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AB-173 Transportation budget trailer bill. (2023-2024)

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Assembly Bill No. 173

CHAPTER 53

An act to amend Sections 8594.14 and 13987 of, to add Sections 13986 and 14669.24 to, and to add and repeal Section 14108 of, the Government Code, to amend Section 75226 of the Public Resources Code, to amend Sections 187010, 187022, 187030, 187032, and 187034 of the Public Utilities Code, to amend Section 104.3 of, to add Section 2704.79 to, and to add and repeal Section 2196.3 of, the Streets and Highways Code, and to amend Section 15 of Chapter 71 of the Statutes of 2022, relating to transportation, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor July 02, 2024. Filed with Secretary of State July 02, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 173, Committee on Budget. Transportation budget trailer bill.

(1) Existing law authorizes a law enforcement agency to request the Department of the California Highway Patrol to activate an Ebony Alert, with respect to Black youth who are reported missing, as specified. Existing law requires, as a condition for requesting an Ebony Alert, that the agency determine that the alert would be an effective tool in the investigation of missing Black youth, and lists factors that the agency may consider in making that determination. If the department concurs with the agency's determination, existing law authorizes the department to activate an Ebony Alert within the appropriate geographical area requested by the investigating law enforcement agency and to assist the agency by disseminating specified alert messages and signs.

This bill would expand and revise the determinations a law enforcement agency must make to request an Ebony Alert. In this regard, the bill would require determinations that, among other things, the investigating law enforcement agency has used all available local resources and there is information available that, if disseminated to the public, could assist in the safe recovery of the missing person. If the department concurs with the agency's determination, the bill would make the department's activation of an Ebony Alert and assistance to the agency, as described above, required. The bill would require, on or before July 1, 2027, the department to create and submit a report to the Governor's office and the Legislature, as specified.

(2) Existing law establishes the Transportation Agency, which has the power of general supervision over specified state entities, including the Department of Transportation and California Transportation Commission. Under existing law, the Transportation Agency is under the supervision of an executive officer known as the Secretary of Transportation. Existing law makes the department responsible for, among other things, the improvement and maintenance of the state highway system. Existing law requires the department to prepare and submit a proposed budget to the Governor that includes the portion to be funded from the State Highway Account. Existing law vests the commission with various powers and duties relative to the programming of transportation capital projects and the allocation of funds to those projects, pursuant to the state transportation improvement program and various other transportation funding programs.

This bill would require the secretary to coordinate with the department and the commission to identify available funding in state transportation programs that may be used to support grade separation projects that were previously awarded funding under specified transportation programs but had that funding reverted pursuant to the Budget Act of 2024. The bill would require the Transportation Agency to prioritize, and would authorize the agency to directly allocate, the funding identified by that process, as available and appropriate, for those grade separation projects that are at risk of losing or failing to secure federal and local funding commitments, or that are at risk of approved project schedule delays, or both. The bill would require the secretary to report to the Legislature, on or before April 30, 2025, on any funding that the secretary identified for impacted grade separation projects.

(3) Existing law requires the Transportation Agency, subject to specified appropriations by the Legislature, to develop and administer an accountability program to govern the distribution of funds to regional transportation planning agencies under the Zero-Emission Transit Capital Program and the component of the Transit and Intercity Rail Capital Program that is allocated pursuant to a specified formula. Existing law requires the Transportation Agency to adopt guidelines governing the distribution of these funding sources. Under the accountability program, existing law requires a regional transportation planning agency to submit a regional short-term financial plan to the Transportation Agency, except as specified, and transit operator data, in order to receive moneys from the funding sources governed by the accountability program during the 2023–24 and 2024–25 fiscal years, as provided.

This bill would expand the requirements of the accountability program to the distribution of funds appropriated to the Transportation Agency in the Budget Act from the Greenhouse Gas Reduction Fund for purposes of the formula-based component of the Transit and Intercity Rail Capital Program. The bill would also require a regional transportation planning agency to submit an updated regional short-term financial plan and updated transit operator data to the Transportation Agency in order to receive moneys governed by the accountability program in the 2025–26 fiscal year, and to submit updated transit operator data to the Transportation Agency in order to receive moneys governed by the accountability program in the 2026–27 and 2027–28 fiscal years. The bill would authorize the Transportation Agency to modify the guidelines for the distribution of those funds for each of these 3 fiscal years by specified dates.

(4) The State Air Resources Board, pursuant to its authority to regulate motor vehicle emissions and emissions of greenhouse gases, has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles.

