

AMENDED IN ASSEMBLY AUGUST 24, 2012

AMENDED IN ASSEMBLY JULY 3, 2012

SENATE BILL

No. 1027

Introduced by Committee on Budget and Fiscal Review

February 6, 2012

An act ~~relating to the Budget Act of 2012~~ to amend Sections 182.6, 182.7, 2331, 2333, 2333.5, 2370, 2371, 2372, 2373, and 2374 of, to amend the heading of Chapter 7.5 (commencing with Section 2370) of Division 3 of, and to add Sections 182.51, 2375, 2376, 2377, 2378, 2379, 2380, and 2381 to, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1027, as amended, Committee on Budget and Fiscal Review. ~~Budget Act of 2012. Federal transportation funds: allocation.~~

Existing law provides for allocation of certain federal transportation funds apportioned to the state between state purposes administered by the Department of Transportation and local and regional purposes administered by various regional agencies.

This bill would revise these allocations and other related provisions in accordance with recent modifications of federal law through enactment of the Moving Ahead for Progress in the 21st Century (MAP-21) Act. In this regard, the bill would provide a set aside from funds made available to the state under the federal Surface Transportation Program for transportation planning and for certain highway bridges that are not on the National Highway System, and would otherwise specify the amount of funds that the department is required to allocate to regional agencies. The bill would allocate funds to regional agencies under the federal Congestion Mitigation and Air

Quality Improvement Program based on a weighted formula that considers population and pollution in a given area, as specified. The bill would require a set aside for the Safe Routes to School Program from federal highway safety funds apportioned to the state, and would require activities under the program that are not eligible for federal highway safety funds to be funded from other federal funds available to the department. The bill would implement the new federal Transportation Alternatives Program by specifying the purposes for which these funds may be used, eligible entities that may receive these funds, and an allocation formula. The bill would allow the state to opt out of the federal Recreational Trails Program if the Governor so notifies the United States Secretary of Transportation. The bill would enact other related provisions.

~~This bill would express the intent of the Legislature to make statutory changes relating to the Budget Act of 2012.~~

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

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

1 SECTION 1. Section 182.51 is added to the Streets and
2 Highways Code, to read:
3 182.51. (a) Commencing with the 2012–13 federal fiscal year,
4 of the federal Surface Transportation Program funds apportioned
5 to California that remain after funding from this source
6 transportation planning responsibilities with a 2 percent set aside
7 and off-system bridge activities described in subsection (b)(2) of
8 Section 133 of Title 23 of the United States Code with a set aside
9 equivalent to 15 percent of the amount of funds that were
10 apportioned to the state for the federal Highway Bridge Program
11 for the 2008–09 federal fiscal year, the department shall, pursuant
12 to federal law, apportion 62.5 percent of the funds to metropolitan
13 planning organizations and transportation planning agencies as
14 provided in Section 182.6. The funds apportioned under this
15 subdivision shall be treated as regional surface transportation
16 program funds and shall be subject to the processes and
17 requirements of Section 182.6.
18 (b) The remaining 37.5 percent of federal Surface
19 Transportation Program funds apportioned to California that may
20 be expended pursuant to federal law in any area of the state shall

1 *be available for obligation and expenditure by the department in*
2 *any area of the state.*

3 *(c) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8,*
4 *and 825 do not apply to the funds described in subdivision (a).*

5 *SEC. 2. Section 182.6 of the Streets and Highways Code is*
6 *amended to read:*

7 182.6. (a) Notwithstanding Sections 182 and 182.5, Sections
8 188, 188.8, and 825 do not apply to the expenditure of an amount
9 of federal funds ~~equal to~~ *required to be apportioned to metropolitan*
10 *planning organizations and transportation planning agencies*
11 *pursuant to subdivision (a) of Section 182.51, including the amount*
12 *of federal funds apportioned to the state pursuant to that portion*
13 *of subsection ~~(b)(3)~~ (b)(2) of Section 104, subsections (a) and (c)*
14 *of Section 157, and subsection (d) of Section 160 of Title 23 of*
15 *the United States Code that is allocated within the state subject to*
16 *subsection ~~(d)(3)~~ (d)(1) of Section 133 of that code. These funds*
17 *shall be* ~~are~~ *known as the regional surface transportation program*
18 *funds. The department, the transportation planning agencies, the*
19 *county transportation commissions, and the metropolitan planning*
20 *organizations may do all things necessary in their jurisdictions to*
21 *secure and expend those federal funds in accordance with the intent*
22 *of federal law and this chapter.*

23 (b) (1) The regional surface transportation program funds shall
24 be apportioned by the department to the metropolitan planning
25 organizations designated pursuant to Section 134 of Title 23 of
26 the United States Code and, in areas where none has been
27 designated, to the transportation planning agency designated
28 pursuant to Section 29532 of the Government Code. The funds
29 shall be apportioned in the manner and in accordance with the
30 formula set forth in subsection ~~(d)(3)~~ (d)(1) of Section 133 of Title
31 23 of the United States Code, except that the apportionment shall
32 be among all areas of the state. ~~Funds~~

33 (2) ~~Funds~~ *Funds* apportioned under this ~~subdivision~~ *section* shall
34 remain available for three federal fiscal years, including the federal
35 fiscal year apportioned.

