Memorandum

To: CHAIR AND COMMISSIONERS

From: MITCH WEISS, Executive Director

Reference Number: 4.1, Action - Revised

Prepared By: Paul Golaszewski
Deputy Director

Published Date: June 24, 2020

Subject: State and Federal Legislative Matters

Summary of Revisions: The version of this item published on June 12, 2020 has been revised to reflect Commissioner Norton’s signature on the letter in Attachment B.

Recommendation:

Staff recommends the Commission accept the staff report on state legislation being monitored in Attachment A. Staff also recommends the Commission adopt a support position on Senate Bill (SB) 1291 (Committee on Transportation) and transmit the support letter in Attachment B. SB 1291 would provide flexibility to transportation planning agencies in preparing their Federal Transportation Improvement Programs, which is needed due to the uncertainties that resulted from the issuance of the federal Safer Affordable Fuel-Efficient Vehicles Rule (Part 2).

Issue:

Attachment A includes the list of active bills that staff have identified as meeting the criteria in the Commission’s bill monitoring policy. The list is much shorter than typical because the COVID-19 pandemic interrupted the legislative session and resulted in a re-prioritization of legislation being heard.

Of the bills being monitored, staff recommends a support position on SB 1291 (Committee on Transportation): Federal Statewide Transportation Improvement Program: submissions. This bill would specify that transportation planning agencies are not required to submit a Federal Transportation Improvement Program (FTIP) to the California Department of Transportation (Caltrans) for 2020 and, consequently, that Caltrans is not required to submit a Federal Statewide Transportation Improvement Program (FSTIP) to the federal government for 2020. The bill is an urgency measure that would take effect immediately after being signed into law.

The purpose of the bill is to provide flexibility regarding FTIP and FSTIP preparation, given uncertainties that resulted after the issuance of the federal Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule (Part 2), which rolls back greenhouse gas emission and fuel economy...
standards. While the California Air Resources Board stated at the Commission's May 13, 2020 meeting that the SAFE Rule (Part 2) would not affect California's emissions model used in preparing transportation plans, transportation planning agencies were left with significantly less time than needed to complete their FTIPs. The FTIPs are due to Caltrans by October 1, 2020 and normally it takes one year to complete an FTIP update.

By eliminating the 2020 FTIP requirement, SB 1291 enables transportation planning agencies to continue delivering on projects in their existing FTIPs until new ones can be prepared. Under SB 1291, new FTIPs would not be required under state and federal law until 2022. However, Caltrans has indicated that it plans to work with transportation planning agencies to submit a new FSTIP to the federal government sooner than that date.

**Background:**

**State Legislation Update**

The Legislature has updated its calendar. As of June 19, bills must have moved through both policy and fiscal committees in the house of origin. The Senate and Assembly are in Floor Session from June 22 through June 26 and June 15 through June 19, respectively The Senate and Assembly are in recess from July 2 through July 13 and June 19 through July 13, respectively.

AB 2285 (Committee on Transportation), which would implement a Commission recommendation to dedicate the interest earnings on revenues deposited in the Road Maintenance and Rehabilitation Account to the State Highway Operation and Protection Program, passed out the Assembly Appropriations Committee on June 3 and has moved to the Assembly floor.

**State Budget Update**

On May 15, 2020, the Governor released the May Revision. Highlights include:

- The General Fund faces a $54.3 billion budget deficit
- Fuel excise tax revenues are expected to drop by a total of $1.8 billion through 2024-25
- Nearly all state department budgets are proposed to be reduced by 5 percent beginning in 2021-22, with savings expected to come from various operational measures
- Collective bargaining negotiations will commence to achieve savings equal to 10 percent of payroll, relative to June 2020 payroll levels
Proposed Transfers and Loans from Transportation Accounts to the General Fund

- A transfer of $130.5 million in interest earnings from the State Highway Account (SHA) to the General Fund. This represents interest earnings paid to the State Highway Account from 2014-15 through 2018-19.

- A transfer of $32 million in unencumbered funds from the Traffic Congestion Relief Fund (TCRF) to the General Fund.

- A $21.8 million loan from the Local Airport Loan Account (LALA) to the General Fund. This loan will be repaid with interest.