Existing law, except as provided, beginning December 31, 2025, requires at least 15% of newly purchased vehicles with a gross vehicle weight rating of 19,000 pounds or more purchased by the Department of General Services and other state entities for the state vehicle fleet to be zero-emission vehicles. Existing law, except as provided, requires the Department of General Services, beginning no later than the 2024–25 fiscal year, to ensure that at least 50% of the light-duty vehicles purchased for the state vehicle fleet each fiscal year are zero-emission vehicles.

This bill would require the Department of Transportation to annually compile and report information to the Legislature on or before October 1 of each year, beginning in 2025, regarding the zero-emission vehicles that the department purchases, owns, or leases. In each annual report, the bill would also require the department to conduct an analysis of the duty performance of the zero-emission vehicles that it acquires and to include information on its zero-emission vehicle charging and refueling stations, as specified. The bill would repeal these provisions on January 1, 2036.

(5) Existing law generally authorizes the Director of General Services to hire, lease, lease-purchase, or lease with the option to purchase real property for the use of a state agency, but prohibits the director from entering into a lease-purchase agreement for office space without specific legislative authorization.

This bill would authorize the Department of General Services, with the consent of the Department of Motor Vehicles, to enter into a lease-purchase agreement or lease with an option to purchase agreement for a build-to-suit office facility to replace the Department of Motor Vehicles field office in the City and County of San Francisco. The bill would authorize the project to be a mixed-use development that may include or integrate affordable housing. The bill would require the lease to be subject to approval by the Department of Finance, and subject to specified legislative notice requirements and the Property Acquisition Law.

(6) Existing law creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law authorizes the High-Speed Rail Authority to enter into contracts with private or public entities for the design, construction, and operation of high-speed trains. Existing law creates the High-Speed Rail Authority Office of the Inspector General and prohibits the office from being a subdivision of any other governmental entity. Existing law authorizes the High-Speed Rail Authority Inspector General to initiate audits and reviews related to the delivery of the high-speed rail project and the selection and oversight of contractors, as provided. Existing law imposes other duties and responsibilities on the inspector general relating to the oversight of the High-Speed Rail Authority, including conducting audits and investigations relating

to delivery of the high-speed rail project. Existing law prohibits the inspector general from investigating personnel issues regarding employees of the High-Speed Rail Authority.

This bill would also impose on the inspector general the duty and responsibility to review or investigate adherence to contract provisions of any public or private entity that receives high-speed rail project funds. The bill would define “personnel issues” for purposes of the above-described prohibition. The bill would extend certain whistleblower protections applicable to employees of the High-Speed Rail Authority to employees of a contractor of the authority. The bill would require the High-Speed Rail Authority to ensure that specified provisions granting the inspector general access to records and property in connection with the inspector general's authorized duties are included in all contracts and contract amendments executed on or after July 1, 2024, in which high-speed rail project funds will be expended. The bill would also revise the circumstances under which the Department of Finance is required to notify the chairs of the budget committees of the Legislature regarding changes to the inspector general's proposed budget.

(7) Existing law establishes the Reconnecting Communities: Highways to Boulevards Pilot Program under the administration of the Department of Transportation to provide funding, upon appropriation by the Legislature, for the purpose of awarding competitive grants to eligible entities, in partnership with the department, for planning or implementing the conversion or transformation of underutilized state highways into multimodal corridors that serve residents of underserved communities, as provided. Existing law requires the program to set aside 25% of available funding for planning and 75% for implementation.

This bill would instead require up to 25% of available funding to be set aside for planning and the remainder for implementation.

(8) Existing law, pursuant to a program commonly known as the Port and Freight Infrastructure Program, requires the Transportation Agency, upon an appropriation for its purposes, to develop and administer contracts, grants, or other funding mechanisms to invest in port-specific high-priority projects that increase goods movement capacity on rail and roadways serving ports and at port terminals, as provided. Existing law requires funding under the program to be allocated to public agencies that administer or operate eligible projects and authorizes those public agencies to partner with private operators of projects to implement eligible projects under the program, as specified.

This bill would authorize a lead applicant agency under the program to apply to the Secretary of Transportation for a letter of no prejudice that would allow an applicant to expend its own moneys on a project or any component of a project in the approved program of projects, subject to future reimbursement from program moneys for eligible expenditures if certain conditions are met. The bill would make these provisions inoperative on June 30, 2033, and would repeal them as of January 1, 2034.