36 (c) Where county transportation commissions have been created
37 by Division 12 (commencing with Section 130000) of the Public
38 Utilities Code, all regional surface transportation program funds
39 shall be further apportioned by the metropolitan planning

1 organization to the county transportation commission on the basis
2 of relative population.

3 In the Monterey Bay region, all regional surface transportation
4 program funds shall be further apportioned, on the basis of relative
5 population, by the metropolitan planning organization to the
6 regional transportation planning agencies designated under
7 subdivision (b) of Section 29532 of the Government Code.

8 (d) The applicable metropolitan planning organization, county
9 transportation commission, or transportation planning agency shall
10 annually apportion the regional surface transportation program
11 funds for projects in each county, as follows:

12 (1) An amount equal to the amount apportioned under the
13 federal-aid urban program in federal fiscal year 1990–91 adjusted
14 for population. The adjustment for population shall be based on
15 the population determined in the 1990 federal census except that
16 no county shall be apportioned less than 110 percent of the
17 apportionment received in the 1990–91 fiscal year. These funds
18 shall be apportioned for projects implemented by cities, counties,
19 and other transportation agencies on a fair and equitable basis
20 based upon an annually updated five-year average of allocations.
21 Projects shall be nominated by cities, counties, transit operators,
22 and other public transportation agencies through a process that
23 directly involves local government representatives.

24 (2) An amount not less than 110 percent of the amount that the
25 county was apportioned under the federal-aid secondary program
26 in federal fiscal year 1990–91, for use by that county.

27 (e) The department shall notify each metropolitan planning
28 organization, county transportation commission, and transportation
29 planning agency receiving an apportionment under this section,
30 as soon as possible each year, of the amount of obligation authority
31 estimated to be available for program purposes.

32 The metropolitan planning organization and transportation
33 planning agency, in cooperation with the department, congestion
34 management agencies, cities, counties, and affected transit
35 operators, shall select and program projects in conformance with
36 federal law. The metropolitan planning organization and
37 transportation planning agency shall submit its transportation
38 improvement program prepared pursuant to Section 134 of Title
39 23 of the United States Code to the department for incorporation

1 into the state transportation improvement program not later than
2 August 1 of each even-numbered year beginning in 1994.

3 (f) Not later than July 1 of each year, the metropolitan planning
4 organizations, and the regional transportation planning agencies,
5 receiving obligational authority under this article shall notify the
6 department of the projected amount of obligational authority that
7 each entity intends to use during the remainder of the current
8 federal fiscal year, including, but not limited to, a list of projects
9 that will be obligated by the end of the current federal fiscal year.
10 Any federal obligational authority that will not be used shall be
11 redistributed by the department to other projects in a manner that
12 ensures that the state will continue to compete for and receive
13 increased obligational authority during the federal redistribution
14 of obligational authority. If the department does not have sufficient
15 federal apportionments to fully use excess obligational authority,
16 the metropolitan planning organizations or regional transportation
17 planning agencies relinquishing obligational authority shall make
18 sufficient apportionments available to the department to fund
19 alternate projects, when practical, within the geographical areas
20 relinquishing the obligational authority. Notwithstanding this
21 subdivision, the department shall comply with subsections ~~(d)(3)~~
22 *(d)(1)* and (f) of Section 133 of Title 23 of the United States Code.

23 (g) A regional transportation planning agency that is not
24 designated as, nor represented by, a metropolitan planning
25 organization with an urbanized area population greater than
26 200,000 pursuant to the 1990 federal census may exchange its
27 annual apportionment received pursuant to this section on a
28 dollar-for-dollar basis for nonfederal State Highway Account funds,
29 which shall be apportioned in accordance with subdivision (d).

30 (h) (1) If a regional transportation planning agency described
31 in subdivision (g) does not elect to exchange its annual
32 apportionment, a county located within the boundaries of that
33 regional transportation planning agency may elect to exchange its
34 annual apportionment received pursuant to paragraph (2) of
35 subdivision (d) for nonfederal State Highway Account funds.

36 (2) A county not included in a regional transportation planning
37 agency described in subdivision (g), whose apportionment pursuant
38 to paragraph (2) of subdivision (d) was less than 1 percent of the
39 total amount apportioned to all counties in the state, may exchange
40 its apportionment for nonfederal State Highway Account funds.

