

Introduced by Senators Lowenthal and CorreaFebruary 19, 2010

An act to add Chapter 9.6 (commencing with Section 2425) to Division 3 of the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1371, as introduced, Lowenthal. 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. Under these provisions, 25% of available funds are available for interregional improvement projects nominated by the Department of Transportation, subject to a requirement that 60% of these funds be available for projects in nonurbanized areas on the interregional road system and for intercity rail projects. The remaining 75% of available funds are available for regional improvement projects nominated by regional agencies. All funds programmed through the state transportation improvement program process are subject to the north-south split, and the regional improvement funds are further subject to the county shares formula.

Existing law establishes special procedures and formulas for allocation and expenditure of federal transportation economic stimulus funds received by the state in 2009.

This bill would require the Department of Transportation to work with local transportation agencies to develop a list of potential projects that may be awarded within a 90-day period of the award to the state of 2nd round federal transportation economic stimulus funds. The bill

would require the department to submit a monthly status report to the Legislature, as specified, with respect to certain milestones for expenditure of these funds. The bill would make related legislative findings and declarations.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Congress is considering authorizing a second round of federal
- 4 economic stimulus funding that has the potential to bring \$3.7
- 5 billion to California for investment in transportation infrastructure.
- 6 (b) To ensure that this stimulus package provides immediate
- 7 economic relief by creating or saving jobs in the short-term, the
- 8 federal legislation is expected to include extremely short timelines
- 9 for project delivery that will pose significant challenges to state
- 10 and local agencies.
- 11 (c) Despite a modest economic recovery, the statewide
- 12 unemployment rate remains above 12 percent, with some counties
- 13 experiencing a jobless rate above 20 percent.
- 14 (d) The state must stand ready to use all stimulus funds available
- 15 to it within the timelines provided by the second federal economic
- 16 stimulus act.
- 17 (e) To this end, it is the intent of the Legislature to enact
- 18 legislation that does all of the following:
- 19 (1) Expedites the process by which state and local transportation
- 20 agencies obligate and award federal funds, easing regulatory and
- 21 statutory hurdles where appropriate and in a manner that is
- 22 consistent with the mobility and environmental goals of the state.
- 23 (2) Establishes an allocation formula that provides flexibility
- 24 in the use of funds and ensures geographic equity such that all
- 25 areas of the state benefit from the second federal economic stimulus
- 26 act.
- 27 (3) Articulates priorities for project selection that will assist
- 28 state and local agencies in reducing their backlogs of maintenance
- 29 and rehabilitation projects and enable Proposition 1B (2006)

1 projects, that may otherwise be delayed due to the fiscal
2 environment of the state, to move forward.

3 SEC. 2. Chapter 9.6 (commencing with Section 2425) is added
4 to Division 3 of the Streets and Highways Code, to read:

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6 CHAPTER 9.6. SECOND ROUND FEDERAL TRANSPORTATION
7 ECONOMIC STIMULUS FUNDS

8

9 2425. This chapter may be cited as the Transportation
10 Economic Stimulus Act of 2010.

11 2426. (a) The department shall work with local transportation
12 agencies to develop a list of potential projects that may be awarded
13 within a 90-day period after the award of the second round of
14 federal transportation economic stimulus funds to the state. In
15 doing so, the department shall assess whether the project is
16 included in the federal transportation improvement program, has
17 completed applicable state and federal environmental review
18 processes, and would have sufficient funding from other sources
19 to complete the project if stimulus funds were provided.

20 (b) The department shall submit, on a monthly basis, a status
21 report on the implementation of the federal stimulus act to the
22 Legislative Analyst's Office and the appropriate policy and fiscal
23 committees of the Legislature. This report shall identify each
24 project funded by the federal stimulus act and indicate whether it
25 has been certified, obligated, and awarded, and has had funds
26 disbursed for it. The report shall also indicate the percentage of
27 funds provided to state and local agencies in accordance with the
28 allocation formula established by this chapter has met each of these
29 milestones.

30 SEC. 3. This act is an urgency statute necessary for the
31 immediate preservation of the public peace, health, or safety within
32 the meaning of Article IV of the Constitution and shall go into
33 immediate effect. The facts constituting the necessity are:

34 In order to maximize the opportunity for California to receive
35 and expend federal transportation economic stimulus funds, it is
36 necessary for this act to take effect immediately.

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