(9) Existing law, pursuant to the Safe, Reliable, High-Speed Passenger Train Bond Act for the 21st Century, authorizes \$9,950,000,000 in general obligation bonds for high-speed rail development and other related purposes. The bond act requires the net proceeds received from the sale of \$9,000,000,000 principal amount of those bonds to be used, upon appropriation by the Legislature in the Budget Act, for planning and engineering for the high-speed train system and capital costs, as specified. The bond act also requires not more than 2.5% of those proceeds to be used for administrative purposes, and authorizes the Legislature, by statute, to increase the percentage of those proceeds used for administrative purposes up to a limit of not more than 5%. The bond act requires the amount of bond proceeds available for administrative purposes to be appropriated in the Budget Act.

This bill would increase the percentage of those bond proceeds available for administrative purposes by 2.5%, thereby raising the limit to not more than 5%.

(10) Existing law establishes the Active Transportation Program in the Department of Transportation for the purpose of encouraging increased use of active modes of transportation, such as biking and walking, with funds for the program to be appropriated to the department, for allocation by the California Transportation Commission. Under the program, existing law requires available funds to be awarded to eligible projects by the commission and metropolitan planning agencies.

This bill would appropriate \$100,000,000 from the General Fund to the department to support the Active Transportation Program with the funds to be allocated by the commission, as specified.

(11) 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. Section 8594.14 of the Government Code is amended to read:

8594.14. (a) For purposes of this section, “Ebony Alert” means a notification system, activated pursuant to subdivision (b), designed to issue and coordinate alerts with respect to Black youth, including young Black women and girls, who are reported

missing under unexplained or suspicious circumstances, at risk, developmentally disabled, or cognitively impaired, or who have been abducted.

(b) (1) If a person is reported missing to a law enforcement agency and that agency determines that the requirements of subdivision (c) are met, the law enforcement agency may request the Department of the California Highway Patrol to activate an Ebony Alert. If the Department of the California Highway Patrol concurs that the requirements of subdivision (c) have been met, it shall activate an Ebony Alert within the appropriate geographical area requested by the investigating law enforcement agency.

(2) Radio, television, cable, satellite, and social media systems are encouraged to, but not required to, cooperate with disseminating the information contained in an Ebony Alert.

(3) Upon activation of an Ebony Alert, the Department of the California Highway Patrol shall assist the investigating law enforcement agency by issuing a be-on-the-lookout alert, an electronic flyer, or changeable message signs in compliance with paragraph (4).

(4) Upon activation of an Ebony Alert, the Department of the California Highway Patrol may use a changeable message sign if both of the following conditions are met:

(A) A law enforcement agency determines that a vehicle may be involved in the missing person incident.

(B) Specific identifying information about the vehicle is available for public dissemination.

(c) A law enforcement agency may request that an Ebony Alert be activated if that agency determines that there is information available that, if disseminated to the public, could assist in the safe recovery of the missing person, and the following conditions are met regarding the investigation of the missing person:

(1) The missing person is between 12 to 25 years of age, inclusive.

(2) The investigating law enforcement agency has used all available local resources and at least one of the following conditions are met:

(A) The law enforcement agency determines that the person has gone missing under unexplained or suspicious circumstances, including circumstances that indicate any of the following:

(i) The missing person's physical safety may be endangered.

(ii) The missing person may be subject to trafficking.

(B) The law enforcement agency believes that the person is in danger because of age, health, mental or physical disability, environmental or weather conditions, that the person is in the company of a potentially dangerous person, or that there are other factors indicating that the person may be in peril.

(d) Subparagraphs (A) and (B) of paragraph (2) of subdivision (c) shall be broadly construed in order to effectuate the legislative intent of this section.

(e) The Department of the California Highway Patrol shall create and submit a report to the Governor's office and the Legislature that includes an evaluation of the Ebony Alert, including the efficacy, the advantages, and the impact to other alert programs. The department shall submit the report to the Legislature in compliance with Section 9795 on or before July 1, 2027.

SEC. 2. Section 13986 is added to the Government Code, to read:

13986. (a) The secretary shall coordinate with the Department of Transportation and the California Transportation Commission to identify available funding in state transportation programs in existence as of January 1, 2024, including, but not limited to, competitive grant programs administered by the agency, the Department of Transportation, or the California Transportation Commission, that may be used to support grade separation projects that were previously awarded funding from Cycle 6 of the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code) and the Port and Freight Infrastructure Program established pursuant to Section 2196.2 of the Streets and Highways Code but had that funding reverted pursuant to the Budget Act of 2024.

(b) Notwithstanding any other law, the agency shall prioritize, and may directly allocate, funding identified pursuant to subdivision (a), as available and appropriate, for grade separation projects described in subdivision (a) that are at risk of losing or failing to secure federal and local funding commitments, or that are at risk of approved project schedule delays, or both.