1 If the apportionment to the county was more than 3½ percent of
2 the total apportioned to all counties in the state, it may exchange
3 that portion of its apportionment in excess of 3½ percent for
4 nonfederal State Highway Account funds. Exchange funds received
5 by a county pursuant to this section may be used for any
6 transportation purpose.

7 (i) The department shall be responsible for closely monitoring
8 the use of federal transportation funds, including regional surface
9 transportation program funds to assure full and timely use. The
10 department shall prepare a quarterly report for submission to the
11 commission regarding the progress in use of all federal
12 transportation funds. The department shall notify the commission
13 and the appropriate implementation agency whenever there is a
14 failure to use federal funds within the three-year apportionment
15 period established under *paragraph (2) of subdivision (b)*.

16 (j) The department shall provide written notice to implementing
17 agencies when there is one year remaining within the three-year
18 apportionment period established under *paragraph (2) of*
19 *subdivision (b) of this section*.

20 (k) Within six months of the date of notification required under
21 subdivision (j), the implementing agency shall provide to the
22 department a plan to obligate funds that includes, but need not be
23 limited to, a list of projects and milestones.

24 (l) If the implementing agency has not met the milestones
25 established in the implementation plan required under subdivision
26 (k), prior to the end of the three-year apportionment period
27 established under *paragraph (2) of subdivision (b)*, the commission
28 shall redirect those funds for use on other transportation projects
29 in the state.

30 (m) Notwithstanding subdivisions (g) and (h), regional surface
31 transportation program funds available under this section
32 exchanged pursuant to Section 182.8 may be loaned to and
33 expended by the department. The department shall repay from the
34 State Highway Account to the Traffic Congestion Relief Fund all
35 funds received as federal reimbursements for funds exchanged
36 under Section 182.8 as they are received from the Federal Highway
37 Administration, except that those repayments are not required to
38 be made more frequently than on a quarterly basis.

39 (n) Prior to determining the amount for local subvention required
40 by this section, the department shall first deduct the amount

1 authorized by the Legislature for increased department oversight
2 of the federal subvented program.

3 *SEC. 3. Section 182.7 of the Streets and Highways Code is*
4 *amended to read:*

5 182.7. (a) Notwithstanding Sections 182 and 182.5, Sections
6 188, 188.8, and 825 do not apply to the expenditure of an amount
7 of federal funds equal to the amount of federal funds apportioned
8 to the state pursuant to subsection ~~(b)(2)~~ (b)(4) of Section 104 of
9 Title 23 of the United States Code. These funds shall be known as
10 the congestion mitigation and air quality program funds and shall
11 be expended in accordance with Section 149 of Title 23 of the
12 United States Code. The department, the transportation planning
13 agencies, and the metropolitan planning organizations may do all
14 things necessary in their jurisdictions to secure and expend those
15 federal funds in accordance with the intent of federal law and this
16 chapter.

17 (b) The congestion mitigation and air quality program funds;
18 ~~including any funds to which subsection (c) of Section 110 of Title~~
19 ~~23 of the United States Code, as added by subdivision (a) of~~
20 ~~Section 1310 of Public Law 105-178, applies,~~ shall be apportioned
21 by the department to the metropolitan planning organizations
22 designated pursuant to Section 134 of Title 23 of the United States
23 Code and, in areas where none has been designated, to the
24 transportation planning agency established by Section 29532 of
25 the Government Code. ~~The All funds apportioned to the state~~
26 ~~pursuant to Section 104(b)(4) of Title 23 of the United States Code~~
27 ~~shall be apportioned to metropolitan planning organizations and~~
28 ~~transportation planning agencies responsible for air quality~~
29 ~~conformity determinations in federally designated air quality~~
30 ~~nonattainment and maintenance areas within the state in the manner~~
31 ~~and in accordance with the formula set forth in subsection (b)(2)~~
32 ~~of Section 104 of Title 23 of the United States Code. Funds~~
33 ~~apportioned as follows:~~

34 (1) *The department shall apportion these funds in the ratio that*
35 *the weighted nonattainment and maintenance population in each*
36 *federally designated area within the state bears to the total of all*
37 *weighted nonattainment and maintenance area populations in the*
38 *state.*

39 (2) *Subject to paragraph (3), the weighted nonattainment and*
40 *maintenance area population shall be calculated by multiplying*

1 *the population of each area in the state that is a nonattainment*
2 *area or maintenance area as described in Section 149(b) of Title*
3 *23 of the United States Code for ozone or carbon monoxide by the*
4 *following factors:*

5 (A) *A factor of 1.0, if, at the time of apportionment, the area is*
6 *a maintenance area.*

7 (B) *A factor of 1.0, if, at the time of the apportionment, the area*
8 *is classified as a marginal ozone nonattainment area under Subpart*
9 *2 of Part D of Title I of the Clean Air Act (42 U.S.C. Sec. 7511 et*
10 *seq.).*

