

SENATE BILL

No. 10

Introduced by Senators Bates and Nguyen
(Coauthors: Senators Anderson, Fuller, Gaines, Huff, Runner,
Stone, and Vidak)
(Coauthors: Assembly Members Baker and Bigelow)

July 16, 2015

An act to amend Sections 14524, 14525, 14527, 14529, 14529.1, 14529.8, and 65082 of, and to repeal Section 14530 of, the Government Code, and to amend Sections 164 and 193 of, to add Section 182.1 to, to repeal Sections 182.5 and 188.11 of, and to repeal and add Section 188.8 of, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 10, as introduced, Bates. Regional transportation capital improvement funds.

Existing law establishes the state transportation improvement program process, pursuant to which the California Transportation Commission generally programs and allocates available state and federal funds for transportation capital improvement projects, other than state highway rehabilitation and repair projects, over a multiyear period based on estimates of funds expected to be available. Existing law provides funding for these interregional and regional transportation capital improvement projects through the state transportation improvement program process, with 25% of funds available for interregional projects selected by the Department of Transportation through preparation of an interregional transportation improvement program and 75% for regional projects selected by transportation planning agencies through preparation of a regional transportation improvement program. Existing

law requires funds available for regional projects to be programmed by the commission pursuant to the county shares formula, under which a certain amount of funding is available for programming in each county, based on population and miles of state highway. Existing law specifies the various types of projects that may be funded with the regional share of funds to include state highways, local roads, transit, and others.

This bill would revise the process for programming and allocating the 75% share of state and federal funds available for regional transportation improvement projects. The bill would require the department to annually apportion, by the existing formula, the county share for each county to the applicable metropolitan planning organization, transportation planning agency, or county transportation commission, as a block grant. These transportation capital improvement funds, along with an appropriate amount of capital outlay support funds, would be appropriated annually through the annual Budget Act to regional transportation agencies. The bill would require the regional transportation agencies, in their regional transportation improvement programs, to identify the transportation capital improvement projects to be funded with these moneys, and would require the California Transportation Commission to incorporate the regional transportation improvement programs into the state transportation improvement program. The bill would eliminate the role of the California Transportation Commission in programming and allocating funds to these regional projects, but would retain certain oversight roles of the commission with respect to expenditure of the funds. The bill would repeal provisions governing computation of county shares over multiple years and make various other conforming changes.

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. Section 14524 of the Government Code is
- 2 amended to read:
- 3 14524. (a) Not later than July 15, 2001, and July 15 of each
- 4 odd-numbered year thereafter, the department shall submit to the
- 5 commission a five-year estimate pursuant to Section 164 of the
- 6 Streets and Highways Code, in annual increments, of all federal
- 7 and state funds reasonably expected to be available during the
- 8 following five fiscal years.

1 (b) The estimate shall specify the amount that ~~may be~~
2 ~~programmed in~~ *is anticipated to be available for annual*
3 *apportionment by the department pursuant to Section 182.1 of the*
4 *Streets and Highways Code* in each county for regional
5 improvement programs pursuant to paragraph (2) of subdivision
6 (a) of Section 164 of the Streets and Highways Code and shall
7 identify any statutory restriction on the use of particular funds.

8 (c) For the purpose of estimating revenues, the department shall
9 assume that there will be no changes in existing state and federal
10 statutes. Federal funds available for demonstration projects that
11 are not subject to federal obligational authority, or are accompanied
12 with their own dedicated obligational authority, shall not be
13 considered funds that would otherwise be available to the state
14 and shall not be included in the fund estimate.

15 (d) The method by which the estimate is determined shall be
16 determined by the commission, in consultation with the department,
17 transportation planning agencies, and county transportation
18 commissions.

19 SEC. 2. Section 14525 of the Government Code is amended
20 to read:

21 14525. (a) Not later than August 15, 2001, and August 15 of
22 each odd-numbered year thereafter, the commission shall adopt a
23 five-year estimate pursuant to Section 164 of the Streets and
24 Highways Code, in annual increments, of all state and federal funds
25 reasonably expected to be available during the following five fiscal
26 years.

27 (b) The estimate shall specify the amount that ~~may be~~
28 ~~programmed~~ *is anticipated to be available for annual*
29 *apportionment by the department pursuant to Section 182.1 of the*
30 *Streets and Highway Code* in each county for regional
31 improvement programs under paragraph (2) of subdivision (a) of
32 Section 164 of the Streets and Highways Code and shall identify
33 any statutory restriction on the use of particular funds.

34 (c) For the purpose of estimating revenues, the commission
35 shall assume that there will be no change in existing state and
36 federal statutes. Federal funds available for demonstration projects
37 that are not subject to federal obligational authority, or are
38 accompanied with their own dedicated obligational authority, shall
39 not be considered funds that would otherwise be available to the
40 state and shall not be included in the fund estimate.