(c) (1) The secretary shall report to the Legislature, on or before April 30, 2025, on any funding that the secretary identified for impacted grade separation projects pursuant to subdivision (a).

(2) The secretary shall submit the report required pursuant to paragraph (1) in compliance with Section 9795.

SEC. 3. Section 13987 of the Government Code is amended to read:

13987. (a) Subject to the appropriation of funds for the purposes described in paragraphs (1) and (2) in the Budget Act of 2023, 2024, 2025, 2026, or 2027, the agency shall develop and administer an accountability program related to the distribution of funds from the following sources:

(1) Funds appropriated to the agency in the annual Budget Act from the General Fund and the Greenhouse Gas Reduction Fund for purposes of the Transit and Intercity Rail Capital Program (Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code) for allocation pursuant to Section 99313 of Public Utilities Code.

(2) Funds appropriated to the agency in the annual Budget Act from the Greenhouse Gas Reduction Fund and the Public Transportation Account for purposes of the Zero-Emission Transit Capital Program (Part 6 (commencing with Section 75260) of Division 44 of the Public Resources Code) for allocation pursuant to paragraphs (1) and (2) of subdivision (a) of Section 99312.1 of the Public Utilities Code.

(b) (1) The agency shall, in consultation with transportation planning agencies, county transportation commissions, transit development boards, and transit operators, develop guidelines aligned with the legislative intent described in subdivision (d) of Section 75226 of, and subdivision (f) of Section 75260 of, the Public Resources Code for the administration of the funding described in subdivision (a).

(2) The guidelines described in this section shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1).

(3) Before adopting or modifying the guidelines pursuant to paragraph (4), the agency shall adopt draft guidelines, post those draft guidelines on its internet website, and conduct at least one public workshop or hearing on the draft guidelines. This section does not preclude the agency from conducting additional public workshops or posting informal draft guidelines to inform guideline development before the adoption of final guidelines.

(4) (A) The agency shall adopt the final guidelines governing the distribution of funds for the 2023–24 fiscal year on or before September 30, 2023.

(B) The agency may modify the guidelines adopted pursuant to subparagraph (A) for the distribution of funds for the 2024–25 fiscal year no later than September 30, 2024.

(C) The agency may modify the guidelines adopted pursuant to subparagraph (A) for the distribution of funds for the 2025–26 fiscal year no later than September 30, 2025.

(D) The agency may modify the guidelines adopted pursuant to subparagraph (A) for the distribution of funds for the 2026–27 fiscal year no later than September 30, 2026.

(E) The agency may modify the guidelines adopted pursuant to subparagraph (A) for the distribution of funds for the 2027–28 fiscal year no later than September 30, 2027.

(c) (1) (A) A regional transportation planning agency may only receive an allocation of funds in the 2023–24 fiscal year from the funding sources described in subdivision (a) if both of the following conditions are met by December 31, 2023:

(i) Except as provided in subparagraph (B), the regional transportation planning agency submits, and the agency approves, a regional short-term financial plan for immediate service retention consistent with the adopted guidelines and the requirements set forth in subdivision (e). If a regional transportation planning agency elects to use the funds described in subdivision (a) for operations for any of its transit operators in the 2023–24 fiscal year or forecasts operational need between the 2023–24 and 2026–27 fiscal years, inclusive, for any of its transit operators, then it shall submit a regional short-term financial plan pursuant to this clause.

(ii) The regional transportation planning agency submits to the agency regionally compiled transit operator data that is consistent with requirements included in the adopted guidelines and the requirements set forth in subdivision (f), and is compiled in coordination with transit operators providing service within the jurisdiction of the regional transportation planning agency.

(B) A regional transportation planning agency shall not be required to submit a regional short-term financial plan pursuant to subparagraph (A) if it declares that it does not have an operational need between the 2023–24 and 2026–27 fiscal years, inclusive, for any of its transit operators and will not use funding sources described in subdivision (a) for operations for any of its transit operators.

(2) A regional transportation planning agency may only receive an allocation of funds in the 2024–25 fiscal year from the funding sources described in subdivision (a) if it submits, and the agency approves, an updated regional short-term financial plan, and updated transit operator data, as described in paragraph (1), by December 31, 2024. The requirement to submit a regional short-term financial plan to receive 2024–25 fiscal year funding shall apply to all regional transportation planning agencies receiving funding described in subdivision (a) regardless of the exemption pursuant to subparagraph (B) of paragraph (1).

