

Assembly Bill No. 95

Passed the Assembly June 15, 2015

Chief Clerk of the Assembly

Passed the Senate June 15, 2015

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 99314.6 and 185035 of, and to add Section 185033.5 to, the Public Utilities Code, to repeal and add Section 7104.4 of the Revenue and Taxation Code, to amend Sections 73.1, 156.1, 157.2, and 894.6 of, to add Sections 156.5, 894.9, and 2106.6 to, to add and repeal Section 73.2 of, and to repeal Article 4 (commencing with Section 894.6) of Chapter 8 of Division 1 of, the Streets and Highways Code, to amend Sections 5205.5 and 22352 of the Vehicle Code, and to amend Item 2665-306-6043 of Section 2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012), relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL’S DIGEST

AB 95, Committee on Budget. Transportation.

(1) Existing law creates the State Transit Assistance program, under which certain revenues in the Public Transportation Account are allocated by formula for public transportation purposes. Under that program, funds may not be allocated to a transit operator for operating purposes unless the operator meets one of 2 specified efficiency standards, subject to certain exceptions. However, existing law suspends those restrictions with respect to allocations for operating purposes made through the 2014–15 fiscal year.

This bill would continue the suspension of those restrictions through the 2015–16 fiscal year.

(2) Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law requires the authority to establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority’s plans and issuing an analysis of the appropriateness and accuracy of the authority’s assumptions and an analysis of the viability of the authority’s funding plan for each corridor. Existing law specifies the required qualifications for the members of the peer review group.

This bill would revise the required qualifications for certain members of the peer review group.

(3) Existing law, as part of an amendment of the Budget Act of 2012, appropriates \$2,609,076,000 from the High-Speed Passenger Train Bond Fund to the High-Speed Rail Authority for construction of the high-speed rail project and makes that appropriation available for encumbrance until June 30, 2018. Existing law requires the authority to provide a project update report to specified committees of the Legislature by March 1 and November 1 of each year in which that funding is encumbered.

This bill would instead require the project update report to be provided to those committees by March 1, 2017, and every 2 years thereafter.

(4) Existing law, in connection with the appropriation referenced in (3), also requires the High-Speed Rail Authority to provide various reports relating to authority staffing and contract management issues with respect to certain contracts to be awarded by the authority.

This bill would repeal those reporting requirements.

(5) Existing law defines the authorized routes in the State Highway System, including State Route 275, which is defined to be the Tower Bridge from the west side of the Sacramento River near the City of West Sacramento to the east side of the Sacramento River near the City of Sacramento. Existing law authorizes the California Transportation Commission to relinquish any portion of State Route 275 to a city in which it is located with the agreement of that city, pursuant to terms that the commission finds to be in the best interest of the state.

This bill would authorize the commission to relinquish the Tower Bridge to one or more cities in which it is located. The bill, until July 1, 2016, would provide that the Tower Bridge shall be deemed to be in a state of good repair for these purposes, provided that it is not structurally deficient and is rated as satisfactory pursuant to the National Bridge Index.

(6) Existing law provides that the Department of Transportation has full possession and control of all state highways. Existing law, through the year 2020, requires the department to prepare an annual report to the Legislature describing the status of the department's progress in locating, assessing, and remediating barriers to fish passage, as defined. Existing law requires the department also to

complete assessments of potential barriers to anadromous fish prior to commencing specified projects using state or federal transportation funds. Existing law requires the department to submit these assessments to the Department of Fish and Wildlife. Existing law also requires new projects to be constructed without presenting barriers to fish passage.

This bill would require the department to prepare the annual report to the Legislature through the year 2025. The bill would require the Department of Fish and Wildlife to identify the above-described projects that present the most significant barriers to fish passage. The bill would require the Department of Transportation to prioritize and expedite the remediation of barriers to fish passage on those projects and would require the department to include a status report on those projects in each annual report issued after October 31, 2016. The bill would appropriate \$5,000,000 from the State Highway Account to the Department of Transportation for the identification and remediation of high-priority fish passages pursuant to these provisions.

(7) Existing law provides for apportionment of fuel excise tax revenues to cities and counties pursuant to various formulas.

