

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

February 8, 2018

1:32 p.m.

MEMBERS PRESENT

Senator Bert Stedman, Chair
Senator Click Bishop
Senator David Wilson
Senator Dennis Egan

MEMBERS ABSENT

Senator Anna MacKinnon

COMMITTEE CALENDAR

OVERVIEW: STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

- HEARD

WITNESS REGISTER

MICHAEL VIGUE, Director
Division of Program Development and Statewide Planning
Alaska Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Provided an overview of the State Transportation Improvement Program (STIP).

ACTION NARRATIVE

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CHAIR BERT STEDMAN called the Senate Transportation Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Bishop, Egan, and Chair Stedman.

OVERVIEW: State Transportation Improvement Program (STIP)

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CHAIR STEDMAN announced that the committee will hear from the Alaska Department of Transportation and Public Facilities (DOT&PF) regarding the State Transportation Improvement Program

(STIP). He specified that STIP is a federally funded transportation program for projects in Alaska.

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MICHAEL VIGUE, Director, Division of Program Development and Statewide Planning, Alaska Department of Transportation & Public Facilities, Juneau, Alaska, said he will provide a STIP overview to the committee. He addressed slide 2: Outline, and referenced as follows:

- What is the STIP?
- How is the STIP regulated?
- What is unique about transportation funding in Alaska?
- How are projects selected for the STIP?
- What programming considerations exist?
- What STIP tools are available?

He addressed slide 3: "What is the STIP? (1)" and referenced as follows:

- **Statewide Transportation Improvement Program (STIP).**
- Federally required in order to spend federal highway funds and transit funds.
- Approved by Federal Highway Administration (FHWA) and Federal Transit Administration (FTA).
- Must include all FHWA and FTA funded projects.
- May include non-federally funded projects if U.S. Department of Transportation (USDOT) approved.

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He addressed slide 4: "What is the STIP? (2)" and referenced as follows:

- Must be fiscally constrained:
 - DOT&PF must program the STIP to the amount of federal money the state believes it will receive.
 - DOT&PF is not allowed to "over program" the STIP.
 - Alaska receives \$500 million annually in federal highway funding.
- Public information document with defined involvement process:
 - Public comment runs 45 days on a new STIP.
- Covers a period of at least four years.
- Changes by amendment or administrative modification due to give and take of project schedules and estimates:

- o Amendments require additional public comments for 30 days.
- o Administrative modifications are small changes that do not require public comment.
- Each funding type has unique eligibility requirements:
 - o Requirements have been greatly reduced.
 - o Moving Ahead for Progress in the 21st Century (MAP-21) bill was signed into law in 2012 and streamlined eligibility requirements and funding management.

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CHAIR STEDMAN asked Mr. Vigue to explain MAP-21.

MR. VIGUE explained that Congress passes an authorization bill that is different from their annual appropriation bills. He explained that multi-year program authorizations like MAP-21 determines how much each state receives and what the program requirements are.

He addressed slide 5: "How is the STIP Regulated? (1)," Federal Statute and Regulation, and referenced as follows:

- 23 U.S. Code (USC) Chapter 1, Sections: 101-190.
- Code of Federal Regulation (CFR); Title 23-Highways; Chapter I-Federal Highway Administration, Department of Transportation; Subchapter E-Planning and Research; Part 450-Planning Assistance and Standards:
 - o Subpart A-Transportation Planning and Programming Definitions.
 - o Subpart B-Statewide Transportation Planning and Programming.
 - o Subpart C-Metropolitan Transportation Planning and Programming.

He disclosed that committee members should reference the U.S. Department of Transportation Federal Highway Administration's website and reference Fixing America's Surface Transportation (FAST) Act to address the current authorizing legislation for the state's federal aid money.

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He addressed slide 6: "How is the STIP Regulated? (2)" and referenced Alaska's statutes and regulations as follows:

- Alaska Statutes (AS) Title 19: Highways and Ferries, Chapter 15: Financial Provisions.

- 17 Alaska Administrative Code (AAC) 05.155-200:
 - General requirements,
 - Public participation,
 - Project needs list and evaluation,
 - Adoption,
 - Amendment.

MR. VIGUE explained that DOT&PF must follow both state and federal laws and regulations to comply with planning requirements, programming requirements to use the federal money.