11 (C) *A factor of 1.1, if, at the time of the apportionment, the area*
12 *is classified as a moderate ozone nonattainment area under*
13 *Subpart 2 of Part D of Title I of the Clean Air Act (42 U.S.C. Sec.*
14 *7511 et seq.).*

15 (D) *A factor of 1.2, if, at the time of the apportionment, the area*
16 *is classified as a serious ozone nonattainment area under Subpart*
17 *2 of Part D of Title I of the Clean Air Act (42 U.S.C. Sec. 7511 et*
18 *seq.).*

19 (E) *A factor of 1.3, if, at the time of the apportionment, the area*
20 *is classified as a severe ozone nonattainment area under Subpart*
21 *2 of Part D of Title I of the Clean Air Act (42 U.S.C. Sec. 7511 et*
22 *seq.).*

23 (F) *A factor of 1.4, if, at the time of the apportionment, the area*
24 *is classified as an extreme ozone nonattainment area under Subpart*
25 *2 of Part D of Title I of the Clean Air Act (42 U.S.C. Sec. 7511 et*
26 *seq.).*

27 (G) *A factor of 1.0, if, at the time of the apportionment, the area*
28 *is not a nonattainment or maintenance area for ozone, but is*
29 *classified under Subpart 3 of Part D of Title I of the Clean Air Act*
30 *(42 U.S.C. Sec. 7512 et seq.) as a nonattainment area for carbon*
31 *monoxide.*

32 (H) *A factor of 1.0, if, at the time of apportionment, an area is*
33 *designated as a nonattainment area for ozone under Subpart 1 of*
34 *Part D of Title I of the Clean Air Act (42 U.S.C. Sec. 7512 et seq.).*

35 (3) *If, in addition to being designated as a nonattainment or*
36 *maintenance area for ozone as described in paragraph (2), any*
37 *county within the area is also classified under Subpart 3 of Part*
38 *D of Title I of the Clean Air Act (42 U.S.C. Sec. 7512 et seq.) as*
39 *a nonattainment or maintenance area described in paragraph (2)*
40 *for carbon monoxide, the weighted nonattainment or maintenance*

1 *area population of the county, as determined under subparagraphs*
2 *(A) to (F), inclusive, or subparagraph (H) of paragraph (2), shall*
3 *be further multiplied by a factor of 1.2.*

4 (4) *Funds allocated under this subdivision shall remain available*
5 *for three federal fiscal years, including the federal fiscal year*
6 *apportioned. ~~Notwithstanding the foregoing, the formula for~~*
7 *distributing apportionments made to metropolitan planning*
8 *organizations and transportation planning agencies eligible for*
9 *funding according to subsection (b)(2) of Section 104 of Title 23*
10 *of the United States Code shall, for the 2007 and 2008 federal*
11 *fiscal years, provide apportionments for the Monterey Bay and*
12 *Santa Barbara regions such that each shall receive 50 percent of*
13 *its 2005 apportionment in federal fiscal year 2007 and 25 percent*
14 *of its 2005 apportionment in federal fiscal year 2008.*

15 (c) *Notwithstanding subdivision (b), where county transportation*
16 *commissions have been created by Division 12 (commencing with*
17 *Section 130000) of the Public Utilities Code, all congestion*
18 *mitigation and air quality program funds shall be further*
19 *apportioned by the metropolitan planning organization to the*
20 *county transportation commission on the basis of relative*
21 *population within the federally designated air quality nonattainment*
22 *and maintenance areas after first apportioning to the nonattainment*
23 *and maintenance areas in the manner and in accordance with the*
24 *formula set forth in ~~subsection (b)(2) of Section 104 of Title 23~~*
25 *of the United States Code subdivision (b).*

26 In the Monterey Bay region, all congestion mitigation and air
27 quality improvement program funds shall be further apportioned,
28 on the basis of relative population, by the metropolitan planning
29 organization to the regional transportation planning agencies
30 designated under subdivision (b) of Section 29532 of the
31 Government Code.

32 (d) The department shall notify each metropolitan planning
33 organization, transportation planning agency, and county
34 transportation commission receiving an apportionment under this
35 section, as soon as possible each year, of the amount of obligational
36 authority estimated to be available for expenditure from the federal
37 apportionment. The metropolitan planning organizations,
38 transportation planning agencies, and county transportation
39 commissions, in cooperation with the department, congestion
40 management agencies, cities and counties, and affected transit

1 operators, shall select and program projects in conformance with
2 federal law. Each metropolitan planning organization and
3 transportation planning agency shall, not later than August 1 of
4 each even-numbered year beginning in 1994, submit its
5 transportation improvement program prepared pursuant to Section
6 134 of Title 23 of the United States Code to the department for
7 incorporation into the state transportation improvement program.

