

CHAPTER 4 – Programming

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CHAPTER 4 – Programming

ARTICLE 1 General

Reference Information

Some of the references found in this chapter have hyperlinks that connect to Caltrans intranet pages which are not displayable to the general public. Until such time that the specific reference becomes available on the internet, the user will have to contact their district liaison, Caltrans project manager, or the appropriate Headquarters division to inquire about the availability of the reference.

Definition

Programming is the process by which a public agency or a private company identifies specific funds for a project, based on a projection of revenues expected to be available at a specific time in the future.

Programming Documents

Most State and federal revenues are programmed into the following documents:

- State Transportation Improvement Program (STIP)
- Traffic Systems Management (TSM Plan)
- State Highway Operation and Protection Program (SHOPP)
- Toll Bridge Program

Caltrans, regional and local agencies, and the California Transportation Commission (CTC) all have a role in developing these documents. The Programming Division submits some of these documents to the CTC for approval, some for adoption, submits recommendations to the CTC on others, and provides some documents to the CTC for informational purposes only.

County sales-tax authorities program their projects in Expenditure Plans, Strategic Plans, Plans of Finance, or other documents that are similar to the STIP.

Local agencies program their projects through a variety of documents; however, when their projects involve State highway work, funding is often based on a commitment of funds from developers, or on establishment of an assessment district.

Revenues

Revenues for transportation improvement projects are generated from a variety of sources. The primary traditional sources for Caltrans' projects are State gasoline and diesel fuel taxes, vehicle weight fees, and federal revenues. Additional sources include sales tax measures, local funds other than sales taxes, and private funds.

Fund Estimate

The Fund Estimate's statutory purpose is to project how much funding is reasonably expected to be available for adding projects to the State transportation programming documents. Most of the State and federal funding sources identified in the previous paragraph are used to prepare the Fund Estimate. The Fund Estimate covers all the State's transportation programs and statutory funds: State Highway Account, Passenger Rail and Clean Air Act Bond Fund, Transportation Planning and Development Account, Aeronautics Account, Clean Air and Transportation Improvement Bond Fund (Proposition 116), and the Toll Bridge Accounts.

State and federal resources are projected for each of the seven years covered by the Fund Estimate. A projection of non-capital expenditures and committed capital programming are subtracted from available resources, and the remaining resources in any given year, if greater than zero, are available for new programming.

ARTICLE 2 State Legislation and Guidelines

Transportation Blueprint Legislation

The California Transportation Blueprint legislation (Chapter 105 and 106, Statutes of 1989) significantly changed the transportation programming process. A 10-year transportation funding plan was established that directed the distribution of new revenues (including proceeds of passenger rail bonds) to the various transportation program elements.

The legislation also changed the State Transportation Improvement Program (STIP) process by requiring adoption of a 7-year biennial program rather than a 5-year annual program.

Criteria for Funds Distribution

California Streets and Highways Code, Section 188 (the north-south split) legislates that 40% of certain defined funds be programmed for the 45 Northern California counties and the remaining 60% be programmed for the 13 southern counties.

California Streets and Highways Code, Section 188.8 legislates that 70% of these same funds be distributed among the counties according to a formula based 75% on county population and 25% on State highway miles within the county. As defined in other statutes, these funding requirements apply to some of the transportation programs and fund types, but not to others.

California Government Code, Section 14529.6 prioritizes programming and funding of State highway projects in the following order:

1. Operation, maintenance, and rehabilitation of the State Highway System.
2. Safety improvement without adding new lanes.
3. Flexible congestion relief, traffic system management, interregional roads, and public guideways.
4. Environmental enhancement and mitigation.
5. Compatibility improvements, including landscaping and noise barriers.

Major vs. Minor Project Programming

The CTC has the authority to define the dollar amount that distinguishes a major project from a minor project. It uses this authority to change that amount as conditions require. Check with the Program Management Unit or the Design Coordinator for the most current limits.