On June 3, 2020, the Senate and the Assembly announced the two houses had reached agreement on a common budget plan. The legislative budget plan approves the Governor’s revenue estimates for transportation, and it approves the $32 million transfer from the TCRF to the General as well as the $21.8 million loan from the LALA to the General Fund. However, it rejects the $130.5 million transfer from the SHA to the General Fund. It also rejects the assumption regarding compensation savings from the state workforce. The Legislature will continue negotiations with the Governor on the budget, which it must pass by June 15.

Federal Matters

On May 15, 2020, the US House of Representative passed a new $3 trillion package of COVID-19 relief measures referred to as the HEROES Act (“Health and Economic Recovery Omnibus Emergency Solutions Act”). Its centerpiece is $1 trillion for state, local and tribal governments. For transportation, the HEROES Act includes $15.8 billion for assistance to public transportation authorities and $15 billion for state departments of transportation. The US Senate has not yet taken action on the HEROES Act.

On June 3, 2020, the US House Transportation and Infrastructure Committee released a draft federal surface transportation reauthorization bill called the INVEST Act (“Investing in a New Vision for the Environment and Surface Transportation”). The bill provides $494 billion in total funding from federal fiscal year 2021 to federal fiscal year 2025 for highway, highway safety, transit, and passenger rail programs, including $411 billion in contract authority from the federal Highway Trust Fund. For the first year of the proposed bill, $83.1 billion is provided essentially as an extension of the existing Fixing America’s Surface Transportation (FAST) Act to ensure that state and local agencies can continue to administer programs and advance projects. The FAST Act expires on September 30, 2020.

Attachments:

- Attachment A: Legislation monitored by Commissions staff
- Attachment B: Support letter for SB 1291 and bill text
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<tr>
<th>Bill</th>
<th>Lead Authors</th>
<th>Subject</th>
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<tr>
<td>AB-2006</td>
<td>Fong, Salas</td>
<td>State Highways: relinquishment:</td>
<td>• Authorizes the California Transportation Commission (Commission) to relinquish to the County of Kern and the City of Bakersfield a specified portion of State Highway Route 184, under certain conditions.</td>
<td>Assembly-In Floor Process</td>
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<td>State Highway Route 184.</td>
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<td>AB-2038</td>
<td>Committee on</td>
<td>Transportation: omnibus bill.</td>
<td>• Deletes obsolete reporting requirement, repeals provisions relating to a 2-year pilot program, corrects an obsolete cross-reference</td>
<td>Assembly-In Floor Process</td>
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<td>Transportation</td>
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<td>AB-2285</td>
<td>Committee on</td>
<td>Transportation.</td>
<td>• Continuously appropriates interest earnings derived from revenues deposited in the Road Maintenance and Rehabilitation Account to the California Department of Transportation (Caltrans) for maintenance of the state highway system or for purposes of the State Highway Operation and Protection Program.</td>
<td>Assembly-In Floor Process</td>
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<td>Transportation</td>
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**Legislation Monitored by Commission Staff**  
(As of June 3, 2020)

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| AB-2663  | Eduardo Garcia  | Use fuel tax: dimethyl ether: propane fuel blend | • On or after January 1, 2021, sets the state excise tax under the Use Fuel Tax Law upon a propane fuel blend and upon dimethyl ether at the rates of $0.06 and $0.048, respectively, for each gallon used, rather than $0.18.  

• Adds dimethyl ether and a propane fuel blend to the categories of fuels for which an owner or operator may pay an annual flat rate fuel tax in lieu of the per gallon fuel tax.  

• Exempts from excise taxes under the Use Fuel Tax Law the use of dimethyl ether and a propane fuel blend in a vehicle during any period of time for which the owner or operator of the vehicle has instead paid the applicable annual flat rate fuel tax.  