(3) A regional transportation planning agency may only receive an allocation of funds in the 2025–26 fiscal year from the funding sources described in subdivision (a) if it submits, and the agency approves, an updated regional short-term financial plan, and updated transit operator data, as described in paragraph (1), by December 31, 2025. The requirement to submit a regional short-term financial plan to receive 2025–26 fiscal year funding shall apply to all regional transportation planning agencies receiving funding described in subdivision (a) regardless of the exemption pursuant to subparagraph (B) of paragraph (1).

(4) A regional transportation planning agency may only receive an allocation of funds in the 2026–27 fiscal year from the funding sources described in subdivision (a) if it submits, and the agency approves, updated transit operator data, as described in paragraph (1), by December 31, 2026.

(5) A regional transportation planning agency may only receive an allocation of funds in the 2027–28 fiscal year from the funding sources described in subdivision (a) if it submits, and the agency approves, updated transit operator data, as described in paragraph (1), by December 31, 2027.

(6) Notwithstanding paragraphs (1) to (5), inclusive, the agency shall provide a regional transportation planning agency that does not meet requirements specified in paragraph (1), (2), (3), (4), or (5) with an opportunity to remedy its plan and data and shall provide the allocation of funding after the requirements are met by no later than August 31, 2024, for the 2023–24 fiscal year, no later than April 30, 2025, for the 2024–25 fiscal year, no later than April 30, 2026, for the 2025–26 fiscal year, no later than April 30, 2027, for the 2026–27 fiscal year, and no later than April 30, 2028, for the 2027–28 fiscal year.

(7) Upon agency approval of a regional short-term financial plan pursuant to paragraph (1), (2), or (3), a regional transportation planning agency shall post the plan on its internet website.

(d) A regional transportation planning agency shall submit a long-term financial plan consistent with the requirements of subdivision (g) to the agency by June 30, 2026, that addresses the approach to sustain its region's transit operations absent additional discretionary or nonformula state funding.

(e) For purposes of subdivision (c), a regional short-term financial plan shall include, but is not limited to, all of the following:

(1) A demonstration of how the region will address any operational deficit, using all available funds including the funding sources described in subdivision (a), through the 2025–26 fiscal year, based on a 2022 service baseline.

(2) Justification for how the region's funding is proposed to be allocated to capital and operational expenses.

(3) A detailed breakdown and justification for how the funding is proposed to be distributed between transit operators and among projects, consistent with the legislative intent described in subdivision (d) of Section 75226 of, and subdivision (f) of Section 75260 of, the Public Resources Code

(4) A demonstration of how the plan will mitigate service cuts, fare increases, or layoffs relative to a 2022 service baseline to achieve short-term financial sustainability.

(5) A summary of how the plan will support ridership improvement strategies that focus on riders, such as coordinating schedules and ease of payment and improving cleanliness and safety, to improve the ridership experience.

(f) For purposes of subdivision (c), a regional transportation planning agency shall compile and submit regionally representative transit operator data to the agency, including, but not limited to, all of the following data:

(1) Existing fleet and asset management plans by transit operator.

(2) Revenue collection methods and annual costs involved in collecting revenue for each transit operator and regional transportation planning agency involved.

(3) A statement of existing service plan and planned service changes.

(4) Expenditures on security and safety measures.

(5) Opportunities for service restructuring, eliminating service redundancies, and improving coordination amongst transit operators, including, but not limited to, consolidation of agencies or reevaluation of network management and governance structure.

(6) Schedule data in General Transit Feed Specification (GTFS) format to enable full visibility of service and service changes where feasible.

(g) For purposes of subdivision (d), a regional long-term financial plan shall include, but is not limited to, both of the following:

(1) Demonstration of the implementation of ridership retention and recovery strategies, including, but not limited to, policies that prioritize safety and cleanliness and streamlined coordination between transit operators, such as schedule coordination, operational management, and site sharing, to improve rider experience.

(2) A five-year forecast of operating funding requirements with detail on all sources of funding proposed for operations, including any new local and regional funding sources being pursued and the progress and improvements implemented since the last submitted regional short-term financial plan.

(h) As a condition of receiving moneys from the funding sources described in subdivision (a), a regional transportation planning agency shall post on its internet website a summary of monthly ridership data, consistent with the data submitted to the National Transit Database, from all its transit operators during the period of time for which it receives those moneys.

(i) (1) The agency shall support the transit goals set forth in this section by doing all of the following:

(A) Providing technical assistance to transit operators to transition to GTFS Real Time.

(B) Working with the Department of Transportation and each region to identify service improvements that could further grow ridership at both regional and interregional levels, including, but not limited to, transit priority.