Major State projects compete with each other on a statewide basis for prioritization by various programs and agencies. Priority Rating Sheets must be completed for Caltrans candidate projects. The sheets cover features such as cost, congestion, reduction in accidents, gap closures, public support, etcetera. Selected projects are ranked on respective program candidate lists. Candidate projects for STIP, Toll Bridge, SHOPP, and TSM Plans are prioritized and then programmed, after consideration has been given to the north-south split, county minimums, and other programming factors.

Minor State projects also compete with each other through priority lists. Each Caltrans district is given allotments each year; District Directors generally are authorized to decide which projects should be developed within these allotments, although some statewide minor programs are for specific purposes. Most Minor projects are classified as “Minor A” projects, and require CTC authorization for funding. Small Minor projects are known as “Minor B.” The CTC has authorized Caltrans to match the “Minor B” limit to an amount equal to the lower limit of projects subject to the State Contract Act as set by the Director of the California Department of Finance.

CTC Project Delivery Strategy

By enacting Resolution #G-90-21, the CTC adopted a five-point strategy for project delivery, summarized as follows:

1. Highway projects must have a fully completed Project Report with project approval and a Final environmental document before they are eligible to be scheduled into the first two years of the STIP.
2. Transit projects must have a financial plan with a specific schedule for allocating funds before the project will be allowed to move into the first two years of the STIP.
3. If (a) Caltrans cannot deliver Project Reports within the schedule required for funding the first two years of the STIP or (b) is unable to deliver enough projects to utilize the funding estimated to be available in the first two years of the STIP: then regional and local agencies will be encouraged to submit STIP projects that can qualify as available for funding in the first two years of the STIP and may be given access to available State project development funds, if appropriate.
4. Projects without a completed Project Report will be scheduled in years 3 through 7 of the STIP, with the understanding that they may be reintroduced into the first two years of the STIP when Criteria 1, 2, and 3 have been met and if the Fund Estimate still shows sufficient funding for allocation to those projects.
5. The commission will review projects in years 3 through 7 of the STIP during each off-year between STIP adoptions to identify STIP projects that can be moved into the second year of the STIP in line for funding.

ARTICLE 3 State, Regional, and Local Programs

STIP

The State Transportation Improvement Program (STIP) includes the six funding elements described in the titled paragraphs below. Projects are proposed for STIP programming in the Proposed STIP (PSTIP), in a Regional Transportation Improvement Program (RTIP), or in both types of documents.

The PSTIP is prepared by Caltrans and due by December 1 of odd-numbered years. The RTIPs are prepared by Regional Transportation Planning Agencies (see Figure 1-2 in [Chapter 1](#) – Introduction) and are due at the same time. The STIP itself is adopted by the CTC by April 1 of even-numbered years.

The STIP does not include State highway projects that are 100% locally funded, nor projects funded through the State-Local Partnership Program described below.

A STIP project may not be carried forward to a succeeding STIP if its escalated cost exceeds 120% of the originally programmed amount—unless the CTC determines “that the project is the most cost effective of all the projects in the county that are not included in the program.” Specific Caltrans approvals must be obtained in order to propose change to the cost, schedule, or scope of a project that is programmed. For a full discussion, see [Chapter 6](#) – Project Cost, Scope, and Schedule Changes. Changes to the STIP are approved by the CTC through the amendment process.

The six STIP funding elements are described below:

- **Interregional Road System (IRS)**
This includes projects in the IRS plan, which was submitted to the Legislature by Caltrans in 1990. Projects must be on a system of specific routes defined in *California Streets and Highways Code*, Sections 164.10 through 164.20 and must be outside the boundaries of urbanized areas over 50,000 population or must meet the needs of interregional traffic, excluding needs generated by local growth. IRS projects are usually proposed in the PSTIP, not in the RTIPs.
- **Flexible Congestion Relief (FCR)**
This includes capacity enhancing projects that are not part of the IRRS plan as well as TSM-type projects that are not included in the TSM plan. Projects on

local roads and urban and commuter rail corridors, as well as on State highways, may be included. FCR projects on the State Highway System can be proposed in both the PSTIP and RTIP, but projects off the State Highway system are proposed only in the RTIPs.