This bill would authorize the Sacramento County Board of Supervisors to allocate up to \$700,000 from fuel excise tax revenues apportioned to Sacramento County or from other transportation funds available to the county for the purpose of building a soundwall in and around the Walerga Park area adjacent to State Route 80 in Sacramento County.

(8) Existing law creates the Transportation Investment Fund, and continuously appropriates the moneys in the fund for various transportation purposes.

This bill would require all assets and liabilities of the Transportation Investment Fund to become assets and liabilities of the State Highway Account before June 30, 2016.

(9) Existing law authorizes the Department of Transportation to issue Clean Renewable Energy Bonds for purposes of financing the acquisition and installation of solar energy systems and related appurtenances at facilities of the department. Existing law requires the net proceeds of bonds issued under these provisions to be deposited in the Clean Renewable Energy Bonds Subaccount in the Special Deposit Fund. Existing law provides for the payment

of debt service on these bonds from a specified appropriation from the State Highway Account.

This bill would require any remaining moneys in the Clean Renewable Energy Bonds Subaccount to be transferred to the State Highway Account by July 1, 2015.

(10) Existing law creates the Pedestrian Safety Account in the State Transportation Fund, and provides for the Department of Transportation to award pedestrian safety grants from appropriated funds to local agencies on a competitive basis.

This bill would require all assets and liabilities of the Pedestrian Safety Account to become assets and liabilities of the State Highway Account before January 1, 2016. The bill would repeal all provisions relating to the account on January 1, 2016.

(11) Existing law provides for the Department of Transportation and certain other agencies to contract for intercity rail passenger service with state funds appropriated for that purpose.

This bill, by April 1, 2016, would require the department to prepare a report to the Legislature examining improvements to safety, reduction of greenhouse gas emissions, and improvements to intercity rail passenger service levels that could be achieved through investments in improvements to grade level crossings or construction of grade separation projects at key intersections along state-sponsored intercity rail routes.

(12) Existing federal law, until September 30, 2017, authorizes a state to allow specified labeled vehicles to use lanes designated for high-occupancy vehicles (HOVs). Existing law authorizes the Department of Transportation to designate certain lanes for the exclusive use of HOVs. Under existing law, until January 1, 2019, until federal authorization expires, or until the Secretary of State receives a specified notice, those lanes may be used by certain vehicles not carrying the requisite number of passengers otherwise required for the use of an HOV lane, if the vehicle displays a valid identifier issued by the Department of Motor Vehicles (DMV). Existing law authorizes the DMV to issue no more than 70,000 of those identifiers.

This bill would increase the number of those identifiers that the DMV is authorized to issue to 85,000.

(13) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

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

SECTION 1. Section 99314.6 of the Public Utilities Code is amended to read:

99314.6. (a) Except as provided in Section 99314.7, the following eligibility standards apply:

(1) Except as provided in paragraph (2), funds shall not be allocated for operating purposes pursuant to Sections 99313 and 99314 to an operator unless the operator meets either of the following efficiency standards:

(A) The operator's total operating cost per revenue vehicle hour in the latest year for which audited data are available does not exceed the sum of the preceding year's total operating cost per revenue vehicle hour and an amount equal to the product of the percentage change in the Consumer Price Index for the same period multiplied by the preceding year's total operating cost per revenue vehicle hour.

(B) The operator's average total operating cost per revenue vehicle hour in the latest three years for which audited data are available does not exceed the sum of the average of the total operating cost per revenue vehicle hour in the three years preceding the latest year for which audited data are available and an amount equal to the product of the average percentage change in the Consumer Price Index for the same period multiplied by the average total operating cost per revenue vehicle hour in the same three years.

(2) The transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be, shall adjust the calculation of operating costs and revenue vehicle hours pursuant to paragraph (1) to account for either or both of the following factors:

(A) Exclusion of costs increases beyond the change in the Consumer Price Index for fuel; alternative fuel programs; power, including electricity; insurance premiums and payments in settlement of claims arising out of the operator's liability; or state or federal mandates, including the additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), as identified in the operator's

paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations.

(B) Exclusion of startup costs for new services for a period of not more than two years.