1 (d) If the commission finds that legislation pending before the
 2 Legislature or the United States Congress may have a significant
 3 impact on the fund estimate, the commission may postpone the
 4 adoption of the fund estimate for no more than 90 days. Prior to
 5 March 1 of each even-numbered year, the commission may amend
 6 the estimate following consultation with the department,
 7 transportation planning agencies, and county transportation
 8 commissions to account for unexpected revenues or other
 9 unforeseen circumstances. In the event the fund estimate is
 10 amended, the commission shall extend the dates for the submittal
 11 of improvement programs as specified in Sections 14526 and 14527
 12 and for the adoption of the state transportation improvement
 13 program pursuant to Section 14529.

14 SEC. 3. Section 14527 of the Government Code is amended
 15 to read:

16 14527. (a) After consulting with the department, the regional
 17 transportation planning agencies and county transportation
 18 commissions shall adopt and submit to the commission and the
 19 department, not later than December 15, 2001, and December 15
 20 of each odd-numbered year thereafter, a five-year regional
 21 transportation improvement program in conformance with Section
 22 65082. In counties where a county transportation commission has
 23 been created pursuant to Chapter 2 (commencing with Section
 24 130050) of Division 12 of the Public Utilities Code, that
 25 commission shall adopt and submit the county transportation
 26 improvement program, in conformance with Sections 130303 and
 27 130304 of that code, to the multicounty-designated transportation
 28 planning agency. Other information, including a program for
 29 expenditure of local or federal funds, may be submitted for
 30 information purposes with the program, but only at the discretion
 31 of the transportation planning agencies or the county transportation
 32 commissions. As used in this section, "county transportation
 33 commission" includes a transportation authority created pursuant
 34 to Chapter 2 (commencing with Section 130050) of Division 12
 35 of the Public Utilities Code.

36 (b) The regional transportation improvement program shall
 37 include all projects to be funded with the county share under
 38 paragraph (2) of subdivision (a) of Section 164 of the Streets and
 39 Highways Code. The regional programs shall be limited to projects
 40 to be funded in whole or in part with the county share ~~that shall~~

1 ~~include all projects to receive allocations by the commission during~~
2 the following five fiscal years. For each project, the total
3 expenditure *in each year* for each project component ~~and the total~~
4 ~~amount of commission allocation and the year of allocation~~ shall
5 be stated. The total cost of projects to be funded with the county
6 share *in each year* shall not exceed the *anticipated apportionment*
7 amount specified in the fund estimate made by the commission
8 pursuant to Section 14525.

9 (c) The regional transportation planning agencies and county
10 transportation commissions may recommend projects to improve
11 state highways with the interregional share pursuant to subdivision
12 (b) of Section 164 of the Streets and Highways Code. The
13 recommendations shall be separate and distinct from the regional
14 transportation improvement program. A project recommended for
15 funding pursuant to this subdivision shall constitute a usable
16 segment and shall not be a condition for inclusion of other projects
17 in the regional transportation improvement program.

18 (d) The department may nominate or recommend the inclusion
19 of projects in the regional transportation improvement program to
20 improve state highways with the county share pursuant to
21 paragraph (2) of subdivision (a) and subdivision (e) of Section 164
22 of the Streets and Highways Code. A regional transportation
23 planning agency and a county transportation commission shall
24 have sole authority for determining whether any of the project
25 nominations or recommendations are accepted and included in the
26 regional transportation improvement program adopted and
27 submitted pursuant to this section. This authority provided to a
28 regional transportation planning agency or to a county
29 transportation commission extends only to a project located within
30 its jurisdiction.

31 (e) Major projects shall include current costs updated as of
32 November 1 of the year of submittal and escalated to the
33 appropriate year, and shall be consistent with, and provide the
34 information required in, subdivision (b) of Section 14529.

35 (f) The regional transportation improvement program may not
36 change the project delivery milestone date of any project as shown
37 in the prior adopted state transportation improvement program
38 without the consent of the ~~department or other~~ agency responsible
39 for the project's delivery.

1 (g) Projects may not be included in the regional transportation
2 improvement program without a complete project study report or,
3 for a project that is not on a state highway, a project study report
4 equivalent or major investment study.

5 (h) Each transportation planning agency and county
6 transportation commission may ~~request and receive~~ use an amount
7 not to exceed 5 percent of its county share *apportionment* for the
8 purposes of project planning, programming, and monitoring.

9 SEC. 4. Section 14529 of the Government Code is amended
10 to read:

11 14529. (a) The state transportation improvement program shall
12 include a listing of all capital improvement projects that are
13 expected to receive an allocation of state transportation funds under
14 *paragraph (1) of subdivision (a) of Section 164 of the Streets and*
15 *Highways Code, including or revenues from transportation bond*
16 *acts; from the commission during the following five fiscal years,*
17 *and all capital improvement projects that are expected to be funded*
18 *with apportionments of regional transportation funds under*
19 *paragraph (2) of Section 164 of the Streets and Highways Code*
20 *as listed in the regional transportation improvement program*
21 *adopted pursuant to Sections 14527 and 65082 during the*
22 *following five years. It shall include, and be limited to, the projects*
23 *to be funded with the following:*

24 (1) Interregional improvement funds.