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He addressed slide 7: "What is Unique About Transportation Funding in Alaska?" and referenced as follows:

- \$1:\$5 Highway Trust Fund return:
 - For every dollar Alaska contributes to the Highway Trust Fund, the majority from federal motor fuel taxes, Alaska receives \$5 back in federal appropriations.
- Can spend federal highway funds on any public road:
 - Exemption in federal law that allows Alaska to spend federal highway dollars on any public road.
 - Public roads are "functionally" classed that includes: interstate, arterial, and major collector.
 - Functional classifications are eligible for federal aid funds in the Lower 48.
 - Alaska has an exemption to use federal aid funds on minor collectors, local roads, transportation facilities, and projects in villages such as boardwalks.
- Alaska is reliant on federal funds:
 - Not a lot of state funding available.
 - DOT&PF gets enough state match to use up its federal funds.
 - Alaska's federal funds are 90 percent of projects as opposed to the Lower 48 that is typically 80 percent.
 - Federal law has a sliding scale that calculates the square miles of federal land and Alaska has a lot of federal land, so the state's sliding scale provides for an additional 10 percent; i.e., 90 percent of projects are from federal funds.
- Alaska has the lowest gas tax in the country:
 - Alaska's gas tax is \$0.08 per gallon.
 - Alaska has an approximate \$0.01 per gallon tax for storage tanks.

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CHAIR STEDMAN asked if Alaska's exemption would include Juneau's municipal roads.

MR. VIGUE answered that is correct.

SENATOR BISHOP addressed fuel storage tanks and noted that the legislature increased the Spill Prevention and Response (SPAR) Fund a few years ago.

MR. VIGUE answered that is correct.

He addressed slide 8: Alaska Federal-aid Eligibility, and referenced as follows:

- Title 23, Section 118 (d) allows Alaska to use any funds made available under Title 23 for construction of access and development roads that will serve resource development, recreational, residential, commercial, industrial, or other like purposes.
- FHWA interprets this to be limited to "public roads;" this is defined under Title 23 Section 101(a)(22) as any road under the jurisdiction of and maintained by a public authority and open to public travel.

He disclosed that Title 23, Section 118(d) was a broad exception that was put into federal law for Alaska by Senator Stevens. He added that federal funds must be for public roads and private roads are not eligible.

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CHAIR STEDMAN asked him to verify that a road remains public for its life if public funds are used.

MR. VIGUE opined that the public access is for the road's "design life." He explained that the typical "design life" is 20 years. He said the length of time a road remains available to the public that has been federally funded would require a discussion with FHWA.

He addressed slide 9: Project Selection Factors and referenced as follows:

- Significant eligibility rules in federal and state law:

- o DOT&PF is constantly looking at the scope of work of projects and the functional class of the road that the department wants to do the work on.
 - o DOT&PF makes sure when programming the STIP that the project is eligible for the fund source.
- National Highway System (NHS) routes are primarily state owned and selected:
 - o System plans, performance data.
 - o Emphasis on safety, capacity, economy and continuity.
- Safety projects are required to be data driven focus:
 - o Reducing major injuries and fatalities using proven solutions.
 - o Highway Safety Improvement Program (HSIP) projects require a data-driven approach with a cost-benefit analysis in improving the highway.
- Surface Transportation Program (STP) has high demand:
 - o Urban allocations scored by metropolitan planning organizations (MPOs), Fairbanks Metropolitan Area Transportation System (FMATS), and Anchorage Metropolitan Area Transportation (AMATS).
 - o Due to lower funding, statewide program has backlog of projects waiting on funds.

MR. VIGUE noted that when MAP-21 was passed the funding for STP was reduced; however, funding increased for the interstate system and principal arterials, an act that asserted the federal interest in the interstate system, national defense, and interstate commerce. He disclosed that DOT&PF has a backlog of projects for STP with no new design starts because ongoing projects must be completed before starting new projects.

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He addressed slide 10: Surface Transportation Block Grant Eligibility (STP)-Title 23 Section 133, and referenced as follows:

- Construction of:
 - o Highways, bridges, tunnels.
 - o Ferry boats and terminals.
 - o Transit capital projects under Title 49.
 - o Infrastructure-based intelligent transportation systems (ITS) improvements.
 - o Truck parking facilities.
- Operational improvements/capital and operating costs for traffic monitoring, management, and control facilities.
- Environmental measures.

- Highway and transit safety infrastructure improvements.
- Protection for bridges: seismic, scour, security, etc.
- Surface transportation planning programs.

CHAIR STEDMAN asked Mr. Vigue to address in his presentation the return of funds for projects that do not materialize as expected; for example, ferry terminals in Southeast Alaska.