(3) Funds withheld from allocation to an operator pursuant to paragraph (1) shall be retained by the transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be, for reallocation to that operator for two years following the year of ineligibility. In a year in which an operator's funds are allocated pursuant to paragraph (1), funds withheld from allocation during a preceding year shall also be allocated. Funds not allocated before the commencement of the third year following the year of ineligibility shall be reallocated to cost effective high priority regional transit activities, as determined by the transportation planning agency, county transportation commission, or the San Diego Metropolitan Transit Development Board, as the case may be. If that agency or commission, or the board, determines that no cost effective high priority regional transit activity exists, the unallocated funds shall revert to the Controller for reallocation.

(b) As used in this section, the following terms have the following meanings:

(1) "Operating cost" means the total operating cost as reported by the operator under the Uniform System of Accounts and Records, pursuant to Section 99243 and subdivision (a) of Section 99247.

(2) "Revenue vehicle hours" has the same meaning as "vehicle service hours," as defined in subdivision (h) of Section 99247.

(3) "Consumer Price Index," as applied to an operator, is the regional Consumer Price Index for that operator's region, as published by the United States Bureau of Labor Statistics. If a regional index is not published, the index for the State of California applies.

(4) "New service" has the same meaning as "extension of public transportation services" as defined in Section 99268.8.

(c) The restrictions in this section do not apply to allocations made for capital purposes.

(d) The exclusion of costs increases described in paragraph (2) of subdivision (a) applies solely for the purpose of calculating an operator's eligibility to claim funds pursuant to this section and

does not authorize an operator to report an operating cost per revenue vehicle hour other than as described in this section and in Section 99247, to any of the following entities:

- (1) The Controller pursuant to Section 99243.
- (2) The entity conducting the fiscal audit pursuant to Section 99245.
- (3) The entity conducting the performance audit pursuant to Section 99246.

(e) The restrictions in this section shall not apply to the allocation of funds made pursuant to Sections 99313 and 99314 after January 1, 2010, and through the 2015–16 fiscal year.

SEC. 2. Section 185033.5 is added to the Public Utilities Code, to read:

185033.5. On or before March 1, 2017, and every two years thereafter, the authority shall provide a project update report, approved by the Secretary of Transportation as consistent with the criteria in this section, to the budget committees and the appropriate policy committees of both houses of the Legislature, on the development and implementation of intercity high-speed train service pursuant to Section 185030. The report, at a minimum, shall include a programwide summary, as well as details by project segment, with all information necessary to clearly describe the status of the project, including, but not limited to, all of the following:

- (a) A summary describing the overall progress of the project.
- (b) The baseline budget for all project phase costs, by segment or contract, beginning with the California High-Speed Rail Program Revised 2012 Business Plan.
- (c) The current and projected budget, by segment or contract, for all project phase costs.
- (d) Expenditures to date, by segment or contract, for all project phase costs.
- (e) A comparison of the current and projected work schedule and the baseline schedule contained in the California High-Speed Rail Program Revised 2012 Business Plan.
- (f) A summary of milestones achieved during the prior two-year period and milestones expected to be reached in the coming two-year period.
- (g) Any issues identified during the prior two-year period and actions taken to address those issues.

(h) A thorough discussion of risks to the project and steps taken to mitigate those risks.

SEC. 3. Section 185035 of the Public Utilities Code is amended to read:

185035. (a) The authority shall establish an independent peer review group for the purpose of reviewing the planning, engineering, financing, and other elements of the authority's plans and issuing an analysis of appropriateness and accuracy of the authority's assumptions and an analysis of the viability of the authority's financing plan, including the funding plan for each corridor required pursuant to subdivision (b) of Section 2704.08 of the Streets and Highways Code.

(b) The peer review group shall include all of the following:

(1) Two individuals with education and experience in the planning and construction of large transportation systems, such as high-speed rail, or highway systems with similar characteristics, designated by the Treasurer.

(2) Two individuals, one with experience in engineering and construction of high-speed rail or similar large infrastructure projects and one with experience in project planning and finance, designated by the Controller.

(3) One representative from a financial services or financial consulting firm who shall not have been a contractor or subcontractor of the authority for the previous three years, designated by the Director of Finance.

(4) One representative with experience in environmental planning, designated by the Secretary of Transportation.

(5) Two individuals with experience providing or governing intercity or commuter passenger train services in California, designated by the Secretary of Transportation.

(c) The peer review group shall evaluate the authority's funding plans and prepare its independent judgment as to the feasibility and reasonableness of the plans, appropriateness of assumptions, analyses, and estimates, and any other observations or evaluations it deems necessary.

