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AB-135 Transportation. (2017-2018)

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Assembly Bill No. 135

CHAPTER 255

An act to amend Section 14527 of, and to add and repeal Section 13979.2 of, the Government Code, to amend Section 75225 of the Public Resources Code, and to amend Sections 2033, 2034, 2192, and 2396 of the Streets and Highways Code, relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 16, 2017. Filed with Secretary of State September 16, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 135, Committee on Budget. Transportation.

(1) Existing federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery pilot program, under which the secretary may enter into an agreement with a state for the state to assume the responsibilities of the secretary with respect to federal environmental review and clearance under the National Environmental Policy Act of 1969 (NEPA) with respect to one or more transportation projects, as specified. If a state assumes this responsibility, existing federal law authorizes a state to assume the responsibilities of the secretary for environmental review required under any federal environmental law pertaining to the review or approval of a specific project, and the state to assume the responsibilities of the secretary with respect to one or more transportation projects within the state under NEPA, as specified. Existing law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the pilot program for highway projects.

This bill would authorize the Secretary of Transportation to assume the responsibilities of the United States Secretary of Transportation under NEPA and other federal environmental laws for any railroad, public transportation, or multimodal project undertaken by state agencies, as specified. The bill would provide that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of these responsibilities. The bill would repeal these provisions on January 1, 2021.

(2) Existing law generally provides for programming and allocation of funds for transportation capital improvement projects through the state transportation improvement program process administered by the California Transportation Commission. Existing law requires 25% of available funds to be programmed and expended on interregional improvement projects nominated by the Department of Transportation, and 75% of available funds to be programmed and expended on regional improvement projects nominated by regional transportation planning agencies or county transportation commissions, as applicable, through adoption of a regional transportation improvement program. Existing law authorizes each transportation planning agency or county transportation commission to request and receive up to 5% of those funds for the purposes of project planning, programming, and monitoring.

This bill would authorize the department to make an advance payment to transportation planning agencies and county transportation commissions from those funds for programming, planning, and monitoring if the total allocation is equal to or less than \$300,000. The bill would require funds advanced in this manner to be programmed in the state transportation improvement program and allocated by the California Transportation Commission prior to payment.

(3) Under existing law, the California Transportation Commission allocates various state and federal transportation funds through specified state programs to local and regional transportation agencies to implement projects consistent with the requirements of those programs. These programs include the Solutions for Congested Corridors Program, the Trade Corridor Enhancement Account, and a program established as part of the Road Maintenance and Rehabilitation Program to fund transportation improvements in counties that have sought and received voter approval of taxes or that have imposed fees, which taxes or fees are dedicated solely to transportation improvements. Existing law requires the commission to adopt guidelines for these programs.

This bill would authorize these guidelines to include streamlining of project delivery by authorizing an implementing agency to seek commission approval of a letter of no prejudice that would allow the agency to expend its own funds in advance of allocation of funds by the commission, and to be reimbursed at a later time for eligible expenditures, as specified

(4) Existing law creates the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. Existing law provides for the deposit of various funds, including revenues from certain fuel taxes and vehicle fees, for the program in the Road Maintenance and Rehabilitation Account. Existing law requires funds available for the program to be allocated for various purposes and requires the remaining funds available for the program to be allocated 50% for maintenance of the state highway system or to the state highway operation and protection program and 50% for apportionment to cities and counties by the Controller pursuant to a specified formula. Prior to receiving an apportionment of funds under the program from the Controller in a fiscal year, existing law requires an eligible city or county to submit to the California Transportation Commission a list of projects proposed to be funded with these funds. Existing law requires the commission to report to the Controller the cities and counties that have submitted a list of projects and requires the Controller, upon receipt of the report, to apportion funds to eligible cities and counties.

This bill would authorize an eligible city or county, prior to receiving an apportionment under the program, to expend other funds on eligible projects and to reimburse the source of those other funds when it receives its apportionment from the Controller. The bill would require the Controller, if a city or county is not included in the commission's initial report to the Controller, to retain the monthly share of funds that would otherwise be apportioned and distributed to that city or county and to apportion those funds to that city or county when the Controller receives a subsequent report from the commission that the city or county has become eligible, as specified. The bill would require the Controller to reapportion to all eligible cities and counties any funds that were retained in this manner but that were not apportioned and distributed under these provisions, as specified. The bill would make other related changes.