(C) Working with the Department of Transportation and each region to identify opportunities to reduce the costs of revenue collection across operators, including through their California Integrated Transit Project.

(2) The agency may withhold up to five million dollars (\$5,000,000) of the funding described in subdivision (a) to administer the accountability program established pursuant to this section. This funding shall be available for encumbrance and liquidation until June 30, 2029.

(j) For purposes of this section, "regional transportation planning agency" means a recipient of funding described in paragraphs (1) and (2) of subdivision (a) of Section 99312.1 of the Public Utilities Code.

SEC. 4. Section 14108 is added to the Government Code, to read:

14108. (a) Notwithstanding Section 10231.5, the department shall annually compile and report information to the Legislature on or before October 1 of each year, beginning in 2025, regarding the zero-emission vehicles that the department purchases, owns, or leases, including, but not limited to, all of the following information:

(1) The number of zero-emission vehicles in each weight class categorized by fuel source type that the department owns or leases as of July 1 of each year.

(2) The number of zero-emission vehicles in each weight class categorized by fuel source type that the department purchased in the preceding fiscal year.

(3) The average purchase price of a zero-emission vehicle in each weight class categorized by fuel source type.

(4) The average time for the department to receive a zero-emission vehicle in each weight class categorized by fuel source type from order placement to vehicle delivery.

(b) In each report required pursuant to subdivision (a), the department shall conduct an analysis of the duty performance of the zero-emission vehicles that it acquires categorized by weight class. The analysis shall include, but is not limited to, all of the following information:

(1) The number of zero-emission vehicles required to perform the duties of a single conventionally fueled vehicle that is replaced by a zero-emission vehicle.

(2) A comparison of the final cost, including upfittings and the installation of other required equipment, of a zero-emission vehicle acquired to replace a single conventionally fueled vehicle.

(3) The ability of a zero-emission vehicle to complete the duties of a conventionally fueled vehicle that is replaced by the zero-emission vehicle in the course of a shift during which those vehicles are used.

(c) In each report required pursuant to subdivision (a), the department shall include information on its zero-emission vehicle charging and refueling stations, including, but not limited to, all of the following information:

(1) The number of charging and refueling stations in each district of the department categorized by fuel source type currently owned, operated, or leased by the department as of July 1 of each year.

(2) The number of charging and refueling stations in each district of the department categorized by fuel source type currently planned, in project development, or under construction by the department as of July 1 of each year.

(3) The average time in days required for the department to complete the procurement or construction of a charging or refueling station. The period shall be measured from project initiation to commencement of unit operation for each charging or refueling station.

(4) The total project cost for each charging or refueling station.

(d) For the purposes of this section, "weight class" means the category of a vehicle's gross vehicle weight rating (GVWR) and includes all of the following weight classes:

(1) "Light duty," which means a GVWR less than or equal to 8,500 pounds.

(2) "Class 2b," which means a GVWR greater than 8,500 pounds and less than or equal to 10,000 pounds.

(3) "Class 3," which means a GVWR greater than 10,000 pounds and less than or equal to 14,000 pounds.

(4) "Class 4," which means a GVWR greater than 14,000 pounds and less than or equal to 16,000 pounds.

(5) "Class 5," which means a GVWR greater than 16,000 pounds and less than or equal to 19,500 pounds.

(6) "Class 6," which means a GVWR greater than 19,500 pounds and less than or equal to 26,000 pounds.

(7) "Class 7," which means a GVWR greater than 26,000 pounds and less than or equal to 33,000 pounds.

(8) "Class 8," which means a GVWR greater than 33,000 pounds.

(e) (1) Each report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795.

(2) The department shall post each report required pursuant to subdivision (a) on its internet website in a manner that can be downloaded and shall also post a telephone number on the internet website to call to order a hard copy of the report from the department.

(f) This section shall remain in effect only until January 1, 2036, and as of that date is repealed.

SEC. 5. Section 14669.24 is added to the Government Code, immediately following Section 14669.23, to read:

14669.24. (a) The Department of General Services, with the consent of the Department of Motor Vehicles, may enter into a lease-purchase agreement, or lease with an option to purchase agreement, for a build-to-suit office facility to replace the Department of Motor Vehicles field office in the City and County of San Francisco. The new facility shall be located on approximately two and one-half acres and shall be designed and built to standards typical for a Department of Motor Vehicles field office. This project may be a mixed-use development that may include or integrate affordable housing into the property. The development shall have oversight, testing, and inspection in a manner consistent with state infrastructure projects. The facility shall be anticipated to contain approximately 20,000 square feet of office space together with ancillary improvements to include, but not be limited to, a drive-test area, parking, site work, and fencing, and may include affordable housing.