- Retrofit Soundwalls (SND)

This includes the retrofit noise barrier projects from a priority list identified by Caltrans in accordance with *California Streets and Highways Code*, Section 215.5 and 215.6. Retrofit soundwall projects are proposed in the PSTIP and not in the RTIPs.

- Intercity Rail (IRR)

- Commuter Rail (CRR)

- Urban Rail Transit (URR)

These last three funding elements include rail corridor projects specifically identified in the legislation. Intercity Rail projects are included in the PSTIP, while the Commuter and Urban Rail Transit projects are included in the RTIPs.

The STIP also lists Transit Capital Improvement (TCI) program projects, Proposition 116 projects, and Transportation Enhancement Activities (TEA) projects.

The Federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) established a separate new category of federal funding for transportation enhancement activities. The CTC has adopted guidelines to implement the TEA program in California, establishing a transportation enhancement activities sub-element of the Flexible Congestion Relief element of the STIP. These guidelines call for regional agencies to nominate projects of a regional nature in the RTIPs and for Caltrans to nominate projects of a statewide nature in the PSTIP. In the case of projects directly related to the State Highway System, the CTC may program the non-federal match from the State Highway Account.

TSM Plan

Caltrans prepares and submits the Traffic Systems Management (TSM) Plan to the CTC by December 1 of each year. It includes qualifying traffic systems management projects on State highways and local roads in major urbanized areas (including a consolidated priority list of projects submitted from local congestion management plans). The TSM Plan is not part of the STIP, but the CTC allocates the funds to projects on the TSM Plan priority list. Following passage of ISTEA, projects eligible for Congestion Mitigation & Air Quality Improvement Program (CMAQ) funding

were made eligible for matching funds from funds appropriated for TSM purposes (see Article 4 “Federal Programs”). Regional STP-funded TSM-type projects are also eligible for State matching funds.

SHOPP

The State Highway Operation and Protection Program (SHOPP) includes Rehabilitation and Safety (RAS) and Other Highway Construction (OHC) projects (non-capacity enhancing projects including TSM-type projects not included in the TSM plan). It also includes fund reservations for minor projects, seismic retrofit projects, and for other specific purposes. These projects are not included in the RTIPs.

The SHOPP is a 4-year biennial document prepared by Caltrans. It is prepared concurrently with the STIP. It is due no later than January 31 of even-numbered years and is approved by the CTC by April 1 of even-numbered years. The CTC only approves the level of funding in the SHOPP, not the individual projects submitted. Amendments to the SHOPP are approved by the Programming Division Chief and submitted to the CTC for information only.

Toll Bridge Program

The Toll Bridge Program is similar to the STIP, but it includes projects funded by toll revenues collected from the four toll bridge groups — North Bay, South Bay, Vincent Thomas, and Coronado. The Toll Bridge Program is submitted to the CTC as a special element of the PSTIP. Changes to the Toll Bridge Program are approved by the CTC through the amendment process.

Other State Funding Programs

State-Local Transportation Partnership Program

The State/Local Transportation Partnership Program (SLTPP) was implemented to encourage local agencies to use their own resources to fund and construct transportation improvements, both on and off the State highway system. Partnership projects are nominated by the local agencies, and all eligible projects are placed on a statewide reimbursement list. Reimbursement is based on when the local agency applies and when they award the construction contract for the project. Projects may not qualify for this program if they receive State funds from any other program.

Environmental Enhancement and Mitigation Demonstration Program

The Environmental Enhancement and Mitigation (EEM) Demonstration Program uses funds allocated by the CTC for projects listed by the State Resources Agency. Projects may be proposed by local, State, and federal agencies, as well as nonprofit entities. Projects may include highway landscaping, acquisition or enhancement of resource lands for mitigation purposes, roadside rests, roadside recreational opportunities, and other projects for mitigating the impacts of transportation facilities.

