

## Memorandum

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Be energy efficient!*

To: DISTRICT DIRECTORS  
SINGLE FOCAL POINTS

Date: June 6, 2011

  
From: RACHEL FALSETTI  
Chief  
Division of Transportation Programming

Subject: 2012 State Transportation Improvement Program (STIP)

With the California Transportation Commission (Commission) slated to adopt the 2012 Fund Estimate at their August 2012 meeting, it is time to start reviewing the existing inventory of projects and to begin discussions, both with regional partners and the Division of Programming, about priorities for new funding.

Of high importance is a review of currently programmed project level capital and capital outlay support (COS) budgets. As you are aware, the Department was recently subject to a critical examination of COS by the Bureau of State Audits who made the finding that the Departments COS budgeting needs improvement. To assist with updating COS budgets, attached is a COS analysis report that compares current programmed COS budgets to current Estimate At Completion (EAC) based upon the Headquarters Project Management STIP Financial Reports. Variances of 10 percent or greater between programmed budget and EAC are noted in the report. It is expected these will be addressed in your discussions with your regional partners as you consider capital and support needs in their Regional Transportation Improvement Plans (RTIPs). For Interregional Transportation Improvement Program (ITIP) funded work, we will be contacting you later this summer to set up a time to review your projects and priorities for ITIP funding. The top priority for ITIP will be continued full funding of ongoing programmed projects.

Regarding ITIP funding, one area we seek to improve is the Transportation Enhancements (TE) program. The ITIP has the opportunity to program 25 percent of State TE funds, approximately \$35 million per STIP cycle. Historically, the Department has somewhat under-programmed and under-delivered its share of this program. In addition, district ITIP –TE proposals have almost uniformly been for projects that are small and localized, often of marginal interregional significance. To change the pattern we are requesting districts to come forth with decidedly interregional project proposals in the \$10 to \$20 million dollar range. We recognize that projects of this scope will require a full Project Initiation Document (PID), requiring significant lead times to prepare and possibly pushing them out of the 2012 STIP cycle. To that end we propose to commit to funding two or three pre-selected large scale ITIP TE projects starting in the 2014 ITIP, which will be preselected for further scoping in the next few months. We will work with you and Division of Planning to ensure necessary PID resources are made available to the district and, if completed on time, would be virtually guaranteed programming in the 2014 STIP.

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The Division has established a 2012 STIP Web page to communicate important and relevant information at <http://www.dot.ca.gov/hq/transprog/ocip/2012stip.htm>. Please review it as needed. We will continue to keep you informed of important developments as we get further along into the STIP development process. If you have questions, please call Kurt Scherzinger at (916) 654-4587.

Attachment

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