(d) The authority shall provide the peer review group any and all information that the peer review group may request to carry out its responsibilities.

(e) The peer review group shall report its findings and conclusions to the Legislature no later than 60 days after receiving the plans.

SEC. 4. Section 7104.4 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 7104.4 is added to the Revenue and Taxation Code, to read:

7104.4. (a) The State Highway Account in the State Transportation Fund is the successor account to the Transportation Investment Fund.

(b) All assets and liabilities of the Transportation Investment Fund shall become assets and liabilities of the State Highway Account on or before June 30, 2016.

SEC. 6. Section 73.1 of the Streets and Highways Code is amended to read:

73.1. The commission may relinquish State Route 275, the Tower Bridge, to one or more cities in which it is located, upon agreement of the city or cities to accept it and pursuant to those terms the commission finds to be in the best interest of the state. A relinquishment under this section shall become effective upon the first day of the next calendar or fiscal year, whichever occurs first, after the effective date of the commission's approval of the terms.

SEC. 7. Section 73.2 is added to the Streets and Highways Code, to read:

73.2. (a) State Route 275, the Tower Bridge, shall be deemed to be in a state of good repair for purposes of relinquishment pursuant to Section 73.1, provided that the bridge is not structurally deficient and is rated as satisfactory pursuant to the National Bridge Index.

(b) This section shall become inoperative on July 1, 2016, and, as of January 1, 2017, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2017, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8. Section 156.1 of the Streets and Highways Code is amended to read:

156.1. (a) The Director of Transportation shall prepare an annual report describing the status of the department's progress in locating, assessing, and remediating barriers to fish passage.

This report shall be given to the Legislature by October 31 of each year through the year 2025.

(b) Each report issued after October 31, 2016, shall include a status report on the remediation of barriers to fish passage on projects that have been identified pursuant to Section 156.5. The status report shall include, but is not limited to, all of the following information regarding a project identified pursuant to Section 156.5:

(1) Any updated information received by the department from the Department of Fish and Wildlife regarding the barriers to fish passage on the project.

(2) Whether funding has been committed to the project.

(3) The source of any funding for the project.

(4) The budget summary of the project.

(5) The status of inspections of culverts to ensure they are functioning properly and any other actions by the department to assess or remediate barriers to fish passage on the project.

(6) The applicable program initiation document work plan review.

(7) The estimated completion date for the project.

SEC. 9. Section 156.5 is added to the Streets and Highways Code, to read:

156.5. (a) The Department of Fish and Wildlife shall identify projects described in this article that present the most significant barriers to fish passage.

(b) The department shall prioritize and expedite the remediation of barriers to fish passage on projects identified pursuant to subdivision (a).

(c) For the 2015–16 fiscal year, the sum of five million dollars (\$5,000,000) is hereby appropriated from the State Highway Account in the State Transportation Fund to the Department of Transportation for the identification and remediation of high-priority fish passages consistent with this section and Section 156.1.

SEC. 10. Section 157.2 of the Streets and Highways Code is amended to read:

157.2. (a) The net proceeds of bonds issued under this article shall be deposited in the Clean Renewable Energy Bonds Subaccount, which is hereby established as a special trust fund in

the Special Deposit Fund created pursuant to Section 16370 of the Government Code.

(b) On or before July 1, 2015, any remaining moneys in the subaccount shall be transferred to the State Highway Account in the State Transportation Fund.

SEC. 11. Section 894.6 of the Streets and Highways Code is amended to read:

894.6. (a) The Pedestrian Safety Account is hereby established in the State Transportation Fund for expenditure by the department, upon appropriation, for the purposes of funding grants awarded pursuant to Section 894.7.

(b) All assets and liabilities of the Pedestrian Safety Account shall become assets and liabilities of the State Highway Account before January 1, 2016.

SEC. 12. Section 894.9 is added to the Streets and Highways Code, to read:

894.9. This article shall remain in effect only until January 1, 2016, and as of that date is repealed.

SEC. 13. Section 2106.6 is added to the Streets and Highways Code, to read:

2106.6. The Sacramento County Board of Supervisors may allocate up to seven hundred thousand dollars (\$700,000) from revenues apportioned to Sacramento County pursuant to Sections 2103, 2104, 2105, and 2106, or from other transportation funds available to the county, or from any combination of those funds, for the purpose of building a soundwall in and around the Walerga Park area adjacent to State Route 80 in Sacramento County.