(5) This bill would appropriate \$274,473,990 from the Federal Trust Fund to the Department of Transportation for the 2017–18 fiscal year for specified transportation-related purposes.

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

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) With the passage of Senate Bill 1 (Chapter 5 of the Statutes of 2017, the Road Repair and Accountability Act of 2017), California will have over \$50 billion in new funds over the next decade to invest in highway and road repair, transit and rail expansion, and other projects to improve California's economy and the livability of our communities.

(b) Senate Bill 1 contains strong accountability standards, and calls for cost efficiencies.

(c) Since 2006, the Department of Transportation has participated in the National Environmental Policy Act (NEPA) Assignment Program, which allows California to assume federal responsibilities for NEPA actions on highways and local roads provided the state waives its sovereign immunity and defends any NEPA challenges in federal court.

(d) According to the Department of Transportation, NEPA Assignment has been shown to significantly reduce environmental document processing times and to greatly accelerate transportation project delivery. For example, under NEPA Assignment, there has been a median time savings of 10.8 months in approving draft environmental assessment (EA) documents and 12.5 months for final EAs. There has been a nearly 28-month time savings in finalizing draft environmental impact statements (EIS). Time savings in the environmental process results in significant project cost savings.

(e) Based on the success of the NEPA Assignment Program for highways and roads, the United States Congress expanded the program to include rail and transit projects in 2012.

(f) Senate Bill 1 will allow the state to be a funding partner in transformative rail and transit projects, which could include projects such as the Bay Area Rapid Transit system (BART) to San Jose project; the Los Angeles Union Station Link US project; and the Altamont Corridor Express ACE forward project.

(g) Projects listed above and other rail and transit projects should have the same opportunity to benefit from the time and cost efficiencies that highway and road projects enjoy today through NEPA Assignment.

(h) Because the federal government requires states to waive sovereign immunity to participate in the NEPA Assignment Program, that authority is needed in California to expand the NEPA Assignment authority used for highway and road projects, to also include transit and rail projects.

SEC. 2. Section 13979.2 is added to the Government Code, to read:

13979.2. (a) The secretary, on behalf of the agency, and any department, office, or other unit within the agency with the authority to implement transportation projects, may assume responsibilities under the National Environmental Policy Act of 1969 and other federal environmental laws, pursuant to Section 327 of Title 23 of the United States Code, for any railroad, public transportation, or multimodal project.

(b) Prior to assuming the responsibilities set forth in subdivision (a) through execution of a memorandum of understanding between the State of California and the federal government, the secretary shall submit a copy of the draft memorandum of understanding to the Joint Legislative Budget Committee. Execution of the memorandum of understanding shall occur no sooner than 30 days after the secretary provides the draft memorandum of understanding to the Joint Legislative Budget Committee, or whatever lesser time after that notification that the chair of the joint committee, or his or her designee, may determine.

(c) The State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of any responsibilities assumed pursuant to subdivision (a).

(d) In any action brought pursuant to the federal laws described in subdivision (a) for a project for which responsibilities have been assumed pursuant to subdivision (a), no immunity from suit may be asserted pursuant to the Eleventh Amendment to the United States Constitution, and any immunity is hereby waived.

(e) No responsibility assumed pursuant to subdivision (a) may be delegated to any political subdivision of the state, such as a county, or its instrumentalities.

(f) This section does not affect the obligation of the secretary and all departments, offices, and other units within the agency to comply with state and federal law.

(g) Nothing in this section is intended to repeal or modify Section 820.1 of the Streets and Highways Code.

(h) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

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

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

(b) The regional transportation improvement program shall include all projects to be funded with the county share under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code. The regional programs shall be limited to projects to be funded in whole or in part with the county share that shall include all projects to receive allocations by the commission during the following five fiscal years. For each project, the total expenditure for each project component and the total amount of commission allocation and the year of allocation shall be stated. The total cost of projects to be funded with the county share shall not exceed the amount specified in the fund estimate made by the commission pursuant to Section 14525.

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

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

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

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

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

(h) (1) Each transportation planning agency and county transportation commission may request and receive an amount not to exceed 5 percent of its county share for the purposes of project planning, programming, and monitoring.

(2) Notwithstanding any other law, but to the extent consistent with applicable federal law or regulation, the department may make an advance payment up to three hundred thousand dollars (\$300,000) per year to transportation planning agencies and county transportation commissions for programming, planning, and monitoring under paragraph (1) where the total allocation under that paragraph is equal to or less than three hundred thousand dollars (\$300,000). Funds advanced shall be programmed in the State Transportation Improvement Program and allocated by the California Transportation Commission prior to payment.