RTIPs

Regional Transportation Planning Agencies (RTPAs) and/or County Transportation Commissions must prepare and submit Regional Transportation Improvement Program (RTIPs) for regions with urbanized areas. Some urbanized RTPAs coincide with the federal Metropolitan Planning Organizations (MPO). RTIPs are submitted to the CTC by December 1 of odd-numbered years, as input to the STIP process. For maps of MPOs and RTPAs, see [Chapter 1](#) – Introduction, Figures 1-1 and 1-2, respectively.

Caltrans must prepare and submit district-based RTIPs as part of the PSTIP for the remaining RTPAs—unless an RTPA notifies Caltrans by July 1 preceding the date due that they intend to prepare their own RTIP.

Congestion Management Program

Every county that includes an urbanized area is required to have a Congestion Management Program (CMP) developed, adopted, and annually updated. The CMP for each county is prepared by an agency designated by the County Board of Supervisors and the City Councils representing a majority of the urbanized-area population. The CMP includes a 7-year capital improvement program and is included in the RTIP. State and local projects must be included in the CMP before they can be entered in the RTIP. See Figure 4-1 for a map of the State’s Congestion Management Agencies.

ARTICLE 4 Federal Programs

ISTEA

The federal Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 changed federal funding categories, as well as many other aspects of federal involvement with the funding and approval of transportation projects.

Federal Funding Categories

ISTEA now classifies federal funding programs as follows:

- Interstate Completion (IC)
- Interstate Maintenance (IM)
- National Highway System (NH)
- Surface Transportation Program (STP)
- Congestion Mitigation & Air Quality Improvement Program (CMAQ)
- Highway Bridge Replacement and Rehabilitation (BR) or Discretionary BR (DBR)
- Hazard Elimination and Safety (HES)
- Emergency Relief (ER)
- Transportation Enhancement Activities (TEA)
- Other, such as Minimum Allocation, etcetera

Old federal funding categories such as Federal Aid Secondary (RS) and Federal Aid Urban (FAU) are no longer used, except to complete projects with committed funding from these programs.

Nearly all federal funding requires State or local matching funds. The federal government limits the total amount of federal funds available to states on an annual basis as a control on federal spending, by specifying the authorized Obligation Authority (OA). Caltrans distributes the Obligation Authority between State and local federal-aid projects as equity and delivery dictate.

Regional Programming of Federal Funds

State and federal laws provide CMAQ and Regional STP federal funds to regional agencies and counties. The annual Caltrans budget provides matching funds for eligible projects. While regional agencies program most of these funds for the local

system projects, some State highway projects have also been included in their programs.

These State highway projects are administered the same as any other Caltrans project. However, federal authorization to proceed must be received through the district Local Assistance Office before beginning preliminary engineering, right of way acquisition or advertising for construction.

Federal Programming Documents

Federal law calls for a different set of programming documents than State law. Each of the Metropolitan Planning Organizations (MPOs) in California (see [Chapter 1](#) – Introduction, Figure 1-1) is required to prepare and adopt a Transportation Improvement Program (TIP, federal TIP or FTIP). This is not to be confused with the RTIP required under State law to nominate projects for the STIP. Caltrans is also required to prepare a Federal State TIP (FSTIP), not to be confused with the STIP adopted by the CTC. The FSTIP incorporates each of the MPO FTIPs and also covers the portions of the State that are not within the area of an MPO. Refer to Figures 4-2A and 4-2B.

The FTIPs and FSTIP must incorporate all projects to be funded with federal funds, including transit projects, whether programmed through the State STIP, SHOPP, or TSM Plan, or through the regional STP or CMAQ programming. For CTC programmed projects, the State programming process defines the decision-making process, while the federal process documents compliance with federal law. Important programming requirements of federal law are that the federal TIPs must include evidence that they are constrained to the amount of funds reasonably expected to be available on an annual basis for a period of at least three years; they must include project priorities, at least on a fiscal-year basis; and they must be demonstrated to be in conformity with the air quality plan for the area. Due to air quality conformity requirements, locally funded projects are also listed in the federal documents. Federal funds will not be obligated for a project that is not included in a federally approved FTIP and FSTIP.

