

**ASSEMBLY BILL**

**No. 2098**

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**Introduced by Assembly Member Miller**

February 18, 2010

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An act to add Chapter 9.6 (commencing with Section 2430) to Division 3 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2098, as introduced, Miller. Federal transportation economic stimulus funds: 2nd round.

Existing law generally provides for programming and allocation of state and federal transportation capital improvement program funds pursuant to the state transportation improvement program process administered by the California Transportation Commission.

Existing law establishes special procedures and formulas for allocation and expenditure of federal transportation economic stimulus funds awarded to the state in 2009. Under these provisions, 37.5% of these funds are required to be apportioned for expenditure by the state to be programmed by the Department of Transportation, and the remaining 62.5% of funds are required to be apportioned to regional agencies.

This bill would enact provisions to govern the expenditure of the 2nd round of federal transportation economic stimulus funds that may be awarded to the state in 2010 pursuant to an unspecified federal act, subject to appropriation by the Legislature. The bill would provide for an unspecified division of the available funds between state and regional agencies. The bill would restrict allocation of the state portion of funds to projects in areas defined as economically distressed under federal law. The bill would enact various other requirements applicable to expenditure of the federal funds.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 9.6 (commencing with Section 2430) is  
2 added to Division 3 of the Streets and Highways Code, to read:

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4 CHAPTER 9.6. SECOND ROUND FEDERAL TRANSPORTATION  
5 ECONOMIC STIMULUS FUNDS  
6

7 2430. This chapter may be cited as the Transportation  
8 Economic Stimulus Act of 2010.

9 2431. The Legislature finds and declares all of the following:

10 (a) Congress has enacted the \_\_\_\_ Act, which provides in part  
11 for supplemental federal funding to the states for purposes of the  
12 federal-aid highway program.

13 (b) It is in the interest of the state to ensure that the highway  
14 infrastructure investment funds apportioned to the state under the  
15 federal act are fully obligated within the constraints of that act.

16 (c) It is the intent of the Legislature that the department, in  
17 consultation with the commission, regional transportation planning  
18 agencies, counties, and cities, shall have sufficient authority to  
19 make full and expeditious use of federal funds apportioned to the  
20 state for economic stimulus.

21 (d) It is the intent of the Legislature that, to the extent allowable  
22 under the federal act, priority be given to the use of stimulus funds  
23 available for expenditure to projects that put Californians to work  
24 and provide needed economic stimulus throughout the state. In  
25 particular, priority should be given to areas of the state  
26 experiencing the most severe economic hardships and distress  
27 associated with the current recession.

28 (e) It is the intent of the Legislature that highway infrastructure  
29 investment funds made available under the \_\_\_\_ Act are used to  
30 contribute to a transportation system that is in sound structural  
31 condition, accommodates all users, is environmentally sustainable,  
32 and allows for the efficient mobility of goods and people.

33 (f) It is the intent of the Legislature that the deadlines for  
34 obligating and liquidating funds established by the \_\_\_\_ Act apply  
35 to all federal funds subject to this chapter.

1 (g) It is the intent of the Legislature that the recipients of  
2 highway infrastructure investment funds made available under the  
3 federal act, including state, regional, and local agencies, shall  
4 adhere to principles and policies that ensure government oversight  
5 and management of the contracting process to ensure taxpayer  
6 funds are spent wisely; contracts are not wasteful, inefficient, or  
7 subject to misuse; unnecessary no-bid and cost-plus contracts are  
8 avoided; and contracts are awarded according to the best interests  
9 of California taxpayers.

10 (h) As used in this chapter, “federal act” shall mean the \_\_\_\_  
11 Act.

12 2432. (a) The funds subject to this chapter shall be available  
13 for obligation and expenditure by the dates specified in the federal  
14 requirements implementing the federal act, upon appropriation by  
15 the Legislature.

16 (b) It is the intent of the Legislature to allow for such flexibility  
17 as is necessary to permit the successful implementation of this  
18 chapter.