SEC. 4. Section 75225 of the Public Resources Code is amended to read:

75225. (a) A lead applicant agency may apply to the commission for a letter of no prejudice for a project or for any component of a project included in the program of projects approved by the Transportation Agency. If approved by the commission, the letter of no prejudice shall allow the lead applicant agency to expend its own moneys for the project or any component of the project and to be eligible for future reimbursement, as applicable, from moneys available for the program from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, or from moneys available for the program pursuant to subdivision (a) of Section 11053 of the Revenue and Taxation Code.

(b) The amount expended under subdivision (a) shall be reimbursed by the state from moneys available for the program if all of the following conditions are met:

(1) The project or project component for which the letter of no prejudice was requested has commenced, and the regional or local expenditures have been incurred.

(2) The expenditures made by the lead applicant agency are eligible for reimbursement in accordance with applicable laws and procedures. If expenditures made by the lead applicant agency are determined to be ineligible, the state has no obligation to reimburse those expenditures.

(3) The lead applicant agency complies with all legal requirements for the project, including the requirements of the California Environmental Quality Act (Division 13 (commencing with Section 21000)).

(4) There are moneys designated for the program that are sufficient to make the reimbursement payment.

(c) The lead applicant agency and the commission shall enter into an agreement governing reimbursement as described in this section. The timing and final amount of reimbursement is dependent on the terms of the agreement and the availability of moneys for the program.

(d) The commission, in consultation with intercity, commuter, urban rail, and other public transit entities, may develop guidelines to implement this section.

SEC. 5. Section 2033 of the Streets and Highways Code is amended to read:

2033. (a) On or before January 1, 2018, the commission, in cooperation with the department, transportation planning agencies, county transportation commissions, and other local agencies, shall develop guidelines for the allocation of funds pursuant to subdivision (a) of Section 2032.

(b) The guidelines shall be the complete and full statement of the policy, standards, and criteria that the commission intends to use to determine how these funds will be allocated.

(c) The commission may amend the adopted guidelines after conducting at least one public hearing.

(d) The guidelines may include streamlining of project delivery by authorizing local or regional transportation agencies to seek commission approval of a letter of no prejudice that allows the agency to expend its own funds in advance of an allocation of funds by the commission, and to be reimbursed at a later time for eligible expenditures. A letter of no prejudice shall only be available to local or regional transportation agencies for moneys that have been identified for future allocation to the applicant agency. Moneys designated pursuant to subdivision (a) of Section 2032 shall only be reimbursed when there is funding available in an amount sufficient to make the reimbursement.

SEC. 6. Section 2034 of the Streets and Highways Code is amended to read:

2034. (a) (1) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county shall submit to the commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding shall be adopted by resolution by the applicable city council or county board of supervisors at a regular public meeting. The list of projects proposed to be funded with these funds shall include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. The project list shall not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with subdivision (b) of Section 2030.

(2) The commission shall submit an initial report to the Controller that indicates the cities and counties that have submitted a list of projects as described in this subdivision and that are therefore eligible to receive an apportionment of funds under the program for the applicable fiscal year. If the commission receives a list of projects from a city or county after it submits its initial report to the Controller, the commission shall submit a subsequent report to the Controller that indicates the cities and counties that submitted a list of projects after the commission submitted its initial report.

(3) The Controller, upon receipt of the initial report, shall apportion funds to eligible cities and counties.

(4) (A) For any city or county that is not included in the initial report submitted to the Controller pursuant to paragraph (2), the Controller shall retain the monthly share of funds that would otherwise be apportioned and distributed to the city or county pursuant to paragraph (3).

(B) If the Controller receives a subsequent report from the commission within 90 days of receiving the initial report from the commission that a city or county has become eligible to receive an apportionment, the Controller shall apportion the funds retained pursuant to subparagraph (A) to the city or county.

(C) The Controller shall reapportion to all eligible cities and counties pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 any funds that were retained pursuant to subparagraph (A) but that were not apportioned and distributed pursuant to subparagraph (B).

(b) For each fiscal year, each city or county receiving an apportionment of funds shall, upon expending program funds, submit documentation to the commission that details the expenditures of all funds under the program, including a description and location of each completed project, the amount of funds expended on the project, the completion date, if applicable, and the estimated useful life of the improvement.