SEC. 14. Section 5205.5 of the Vehicle Code is amended to read:

5205.5. (a) For purposes of implementing Section 21655.9, the department shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for the actual costs incurred pursuant to this section, distinctive decals, labels, and other identifiers that clearly distinguish the following vehicles from other vehicles:

(1) A vehicle that meets California's super ultra-low emission vehicle (SULEV) standard for exhaust emissions and the federal inherently low-emission vehicle (ILEV) evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations.

(2) A vehicle that was produced during the 2004 model year or earlier and meets California's ultra-low emission vehicle (ULEV) standard for exhaust emissions and the federal ILEV standard.

(3) A vehicle that meets California's enhanced advanced technology partial zero-emission vehicle (enhanced AT PZEV) standard or transitional zero-emission vehicle (TZEV) standard.

(b) The department shall include a summary of the provisions of this section on each motor vehicle registration renewal notice, or on a separate insert, if space is available and the summary can be included without incurring additional printing or postage costs.

(c) The Department of Transportation shall remove individual HOV lanes, or portions of those lanes, during periods of peak congestion from the access provisions provided in subdivision (a), following a finding by the Department of Transportation as follows:

(1) The lane, or portion thereof, exceeds a level of service C, as discussed in subdivision (b) of Section 65089 of the Government Code.

(2) The operation or projected operation of the vehicles described in subdivision (a) in these lanes, or portions thereof, will significantly increase congestion.

(3) The finding shall also demonstrate the infeasibility of alleviating the congestion by other means, including, but not limited to, reducing the use of the lane by noneligible vehicles or further increasing vehicle occupancy.

(d) The State Air Resources Board shall publish and maintain a listing of all vehicles eligible for participation in the programs described in this section. The board shall provide that listing to the department.

(e) (1) For purposes of subdivision (a), the Department of the California Highway Patrol and the department, in consultation with the Department of Transportation, shall design and specify the placement of the decal, label, or other identifier on the vehicle. Each decal, label, or other identifier issued for a vehicle shall display a unique number, which shall be printed on, or affixed to, the vehicle registration.

(2) Decals, labels, or other identifiers designed pursuant to this subdivision for a vehicle described in paragraph (3) of subdivision (a) shall be distinguishable from the decals, labels, or other identifiers that are designed for vehicles described in paragraphs (1) and (2) of subdivision (a).

(f) (1) Except as provided in paragraph (2), for purposes of paragraph (3) of subdivision (a), the department shall issue no more than 85,000 distinctive decals, labels, or other identifiers that clearly distinguish a vehicle specified in paragraph (3) of subdivision (a).

(2) The department may issue a decal, label, or other identifier for a vehicle that satisfies all of the following conditions:

(A) The vehicle is of a type identified in paragraph (3) of subdivision (a).

(B) The owner of the vehicle is the owner of a vehicle for which a decal, label, or other identifier described in paragraph (1) was previously issued and that vehicle for which the decal, label, or other identifier was previously issued is determined by the department, on the basis of satisfactory proof submitted by the owner to the department, to be a nonrepairable vehicle or a total loss salvage vehicle.

(C) The owner of the vehicle applied for a decal, label, or other identifier pursuant to this paragraph within six months of the date on which the vehicle for which a decal, label, or other identifier was previously issued is declared to be a nonrepairable vehicle or a total loss salvage vehicle.

(g) If the Metropolitan Transportation Commission, serving as the Bay Area Toll Authority, grants toll-free and reduced-rate passage on toll bridges under its jurisdiction to a vehicle pursuant to Section 30102.5 of the Streets and Highways Code, it shall also grant the same toll-free and reduced-rate passage to a vehicle displaying an identifier issued by the department pursuant to paragraph (1) or (2) of subdivision (a).

(h) (1) Notwithstanding Section 21655.9, and except as provided in paragraph (2), a vehicle described in subdivision (a) that displays a decal, label, or identifier issued pursuant to this section shall be granted a toll-free or reduced-rate passage in high-occupancy toll lanes as described in Section 149.7 of the Streets and Highways Code unless prohibited by federal law.