8 (e) Not later than July 1 of each year, the metropolitan planning
9 organizations and the regional transportation planning agencies
10 receiving obligational authority under this section, shall notify the
11 department of the projected amount of obligational authority that
12 each entity intends to use during the remainder of the current
13 federal fiscal year, including, but not limited to, a list of projects
14 that will use the obligational authority. Any federal obligational
15 authority that will not be used shall be redistributed by the
16 department to other projects in a manner that ensures that the state
17 will continue to compete for and receive increased obligational
18 authority during the federal redistribution of obligational authority.
19 If the department does not have sufficient federal apportionments
20 to fully use excess obligational authority, the metropolitan planning
21 organization or transportation planning agency relinquishing
22 obligational authority shall make sufficient ~~apportionments~~ *funding*
23 available to the department to fund alternate projects, when
24 practical, within the geographical areas relinquishing the
25 obligational authority. Notwithstanding this subdivision, the
26 department shall comply with subsection (f) of Section 133 of Title
27 23 of the United States Code.

28 (f) The department shall be responsible for closely monitoring
29 the use of federal transportation funds, including congestion
30 management and air quality funds to assure full and timely use.
31 The department shall prepare a quarterly report for submission to
32 the commission regarding the progress in use of all federal
33 transportation funds. The department shall notify the commission
34 and the appropriate implementation agency whenever there is a
35 failure to use federal funds within the three-year apportionment
36 period established under *paragraph (4) of* subdivision (b).

37 (g) The department shall provide written notice to implementing
38 agencies when there is one year remaining within the three-year
39 apportionment period established under *paragraph (4) of*
40 subdivision (b).

1 (h) Within six months of the date of notification required under
2 subdivision (g), the implementing agency shall provide to the
3 department a plan to obligate funds that includes, but need not be
4 limited to, a list of projects and milestones.

5 (i) If the implementing agency has not met the milestones
6 established in the implementation plan required under subdivision
7 (h), prior to the end of the three-year apportionment period
8 established under *paragraph (4) of subdivision (b)*, the commission
9 shall redirect those funds for use on other transportation projects
10 in the state.

11 (j) Congestion mitigation and air quality program funds available
12 under this section exchanged pursuant to Section 182.8 may be
13 loaned to and expended by the department. The department shall
14 repay from the State Highway Account to the Traffic Congestion
15 Relief Fund all funds received as federal reimbursements for funds
16 exchanged under Section 182.8 as they are received from the
17 Federal Highway Administration, except that those repayments
18 are not required to be made more frequently than on a quarterly
19 basis.

20 (k) Prior to determining the amount for local subvention required
21 by this section, the department shall first deduct the amount
22 authorized by the Legislature for increased department oversight
23 of the federal subvented program.

24 *SEC. 4. Section 2331 of the Streets and Highways Code is*
25 *amended to read:*

26 2331. The Safe, Accountable, Flexible, Efficient Transportation
27 Equity Act-A Legacy for Users of 2005 (Public Law 109-059),
28 also known as SAFETEA-LU, elevated the Highway Safety
29 Improvement Program (HSIP) to a core program (23 U.S.C. Sec.
30 148). SAFETEA-LU authorized appropriations for programs
31 relating to highway safety improvements that can reduce the
32 number of fatal and serious injury accidents. *The federal Moving*
33 *Ahead for Progress in the 21st Century Act (MAP-21; Public Law*
34 *112-141), continued the core HSIP program ~~includes two set-aside~~*
35 *programs: the railway-highway crossing program (23 U.S.C. Sec.*
36 *130) and the high-risk rural roads program (23 U.S.C. Sec. 148(f)).*
37 The purpose of this chapter is to implement these programs in this
38 state. The commission, the department, boards of supervisors, and
39 city councils are authorized to do all things necessary in their
40 respective jurisdictions to secure and expend federal funds in

1 accordance with the intent of ~~that federal act~~ *law* and this chapter,
2 and to coordinate with local law enforcement agencies' community
3 policing efforts.

4 *SEC. 5. Section 2333 of the Streets and Highways Code is*
5 *amended to read:*