19 2433. (a) The federal highway infrastructure investment funds  
20 made available to the state under the formula apportionments of  
21 the federal act shall be considered part of the surface transportation  
22 program as set forth in paragraphs (3) and (4) of subdivision (d)  
23 of Section 133 of Title 23 of the United States Code. These formula  
24 funds shall be apportioned \_\_\_\_ percent for expenditure by the  
25 state to be programmed by the department and allocated by the  
26 commission only in areas defined as economically distressed  
27 according to federal law, and \_\_\_\_ percent to the metropolitan  
28 planning organizations, county transportation commissions, and  
29 regional transportation planning agencies in accordance with  
30 subdivisions (b) and (c) of Section 182.6.

31 (b) Funds available to be programmed by the department  
32 pursuant to subdivision (a) shall be programmed for eligible  
33 projects consistent with the federal act and this chapter.

34 (c) It is the intent of the Legislature that at least \_\_\_\_ percent  
35 of the funds apportioned to a metropolitan planning organization,  
36 county transportation commission, or regional transportation  
37 planning agency be available for suballocation by that entity to a  
38 city, county, or city and county for projects that meet the  
39 requirements of the federal act and this chapter.

1 (1) Any funds suballocated by a metropolitan planning  
2 organization, county transportation commission, or regional  
3 transportation planning agency that will not be obligated by a city,  
4 county, or city and county by the deadlines specified in the federal  
5 act shall be reallocated and available for expenditure as determined  
6 by the metropolitan planning organization, county transportation  
7 commission, or regional transportation planning agency.

8 (2) A metropolitan planning organization, county transportation  
9 commission, or regional transportation agency that suballocates  
10 funds to a city, county, or city and county under this chapter shall  
11 establish reporting procedures for the city, county, or city and  
12 county to ensure that funds are obligated and expended in  
13 accordance with the federal act and this chapter.

14 (d) (1) A metropolitan planning organization, county  
15 transportation commission, or regional transportation planning  
16 agency receiving funds under this chapter shall notify the  
17 department of the projected amount of obligational authority that  
18 the entity intends to use, including for funds that the entity  
19 suballocated to a city, county, or city and county pursuant to  
20 subdivision (c). The report shall include, but not be limited to, a  
21 list of projects that will be obligated by the following deadlines:

22 (A) By \_\_\_\_ 2010, for the funds required to be obligated within  
23 120 days of federal apportionment.

24 (B) By \_\_\_\_ 2010, for any funds that will not be obligated within  
25 one year of federal apportionment.

26 (2) Any federal obligational authority that will not be used shall  
27 be redistributed by the department to other projects in a manner  
28 that ensures that the state will continue to compete for and receive  
29 increased obligational authority during the federal redistribution  
30 of obligational authority. To the extent practical, the funds shall  
31 be obligated within the geographic areas relinquishing the  
32 obligational authority.

33 (e) Funds apportioned by this chapter are not eligible to be  
34 exchanged for nonfederal State Highway Account funds as  
35 provided in subdivision (g) or (h) of Section 182.6.

36 (f) The public participation requirements under Title 23 of the  
37 United States Code shall apply to all transportation projects using  
38 federal funds made available pursuant to this chapter.

39 2434. (a) The department, metropolitan planning organizations,  
40 county transportation commissions, regional transportation

1 planning agencies, counties, cities, and a city and county shall  
2 comply with all reporting requirements to the Federal Highway  
3 Administration (FHWA) established in federal law regarding funds  
4 made available under the federal act.

5 (b) In complying with the requirements of subdivision (a), the  
6 department, metropolitan planning organizations, county  
7 transportation commissions, regional transportation planning  
8 agencies, counties, cities, and a city and county shall provide the  
9 same data they provide to the FHWA to the department under the  
10 same timelines required by the FHWA or federal law. Regional  
11 entities shall include in the data provided to the department  
12 information on the use of federal funds made available under the  
13 federal act that were suballocated to cities and counties within  
14 their jurisdiction.

15 (c) The department, within 30 days of receiving the information  
16 required pursuant to subdivision (b), shall compile the information  
17 and submit a report to the budget committees and policy  
18 committees with jurisdiction over transportation matters in each  
19 house of the Legislature.