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SENATOR WILSON joined the committee meeting.

MR. VIGUE explained that DOT&PF is working with the FWHA on the ferry terminal issue where federal funds were used to build a facility where the "business need" went away and the facility is not being used for its intended purpose.

CHAIR STEDMAN stated that the committee will bring the issue up when more details are available.

SENATOR EGAN remarked that no ferry terminal is profitable. He noted that a toll is paid to ride on the ferry system and no one else pays a toll except for a few toll roads in northern Alaska.

MR. VIGUE replied that he did not say the ferry terminal had to be profitable, he specified that the ferry terminal would have to be an ongoing business enterprise. He said he understood that the Alaska Marine Highway System as well as ferries in the Lower 48 must be subsidized.

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CHAIR STEDMAN clarified that he was referencing the Coffman Cove ferry terminal that was constructed along with the South Mitkof Highway. He specified that shuttle service was intended between Coffman Cove on North Prince of Wales Island to Wrangle and Petersburg, a "business model" that did not work out as expected where the ferry terminals currently have very light use. He explained that the state is trying to work through the issue of the ferry terminals' construction cost and limited use.

SENATOR EGAN agreed with Chair Stedman but reiterated that no ferry terminal is profitable in Alaska, even though the state subsidizes the system.

MR. VIGUE addressed slide 11: "How are Projects Selected for the STIP?" and referenced as follows:

- NHS projects scored for the first time:

- o Data driven project selection is the goal to quantify projects.
- o Data analysis still in infancy - data rich, information poor.
- o Scores guided discussion.
- o Team effort.
- Considerations include:
 - o Safety,
 - o Pavement condition needs immediate treatment,
 - o Bridge condition,
 - o Traffic count,
 - o Unique benefits:
 - On the interstate system.
 - Environmental process for "shovel ready" project.

MR. VIGUE explained that the department's regional planning officials and pre-construction engineers were brought together to review each NHS performance program funded project and the projects that rose to the top are believed to be the most qualified.

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SENATOR EGAN asked if FHWA was included in the project scoping process.

MR. VIGUE replied that FHWA was not present.

SENATOR EGAN asked if DOT&PF presented their findings to FHWA.

MR. VIGUE answered that is correct.

He addressed slide 12: "How are Projects Selected for the STIP (2)?" and referenced as follows:

- Highway Safety Improvement Program (HSIP) ranks projects through benefit/cost analysis.
- Program must select projects where documented safety issues exist.
- Safety issues must be remedied using solutions that have been proven to alleviate such issues.
- FAST Act restricts funds to infrastructure improvements and engineering solutions.
- HSIP no longer may be used for: education, enforcement, or emergency response.

CHAIR STEDMAN referenced presentations in the past that addressed safety corridors in the Anchorage and Mat-Su area where a STIP buildout plan occurred. He asked Mr. Vigue to review the safety buildout plan that he noted to update the committee at an upcoming meeting. He emphasized that safety is high on the list when allocating limited resources.

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MR. VIGUE agreed with Chair Stedman. He noted that some of the projects that Chair Stedman referenced may be addressed in the STIP due to the length of time to develop and complete a project. He noted that the STIP contains several funded projects on the Seward and Parks highway which are in the "safety corridors."

He addressed slide 13: "How are Projects Selected for the STIP (3)?" and referenced as follows:

- Community Transportation Program (CTP) projects are scored.
- Five sets of scoring criteria:
 - Remote and Trail,
 - Urban and Rural,
 - Trails and Recreational Access for Alaska (TRAAK),
 - Transit,
 - Intelligent Transportation Systems (ITS).
- STIP continues to fund backlog of past scored projects.
- Another round in 1-2 years for new projects.

He detailed that CTP is under state regulations but funded with federal money. He noted that CTP was previously funded with STP money. He disclosed that CTP projects are backlogged because federally funded projects that are started are expected to be brought to construction before a new project can be considered. He reiterated that MAP-21 has made it difficult for the state to bring additional projects on. He emphasized that Alaska will always have more needs than resources, an issue where DOT&PF must always work through by prioritizing and funding projects with limited federal funds.

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He addressed slide 14: "How are Projects Selected for the STIP (4)?" and referenced as follows:

- Allocations to Metropolitan Planning Organizations (MPO):
 - Anchorage,
 - Fairbanks.