Figure 4-1 Congestion Management Agencies (CMA)

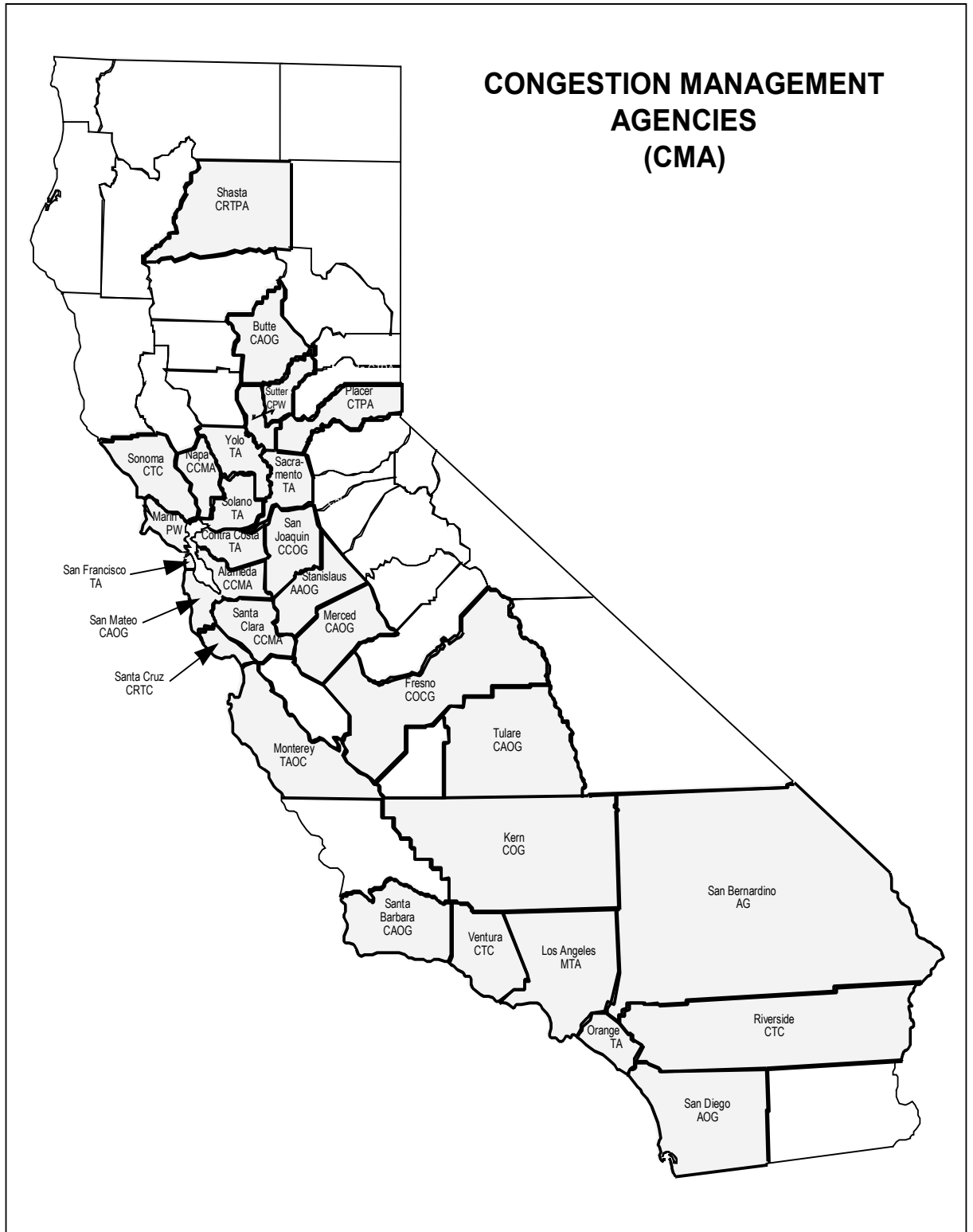


Figure 4-2A Plan and Program Relationships Under State and Federal Laws

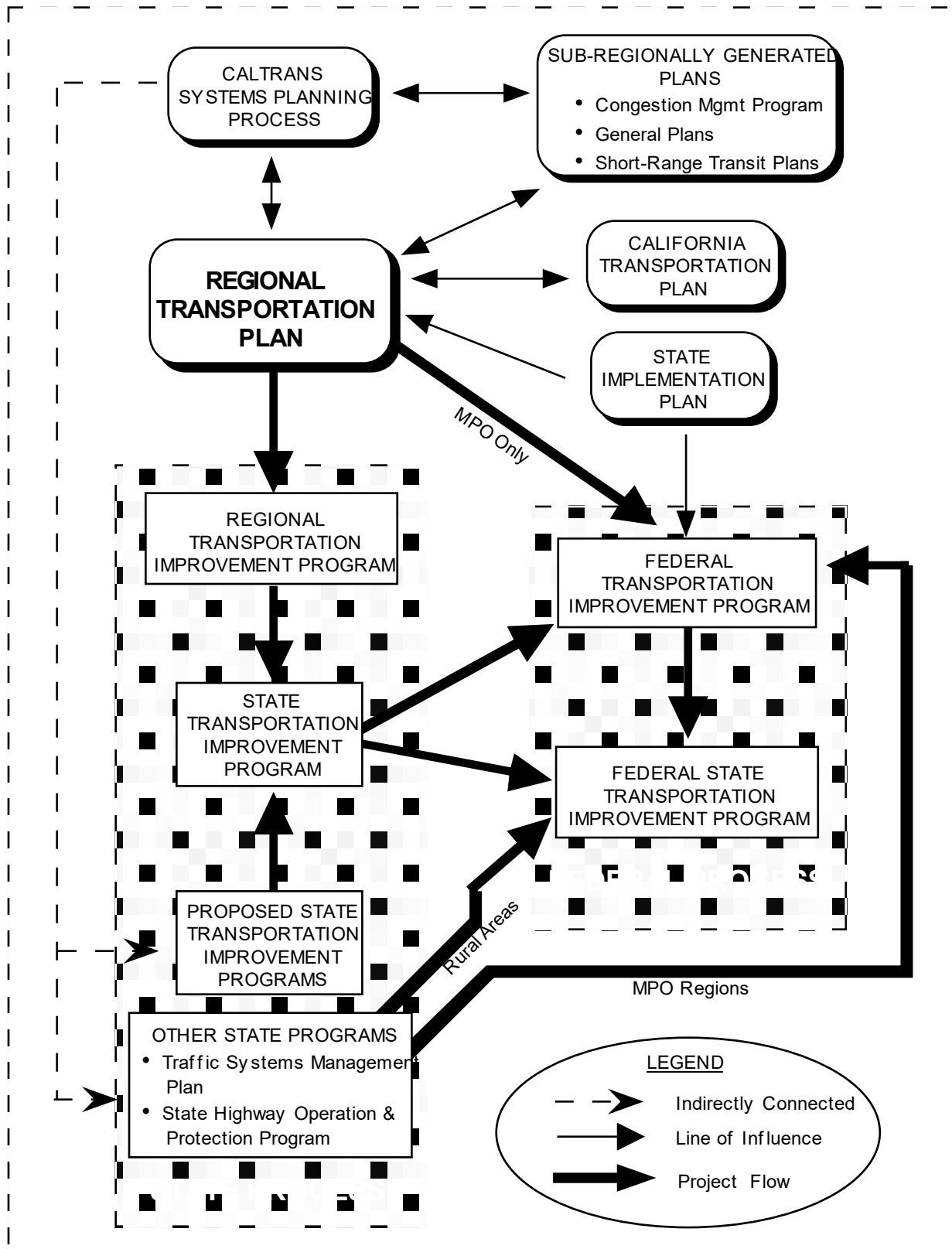
PLANS

- **Caltrans System Planning Process:** Implemented by Caltrans Districts with input from other local and regional plans. Systems planning documents can become input to regional and subregional plans. They are also affected by changes in local plans and policies. Caltrans System Planning documents can include projects that are later listed in the PSTIP and other State programs.
- **Sub-Regionally Generated Plans**
 - ⇒ **Congestion Management Plans (CMP):** Required by State law and prepared by designated Congestion Management Agencies. CMPs affect and are affected by other local plans and the Regional Transportation Plan (RTP). CMPs must be consistent with RTPs and are a source for all projects listed in the RTIP.
 - ⇒ **General Plans:** Developed by cities and counties. They include a circulation element that incorporates information from CMPs, District Systems Management Plans, and RTPs. General Plans describe proposed land uses, goals, and strategies for quality-of-life issues.
 - ⇒ **Short-Range Transit Plans (SRTP):** Developed by transit agencies. They describe local transit conditions and needs. SRTPs can be input to an RTP. RTP goals and policies shape transit systems.
- **Regional Transportation Plans (RTP):** Developed by Metropolitan Planning Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs) to provide a comprehensive long-range view of the transportation problems of a region and recommended solutions. RTPs have a 20-year horizon period and are required by State and federal law. For MPO RTPs, all projects in the Federal Transportation Improvement Plan (FTIP) must be described in the RTP. In nonattainment areas, MPO RTPs must conform to a State Implementation Plan.