6 2333. In each annual proposed budget prepared pursuant to
7 Section 165, there shall be included an amount equal to the
8 estimated apportionment available from the federal government
9 for the programs described in Sections 2331 and 2333.5. The
10 commission may allocate a portion of those funds each year for
11 use on city streets and county roads, *as permissible by federal law*.
12 It is the intent of the Legislature that the commission allocate the
13 total funds received from the federal government under Section
14 148 of Title 23 of the United States Code in approximately equal
15 amounts between state highways and local roads, *to the extent*
16 *permissible by federal law and after providing for a set aside for*
17 *the Safe Routes to School Program described in Section 2333.5*
18 *that is equal to California's 2011–12 federal fiscal year*
19 *apportionment for the Safe Routes to School Program as previously*
20 *authorized under Section 1404 of SAFETEA-LU. To the extent that*
21 *certain activities eligible under the Safe Routes to School Program*
22 *as it existed under SAFETEA-LU are not eligible for funding under*
23 *the HSIP Program as it exists under MAP-21, the department shall*
24 *allocate a like amount of replacement funds from any other federal*
25 *funds available for obligation and expenditure by the department,*
26 *including, but not limited to, Surface Transportation Program*
27 *funds pursuant to subdivision (b) of Section 182.51.*
28 Notwithstanding any other provision of law, the share of any
29 railroad of the cost of maintaining railroad crossing protection
30 facilities funded, in whole or in part, by funds described in Section
31 2331 shall be the same share it would be if no federal funds were
32 involved and the crossing protection facilities were funded pursuant
33 to an order of the Public Utilities Commission pursuant to Section
34 1202 of the Public Utilities Code; and in case of dispute, the Public
35 Utilities Commission shall determine that share pursuant to this
36 section.

37 *SEC. 6. Section 2333.5 of the Streets and Highways Code is*
38 *amended to read:*

39 2333.5. (a) The department, in consultation with the
40 Department of the California Highway Patrol, shall establish and

1 administer a “Safe Routes to School” construction program for
2 construction of bicycle and pedestrian safety and traffic calming
3 projects *to be funded in federal fiscal years 2012–13 and 2013–14,*
4 *and as may be continued by federal law in subsequent years, as*
5 *provided by the set aside from HSIP and otherwise in Section 2333.*

6 (b) The department shall award grants to local governmental
7 agencies under the program based on the results of a statewide
8 competition that requires submission of proposals for funding and
9 rates those proposals on all of the following factors:

- 10 (1) Demonstrated needs of the applicant.
- 11 (2) Potential of the proposal for reducing child injuries and
12 fatalities.
- 13 (3) Potential of the proposal for encouraging increased walking
14 and bicycling among students.
- 15 (4) Identification of safety hazards.
- 16 (5) Identification of current and potential walking and bicycling
17 routes to school.
- 18 (6) Use of a public participation process, including, but not
19 limited to, a public meeting that satisfies all of the following:
 - 20 (A) Involves the public, schools, parents, teachers, local
21 agencies, the business community, key professionals, and others.
 - 22 (B) Identifies community priorities and gathers community
23 input to guide the development of projects included in the proposal.
 - 24 (C) Ensures that community priorities are reflected in the
25 proposal.
 - 26 (D) Secures support for the proposal by relevant stakeholders.
- 27 (7) Benefit to a low-income school, defined for purposes of this
28 section to mean a school where at least 75 percent of students are
29 eligible to receive free or reduced-price meals under the National
30 School Lunch Program.
- 31 (c) Any annual budget allocation to fund grants described in
32 subdivision (b) shall be in addition to any federal funding received
33 by the state that is designated for “Safe Routes to School” projects
34 pursuant to Section 1404 of SAFETEA-LU or any similar program
35 funded through a subsequent transportation act.
- 36 (d) Any federal funding received by the state that is designated
37 for “Safe Routes to School” projects shall be distributed by the
38 department under the competitive grant process, consistent with
39 all applicable federal requirements.

1 (e) Prior to the award of any construction grant or the
 2 department's use of those funds for a "Safe Routes to School"
 3 construction project encompassing a freeway, state highway, or
 4 county road, the department shall consult with, and obtain approval
 5 from, the Department of the California Highway Patrol, ensuring
 6 that the "Safe Routes to School" proposal complements the
 7 California Highway Patrol's Pedestrian Corridor Safety Program
 8 and is consistent with its statewide pedestrian safety statistical
 9 analysis.

10 (f) The department is encouraged to coordinate with law
 11 enforcement agencies' community policing efforts in establishing
 12 and maintaining the "Safe Routes to School" construction program.

13 (g) In the development of guidelines and procedures governing
 14 this program, the department shall fully consider the needs of
 15 low-income schools.

16 *SEC. 7. The heading of Chapter 7.5 (commencing with Section*
 17 *2370) of Division 3 of the Streets and Highways Code is amended*
 18 *to read:*

19
 20 CHAPTER 7.5. FEDERAL FUNDS FOR TRANSPORTATION
 21 ENHANCEMENTS ALTERNATIVES
 22

23 *SEC. 8. Section 2370 of the Streets and Highways Code is*
 24 *amended to read:*

25 2370. As used in this chapter, the following terms have the
 26 following meanings:

27 (a) "Community conservation corps" shall have the same
 28 meaning as defined in Section 14507.5 of the Public Resources
 29 Code.

30 (b) "Transportation-~~enhancement~~ *alternatives* project" means
 31 a project constructed or undertaken with funds made available to
 32 the state pursuant to Section ~~133(b)(8)~~ 213 of Title 23 of the United
 33 States Code.