• Provides that to the extent that an owner or operator has provided written representation to a fuel seller that the owner or operator has prepaid the annual flat rate fuel tax for dimethyl ether or for a propane fuel blend, the owner or operator shall be solely responsible for paying the applicable fuel taxes under the Use Fuel Tax Law, and the fuel seller shall not be liable for collecting and remitting those taxes. | Assembly-In Floor Process |
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| SB-288 | Wiener       | California Environmental Quality Act:        | • Includes exemptions from the requirements of the California Environmental Quality Act (CEQA) for projects that do the following: (1) increase bus rapid transit and regional rail services on public rail or highway rights of way, (2) increase passenger or commuter service on high-occupancy vehicle lanes or existing roadway shoulders, (3) rail, light rail, and bus maintenance, repair, storage, administrative, and operations facilities, (4) repair or rehabilitation of publicly-owned local, major or minor collector, or minor arterial or major arterial bridges, (5) zero-emission fueling stations and chargers, and (6) projects for pedestrian and bicycle facilities.  
• Requires projects to meet additional specified criteria, including be carried out by a skilled and trained workforce.  
• Extends existing CEQA exemption for bicycle transportation plans for an urbanized area, restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and related signage for bicycles, pedestrians, from January 1, 2021 to January 1, 2030. | Assembly-In Committee Process - Elections and Redistricting |
<p>| SB-921 | Dahle        | State highways: Route 174: relinquishment.    | • Authorizes the Commission to relinquish to the City of Grass Valley the portion of Route 174 within its city limits if Caltrans and the city enter into an agreement.                                                                                       | Senate-In Committee Process - Appropriations |</p>
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| SB-1238 | Hueso              | Department of Transportation: highways and roads: recycled plastics study and specifications. | • Requires Caltrans to conduct a study to determine if including recycled plastics in asphalt used for a construction and repair project of a state highway is feasible.  
• If Caltrans determines that this use of recycled plastics is feasible, the bill would require the department, when awarding a contract for a construction or repair project of a state highway, to award a preference of an unspecified percentage to a bidder who proposes to use asphalt that includes recycled plastics for the construction or repair project.  
• Declares it to be the goal of the state that, by 2045, Caltrans each local agency use asphalt that includes recycled plastics in every construction or repair project of a local road or state highway that will use asphalt. | Senate-In Committee Process - Appropriations |
| SB-1291 | Committee on Transportation  | Federal Statewide Transportation Improvement Program: submissions.   | • Provides that a metropolitan planning organization or transportation planning agency is not required to submit a Federal Transportation Improvement Program to Caltrans, and Caltrans is not required to submit the Federal Statewide Transportation Improvement Program to the US Department of Transportation, for 2020. | Senate-In Committee Process - Appropriations |
## Legislation Monitored by Commission Staff
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| SB-1351| Beall        | Transportation planning. | • Prohibits the Director of Caltrans from approving an allocation of an amount greater than 5% of a transportation planning agency’s annual revenue for transportation planning and programming processes. Existing law authorizes agencies to allocate up to 3% of their annual revenues for these processes, and alternatively authorizes the allocation of a greater amount upon approval by the Director of Transportation.  

• Requires rules and regulations related to transit fare transfers to be updated by transportation planning agency and county transportation commissions at least every 4 calendar years, to reflect changes to the operators' transfer policies, payment methods, and any other relevant policy changes. | Senate-In Committee Process - Appropriations |

Total Measures: 9
June 24, 2020

The Honorable Jim Beall, Chair  
Senator Transportation Committee  
State Capitol, Room 2082  
Sacramento, CA 95814


Dear Senator Beall:

As part of its statutory charge, the California Transportation Commission (Commission) advises the Administration and the Legislature on state transportation policies and makes recommendations for legislation to improve California’s transportation system.

The Commission adopted a position to support Senate Bill 1291 at its June 24, 2020 meeting. This measure provides that a transportation planning agency is not required to submit a Federal Transportation Improvement Program (FTIP) to the California Department of Transportation (Caltrans) for 2020. It also provides that Caltrans is not required to submit the Federal Statewide Transportation Improvement Program to the US Department of Transportation for 2020. This bill will provide much needed flexibility to transportation planning agencies that faced uncertainty in their FTIP preparation due to the issuance of the federal Safer Affordable Fuel-Efficient Vehicles Rule (Part 2).
The Commission commends your leadership to ensure transportation planning agencies can continue to deliver critical transportation projects despite changing federal rules. Commissioners and staff are available to provide information that may assist you in moving this legislation forward. If we can be of assistance, please contact the Commission’s Executive Director, Mr. Mitch Weiss, at mitch.weiss@catc.ca.gov or (916) 654-4245.

Sincerely,

HILARY NORTON
Vice Chair

c: Commissioners, California Transportation Commission
   Mitch Weiss, Executive Director, California Transportation Commission
   David Kim, Secretary, California State Transportation Agency
   Honorable Jim Frazier, Chair, Assembly Transportation Committee
An act to amend Section 65074 of the Government Code, and to amend Sections 182.6 and 182.7 of the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL’S DIGEST

SB 1291, as amended, Beall Committee on Transportation. Federal Statewide Transportation Improvement Program: submissions. Existing law provides for the 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. Existing law requires each metropolitan planning organization and transportation planning agency, not later than October 1 of each even-numbered year, to submit its Federal Transportation Improvement Program to the department for incorporation into the Federal Statewide Transportation Improvement Program, which existing law requires the department to submit to the United States Secretary of Transportation by not later than December 1 of each even-numbered year.