(b) Any lease and all related agreements authorized by this section are subject to Department of Finance approval, the legislative notice requirements prescribed in Section 13332.10, and the Property Acquisition Law (Part 11 (commencing with Section 15850)).

SEC. 6. Section 75226 of the Public Resources Code is amended to read:

75226. (a) Notwithstanding any other law, moneys appropriated to the Transportation Agency in the annual Budget Act from the General Fund and the Greenhouse Gas Reduction Fund for purposes of the Transit and Intercity Rail Capital Program shall not be distributed pursuant to a program of projects adopted pursuant to Section 75222 and allocated by the California Transportation Commission pursuant to Section 75220.

(b) The moneys described in subdivision (a) shall instead be distributed to regional transportation planning agencies pursuant to Section 99313 of the Public Utilities Code and the distribution of those moneys shall be subject to the requirements of Section 13987 of the Government Code and the guidelines adopted pursuant to that section.

(c) Subject to compliance with Section 13987 of the Government Code, a regional transportation planning agency may use moneys described in subdivision (a) to fund transit operating expenses within its jurisdiction consistent with an approved regional short-term financial plan or a long-term financial plan, as applicable, or for transformative capital improvements described in Sections 75220 and 75221, or for both of these purposes.

(d) In allowing the funds described in subdivision (a) to be available for operating costs, it is the intent of the Legislature for those expenditures to do all of the following:

- (1) Provide one-time multiyear bridge funding for transit operators to address operational costs until long-term transit sustainability solutions are identified.
- (2) Assist transit operators in preventing service cuts and increasing ridership.
- (3) Prioritize the availability of transit for riders who are transit dependent.
- (4) Prioritize transit agencies representing a significant percentage of the region's ridership.

(e) For purposes of this section, "regional transportation planning agency" means a recipient of funding described in paragraphs (1) and (2) of subdivision (a) of Section 99312.1 of the Public Utilities Code.

SEC. 7. Section 187010 of the Public Utilities Code is amended to read:

187010. Unless the context requires otherwise, for purposes of this division, the following definitions apply:

(a) "Inspector General" means the High-Speed Rail Authority Inspector General appointed pursuant to Section 187020.

(b) "Merced to Bakersfield segment" means a 171-mile electrified dual-track segment that is usable for high-speed rail service in the central valley from Merced to Bakersfield, with a new combined station in downtown Merced, and connections to the Amtrak San Joaquins and the Altamont Corridor Express.

(c) "Office" means the High-Speed Rail Authority Office of the Inspector General established pursuant to Section 187020.

(d) "Personnel issues" means matters specific to the employment relationship between the High-Speed Rail Authority and its employees, including, but not limited to, hiring and promotional decisions, performance reviews, progressive discipline, adverse actions, grievances, merit issue complaints, workplace harassment, discrimination, or possible wage or supply theft having an immaterial effect, as determined by the Inspector General, on the planning, delivery, and operation of the project. For purposes of this division, "personnel issues" does not mean fraud, waste, abuse, or mismanagement by the High-Speed Rail Authority or its employees having a material effect, as determined by the Inspector General, on the planning, delivery, and operation of the project.

(e) "Project" means the high-speed rail project undertaken by the High-Speed Rail Authority pursuant to Division 19 (commencing with Section 185000) of this code and Chapter 20 (commencing with Section 2704) and Chapter 20.5 (commencing with Section 2704.75) of Division 3 of the Streets and Highways Code.

SEC. 8. Section 187022 of the Public Utilities Code is amended to read:

187022. (a) In coordination with the High-Speed Rail Authority, the Inspector General shall be provided with appropriate and adequate office space at the High-Speed Rail Authority's offices or other facilities as necessary, together with such equipment, office supplies, maintenance services, and communications facilities and services as may be necessary for the operation of the Inspector General's offices.

(b) For each fiscal year, the Inspector General shall provide the Department of Finance with the office's proposed budget by September 1 of each year. If the Department of Finance makes any position or funding changes to the Inspector General's proposed budget, including, but not limited to, modifications related to total funding amounts in the budget year and out-years, staff classifications, limited-term versus permanent positions, contract resources, and operating expenses and equipment, the Department of Finance shall provide a notification to the chairs and vice chairs of the budget committees of both houses of the Legislature and the Legislative Analyst's Office identifying the differences and explaining the reasons for the differences. This notification shall be provided no later than January 10 of each year.