34 *SEC. 9. Section 2371 of the Streets and Highways Code is*
 35 *amended to read:*

36 2371. (a) The department, in consultation with community
 37 conservation corps, the California Conservation Corps, the
 38 commission, regional transportation planning agencies, county
 39 transportation commissions or authorities, and congestion
 40 management agencies, shall develop criteria that give priority in

1 the selection of projects to the sponsors of eligible projects that
2 partner with, or commit to employ the services of, a community
3 conservation corps or the California Conservation ~~Corp~~ *Corps* to
4 construct or undertake the project.

5 (b) Regional transportation planning agencies, county
6 transportation commissions or authorities, and congestion
7 management agencies, when selecting candidates for transportation
8 ~~enhancement~~ *alternatives* projects, shall utilize the criteria in
9 subdivision (a) that give priority in the selection of projects to the
10 sponsors of eligible projects that partner with, or commit to employ
11 the services of, a community conservation corps or the California
12 Conservation Corps to construct or undertake the project.

13 *SEC. 10. Section 2372 of the Streets and Highways Code is*
14 *amended to read:*

15 2372. The department, regional transportation planning
16 agencies, county transportation commissions or authorities, or
17 congestion management agencies shall be authorized to enter into
18 cooperative agreements, grant agreements, or procurement
19 contracts with community conservation corps pursuant to the
20 simplified contract requirements authorized by Section 18.36(j)
21 of Title 49 of the Code of Federal Regulations in order to enable
22 community conservation corps to utilize transportation
23 ~~enhancement~~ *alternatives* project funds.

24 *SEC. 11. Section 2373 of the Streets and Highways Code is*
25 *amended to read:*

26 2373. The commission, when developing guidelines for the
27 state transportation improvement program and the state highway
28 operations and protection program, shall include guidance to
29 encourage the allocation of funds for transportation-~~enhancement~~
30 *alternatives* projects to qualified community conservation corps
31 and the California Conservation Corps as partners with applicants
32 that commit to employ the services of corps members in the
33 construction of those projects.

34 *SEC. 12. Section 2374 of the Streets and Highways Code is*
35 *amended to read:*

36 2374. The criteria prepared pursuant to subdivision (a) of
37 Section 2373 and the guidelines prepared pursuant to Section 2371
38 relative to the allocation of funds for transportation-~~enhancement~~
39 *alternatives* projects to qualified community conservation corps

1 and the California Conservation Corps shall further the purposes
2 of this chapter.

3 *SEC. 13. Section 2375 is added to the Streets and Highways*
4 *Code, to read:*

5 *2375. Projects or activities eligible to be funded under this*
6 *chapter as transportation alternatives projects may include any*
7 *eligible projects or activities under Title 23 of the United States*
8 *Code, including the following:*

9 *(a) Transportation alternatives, as defined in Section 101 of*
10 *Title 23 of the United States Code.*

11 *(b) The federal Recreational Trails Program under Section 206*
12 *of Title 23 of the United States Code.*

13 *(c) The federal Safe Routes to School Program under Section*
14 *1404 of the SAFETEA-LU (23 U.S.C. Sec. 402; Public Law*
15 *109-59).*

16 *(d) Planning, designing, or constructing boulevards and other*
17 *roadways largely in the right-of-way of former interstate system*
18 *routes or other divided highways.*

19 *SEC. 14. Section 2376 is added to the Streets and Highways*
20 *Code, to read:*

21 *2376. For each of the 2012–13 and 2013–14 fiscal years, the*
22 *department shall allocate the funds reserved by the United States*
23 *Secretary of Transportation from the state’s apportionments to*
24 *implement transportation alternatives projects as provided in this*
25 *section:*

26 *(a) (1) Fifty percent in each fiscal year shall be allocated to,*
27 *and may be obligated by, metropolitan transportation organizations*
28 *in proportion to their relative shares of the population of the state*
29 *in the following areas:*

30 *(A) In urbanized areas of the state with an urbanized area*
31 *population of over 200,000.*

32 *(B) In areas of the state other than urban areas with a*
33 *population greater than 5,000 and less than or equal to 200,000.*

34 *(C) In other areas of the state.*

35 *(2) Fifty percent may be obligated in any area of the state.*

36 *(b) Funds attributed to an urbanized area under paragraph (2)*
37 *of subdivision (a) may be obligated in the metropolitan area*
38 *established under Section 134 of Title 23 of the United States Code*
39 *that encompasses the urbanized area.*

1 (c) Except as provided in paragraph (2) of subdivision (a), the
2 amount of funds that the department is required to obligate under
3 subparagraph (A) of paragraph (1) of subdivision (a) shall be
4 obligated in urbanized areas described in that subparagraph based
5 on the relative population of the areas.