(c) Prior to receiving an apportionment of funds under the program pursuant to paragraph (2) of subdivision (h) of Section 2032 from the Controller in a fiscal year, an eligible city or county may expend other funds on eligible projects and may reimburse the source of those other funds when it receives its apportionment from the Controller.

SEC. 7. Section 2192 of the Streets and Highways Code is amended to read:

2192. (a) The following revenues shall be allocated for infrastructure projects pursuant to this section:

(1) The revenues deposited in the Trade Corridors Enhancement Account pursuant to Section 2192.4, except for those revenues in the account that were appropriated by Senate Bill 132 of the 2017–18 Regular Session (Chapter 7 of the Statutes

of 2017).

(2) An amount of federal funds equal to the amount of revenue apportioned to the state under Section 167 of Title 23 of the United States Code from the national highway freight programs, pursuant to the federal Fixing America's Surface Transportation Act ("FAST Act," Public Law 114-94).

(b) The funding described in subdivision (a) shall be available upon appropriation for allocation by the California Transportation Commission for infrastructure improvements in this state on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement, as determined by the commission and as identified in the state freight plan developed pursuant to Section 13978.8 of the Government Code. Projects eligible for funding shall be included in an adopted regional transportation plan. Projects within the boundaries of a metropolitan planning organization shall be included in an adopted regional transportation plan that includes a sustainable communities strategy determined by the State Air Resources Board to achieve the region's greenhouse gas emissions reduction targets. In developing guidelines for implementing this section, the commission shall (1) apply the guiding principles, to the maximum extent practicable, in the California Sustainable Freight Action Plan released in July 2016 pursuant to Executive Order B-32-15, and (2) consult the state freight plan and the applicable port master plan.

(c) Eligible projects for these funds include, but are not limited to, all of the following:

(1) Highway improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's land ports of entry, rail terminals, and seaports, including navigable inland waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.

(2) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway or local road traffic, improve freight rail mobility, and other projects that improve the safety, efficiency, and capacity of the rail freight system.

(3) Projects to enhance the capacity and efficiency of ports, except that funds available under this section shall not be allocated to a project that includes the purchase of fully automated cargo handling equipment. For the purposes of this paragraph, "fully automated" means equipment that is remotely operated or remotely monitored, with or without the exercise of human intervention or control. Nothing in this paragraph shall prohibit the use of funds available pursuant to this section for a project that includes the purchase of human-operated zero-emission equipment, human-operated near-zero-emission equipment, and infrastructure supporting that human-operated equipment. Furthermore, nothing in this section shall prohibit the purchase of devices that support that human-operated equipment, including equipment to evaluate the utilization and environmental benefits of that human-operated equipment.

(4) Truck corridor improvements, including dedicated truck facilities or truck toll facilities, including the mitigation of the emissions from trucks or these facilities.

(5) Border access improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access funds made available to the state by federal law.

(6) Surface transportation, local road, and connector road improvements to effectively facilitate the movement of goods, particularly for ingress and egress to and from the state's land ports of entry, airports, and seaports, to relieve traffic congestion along major trade or goods movement corridors.

(d) Projects funded with revenues identified in paragraph (1) of subdivision (a) shall be consistent with Article XIX of the California Constitution.

(e) (1) In adopting the program of projects to be funded with funds described in subdivision (a), the commission shall evaluate the total potential economic and noneconomic benefits of the program of projects to California's economy, environment, and public health. The evaluation shall specifically assess localized impacts in disadvantaged communities. The commission shall consult with the agencies identified in Executive Order B-32-15 and metropolitan planning organizations in order to utilize the appropriate models, techniques, and methods to develop the parameters for evaluating the program of projects. The commission shall allocate the funding from subdivision (a) for trade infrastructure improvements as follows:

(A) Sixty percent of the funds shall be available for projects nominated by regional transportation agencies and other public agencies, including counties, cities, and port authorities, in consultation with the department. The commission shall provide reasonable geographic targets for funding allocations without constraining what an agency may propose or what the commission may approve.

(B) Forty percent of the funds shall be available for projects nominated by the department, in consultation with regional transportation agencies.

(2) In adopting a program of projects pursuant to paragraph (1), the commission shall prioritize projects jointly nominated and jointly funded by the state and local agencies. In considering geographic balance for the overall program, the commission may adjust the corridor-based targets in subparagraph (A) of paragraph (1) to account for projects programmed pursuant to subparagraph (B) of paragraph (1).