25 (2) Regional improvement funds *apportioned pursuant to*
26 *Section 182.1 of the Streets and Highways Code.*

27 (b) For each project, the program shall specify the allocation or
28 expenditure amount and the allocation or expenditure year for each
29 of the following project components:

30 (1) Completion of all permits and environmental studies.

31 (2) Preparation of plans, specifications, and estimates.

32 (3) The acquisition of rights-of-way, including, but not limited
33 to, support activities.

34 (4) Construction and construction management and engineering,
35 including surveys and inspection.

36 (c) Funding for right-of-way acquisition and construction for a
37 project may be included in the program only if the commission
38 makes a finding that the sponsoring agency will complete the
39 environmental process and can proceed with right-of-way
40 acquisition or construction within the five-year period. No

1 allocation for right-of-way acquisition or construction shall be
2 made until the completion of the environmental studies and the
3 selection of a preferred alternative.

4 (d) The commission shall adopt and submit to the Legislature
5 and the Governor, not later than April 1 of each even-numbered
6 year thereafter, a state transportation improvement program. The
7 program shall cover a period of five years, beginning July 1 of the
8 year it is adopted, and shall be a statement of intent by the
9 commission for the allocation or expenditure of funds during those
10 five years. The program shall include projects which are expected
11 to receive funds prior to July 1 of the year of adoption, but for
12 which the commission has not yet allocated funds.

13 (e) The projects included in the adopted state transportation
14 improvement program shall be limited to those projects submitted
15 or recommended pursuant to Sections 14526 and 14527. The total
16 amount programmed in each fiscal year for each program category
17 shall not exceed the amount specified in the fund estimate adopted
18 under Section 14525.

19 (f) The state transportation improvement program is a resource
20 management document to assist the state and local entities to plan
21 and implement transportation improvements and to utilize available
22 resources in a cost-effective manner. It is a document for each
23 county and each region to declare ~~their~~ *its* intent to use available
24 state and federal funds in a timely and cost-effective manner.

25 (g) Prior to the adoption of the state transportation improvement
26 program, the commission shall hold not less than one hearing in
27 northern California and one hearing in southern California to
28 reconcile any objections by any county or regional agency to the
29 department's program or the department's objections to any
30 regional program.

31 (h) The commission shall incorporate projects that are included
32 in the regional transportation improvement program and are to be
33 funded with regional improvement funds, unless the commission
34 finds that the regional transportation improvement program is not
35 consistent with the guidelines adopted by the commission or is not
36 a cost-effective expenditure of state funds, in which case the
37 commission may reject the regional transportation improvement
38 program in its entirety. The finding shall be based on an objective
39 analysis, including, but not limited to, travel forecast, cost, and air
40 quality. The commission shall hold a public hearing in the affected

1 county or region prior to rejecting the program, or not later than
2 60 days after rejecting the program. When a regional transportation
3 improvement program is rejected, the regional entity may submit
4 a new regional transportation improvement program for inclusion
5 in the state transportation improvement program. The commission
6 shall not reject a regional transportation improvement program
7 unless, not later than 60 days after the date it received the program,
8 it provided notice to the affected agency that specified the factual
9 basis for its proposed action.

10 (i) A project may be funded with more than one of the program
11 categories listed in Section 164 of the Streets and Highways Code.

12 (j) Notwithstanding any other provision of law, no local or
13 regional matching funds shall be required for projects that are
14 included in the state transportation improvement program.

15 (k) The commission may include a project recommended by a
16 regional transportation planning agency or county transportation
17 commission pursuant to subdivision (c) of Section 14527, if the
18 commission makes a finding, based on an objective analysis, that
19 the recommended project is more cost-effective than a project
20 submitted by the department pursuant to Section 14526.

21 SEC. 5. Section 14529.1 of the Government Code is amended
22 to read:

23 14529.1. The commission shall establish guidelines for the
24 allocation of funds to, *or the use of funds by*, an entity for a project
25 to verify that the entity has the resources and capabilities to
26 implement the project in a timely manner and may establish a
27 process for monitoring the progress being made and proper use of
28 funds. The guidelines and process shall be kept to the minimum
29 needed to protect state funds *made available pursuant to Section*
30 *164 of the Streets and Highways Code* and provide for a timely
31 use of those funds. The commission shall request that the entity
32 receiving funds accept an audit of funds allocated to it by the
33 commission if an audit is deemed necessary.