(2) (A) Paragraph (1) does not apply to the imposition of a toll imposed for passage on a toll road or toll highway, that is not a high-occupancy toll lane as described in Section 149.7 of the Streets and Highways Code.

(B) On or before March 1, 2014, paragraph (1) does not apply to the imposition of a toll imposed for passage in lanes designated

for tolls pursuant to the federally supported value pricing and transit development demonstration program operated pursuant to Section 149.9 of the Streets and Highways Code for State Highway Route 10 or 110.

(C) Paragraph (1) does not apply to the imposition of a toll charged for crossing a state-owned bridge.

(i) If the Director of Transportation determines that federal law does not authorize the state to allow vehicles that are identified by distinctive decals, labels, or other identifiers on vehicles described in subdivision (a) to use highway lanes or highway access ramps for high-occupancy vehicles regardless of vehicle occupancy, the Director of Transportation shall submit a notice of that determination to the Secretary of State.

(j) This section shall become inoperative on January 1, 2019, or the date the federal authorization pursuant to Section 166 of Title 23 of the United States Code expires, or the date the Secretary of State receives the notice described in subdivision (i), whichever occurs first, and, as of January 1, 2019, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2019, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 15. Section 22352 of the Vehicle Code is amended to read:

22352. The prima facie limits are as follows and shall be applicable unless changed as authorized in this code and, if so changed, only when signs have been erected giving notice thereof:

(a) Fifteen miles per hour:

(1) When traversing a railway grade crossing, if during the last 100 feet of the approach to the crossing the driver does not have a clear and unobstructed view of the crossing and of any traffic on the railway for a distance of 400 feet in both directions along the railway. This subdivision does not apply in the case of any railway grade crossing where a human flagman is on duty or a clearly visible electrical or mechanical railway crossing signal device is installed but does not then indicate the immediate approach of a railway train or car.

(2) When traversing any intersection of highways if during the last 100 feet of the driver's approach to the intersection the driver does not have a clear and unobstructed view of the intersection and of any traffic upon all of the highways entering the intersection

for a distance of 100 feet along all those highways, except at an intersection protected by stop signs or yield right-of-way signs or controlled by official traffic control signals.

(3) On any alley.

(b) Twenty-five miles per hour:

(1) On any highway other than a state highway, in any business or residence district unless a different speed is determined by local authority under procedures set forth in this code.

(2) When approaching or passing a school building or the grounds thereof, contiguous to a highway and posted with a standard "SCHOOL" warning sign, while children are going to or leaving the school either during school hours or during the noon recess period. The prima facie limit shall also apply when approaching or passing any school grounds which are not separated from the highway by a fence, gate, or other physical barrier while the grounds are in use by children and the highway is posted with a standard "SCHOOL" warning sign. For purposes of this subparagraph, standard "SCHOOL" warning signs may be placed at any distance up to 500 feet away from school grounds.

(3) When passing a senior center or other facility primarily used by senior citizens, contiguous to a street other than a state highway and posted with a standard "SENIOR" warning sign. A local authority may erect a sign pursuant to this paragraph when the local agency makes a determination that the proposed signing should be implemented. A local authority may request grant funding from the Active Transportation Program pursuant to Chapter 8 (commencing with Section 2380) of Division 3 of the Streets and Highways Code, or any other grant funding available to it, and use that grant funding to pay for the erection of those signs, or may utilize any other funds available to it to pay for the erection of those signs, including, but not limited to, donations from private sources.

SEC. 16. Item 2665-306-6043 of Section 2.00 of the Budget Act of 2012 (Chapter 21 of the Statutes of 2012), as added by Section 9 of Chapter 152 of the Statutes of 2012, is amended to read:

2665-306-6043—For capital outlay, High-Speed Rail Authority, payable from the High-Speed Passenger Train Bond	
Fund	2,609,076,000

Schedule:

- (1) 20.01.010-Initial Operating Segment,
Section 1—Acquisition and Build.... 2,609,076,000

Provisions:

1. The project identified in this item may be managed by the High-Speed Rail Authority.
2. The expenditure of funds appropriated in this item are governed by Section 13332.19 of the Government Code. The project identified in this item is subject to review and oversight by the State Public Works Board. The project may be implemented using several design-build contracts, each of which will have its own set of performance criteria or performance criteria and concept drawings. Funds appropriated for the build portion of this project may only be expended after the Department of Finance and the State Public Works Board have approved performance criteria or performance criteria and concept drawings for the design-build contract. These approvals may be provided for each design-build contract, from time to time, and build funds associated with that design-build contract may be expended at that time.
3. Notwithstanding Section 1.80, the appropriation made in this item is available for encumbrance until June 30, 2018.