- Communities affected by air pollution:
 - State Implementation Plan (SIP), Alaska Department of Environmental Conservation (DEC);
 - Fairbanks;
 - Anchorage/Eagle River;
 - Juneau.

MR. VIGUE reiterated that Anchorage and Fairbanks both get an allocation of STP money based on population. He said both Anchorage and Fairbanks have their own project selection process called the Transportation Improvement Program (TIP), a local version of the STIP. He said TIPs come to DOT&PF for review and approval.

He added that DOT&PF also funds projects through Congestion Mitigation and Air Quality (CMAQ) program. He disclosed that the bulk of CMAQ money goes to the Fairbanks area due to their Nonattainment Area Designation were projects are controlled by Alaska Department of Environmental Conservation (DEC). He added that Anchorage and Eagle River are in a "maintenance area" were an allocation of CMAQ funds are allocated. He noted that Juneau's Mendenhall Valley area in "nonattainment for PM10" due mostly for wood smoke, like what is going on in Fairbanks.

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SENATOR WILSON addressed MPO allocations and asked how changes are made when a third or fourth is added later.

MR. VIGUE answered that the money gets split into greater portions. He disclosed that Alaska is a "minimum allocation state" where the MPO money is split into two pots, one pot is for metropolitan planning that Anchorage and Fairbanks receive. He noted that Senator Wilson may be addressing the expected census in 2020 that will create the opportunity for the Wasilla/Palmer area to create an MPO that would result in a split of the metropolitan planning money. He added that Wasilla/Palmer would also receive an allocation from STP funds as well.

He addressed slide 15: "How are Projects Selected for the STIP (5)?" and referenced as follows:

1. Federal & State Laws:
 - Alaska must comply with federal and state laws.
2. Long Range Transportation Plan (LRTP):
 - Everything done in the STIP must be consistent with the LRTP.

3. STIP.
4. Capital Budget Legislative Authority
 - o DOT&PF presents the legislature with a capital budget request.
 - o Authorized capital budget gives DOT&PF the authority to spend federal money and provides the state match necessary to obligate the federal funds.
5. Project Development.
 - o Regional design and construction teams develop projects.

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MR. VIGUE addressed slide 16: STIP Programming Considerations, and referenced as follows:

- STIP can only be programmed up to Alaska's expected funding level.
- Most STIP funding is use-or-lose and cannot be carried over from year to year:
 - o Funding for a project must be obligated to secure funding.
 - o Obligation occurs when a project is certified as meeting all federal requirements and a funding agreement is signed by FHWA.
- In Alaska and nationwide, 30 percent of projects end up delayed to a later year:
 - o Large, controversial projects are at a higher risk of slipping.
 - o Funding tools such as Advanced Construction (AC) allow some flexibility to pursue additional projects for when projects slip.

He called attention to "August redistribution" that happens at the end of federal fiscal year which is September. He explained that "August redistribution" means that obligation authority that was not used in other areas gets put into a pot and gets redistributed. He disclosed that DOT&PF has been successful with "August redistribution" the last couple of years. He revealed that DOT&PF put in a request to FHWA and received \$23 million and \$27 million in additional authority to spend the previous two years from "August redistribution." He emphasized that "August redistributions" allows for additional projects.

He added that advance-construction is another term for an ability to move projects forward with approval from FHWA without an actual obligation of federal funds. He detailed that DOT&PF has managed advance-construction and doing obligations as it

sees expenditures to not impact the state treasury. He said as soon as DOT&PF starts seeing expenditures of any significance, DOT&PF can do a project modification with FHWA and ask for reimbursement. He explained that advance-construction has allowed DOT&PF to get more "work out on the street" at any given time without impacting reimbursements from FHWA.

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MR. VIGUE addressed slide 17: 2018 FAST Act Funding for Alaska, and detailed as follows:

- National Highway Performance Program (NHPP): \$299.1 million:
 - Alaska's main highways: Parks Highway, Glenn Highway, Alaska Highway, Dalton Highway, Sterling Highway, Seward Highway, University Avenue in Fairbanks, Airport Way in Fairbanks, Egan Drive in Juneau, and parts of South Tongass Highway in Ketchikan.
- Surface Transportation Block Grant Program (STP): \$149.9 million:
 - Flexible funding.
- Highway Safety Improvement Program (HSIP): \$31.6 million,
- Congestion Mitigation and Air Quality (CMAQ): \$28.4 million,
- Metropolitan Planning Program: \$2.3 million,
- National Highway Freight Program: \$15.2 million:
 - New program for any project on the National Highway Freight Network that includes Alaska's interstate system.
 - DOT&PF can designate urban and rural critical freight corridors:
 - Dalton Highway is expected to be tagged as the rural freight corridor.
 - MPOs will be allowed to identify urban freight corridors.