- **California Transportation Plan (CTP):** Developed by Caltrans for all areas of the State. The CTP is a long-range plan submitted to the Governor.
- **State Implementation Plan (SIP):** Required by the Federal Clean Air Act of 1990 as amended. The SIP is an air quality plan developed by the California Air Resources Board in cooperation with local air districts for attaining federal clean air standards.

PROGRAMS

- **Regional Transportation Improvement Program (RTIP):** A seven-year list of proposed transportation projects submitted to the CTC by the RTPA as a request for State funding through the Flexible Congestion Relief and Urban and Commuter Rail Programs. Some RTIP projects may have federal funding components, in which case they will also appear in the FTIP once they have been selected for the STIP (see below).
- **Proposed State Transportation Improvement Program (PSTIP):** A seven-year program developed by the Caltrans, that includes projects developed through the Interregional Road System Plan, Intercity Rail, Soundwall, Toll Bridge, and Aeronautics programs.
- **State Transportation Improvement Program (STIP):** A seven-year list of transportation projects proposed in RTIPs and PSTIPs which are adopted by the CTC. Those projects that have federal funding components will also appear in the FTIP and FSTIP.
- **Other State Programs:**
 - ⇒ **State Highway Operation and Protection Program:** A program limited to projects related to State highway safety and rehabilitation.
 - ⇒ **Traffic Systems Management Plan:** A program of projects (such as: restriping, metering, HOV, ridesharing, flexible work schedules, etcetera) for better system utilization and operational efficiency.
- **Federal Transportation Improvement Program (FTIP):** A three-year list of all transportation projects proposed for federal funding under ISTEA within the planning area of an MPO. It is developed by an MPO and approved by the Director of Caltrans. In air quality nonattainment areas, the plan must conform to a State Implementation Plan.
- **Federal State Transportation Improvement Program (FSTIP):** A three-year list of transportation projects proposed for funding under ISTEA developed by the State in cooperation with MPOs and in consultation with local non-urbanized governments. The FSTIP includes all FTIP projects as well as other federally funded rural projects

**Figure 4-2B Plan and Program Relationships
 Under State and Federal Laws**



ARTICLE 5 State Budget Program Codes

Background

Since the 1987-88 fiscal year, the Caltrans annual budget has been controlled by the State legislature. Currently, the Legislature appropriates funds for Caltrans' use through the Budget Act, on a program-by-program basis. Programs are purpose-oriented goals: they are composites of activities that together result in a specific product or achievement for serving the public need. Each transportation project identified in a State programming document is tied to an appropriate program. Programs constitute the basis for Caltrans' annual budget and are major items in the Governor's Budget.

