

Draft Policies and Procedures
2004 Fund Estimate and 2004 STIP Development

2004 Fund Estimate:

- The fund estimate will display the net new programming capacity, which will be broken into two parts, one part for the 4-year period ending FY 2007-08 (certain to be negative) and one part for the period beginning FY 2008-09 (positive). If, for example, the net new programming capacity is zero, there would still be a negative capacity identified for the first period and a counterbalancing positive capacity for FY 2008-09.
- These statewide capacity estimates will be broken down by county and interregional shares, with separate shares for each period, the first usually a negative, the latter a positive.
- Each county and the interregional share will be assigned year-by-year targets for the respreading of projects carried forward from the 2002 STIP. The share for the first period (FY 2004-05 through FY 2007-08) will be broken into 4 annual targets, based on the proportionate statewide capacity available for each year. The target for FY 2008-09 will be based on the share for the second period. This means that counties with share advances will have proportionately larger targets for respreading to FY 2008-09. Counties with unprogrammed share balances will have smaller targets, some zero, for respreading to FY 2008-09.
- The fund estimate will include annual Transportation Enhancement (TE) project targets for each county and the interregional share, based on share formula proportions of estimated statewide TE apportionments. These targets, however, do not limit TE programming. An RTIP or ITIP may propose any amount in any fiscal year for TE. The Commission will change the proposed programming years for TE projects only if statewide TE proposals appear to exceed statewide TE apportionments.
- The fund estimate will include calculations of the 1% and 5% limitations for planning, programming and monitoring (PPM) for each share period. For the period FY 2004-05 through FY 2008-09, this will be a recalculation of the estimates from the 2002 STIP. In some cases, this may require reductions of the currently programmed PPM amounts for FY 2004-05 through FY 2006-07. PPM programming counts against annual respreading targets. PPM for FY 2008-09 is limited to 1% or 5% of the target share for FY 2008-09.
- Lapsed projects. Share amounts lapsed from FY 2001-02, FY 2002-03, and FY 2003-04 prior to the fund estimate (about \$72 million) will be added to county and interregional shares for the share period beginning FY 2008-09.

2004 STIP Programming:

- Generally, projects carried forward from the 2002 STIP will be included in the 2004 STIP, though they are subject to reprogramming by fiscal year (respending). An RTIP or an ITIP may propose to delete or reduce 2002 STIP funding, except for projects or components not subject to reprogramming (cited below).
- Some current STIP programming is not subject to reprogramming (i.e., a region will not have the option of delaying the fiscal year of these items, even if not respending them causes an annual target to be exceeded):
 - Projects already voted.
 - Programmed AB 3090 cash reimbursements.
 - GARVEE debt service, where the Commission has approved allocation of bond proceeds.
 - Caltrans environmental and design support work programmed in FY 2003-04 or earlier, unless Caltrans indicates that work has not yet begun (or has been suspended) and it is proposed to delete the work from the STIP or to delay the beginning of work until FY 2006-07 or later. Where work is deleted or suspended, the amount of expenditure to date will remain as programmed.
 - Caltrans right-of-way and right-of-way support work programmed in FY 2003-04 or earlier, unless Caltrans indicates that work has not yet begun (or has been suspended) and it is proposed to delete the work from the STIP or to delay the beginning of work until FY 2006-07 or later. Where work is deleted or suspended, the amount of expenditure to date will remain as programmed.
- Cash projects. A currently programmed STIP project for cash (e.g., AB 3090 cash reimbursement or GARVEE debt service), including current cash commitments through FY 2008-09, will be included in the base of existing commitments for the 2004 STIP fund estimate. These commitments will be carried forward to the 2004 STIP automatically and need not be included in RTIP/ITIP proposals and will not be further deducted from county or interregional shares. If, after the fund estimate, a new project is proposed for cash, it will be counted against program capacity in a way that takes into account that the STIP fund estimate was calculated to reflect the capacity to add projects drawing cash over a period of years. To reflect an equivalent draw on cash, a cash project will be counted 30% toward capacity for the fiscal year of the programmed cash commitment, 50% toward the prior year, and 20% toward the second year prior. For example, if a new AB 3090 cash reimbursement of \$10 million is programmed for FY 2008-09, \$2 million would be counted toward the programming target for FY 2006-07, \$5 million toward the target for FY 2007-08, and \$3 million toward the target for FY 2008-09.
- In a departure from the general rule in the STIP Guidelines, projects programmed for FY 2003-04 may be reprogrammed to a later fiscal year if:
 - They are on the pending vote list; or

- They have been granted an extension of the allocation period that does not expire prior to the adoption of the 2004 STIP Fund Estimate.
- In the case of Caltrans projects, the Commission will grant extensions of the allocation period for construction projects programmed in FY 2003-04 if it finds that the delay in delivery is due to a lack of available funding for project development or right-of-way. If a project is reprogrammed, it is eligible for a later extension, regardless of any extension granted prior to the reprogramming.
- In the case of local agency projects, the Commission will grant extensions of the allocation period for project construction, right-of-way, or design programmed in FY 2003-04 if it finds that the delay in delivery is due to a lack of available State funding, including obligational authority (OA) for the Regional Surface Transportation Program and the Congestion Mitigation and Air Quality program (RSTP/CMAQ), for prior components of the project. If a project is reprogrammed, it is eligible for a later extension, regardless of any extension granted prior to the reprogramming.
- If new capacity is available for the 2004 STIP, first priority for new programming will go to counties with unprogrammed share balances. The current STIP includes \$790 million in unprogrammed balances.
- If it is necessary to delete projects in the 2004 STIP, deletions will come first from counties (and the interregional share) with share advances. The current STIP includes \$480 million in share advances.
- Generally, any new project or project component added to the STIP (whether as a trade or from any new capacity) will be added only in FY 2008-09. Exceptions will be made for TE projects and may be made for:
 - TCR projects traded for current STIP projects.
 - Other new projects or components traded for current STIP programming, provided that the county has available share in the 2004 Fund Estimate for the period ending FY 2007-08.
- An RTIP may identify a previously-programmed STIP project as TE-eligible. In that case, the project will be counted toward the TE target and not be subject to respreading with non-TE projects. All TE allocations are subject to verification that the project is TE-eligible.
- APDE. Projects formerly identified as APDE projects may remain in the 2004 STIP, but will no longer be identified as APDE. They are subject to the same limits as any other project.