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SENATOR BISHOP asked if Alaska is done with Shakwak funds.

MR. VIGUE answered yes. He explained that Shakwak funding was put into federal authorizing legislation in the 1990s for Canadian projects that connect the Haines Highway to the Alaska Highway. He said MAP-21 eliminated the Shakwak program.

He addressed slide 18: FAST Act (1): Funding Certainty for Five Years, and referenced as follows:

- Congress passed FAST Act in December 2015.
- Modest increase in total funding levels:
 - Initial 5-percent FHWA increase and 16-percent FTA increase from 2015 to 2016, then 2-percent annual increases.
- \$2.65 billion in FHWA apportionments to Alaska over five years:
 - Averages \$531 million annually.
- \$268 million in FTA apportionments to Alaska over five years:
 - Averages \$53.6 million annually.
 - Majority goes to Anchorage and Fairbanks transit operators.
 - DOT&PF gets \$8 million that provides grants to small transit operators in the state.

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MR. VIGUE addressed slide 19: FAST Act (2): Funding Certainty for Five Years, and referenced as follows:

- Maintains Alaska's Ferry Boat Program at \$18 million plus-or-minus annually.
 - Formula-driven process that is based on route miles, vehicles carried, and passengers carried.
 - Ketchikan received money for their airport ferry.
 - Inter-Island Ferry Authority that runs between Ketchikan and Hollis receives an annual appropriation.
- Increases Tribal Transportation Program (TTP) funds nationally from \$450 million in 2015 to \$465 million in 2016 with \$10 million annual increments.
 - Alaska tribes get \$60 million annually from The Office of Federal Lands Highway (FLH) or the Bureau of Indian Affairs (BIA).
- Formula based National Freight Program to support highway freight movement with some multimodal eligibility, Alaska averages \$16 million annually.
- Continuation of Transportation Alternatives Program (TAP).
 - Alaska receives \$6 million per year.
 - Alaska Department of Natural Resources is allocated \$1.5 million to manage recreational trails.

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SENATOR WILSON asked how TTP funds are allocated and does DOT&PF coordinate with the tribes on projects.

MR. VIGUE answered that DOT&PF partners with the tribes and the department tries hard to make their relationship better. He pointed out that none of the funding comes through DOT&PF and the tribes receive the funds from the federal agencies. He noted that TTP offers unique features that allows more flexibility for use in maintenance, transit, highways, and airports. He disclosed that the tribes are required to put together a Transportation Improvement Program (TIP) that DOT&PF receives a copy and reciprocates communication. He added that tribes can come to DOT&PF to use TTP funds as a match on a project to leverage some STP money. He noted that the governor has created his Tribal Advisory Council and DOT&PF is participating by communicating with the tribes, FHWA, and BIA on a regular basis.

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He addressed slide 20: FAST Act (3): FAST Act Policy Priorities, and referenced as follows:

- Generally, maintains MAP-21 programs and policy.
- As in MAP-21, streamlining project delivery to reduce time and cost identified as priority.
- Freight policy and freight network under dedicated National Freight Program.
- Continues Performance Based Program Management:
 - Federal Highway Administration's National Proposed Rule Making (NPRM) set goals for:
 - Safety,
 - Pavement,
 - Bridges.

He addressed slide 21: Federal Lands Access Program (FLAP), and referenced as follows:

- FLAP provides funds for projects on public roads or trails that are located on or provide access to federal lands:
 - Title or maintenance responsibility must be with the state, municipal or tribal governments.
 - Federal lands include those managed by National Park Service, U.S. Forest Service, U.S. Fish & Wildlife Service, Bureau of Land Management, and U.S. Army Corps of Engineers.
 - Projects are limited to \$2 million.
- Funding for Alaska averages \$8 million annually, formula-based distribution, and is administered by Western Federal Lands Highway Division in Vancouver, Washington.
- Program Decision Committee (PDC) selects projects:

- o The PDC must include a DOT&PF representative, a FHWA representative and representative of a political subdivision of the state; the Alaska Municipal League (AML) Executive Director fills this last slot.