Code Definitions

The program-code structure was originally alpha-numeric; due to its familiarity, such a structure is still being used in many documents, although the State budget has for several years used a numeric coding structure that is maintained and updated annually by the Accounting Service Center. The program codes consist of ten numeric characters, as follows:

Positions 1, 2 ----- "Program"	Positions 3, 4 ----- "Element"	Positions 5, 6, 7 ----- "Component"	Positions 8, 9, 10 ----- "Task"
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Positions 1 and 2 represent the Program.

20 = Highways

Positions 3 and 4 represent the Element.

10 = Capital Support
20 = Capital Projects

Positions 5, 6, and 7 represent the Component. It reflects the Transportation Blueprint Legislation elements as follows:

101	=	Flexible Congestion Relief (FCR)
102	=	Interregional Road System (IRS)
103	=	Retrofit Soundwalls (SW)
204	=	Other Highway Construction (OHC)
205	=	Rehabilitation and Safety (RAS)
207	=	Environmental Enhancement and Mitigation (EEM)
300	=	Traffic Systems Management (TSM)
400	=	Locally Funded State Highway Projects (LOC)

Positions 8, 9, and 10 represent the Task. It reflects the old program codes, with some modifications:

Land, Buildings & Facilities Improvements (HA1)

111	=	HA11 (Equipment Facilities)
112	=	HA12 (Maintenance Facilities)
113	=	HA13 (Office Facilities)
114	=	HA14 (Toll Bridge Facilities)

Facility Restoration & Replacement (HA2)

221	=	HA21 (Bridge Restoration & Replacement)
222	=	HA22 (Roadway Rehabilitation & Restoration)
223	=	HA23 (Major Damage Restoration and Emergency Opening)
225	=	HA25 (Highway Planting Restoration)
226	=	HA26 (Safety Roadside Rest Area Restoration)
227	=	HA27 (Urban Freeway Median Barrier Retrofit)
228	=	HA28 (Urban Freeway Off Pavement Access)

Protective Betterments (HA4)

310	=	HA4S1 (Structures Seismic Retrofit - Phase 1)
311	=	HA4S2 (Structures Seismic Retrofit - Phase 2)
312	=	HA4S3 (Toll Bridge Seismic Retrofit)
320	=	HA42 (Roadway Protective Betterments)

Safety Improvements (HB1)

400	=	HB1 (Safety Improvements)
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Compatibility Improvements (HB3)

- 511 = HB311 (Community Noise Program)
- 520 = HB32 (Highway Planting)
- 530 = HB33 (Safety Roadside Rest Areas)
- 540 = HB34 (Roadside Enhancements)

Operational Improvements (HB4)

- 610 = HB4C (Capacity Increasing Operational Improvements)
- 620 = HB4N (Noncapacity Increasing Operational Improvements)

HOV Facilities (HB5) or ADA (HB7)

- 700 = HB5 (HOV Facilities)
- 711 = HB711 (New Curb Ramp - ADA)
- 712 = HB712 (Park and Ride Lot Modification - ADA)

Transit-Related & Ride Sharing Facilities

- 800 = HB06 (Transit-Related & Ride Sharing Facilities)

New Highway Construction (HE1)

- 911 = HE11 (New Connections/Cross Traffic Improvements)
- 912 = HE12 (Upgraded Facilities)
- 913 = HE13 (Lane Additions)
- 914 = HE14 (New Highways)
- 920 = HE2 (New Toll Bridge Construction)

The above examples are limited. See the [Coding Manual](#) for further program definitions and additional details.