7. Sixty days prior to awarding the contracts scheduled to be awarded in December 2012 to commence construction of the first construction segment of the initial operating section, the High-Speed Rail Authority shall fill the positions of chief executive officer, risk manager, chief program manager, and chief financial officer and report those hiring to the Joint Legislative Budget Committee.
8. Prior to awarding the contracts scheduled to be awarded in December 2012 to commence construction of the first construction segment of the initial operating section, the High-Speed Rail Authority shall prepare and submit a report approved, as consistent with the criteria in this provision, by the Secretary of Transportation to the Senate Committee on Transportation and Housing, the Assembly Committee on Transportation, and the Senate and Assembly committees on budget detailing elements of risk in the high-speed rail project, including all of the following:
 - (a) A comprehensive risk management plan that defines roles and responsibilities for risk management and addresses the process by which the authority will identify and quantify project risks, implement and track risk response activities, and monitor and control risks throughout the duration of each project.
 - (b) Quantification of the effect of identified risks in financial terms.
 - (c) Development documents to track identified risks and related mitigation steps.
 - (d) Plans for regularly updating its estimates of capital and support costs.
 - (e) Plans for regularly reassessing its reserves for potential claims and unknown risks, incorporating information related to risks identified and quantified through its risk assessment processes.

- (f) Plans for regularly integrating estimates for capital, support costs, and contingency reserves in required reports.
- 9. The High-Speed Rail Authority shall, as part of its January 1, 2014, Business Plan, include: a proposed approach for improving (a) demand projections, (b) operations and maintenance cost models, and (c) benefit-cost analysis as applied to future project decisions. The authority shall also submit a copy of the study by the Union Internationale des Chemins de Fer (the international union of railways) examining how the authority's estimated operating costs for high-speed rail compare to high-speed rail systems in other countries. These business plan components approved, as consistent with the criteria in this provision, by the Secretary of Transportation shall be based on recommendations of the authority's peer review panel, advice from the domestic and international rail community, and external academic review.
- 10. On or before June 30, 2013, the High-Speed Rail Authority shall prepare and submit a report approved, as consistent with the criteria in this provision, by the Secretary of Transportation that provides an analysis of the net impact of the high-speed rail program on the state's greenhouse gas emissions. The report shall be submitted to the Senate Committee on Transportation and Housing, the Assembly Committee on Transportation, and the Senate and Assembly committees on budget.
- 11. Within 10 days of executing a valid memorandum of understanding (MOU) with regional transportation agencies relative to the Northern California Unified Service, the High-Speed Rail Authority shall make a copy of the MOU available to the Senate Committee on Transportation and Housing, the Assembly Committee on Transportation, and the Senate and Assembly committees on budget.
- 12. The safeguards and oversight rules and processes of Sections 13332.11 or 13332.19 of the Government

Code, as appropriate, shall apply to the High-Speed Rail Authority.

13. The funds appropriated in this item shall only be made available for expenditure upon the enactment of an appropriation of \$106,000,000 in Item 2660-304-6043, an appropriation of \$713,333,000 in Item 2660-104-6043 for “Connectivity” funding, and an appropriation of \$1,100,000,000 in Item 2665-104-6043 for “Book-end” funding, as articulated in the 2012 High-Speed Rail Authority Final Business Plan.

SEC. 17. The Department of Transportation shall prepare a report examining improvements to safety, reduction of greenhouse gas emissions, and improvements to intercity rail passenger service levels that could be achieved through investments in improvements to grade level crossings or construction of grade separation projects at key intersections along state-sponsored intercity rail routes. For purposes of this report, “key intersections” means intersections identified in the Federal Railroad Administration’s Web Accident Prediction System with a predicted collision risk of 0.15 or greater. The report shall be provided to the Legislature on or before April 1, 2016, in the manner provided in Section 9795 of the Government Code.

SEC. 18. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

Approved _____, 2015

Governor