34 SEC. 6. Section 14529.8 of the Government Code is amended
35 to read:

36 14529.8. (a) Funds *subject to allocation by the commission*
37 may be allocated by the commission for each project element
38 during the fiscal year that is identified in the state transportation
39 improvement program and the funds shall be available for
40 expenditure during that fiscal year and the following two fiscal

1 years. Any funds not allocated, or allocated but not encumbered,
2 during the period specified in this section, shall remain in the State
3 Highway Account or Public Transportation Account, or be returned
4 to that particular account, as the case may be.

5 (b) Upon a finding that an unforeseen and extraordinary
6 circumstance beyond the control of the responsible agency has
7 occurred that justifies an extension, the commission may extend
8 the deadlines specified in subdivision (a). The deadline extensions
9 shall not exceed the period of delay directly attributed to the
10 extraordinary circumstance and in no event be more than 20
11 months. The commission shall not grant more than one extension.

12 SEC. 7. Section 14530 of the Government Code is repealed.

13 ~~14530. The commission may deviate, in the adoption of the~~
14 ~~state transportation improvement program, from a regional~~
15 ~~transportation improvement program based on a finding that there~~
16 ~~(a) are inconsistencies between the program and the appropriate~~
17 ~~guidelines, (b) are insufficient funds available to implement the~~
18 ~~program, (c) are conflicts between the regional transportation~~
19 ~~improvement programs, (d) are conflicts between a regional~~
20 ~~transportation improvement program and the department's~~
21 ~~recommendations in its transportation improvement program, (e)~~
22 ~~is an overriding state need for a project to adequately accommodate~~
23 ~~interregional traffic, or (f) is no adopted congestion management~~
24 ~~program for a county in which a project is proposed.~~

~~25 14530. The commission may deviate, in the adoption of the state~~
26 ~~transportation improvement program, from a regional transportation~~
27 ~~improvement program based on a finding that there (a) are~~
28 ~~inconsistencies between the program and the appropriate guidelines,~~
29 ~~(b) are insufficient funds available to implement the program, (c) are~~
30 ~~conflicts between the regional transportation improvement programs,~~
31 ~~(d) are conflicts between a regional transportation improvement program~~
32 ~~and the department's recommendations in its transportation improvement~~
33 ~~program, (e) is an overriding state need for a project to adequately~~
34 ~~accommodate interregional traffic, or (f) is no adopted congestion~~
35 ~~management program for a county in which a project is proposed.~~

36 SEC. 8. Section 65082 of the Government Code is amended
37 to read:

38 65082. (a) (1) A five-year regional transportation improvement
39 program shall be prepared, adopted, and submitted to the California
40 Transportation Commission on or before December 15 of each

1 odd-numbered year thereafter, updated every two years, pursuant
2 to Sections 65080 and 65080.5 and the guidelines adopted pursuant
3 to Section 14530.1, to include regional transportation improvement
4 projects and programs proposed to be funded, in whole or in part,
5 ~~in the state transportation improvement program from regional~~
6 ~~program funds apportioned as county shares pursuant to Section~~
7 ~~182.1 of the Streets and Highways Code. Each regional~~
8 ~~transportation improvement program shall be incorporated by the~~
9 ~~commission into the state transportation improvement program.~~

10 (2) Major projects shall include current costs updated as of
11 November 1 of the year of submittal and escalated to the
12 appropriate year, and be listed by relative priority, taking into
13 account need, delivery milestone dates, and the availability of
14 funding.

15 (b) Except for those counties that do not prepare a congestion
16 management program pursuant to Section 65088.3, congestion
17 management programs adopted pursuant to Section 65089 shall
18 be incorporated into the regional transportation improvement
19 program submitted to the commission by December 15 of each
20 odd-numbered year.

21 (c) Local projects not included in a congestion management
22 program shall not be included in the regional transportation
23 improvement program. Projects and programs adopted pursuant
24 to subdivision (a) shall be consistent with the capital improvement
25 program adopted pursuant to paragraph (5) of subdivision (b) of
26 Section 65089, and the guidelines adopted pursuant to Section
27 14530.1.

28 (d) Other projects may be included in the regional transportation
29 improvement program if listed separately.

30 (e) Unless a county not containing urbanized areas of over
31 50,000 population notifies the Department of Transportation by
32 July 1 that it intends to prepare a regional transportation
33 improvement program for that county, the department shall, in
34 consultation with the affected local agencies, prepare the program
35 for all counties for which it prepares a regional transportation plan.

36 (f) The requirements for incorporating a congestion management
37 program into a regional transportation improvement program
38 specified in this section do not apply in those counties that do not
39 prepare a congestion management program in accordance with
40 Section 65088.3.

1 (g) The regional transportation improvement program may
2 include a reserve of county shares for providing funds in order to
3 match federal funds.

4 SEC. 9. Section 164 of the Streets and Highways Code is
5 amended to read:

6 164. (a) Funds made available for transportation capital
7 improvement projects under subdivision (e) of Section 163 shall
8 be programmed and expended for the following program
9 categories:

10 (1) Twenty-five percent for interregional improvements.

11 (2) Seventy-five percent for regional improvements.

