

THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

The multi-year STIP is a dynamic document, ever changing in response to revised project schedules, scopes, and cost estimates; updated administrative priorities and directives; and funding and programming implications. The STIP process is integrated and dependent upon numerous other processes, mandates, and regulatory requirements. To comprehend the STIP process, one needs to also delve into and understand these related programs.

The focus of this paper is to document the STIP process. Related programs alluded to, including the Transportation Improvement Program (TIP) process for Honolulu, should be addressed within their separate context.

STIP REQUIREMENTS

The STIP is an expenditure plan for the use of federal highway and transit funds. The STIP shall:

1. Contain only projects consistent with the statewide transportation plan (and regional transportation plans.)
2. Be financially constrained by year (i.e., federal fiscal year, October 1 - September 30). Projects included in the first two years shall be limited to those for which funds can reasonably be expected to be available or committed.
3. Contain all regionally significant transportation projects requiring action by the Federal Highway Administration (FHWA) or the Federal Transit Administration (FTA), regardless of whether federal funds are involved.
4. Cover a period of not less than three years.
5. Be approved at least every two years.

ROLES AND RESPONSIBILITIES

The DOT shall be responsible for the development of the STIP for all areas of the state.

That portion of the STIP covering the metropolitan planning area of Honolulu (the TIP) shall be developed in cooperation with the Oahu Metropolitan Planning Organization (OMPO). The OMPO shall include the development of the TIP as part of its planning process.

Outside of metropolitan areas, transportation projects shall be selected by the state in consultation with the affected local officials.

At least every two years, the DOT shall submit the entire proposed STIP, and amendments as necessary, to the FHWA and FTA for joint approval.

FHWA and FTA shall review the proposed STIP for conformity with applicable federal regulations. If upon review they determine that the requirements are met, to an acceptable degree, they shall take approval action.

TECHNICAL REQUIREMENTS FOR PROJECTS SELECTED FOR IMPLEMENTATION

1. Only projects included in the approved STIP shall be eligible for funds administered by FHWA or FTA. (Eligibility criteria and exceptions cited in Part 450 of Title 23, Code of Federal Regulations (CFR), and Part 613 of Title 49, CFR.)
2. Projects selected must meet all of the eligibility criteria at the time of its submittal. This would include appropriate functional classifications, and compliance with federal standards, regulations, and adopted procedures. It is the responsibility of the implementing agency to resolve any eligibility issues.

Projects with eligibility issues unresolved will not be placed on the STIP for federal funding. When the issues are cleared, these projects may be considered for inclusion in the STIP through the amendment process.

3. Projects submitted should reflect the priorities set by the adopted long range regional transportation plans and established management systems.
4. Local matches for the current year element must be committed or reasonably expected to be available at the time of obligation.
5. Projects must be fully justified and able to meet the obligation requirements by the end of the federal fiscal year. For the FHWA projects, this will be determined by the state and federal project review team. (Reference: Part 625 of Title 23, CFR, Design Standards for Highways, and Part 630, Subpart B of Title 23, CFR)
6. Administrative policies and directives at the national, state, and local level should be considered and reflected, as appropriate.

GUIDELINES ON CONSTRAINING THE STIP (FHWA PORTION)

OVERALL REQUIREMENTS

1. The minimum funding levels to be obligated per funding category will be observed. This will take into account unobligated balances and carry-overs, to optimize the use of federal funds.
2. Projects with eligibility issues unresolved will not be included for federal funding; and will not be identified in the STIP document if the project cannot proceed without federal assistance.
3. Projects must be fully justified and able to meet the obligation requirements by the end of the federal fiscal year. This will be determined by the state and federal project review team. Critical milestones include environmental compliance, ROW clearance, and PS&E requirements.

FUNDING PRIORITIES

Agencies should also consider the following factors when selecting and prioritizing their projects:

- Critical safety improvement projects
- Projects under agreement requiring additional funds
- National, state, and local administrative policies and guidelines
- Strategies to optimize use of funds; fiscal constraints and programming requirements
- Priorities established from adopted transportation plans
- Priorities established from management systems, and enhancement program
- Agency resources to undertake and manage the projects
- State of the industry (e.g., availability of contractors and materials)
- Construction impacts
- Systems balancing

Note: These factors are not in order of priority, they should all be considered.

GUIDELINES ON CONSTRAINING THE STIP (FTA PORTION)

The City and County of Honolulu is the designated recipient of the Urbanized Area Formula Program funds apportioned to the Honolulu and Kailua urbanized area. The City's Department of Transportation Services (DTS) administers this program and the short-range implementation projects are developed through the metropolitan planning process for incorporation into the STIP.

The Nonurbanized Area Formula Program which encompasses the neighbor island counties and the Capital Assistance Program for the elderly and persons with disabilities are administered by the DOT. The FTA apportionment for these programs have been nominal; and the use of these funds have been generally allocated equally to each of the individual counties.