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MR. VIGUE addressed slide 22: Tribal Transportation Program, and addressed as follows:

- TTP jointly administered by FHWA Federal Lands Highway and BIA as a nationally based Federal program.
- FHWA/BIA develop a stand-alone TIP.
- Funding for Alaska tribes in 2018 is expected to be \$49 million; none of this funding comes through DOT&PF.
- Coordination and communication between tribes, federal agencies, state, and local agencies is critical to success:
 - o Governor's Tribal Advisory Council (GTAC) Transportation Subcommittee.
 - o DOT&PF has created a tribal liaison position.
 - o Looking for ways to leverage TTP funding towards larger budget projects.

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He addressed slides 23-27 regarding online STIP project search tools found on the DOT&PF website.

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He addressed slide 28: Notable STIP Projects, and referenced as follows:

- Seward Highway 74-90 Ingram Creek to Girdwood Road:
 - o \$89.5 million,
 - o Construction and utilities,
 - o Advertised: 1/19/2018.
- Glenn Highway South Inner Springer Loop to Old Glenn:
 - o \$49 million,
 - o Construction and utilities,
 - o Tentative advertise: April 2018.
- Parks Highway 13-18 Pittman Road to Big Lake Road:
 - o \$45 million,
 - o Construction and utilities,
 - o Tentative advertise: late 2018.
- Dalton Highway 223-238 Reconstruction:
 - o \$26 million,
 - o Construction,
 - o Tentative advertise: early 2019.

- Richardson Highway 354-359 (Fairbanks area):
 - \$25.6 million,
 - Construction,
 - Tentative advertise: late 2018.
- Skagway State Street Rehabilitation:
 - \$10.6 million,
 - Construction and utilities,
 - Tentative advertise: August 2018.
- Egan Drive Main Street to 10th Street:
 - \$10.5 million,
 - Construction and utilities,
 - Tentative advertise: May 2018.
- Ketchikan North Tongass Bridges, Waterfall Creeks:
 - \$10 million,
 - Construction,
 - Tentative advertise: March 2018.

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SENATOR EGAN noted his concern for pedestrian safety, especially on state highways. He pointed out that a lot of Juneau's sidewalks are on municipal land and referenced a sidewalk project on Douglas Highway that will connect Gastineau School with nearby housing developments. He asked if there was federal money available for sidewalk construction or pedestrian safety.

MR. VIGUE replied yes. He noted that the Gastineau project was funded through the Safe Routes to School Program.

SENATOR EGAN asked him to verify that the Safe Routes to School Program no longer exists.

MR. VIGUE answered correct, from the previous funding source. He disclosed that eligibility for the Safe Routes to School Program is currently funded under STP. He addressed multiple funding sources for sidewalks and crossings to consider.

SENATOR WILSON asked if there are federal or state permitting issues that could hold up STIP programs. He referenced the possible impact from a proposed initiative being considered in the legislature.

MR. VIGUE answered that there are always permitting and process issues with construction projects. He said he was not aware of the initiative that Senator Wilson referenced.

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SENATOR WILSON specified that the legislation relates to the "clean water initiative" or "save the salmon initiative," something that would impact the STIP's "use it or lose it" rule. He opined that not being able to carry over STIP funds from year-to-year may impact projects that are delayed by litigation or additional processes that could stop permitting.

MR. VIGUE replied as follows:

That's always an issue. I don't know what the impacts of that particular bill will be; but, as far as dealing with the "use it or lose it" issue, that's the flexibility that I was talking about where if we have a project that is scheduled to go to construction in 2018 and that project gets hung up because of a permit need or something like that, we have built-in flexibility in the STIP that we will be able to pull a project forward. We do not lose federal money and I can say that unequivocally that we are not going to go there, we will always figure that out.

CHAIR STEDMAN opined that Senator Wilson's question related to issues that can "gum up" the entire system where projects cannot be moved forward. He said the committee will bring up Senator Wilson's question as a separate subject at a future committee meeting.

SENATOR EGAN asked if DOT&PF will be back to address the committee.

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CHAIR STEDMAN explained that the committee will have DOT&PF back to address statewide transportation projects on a regional basis: South Coast, Central, and Northern. He added that DOT&PF can also touch base on safety projects and safety corridors so that the committee can get a broader feel across the state where the needs are as well as where the funds are going. He reiterated his desire to address the potential transportation impact from the proposed gas-line project. He added that his intent is to address transportation issues to lay the groundwork for the Senate Finance Committee when dealing with the capital budget.

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There being no further business to come before the committee, Chair Stedman adjourned the Senate Transportation Standing Committee at 2:43 p.m.