12 (b) Sixty percent of the funds available for interregional
13 improvements under paragraph (1) of subdivision (a) shall be
14 programmed and expended for improvements to state highways
15 that are specified in Sections 164.10 to 164.20, inclusive, and that
16 are outside the boundaries of an urbanized area with a population
17 of more than 50,000, and for intercity rail ~~improvements~~ *projects*.

18 (c) Not less than 15 percent of the amount of funds programmed
19 under subdivision (b) shall be programmed for intercity rail
20 ~~improvement~~ *projects*, including *grade separation of grade* projects.

21 (d) Funds made available under paragraph (1) of subdivision
22 (a) shall be used for transportation improvement projects that are
23 needed to facilitate interregional movement of people and goods.
24 The projects may include state highway, intercity ~~passenger~~ rail,
25 mass transit guideway, or grade separation projects.

26 (e) Funds made available under paragraph (2) of subdivision
27 (a) shall be *apportioned pursuant to Section 182.1 to metropolitan*
28 *planning organizations, transportation planning agencies, and*
29 *county transportation commissions, and used for transportation*
30 *improvement projects that are needed to improve transportation*
31 *within the region. Available state funds may be used to provide*
32 *the required match for federal funds. The projects may include,*
33 *but shall not be limited to, ~~improving state highways~~ highway,*
34 *local ~~roads~~ road, public transit, intercity rail, pedestrian, ~~and~~*
35 *bicycle ~~facilities~~, ~~and~~ grade separation, *soundwall, intermodal**
36 *facility, transportation system management, transportation demand*
37 *management, ~~soundwall projects, intermodal facilities, and safety;~~*
38 *and providing funds to match federal funds projects.*

39 SEC. 10. Section 182.1 is added to the Streets and Highways
40 Code, to read:

1 182.1. (a) Notwithstanding Section 182, the funds available
 2 for regional improvements pursuant to paragraph (2) of subdivision
 3 (a) of Section 164 shall be apportioned annually by the department
 4 as block grants to metropolitan planning organizations designated
 5 pursuant to Section 134 of Title 23 of the United States Code and,
 6 in those areas where no such organization has been designated, to
 7 the transportation planning agencies designated pursuant to Section
 8 29532 or 29532.1 of the Government Code. The metropolitan
 9 planning organizations and transportation planning agencies shall
 10 use the funds for the purposes specified in subdivision (e) of
 11 Section 164 and shall program the funds in the regional
 12 transportation improvement plan prepared pursuant to Section
 13 65082. In each county where a county transportation commission
 14 has been created pursuant to Division 12 (commencing with
 15 Section 130000) of the Public Utilities Code, the funds shall be
 16 apportioned to the county transportation commission rather than
 17 to the metropolitan planning organization.

18 (b) Each annual Budget Act shall contain an appropriation of
 19 federal and state transportation funds for local assistance pursuant
 20 to subdivision (a), and an appropriation of local assistance capital
 21 outlay support funds appropriate for the activities to be carried
 22 out.

23 (c) The department shall apportion the available funds
 24 consistent with the requirements of Sections 188 and 188.8.

25 SEC. 11. Section 182.5 of the Streets and Highways Code is
 26 repealed.

27 ~~182.5. (a) It is the intent of the Legislature that the transition~~
 28 ~~to the new programs and procedures established in the bill enacting~~
 29 ~~this section shall be fair and equitable and minimize disruptions~~
 30 ~~in the delivery of projects. With specific reference to the transition~~
 31 ~~from county minimums to county shares for regional improvement,~~
 32 ~~no project should be counted twice, no project that would be~~
 33 ~~counted under either the old or new procedures should escape~~
 34 ~~being counted in the transition, shares should be sufficient to fund~~
 35 ~~projects programmed in the 1996 State Transportation~~
 36 ~~Improvement Program for the same period, no incentive or reward~~
 37 ~~should be provided for delaying a project, and no incentive or~~
 38 ~~reward should be provided for allocating funds to a project earlier~~
 39 ~~than the year in which the funds are needed for the project.~~

1 ~~(b) At the end of the fiscal year ending June 30, 1998, the county~~
2 ~~minimums and county minimum deficits shall be recalculated~~
3 ~~under the law as it existed prior to the enactment of the bill adding~~
4 ~~this section.~~

5 ~~(c) Notwithstanding Section 164, there shall be set aside~~
6 ~~sufficient funding for every project that is included in the 1996~~
7 ~~State Transportation Improvement Program. This funding shall be~~
8 ~~set aside in the fund estimate prior to and in addition to the~~
9 ~~distribution of funding between programs pursuant to Section 164.~~

10 ~~(d) The amount of the cumulative county minimum deficit~~
11 ~~calculated for any county pursuant to subdivision (b) shall be~~
12 ~~carried forward as a county share for the 1998 State Transportation~~
13 ~~Improvement Program, prior to and in addition to the computation~~
14 ~~of county shares pursuant to subdivision (a) of Section 188.8.~~