6 (d) The allocation of funds required under subdivision (a) shall
7 be after the deduction of a set aside equal to the amount of the
8 funds apportioned to the state for federal fiscal year 2009 under
9 Section 104(h)(2) of Title 23 of the United States Code to be
10 obligated for projects relating to recreational trails under Section
11 206 of Title 23 of the United States Code. The state shall return 1
12 percent of those set aside funds to the United States Secretary of
13 Transportation for the administration of that program as provided
14 in Section 2380. The state shall also comply with the provisions
15 of the administration of the recreational trails program under
16 Section 206 of Title 23 of the United States Code, including the
17 use of apportioned funds described under subsection (d)(3)(A) of
18 that section.

19 SEC. 15. Section 2377 is added to the Streets and Highways
20 Code, to read:

21 2377. (a) The department or metropolitan planning
22 organization, as applicable, shall each develop a competitive
23 process to allow eligible entities to submit projects for funding
24 that achieve the objectives of eligible projects and activities.

25 (b) "Eligible entity" means all of the following:

26 (1) A local government.

27 (2) A regional transportation authority.

28 (3) A transit agency.

29 (4) A natural resource or public land agency.

30 (5) A school district, local educational agency, or school.

31 (6) A tribal government.

32 (7) Any other local or regional governmental entity with
33 responsibility for or oversight of transportation or recreational
34 trails, other than a metropolitan planning organization or the
35 state, that the state determines to be eligible, consistent with the
36 goals of this section.

37 (c) For funds suballocated to metropolitan planning areas for
38 urbanized areas of the state with an urbanized area population of
39 over 200,000, the metropolitan planning organization shall select

1 *projects carried out within the boundaries of the applicable*
2 *metropolitan planning area, in consultation with the department.*

3 *(d) Notwithstanding subdivisions (a) and (c), where county*
4 *transportation commissions have been created by Division 12*
5 *(commencing with Section 130000) of the Public Utilities Code,*
6 *all transportation alternatives funds shall be further suballocated*
7 *by the metropolitan planning organization to the county*
8 *transportation commission on the basis of relative population and*
9 *the county transportation commission shall develop the competitive*
10 *selection process.*

11 *SEC. 16. Section 2378 is added to the Streets and Highways*
12 *Code, to read:*

13 *2378. For funds suballocated to a metropolitan planning area*
14 *under subparagraph (A) of paragraph (1) of subdivision (a) of*
15 *Section 2376, the metropolitan planning organization or county*
16 *transportation commission created by Division 12 (commencing*
17 *with Section 130000) of the Public Utilities Code shall select*
18 *projects carried out within the boundaries of the applicable*
19 *metropolitan planning area, in consultation with the department.*

20 *SEC. 17. Section 2379 is added to the Streets and Highways*
21 *Code, to read:*

22 *2379. Beginning with the 2012–13 fiscal year, if on August 1*
23 *of that fiscal year the unobligated balance of available funds*
24 *reserved by the state under Section 213 of Title 23 of the United*
25 *States Code exceeds 100 percent of the reserved amount in a fiscal*
26 *year, the department may thereafter obligate the amount of excess*
27 *funds for any eligible activity, as follows:*

28 *(a) An activity that is eligible to receive funding under Section*
29 *2375.*

30 *(b) An activity for which the United States Secretary of*
31 *Transportation has approved the obligation of funds for any state*
32 *under Section 149 of Title 23 of the United States Code.*

33 *SEC. 18. Section 2380 is added to the Streets and Highways*
34 *Code, to read:*

35 *2380. (a) The department shall obligate an amount of funds*
36 *reserved under Section 213 of Title 23 of the United States Code*
37 *equal to the amount of the funds apportioned to the state for the*
38 *2009–10 fiscal year under Section 104(h)(2) of Title 23 of the*
39 *United States Code for projects relating to recreational trails*
40 *under Section 206 of Title 23 of the United States Code.*

1 **(b)** *The department shall return 1 percent of those funds to the*
2 *United States Secretary of Transportation for the administration*
3 *of that program.*

4 **(c)** *The department shall comply with the provisions of the*
5 *administration of the federal Recreational Trails Program under*
6 *Section 206 of Title 23 of the United States Code, including the*
7 *use of apportioned funds described under subsection (d)(3)(A) of*
8 *that section.*

9 **SEC. 19.** *Section 2381 is added to the Streets and Highways*
10 *Code, to read:*

11 **2381.** *The state may opt out of the federal Recreational Trails*
12 *Program under subsection (f) of Section 213 of Title 23 of the*
13 *United States Code if the Governor notifies the United States*
14 *Secretary of Transportation not later than 30 days prior to*
15 *apportionments being made for any fiscal year.*

16 ~~**SECTION 1.** It is the intent of the Legislature to make statutory~~
17 ~~changes relating to the Budget Act of 2012.~~