This bill would provide that a metropolitan planning organization or transportation planning agency is not required to submit a Federal
Transportation Improvement Program to the department, and the department is not required to submit the Federal Statewide Transportation Improvement Program to the secretary, for 2020.

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


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

SECTION 1. Section 65074 of the Government Code is amended to read:

65074. (a) The department shall prepare, in cooperation with the metropolitan planning agencies, a Federal Statewide Transportation Improvement Program in accordance with subsection (g) of Section 135(g) of Title 23 of the United States Code. The Federal Statewide Transportation Improvement Program shall be submitted by the department to the United States Secretary of Transportation by not later than December 1 of each even-numbered year.

(b) Notwithstanding subdivision (a), the department shall not be required to submit a Federal Statewide Transportation Improvement Program to the United States Secretary of Transportation for 2020.

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

182.6. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to that portion of subsection (b)(3) of Section 104, subsections (a) and (e) of 104(b)(3), Section 157, 157(a) and (c), and subsection (d) of Section 160 160(d) of Title 23 of the United States Code that is allocated within the state subject to subsection (d)(3) of Section 133(d)(3) of that code. These funds shall be known as the regional surface transportation program funds. The department, the transportation planning agencies, the county transportation commissions, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.
(b) The regional surface transportation program funds shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency designated pursuant to Section 29532 of the Government Code. The funds shall be apportioned in the manner and in accordance with the formula set forth in subsection (d)(3) of Section 133(d)(3) of Title 23 of the United States Code, except that the apportionment shall be among all areas of the state. Funds apportioned under this subdivision shall remain available for three federal fiscal years, including the federal fiscal year apportioned.

(c) (1) Where county transportation commissions have been created by the County Transportation Commissions Act (Division 12 (commencing with Section 130000) of the Public Utilities Code), all regional surface transportation program funds shall be further apportioned by the metropolitan planning organization to the county transportation commission on the basis of relative population.

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

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

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

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

(e) (1) The department shall notify each metropolitan planning
organization, county transportation commission, and transportation
planning agency receiving an apportionment under this section,
as soon as possible each year, of the amount of obligation authority
estimated to be available for program purposes.

(2) The metropolitan planning organization and transportation
planning agency, in cooperation with the department, congestion
management agencies, cities, counties, and affected transit
operators, shall select and program projects in conformance with
federal law. The metropolitan planning organization and
transportation planning agency shall submit its Federal
Transportation Improvement Program prepared pursuant to Section
134 of Title 23 of the United States Code to the department for
incorporation into the Federal Statewide Transportation
Improvement Program not later than October 1 of each
even-numbered year. The Federal Transportation Improvement
Programs shall, at a minimum, include the years covered by the
Federal Statewide Transportation Improvement Program.

(3) Notwithstanding paragraph (2), a metropolitan planning
organization or transportation planning agency shall not be required
to submit a Federal Transportation Improvement Program to the
department for 2020.

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

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

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

(2) A county not included in a regional transportation planning
agency described in subdivision (g), whose apportionment pursuant
to paragraph (2) of subdivision (d) was less than 1 percent of the
total amount apportioned to all counties in the state, may exchange
its apportionment for nonfederal State Highway Account funds.
If the apportionment to the county was more than 3 ½ percent of
the total apportioned to all counties in the state, it may exchange
that portion of its apportionment in excess of 3 ½ percent for
nonfederal State Highway Account funds. Exchange funds received
by a county pursuant to this section may be used for any
transportation purpose.

(i) The department shall be responsible for closely monitoring
the use of federal transportation funds, including regional surface
transportation program funds to ensure full and timely use. The
department shall prepare a quarterly report for submission to the
commission regarding the progress in use of all federal
transportation funds. The department shall notify the commission
and the appropriate implementation agency whenever there is a
failure to use federal funds within the three-year apportionment period established under subdivision (b).

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

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

(l) If the implementing agency has not met the milestones established in the implementation plan required under subdivision (k), before the end of the three-year apportionment period established under subdivision (b), the commission shall redirect those funds for use on other transportation projects in the state.