15 ~~(e) The commission shall not allocate funds for any project~~
16 ~~unless the commission has programmed the state transportation~~
17 ~~improvement program in a manner that complies with the~~
18 ~~requirements of Sections 188, 188.8, and 188.11.~~

19 ~~(f) Notwithstanding subdivision (a), for a county within the~~
20 ~~region defined by Section 66502 of the Government Code where~~
21 ~~funds were traded in the 1996 State Transportation Improvement~~
22 ~~Program to another county in that region, the county share for that~~
23 ~~county for the 1998 State Transportation Improvement Program~~
24 ~~shall be increased by the amount of the trade in the 1996 State~~
25 ~~Transportation Improvement Program, as if the share were a county~~
26 ~~minimum deficit under subdivision (d).~~

27 ~~(g) In adopting the 1998 State Transportation Improvement~~
28 ~~Program, the commission shall, at a minimum, fund all intercity~~
29 ~~rail projects that are included in the adopted 1996 State~~
30 ~~Transportation Improvement Program. The amount of funds~~
31 ~~programmed for each project shall not be less than the amount in~~
32 ~~the 1996 State Transportation Improvement Program.~~

33 ~~(h) The commission, after consulting with the department and~~
34 ~~the regional planning agencies, shall adopt interim guidelines and~~
35 ~~procedures relative to fund estimates and project selection in a~~
36 ~~manner that the first state transportation improvement program,~~
37 ~~pursuant to the provisions of the act adding this section, is adopted~~
38 ~~not later than June 1, 1998.~~

~~392.5. (a) It is the intent of the Legislature that the transition to the~~
~~40w~~ programs and procedures established in the bill enacting this section

~~shall be fair and equitable and minimize disruptions in the delivery of projects. With specific reference to the transition from county minimums to county shares for regional improvement, no project should be counted twice, no project that would be counted under either the old or new procedures should escape being counted in the transition, shares should be sufficient to fund projects programmed in the 1996 State Transportation Improvement Program for the same period, no incentive or reward should be provided for delaying a project, and no incentive or reward should be provided for allocating funds to a project earlier than the year in which the funds are needed for the project.~~

~~11(b) At the end of the fiscal year ending June 30, 1998, the county minimums and county minimum deficits shall be recalculated under the law as it existed prior to the enactment of the bill adding this section.~~

~~14(e) Notwithstanding Section 164, there shall be set aside sufficient funding for every project that is included in the 1996 State Transportation Improvement Program. This funding shall be set aside in the fund estimate prior to and in addition to the distribution of funding between programs pursuant to Section 164.~~

~~19(d) The amount of the cumulative county minimum deficit calculated for any county pursuant to subdivision (b) shall be carried forward as a county share for the 1998 State Transportation Improvement Program, prior to and in addition to the computation of county shares pursuant to subdivision (a) of Section 188.8.~~

~~24(e) The commission shall not allocate funds for any project unless the commission has programmed the state transportation improvement program in a manner that complies with the requirements of Sections 188, 188.8, and 188.11.~~

~~28(f) Notwithstanding subdivision (a), for a county within the region defined by Section 66502 of the Government Code where funds were added in the 1996 State Transportation Improvement Program to another county in that region, the county share for that county for the 1998 State Transportation Improvement Program shall be increased by the amount of the trade in the 1996 State Transportation Improvement Program, as if the share were a county minimum deficit under subdivision (d).~~

~~35(g) In adopting the 1998 State Transportation Improvement Program, the commission shall, at a minimum, fund all intercity rail projects that were included in the adopted 1996 State Transportation Improvement Program. The amount of funds programmed for each project shall not be less than the amount in the 1996 State Transportation Improvement Program.~~

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~~1(h) The commission, after consulting with the department and the regional planning agencies, shall adopt interim guidelines and procedures relative to fund estimates and project selection in a manner that the first state transportation improvement program, pursuant to the provisions of the act adding this section, is adopted not later than June 161998.~~

7 SEC. 12. Section 188.8 of the Streets and Highways Code is
8 repealed.

9 ~~188.8. (a) From the funds programmed pursuant to Section~~
10 ~~188 for regional improvement projects, the commission shall~~
11 ~~approve programs and program amendments, so that funding is~~
12 ~~distributed to each county of County Group No. 1 and in each~~
13 ~~county of County Group No. 2 during the county share periods~~
14 ~~commencing July 1, 1997, and ending June 30, 2004, and each~~
15 ~~period of four years thereafter. The amount shall be computed as~~
16 ~~follows:~~

17 ~~(1) The commission shall compute, for the county share periods~~
18 ~~all of the money to be expended for regional improvement projects~~
19 ~~in County Groups Nos. 1 and 2, respectively, as provided in Section~~
20 ~~188.~~