(f) (1) The commission shall adopt guidelines, including a transparent process to evaluate projects and to allocate the funding described in subdivision (a) for trade infrastructure improvements in a manner that (1) addresses the state's most urgent needs, (2) balances the demands of various land ports of entry, seaports, and airports, (3) places emphasis on projects that improve trade corridor mobility and safety while reducing emissions of diesel particulates, greenhouse gases, and other pollutants and reducing other negative community impacts, especially in disadvantaged communities, (4) makes a significant contribution to the state's economy, (5) recognizes the key role of the state in project identification, (6) supports integrating statewide goods movement priorities in a corridor approach, and (7) includes disadvantaged communities measures, as established by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code, and other tools the commission determines, for evaluating benefits or costs for disadvantaged communities and low-income communities. Project nominations shall include either a quantitative or qualitative assessment of the benefits the project is expected to achieve relative to the evaluation criteria.

(2) The guidelines adopted pursuant to paragraph (1) may include streamlining of project delivery by authorizing regional transportation agencies and other public agencies to seek commission approval of a letter of no prejudice that allows the agency to expend its own funds for a project programmed in a future year of the adopted program of projects, in advance of allocation of funds to the project by the commission, and to be reimbursed at a later time for eligible expenditures. A letter of no prejudice shall only be available to local or regional transportation agencies for moneys that have been identified for future allocation to the applicant agency. Moneys designated for the program shall only be reimbursed when there is funding available in an amount sufficient to make the reimbursement.

(g) In addition, the commission shall also consider the following factors when allocating these funds:

(1) "Velocity," which means the speed by which large cargo would travel from the land port of entry or seaport through the distribution system.

(2) "Throughput," which means the volume of cargo that would move from the land port of entry or seaport through the distribution system.

(3) "Reliability," which means a reasonably consistent and predictable amount of time for cargo to travel from one point to another on any given day or at any given time in California.

(4) "Congestion reduction," which means the reduction in recurrent daily hours of delay to be achieved.

(h) For purposes of this section, the following terms have the following meanings:

(1) "Disadvantaged communities" are those communities identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.

(2) "Low-income communities" are census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093 of the Health and Safety Code.

(i) It is the intent of the Legislature for the commission to adopt an initial program of projects utilizing the state and federal funds described in subdivision (a) for eligible projects as soon as practicable and no later than May 17, 2018.

SEC. 8. Section 2396 of the Streets and Highways Code is amended to read:

2396. (a) The commission, in consultation with the State Air Resources Board, shall develop and adopt guidelines for the program consistent with the requirements of this chapter. Guidelines adopted by the commission shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Prior to adopting the guidelines, the commission shall conduct at least one public hearing in northern California and one public hearing in southern California to review and provide an opportunity for public comment. The commission shall adopt the final guidelines no sooner than 30 days after the commission provides the proposed guidelines to the Joint Legislative Budget Committee and the transportation policy committees in the Senate and the Assembly.

(b) The guidelines adopted pursuant to subdivision (a) may include streamlining of project delivery by authorizing regional agencies to seek commission approval of a letter of no prejudice that allows the agency to expend its own funds for a project programmed in a future year of the adopted program of projects, in advance of allocation of funds to the project by the commission, and to be reimbursed at a later time for eligible expenditures. A letter of no prejudice shall only be available to local or regional transportation agencies for moneys that have been identified for future allocation to the applicant agency. Moneys designated for the program shall only be reimbursed when there is funding available in an amount sufficient to make the reimbursement.

SEC. 9. The sum of two hundred seventy-four million four hundred seventy-three thousand nine hundred ninety dollars (\$274,473,990) is hereby appropriated from the Federal Trust Fund to the Department of Transportation for the 2017–18 fiscal year, as follows:

(a) One hundred million four hundred ninety-six thousand six hundred thirty-nine dollars (\$100,496,639) for local assistance, non-State Transportation Improvement Program, to be scheduled by the department between Programs 1835020-Local Assistance, 1840019-State and Federal Mass Transit, and 1845022-Regional Planning.

(b) One hundred seventy-three million nine hundred seventy-seven thousand three hundred fifty-one dollars (\$173,977,351) for capital outlay, non-State Transportation Improvement Program, to be scheduled in Program 1835019-Capital Projects.

SEC. 10. 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.