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

(n) Before determining the amount for local subvention required by this section, the department shall first deduct the amount authorized by the Legislature for increased department oversight of the federal subvented program.

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

182.7. (a) Notwithstanding Sections 182 and 182.5, Sections 188, 188.8, and 825 do not apply to the expenditure of an amount of federal funds equal to the amount of federal funds apportioned to the state pursuant to Section 104(b)(4) of Title 23 of the United States Code. These funds shall be known as the congestion mitigation and air quality improvement program funds and shall be expended in accordance with Section 149 of Title 23 of the United States Code, including the requirements relating to particulate matter less than 2.5 micrometers in diameter in subsections (g) and (k) of the section. Section 149(g) and (k) of
that title. The department, the transportation planning agencies, and the metropolitan planning organizations may do all things necessary in their jurisdictions to secure and expend those federal funds in accordance with the intent of federal law and this chapter.

(b) The congestion mitigation and air quality improvement program funds shall be apportioned by the department to the metropolitan planning organizations designated pursuant to Section 134 of Title 23 of the United States Code and, in areas where none has been designated, to the transportation planning agency established by Section 29532 or 29532.1 of the Government Code.

All funds apportioned to the state pursuant to Section 104(b)(4) of Title 23 of the United States Code shall be apportioned to metropolitan planning organizations and transportation planning agencies responsible for air quality conformity determinations in federally designated air quality nonattainment and maintenance areas within the state as follows:

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

(2) Subject to paragraph (3), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in the state that is a nonattainment area or maintenance area as described in Section 149(b) of Title 23 of the United States Code for ozone or carbon monoxide by the following factors:

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

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

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

(D) A factor of 1.2, if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under Subpart
(E) A factor of 1.3, if, at the time of the apportionment, the area
is classified as a severe ozone nonattainment area under Subpart
2 of Part D of Title I of the Clean Air Act (42 U.S.C. Sec. 7511 et
seq.).

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

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

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

(3) If, in addition to being designated as a nonattainment or
maintenance area for ozone as described in paragraph (2), any
county within the area is also classified under Subpart 3 of Part D
of Title I of the Clean Air Act (42 U.S.C. Sec. 7512 et seq.) as a nonattainment or maintenance area described in paragraph (2) for
carbon monoxide, the weighted nonattainment or maintenance
area population of the county, as determined under subparagraphs
(A) to (F), inclusive, or subparagraph (H) of paragraph (2), shall
be further multiplied by a factor of 1.2.

(4) Funds allocated under this subdivision shall remain available
for three federal fiscal years, including the federal fiscal year
apportioned.

(c) (1) Notwithstanding subdivision (b), where county
transportation commissions have been created by the County
Transportation Commissions Act (Division 12 (commencing with
Section 130000) of the Public Utilities Code), all congestion
mitigation and air quality improvement program funds shall be
further apportioned by the metropolitan planning organization to
the county transportation commission on the basis of relative
population within the federally designated air quality nonattainment
and maintenance areas after first apportioning to the nonattainment
and maintenance areas in the manner and in accordance with the
formula set forth in subdivision (b).

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

(d) (1) The department shall notify each metropolitan planning
organization, transportation planning agency, and county
transportation commission receiving an apportionment under this
section, as soon as possible each year, of the amount of obligational
authority estimated to be available for expenditure from the federal
apportionment. The metropolitan planning organizations,
transportation planning agencies, and county transportation
commissions, in cooperation with the department, congestion
management agencies, cities and counties, and affected transit
operators, shall select and program projects in conformance with
federal law. Each metropolitan planning organization and
transportation planning agency shall, not later than October 1 of
each even-numbered year, submit its Federal Transportation
Improvement Program prepared pursuant to Section 134 of Title
23 of the United States Code to the department for incorporation
into the Federal Statewide Transportation Improvement Program.
Federal Transportation Improvement Programs shall, at a
minimum, include the years covered by the Federal Statewide
Transportation Improvement Program.

(2) Notwithstanding paragraph (1), a metropolitan planning
organization or transportation planning agency shall not be required
to submit a Federal Transportation Improvement Program to the
department for 2020.

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

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

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

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

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

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

(k) Before determining the amount for local subvention required by this section, the department shall first deduct the amount authorized by the Legislature for increased department oversight of the federal subvented program.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to changes in federal law, many metropolitan planning organizations and transportation planning agencies are unable to comply with existing law, which requires those entities to submit Federal Transportation Improvement Programs to the Department of Transportation for 2020.