21 ~~(2) From the amount computed for County Group No. 1 in~~
22 ~~paragraph (1) for the county share periods the commission shall~~
23 ~~determine the amount of programming for each county in the group~~
24 ~~based on a formula that is based 75 percent on the population of~~
25 ~~the county to the total population of County Group No. 1 and 25~~
26 ~~percent on state highway miles in the county to the total state~~
27 ~~highway miles in County Group No. 1.~~

28 ~~(3) From the amount computed for County Group No. 2 in~~
29 ~~paragraph (1) for the county share periods the commission shall~~
30 ~~determine the amount of programming for each county in the group~~
31 ~~based on a formula that is based 75 percent on the population of~~
32 ~~the county to the total population of County Group No. 2 and 25~~
33 ~~percent on state highway miles in the county to the total state~~
34 ~~highway miles in County Group No. 2.~~

35 ~~(b) Notwithstanding subdivision (a), that portion of the county~~
36 ~~population and state highway mileage in El Dorado and Placer~~
37 ~~Counties that is included within the jurisdiction of the Tahoe~~
38 ~~Regional Planning Agency shall be counted separately toward the~~
39 ~~area under the jurisdiction of the Tahoe Regional Transportation~~
40 ~~Agency and may not be included in El Dorado and Placer Counties.~~

1 The commission shall approve programs, program amendments,
2 and fund reservations for the area under the jurisdiction of the
3 Tahoe Regional Transportation Agency that shall be calculated
4 using the formula described in paragraph (2) of subdivision (a).

5 (e) A transportation planning agency designated pursuant to
6 Section 29532 of the Government Code, or a county transportation
7 commission created by Division 12 (commencing with Section
8 130000) of the Public Utilities Code, may adopt a resolution to
9 pool its county share programming with any county or counties
10 adopting similar resolutions to consolidate its county shares for
11 two consecutive county share periods into a single share covering
12 both periods. A multicounty transportation planning agency with
13 a population of less than three million may also adopt a resolution
14 to pool the share of any county or counties within its region. The
15 resolution shall provide for pooling the county share programming
16 in any of the pooling counties for the new single share period and
17 shall be submitted to the commission not later than May 1
18 immediately preceding the commencement of the county share
19 period.

20 (d) For the purposes of this section, funds programmed shall
21 include the following costs pursuant to subdivision (b) of Section
22 14529 of the Government Code:

23 (1) The amounts programmed or budgeted for both components
24 of project development in the original programmed year.

25 (2) The amount programmed for right-of-way and right-of-way
26 support costs in the year programmed in the most recent state
27 transportation improvement program. If the final estimate is greater
28 than 120 percent or less than 80 percent of the amount originally
29 programmed, the amount shall be adjusted for final expenditure
30 estimates at the time of right-of-way certification.

31 (3) The engineer's final estimate of project costs, including
32 construction support, presented to the commission for approval
33 pursuant to Section 14533 of the Government Code in the year
34 programmed in the most recent state transportation improvement
35 program. If the construction contract award amount is less than
36 80 percent of the engineer's final estimate, excluding construction
37 support, the department shall notify the commission and the
38 commission may adjust its project allocation accordingly.

1 ~~(4) Project costs shown in the program, as amended, where~~
2 ~~project allocations have not yet been approved by the commission,~~
3 ~~escalated to the date of scheduled project delivery.~~

4 ~~(e) Project costs shown in the program may not be changed to~~
5 ~~reflect any of the following:~~

6 ~~(1) Differences that are within 20 percent of the amount~~
7 ~~programmed for actual project development cost.~~

8 ~~(2) Differences that are within 20 percent of the amount reported~~
9 ~~at the time of allocation pursuant to paragraph (2) of subdivision~~
10 ~~(d) for actual right-of-way costs calculated at the time of acceptance~~
11 ~~of a project construction contract.~~

12 ~~(3) Construction contract award amounts, except when those~~
13 ~~amounts are less than 80 percent of the engineer's final estimate,~~
14 ~~excluding construction support, and the commission has adjusted~~
15 ~~the project construction allocation.~~

16 ~~(4) Changes in construction expenditures, except for~~
17 ~~supplemental project allocations made by the commission,~~
18 ~~including supplemental allocations made pursuant to subdivision~~
19 ~~(b) of Section 188.9.~~

20 ~~(f) For the purposes of this section, the population in each county~~
21 ~~is that determined by the last preceding federal census, or a~~
22 ~~subsequent census validated by the Population Research Unit of~~
23 ~~the Department of Finance, at the beginning of each county share~~
24 ~~period.~~

25 ~~(g) For the purposes of this section, "state highway miles" means~~
26 ~~the miles of state highways open to vehicular traffic at the~~
27 ~~beginning of each county share period.~~

28 ~~(h) It is the intent of the Legislature that there is to be flexibility~~
29 ~~in programming under this section and Section 188 so that, while~~
30 ~~ensuring that each county will receive an equitable share of state~~
31 ~~transportation improvement program funding, the types of projects~~
32 ~~selected and the programs from which they are funded may vary~~
33 ~~from county to county.~~