OVERALL PROCEDURES IN DEVELOPING THE STIP

1. Compilation of initial project list.

DOT will issue a "call for projects", to obtain a prioritized list of projects from the agencies and divisions. This should be accompanied by a Project Information and Justification Sheet for each project. (See Attachment 1). For Oahu, submittals must be coordinated through the OMPO process; for the neighbor island counties, submittals should be through their mayors; and for the divisions, submittals should be through their division heads.

Agencies are responsible to ensure that projects submitted meet all eligibility and project selection requirements at the time of submittal.

Agencies should consider the above Guidelines on Constraining the STIP in developing their project lists.

2. Constraining the STIP.

Each year of the STIP will be constrained, following the above guidelines on Constraining the STIP.

Projects will be reviewed for compliance with eligibility requirements. Those projects found to be in non-compliance or with eligibility issues unresolved will be deleted. They can be resubmitted through the amendment process when the eligibility requirements have been met.

The state and federal project review team will review the projects to assure that they will be "ready to obligate" by the end of the federal fiscal year. Coordination with the agencies is typically through the project managers for the exchange of information, including guidance on the project development. At this point, the cost estimates and schedules may be adjusted to reflect more reasonable expectations.

The remaining eligible projects in the first year element are sorted by funding categories to assure that the fiscal requirements are met and that use of the federal monies will be optimized, with no lapsing. This will give an indication of what types of projects must be reviewed for constraining and the appropriate prioritization programs to be considered. (e.g., If the category for Bridge funds is overbudgeted, it will be constrained in consideration of the ratings from the Bridge Management System (BMS).) (See considerations identified under Funding Priorities).

Those eligible projects which could not be funded within the limits of the obligation authority for the first year, will be "carried over" to the next year and the guidelines for constraining that year will be applied to the expanded list. There will be no bias or preference given to the carry-over projects. This process will be repeated for the third year element.

The resultant constrained three-year program will represent the Preliminary Draft STIP.

The commitment to each agency is that level of funding identified for each of the projects on the current year approved STIP. The funds can only be applied to those projects, or to projects previously funded and under agreement, which require additional funds. With regard to FHWA funds, this commitment will expire on March 1 for those projects not obligated and unable to be obligated by the end of the federal fiscal year.

If additional funds are required for projects underway, or for projects with revised cost estimates higher than reflected in the approved STIP, the sponsoring agency may be required to make up the shortfall with a larger match, or defer one of its projects on the current year STIP.

3. Agency and public review process.

The preliminary draft STIP will be coordinated by the DOT for agency and public review. The Honolulu portion or TIP will be transmitted to the OMPO for processing under the metropolitan regulations and procedures.

Evaluating the comments received during the agency and public review process, the DOT will modify the Preliminary Draft STIP accordingly. Documentation of the comments received and responses, including the rationale, will be prepared to substantiate the revisions.

The resultant STIP will represent the Draft STIP. The draft TIP portion will be transmitted to the OMPO for its processing.

4. Submittal to FHWA/FTA for approval.

OMPO will seek the necessary approvals of its draft TIP and transmit the Final TIP to the DOT for incorporation, without modification, into the Draft STIP. This will constitute the Draft Final STIP which will be sent to the Governor for approval. The resultant Final STIP will then be submitted to the local division office of the FHWA, who will coordinate the approval with the FTA regional offices.

Approval of the STIP will be transmitted to the DOT.

5. Monitoring and amending the approved STIP (focus on current year element).

During the fiscal year, the DOT will monitor the approved STIP. By March 1, there will be a reassessment and the commitment on the level of funding for the fiscal year will expire.

- a. Those projects included in the current year obligation plan which are deemed as being able to be "ready to obligate" by the end of the federal fiscal year, will continue to be part of the obligation plan. All others will be deferred.
- b. Funds which become available during the federal fiscal year will be applied to those projects in the current plan which are ready-to-obligate but require additional funding or which were deferred from the current plan because of lack of funding.
- c. After the March 1 reassessment of the projects, the state will consider revising the STIP through a major amendment process, or expedited process (for minor adjustments). A major amendment will be pursued if the anticipated federal funds available are significant; if there have been major shifts in the administrative directives; or if the projects on the approved STIP will be unable to maximize our obligation authority.

A major amendment to the STIP will allow the agencies to reintroduce those projects which have since cleared the eligibility issues; and to introduce new projects which have since become priority.

Note: A major amendment would entail developing a new project list for the remaining uncommitted balance and repeating the procedures for the development of the initial STIP. This process would typically take at least three months.

An expedited amendment process involves seeking federal approval directly or bypassing certain procedures required (e.g., public informational meetings). Certain categories of actions have been identified as qualifying for this expedited process.

6. Amending the STIP (focus on 2nd year element).

Toward the end of the current fiscal year, DOT will again reassess the need for amending the STIP.

It is recognized that in consideration of the changes which will have occurred since the preparation of the second and third year elements of the STIP, a major amendment will probably be required. The agencies will be given the opportunity to resubmit their funding requests and the state will reassess and reprocess it based on the criteria previously set forth.