@dot.ca.gov, 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 is required to 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 posts the draft ITIP and the final ITIP on their website and sends an electronic copy to 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

Prior to adoption of the STIP, Commission staff shall prepare recommendations to the Commission for the adoption of the STIP. The staff recommendations will be made available to the Commission, Caltrans, and the regional agencies at least twenty days prior to the adoption of the STIP.

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>

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 or as a replacement to 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 measure or 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, and where applicable, SCS, and the ITSP is assessed and measured.

B1 Evaluation – Regional Level Performance Indicators and Measures			
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 ₂ emissions reduction per capita		

B1(a) Evaluation			
Rural Specific Regional Level Performance Indicators and Measures			
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.

B2 Evaluation - Cost-Effectiveness Indicators and Measures			
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 ₂ 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.

B3 Evaluation - Project Changes or Increased Capacity Benefits			
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 at 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.

In order to be considered by the Commission, an advancement request shall:

- Be signed by a duly authorized agent(s) of the applicant agency and 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 full and committed funding plan for the component covered by the advancement request.
- Indicate 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 commitment of funding 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 consideration of future funding.

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 provide reimbursement for 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: Funds for the advanced project will be allocated by the Commission 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 acquisition of right-of-way. 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 to fully reimburse all project costs may not be realized from the sale of the excess properties.

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 current Title VI/nondiscrimination and related authorities is available on the Commission's website at: www.catc.ca.gov.