34 ~~(i) Commencing with the four-year period commencing on July~~
35 ~~1, 2004, individual county share shortfalls and surpluses at the end~~
36 ~~of each four-year period, if any, shall be carried forward and~~
37 ~~credited or debited to the following four years.~~

38 ~~(j) The commission, with the consent of the department, may~~
39 ~~consider programming projects in the state transportation~~
40 ~~improvement program in a county with a population of not more~~

1 than 1,000,000 at a level higher or lower than the county share,
 2 when the regional agency either asks to reserve part or all of the
 3 county's share until a future programming year, to build up a larger
 4 share for a higher cost project, or asks to advance an amount of
 5 the share, in an amount not to exceed 200 percent of the county's
 6 current share, for a larger project, to be deducted from shares for
 7 future programming years. After consulting with the department,
 8 the commission may adjust the level of programming in the
 9 regional program in the affected region against the level of
 10 interregional programming in the improvement program to
 11 accomplish the reservation or advancement, for the current state
 12 transportation improvement program. The commission shall keep
 13 track of any resulting shortfalls or surpluses in county shares.

14 (k) Notwithstanding subdivision (a), in a region defined by
 15 Section 66502 of the Government Code, the transportation planning
 16 agency may adopt a resolution to pool the county share of any
 17 county or counties within the region, if each county receives no
 18 less than 85 percent and not more than 115 percent of its county
 19 share for a single county share period and 100 percent of its county
 20 share over two consecutive county share periods. The resolution
 21 shall be submitted to the commission not later than May 1,
 22 immediately preceding the commencement of the county share
 23 period.

24 (l) Federal funds used for federal demonstration projects that
 25 use federal obligational authority otherwise available for other
 26 projects shall be subtracted from the county share of the county
 27 where the project is located.

28 SEC. 13. Section 188.8 is added to the Streets and Highways
 29 Code, to read:

30 188.8. The commission shall compute annual county share
 31 amounts for the purpose of the apportionment of regional
 32 improvement funds by the department pursuant to Section 182.1.
 33 The total amount available shall first be divided pursuant to Section
 34 188. From the amount computed for each county group, the
 35 commission shall compute the county share for each county in
 36 both of the county groups, based on a formula that is based 75
 37 percent on the population of the county to the total population of
 38 its county group and 25 percent on the state highway miles in the
 39 county to the total number of state highway miles in its county
 40 group.

1 SEC. 14. Section 188.11 of the Streets and Highways Code is
2 repealed.

3 ~~188.11 (a) The commission, with assistance from the~~
4 ~~department and regional agencies, shall maintain a long-term~~
5 ~~balance of shares, shortfalls, and surpluses for regional~~
6 ~~improvement programs.~~

7 ~~(b) The balance shall include all of the following:~~

8 ~~(1) Shares from the fund estimate for each state transportation~~
9 ~~improvement program pursuant to Section 14525 of the~~
10 ~~Government Code.~~

11 ~~(2) Amounts programmed in each state transportation~~
12 ~~improvement program pursuant to Section 14529 of the~~
13 ~~Government Code.~~

14 ~~(3) Surpluses or shortfalls due to reservations or advancements~~
15 ~~pursuant to subdivision (j) of Section 188.8.~~

16 ~~(4) Amounts deducted or added because of changes in project~~
17 ~~development costs or a cost increase or savings in the final~~
18 ~~engineering estimate or the final right-of-way certification estimate~~
19 ~~at the time of allocation for construction, pursuant to subdivisions~~
20 ~~(d) and (e) of Section 188.8.~~

21 ~~(5) Any supplemental project allocations during or following~~
22 ~~construction, including supplemental allocations made pursuant~~
23 ~~to subdivision (b) of Section 188.9.~~

24 ~~(6) Amounts deducted or added because of amendments to the~~
25 ~~state transportation improvement program that add, delete, or~~
26 ~~change the scope and cost of regional improvement projects,~~
27 ~~pursuant to Section 14531 of the Government Code.~~

28 ~~(e) The balance through the preceding fiscal year shall be made~~
29 ~~available for review by all regional agencies at the time of each~~
30 ~~fund estimate, and by not later than August 15 of each year.~~

31 ~~(d) The commission, through the fund estimate, shall restore~~
32 ~~for the next state transportation improvement program the~~
33 ~~interregional improvement program level specified in subdivision~~
34 ~~(a) of Section 164.~~

35 SEC. 15. Section 193 of the Streets and Highways Code is
36 amended to read:

37 193. The State Highway Account money allocated and available
38 each year for state highways shall be expended by the department:

39 (a) On the locations determined by the commission, to acquire
40 the necessary real property or interests therein for, and to construct

- 1 or improve to standards justified by traffic requirements, the state
- 2 highways in the state highway system.
- 3 (b) To construct or improve highways in state parks in the
- 4 manner provided by law.

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