(c) The annual salary for the Inspector General shall be equal to that of the Inspector General of the Department of Corrections and Rehabilitation established pursuant to Chapter 8.2 (commencing with Section 6125) of Title 7 of Part 3 of the Penal Code.

SEC. 9. Section 187030 of the Public Utilities Code is amended to read:

187030. (a) The Inspector General may, under policies developed by the Inspector General, initiate an audit or review on the Inspector General's own accord regarding oversight related to delivery of the project, and the selection and oversight of contractors related to the project. Following a completed audit or review, the Inspector General may perform a followup audit or review to determine what measures the High-Speed Rail Authority implemented to address the Inspector General's findings and to assess the effectiveness of those measures. In considering what audits and reviews to perform, the Inspector General may consider input received from the Legislature, the Governor, and the High-Speed Rail Authority.

(b) The duties and responsibilities of the Inspector General shall include, but are not limited to, all of the following:

(1) Commencing with the project update report required pursuant to Section 185033.5 that is due on or before March 1, 2023, to conduct independent fiscal estimates and reviews of the High-Speed Rail Authority's plans and estimates for project advancement and make findings of the reasonableness of those plans and estimates.

(2) Commencing with the project update report required pursuant to Section 185033.5 that is due on or before March 1, 2023, to monitor progress toward meeting the milestones toward the implementation of the successful completion of the Merced to Bakersfield segment of the project, consistent with subdivision (a).

(3) To conduct audits and investigations relating to delivery of the project.

(4) To identify best practices in the delivery of capital projects and recommend policies to enable the High-Speed Rail Authority to adopt these practices when practicable.

(5) To recommend policies promoting efficiency in the administration of programs and operations as part of any audit findings.

(6) To review the High-Speed Rail Authority process for considering proposed and executed change orders and to make any recommendations to ensure the process is appropriate for determining the merit and reasonableness of change orders.

(7) To review the High-Speed Rail Authority's contracts and contracting practices to determine whether they are executed consistent with state and federal laws and policies and are conducted in a fair and reasonable manner, providing the state with valued services at reasonable cost.

(8) To review proposed agreements to ensure that they are in the best interest of the state, the High-Speed Rail Authority's statutory mission, and state priorities.

(9) To review or investigate adherence to contract provisions, including, but not limited to, billing and invoicing requirements, of any public or private entity, including a High-Speed Rail Authority contractor, that receives project funds.

(c) The Inspector General shall not investigate personnel issues regarding employees of the High-Speed Rail Authority.

(d) Nothing in this division is intended to infringe upon the authority of the High-Speed Rail Authority's own audits and controls.

SEC. 10. Section 187032 of the Public Utilities Code is amended to read:

187032. (a) In connection with duties authorized pursuant to this division, the Office of the Inspector General may do any of the following:

(1) Administer oaths.

(2) Certify to all official acts.

(3) Receive and investigate complaints or information from any person concerning the existence of an activity constituting a violation of laws, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to the public health and safety. Once a complaint or information has been received from an employee of the High-Speed Rail Authority or one of its contractors:

(A) The Inspector General shall not disclose the identity of the employee without the consent of the employee, unless the Inspector General determines that the disclosure is unavoidable during the course of the investigation or the disclosure is made to an official of the Department of Justice responsible for determining whether a prosecution should be undertaken.

(B) No action constituting a reprisal, or threat of reprisal, for making the complaint or providing the information may be taken by any employee of the High-Speed Rail Authority or one of its contractors in a position to take those actions, unless the complaint was made or the information was disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

(4) Issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, or documents in any medium, or for the making of oral or written sworn statements, in any interview conducted pursuant to duties authorized by this division.

(b) Any subpoena issued under this division extends as process to all parts of the state and may be served by any person authorized to serve process of courts of record or by any person designated for that purpose by the office. The person serving this process may receive compensation as is allowed by the office, not to exceed the fees prescribed by law for similar service.

SEC. 11. Section 187034 of the Public Utilities Code is amended to read:

187034. (a) Notwithstanding any other law, the Inspector General during regular business hours or at any other time determined necessary by the Inspector General shall have access to and authority to examine and reproduce any and all books, accounts, reports, vouchers, correspondence, files, documents, and other records, and to examine the bank accounts, money, or other property of the High-Speed Rail Authority in connection with duties authorized by this division. Any officer or employee of any agency or entity having these records or property in their possession or under their control shall permit access to, and examination and reproduction thereof consistent with the provisions of this division, upon the request of the Inspector General or the Inspector General's authorized representative.

(b) The High-Speed Rail Authority shall ensure that the right-of-access provisions described in subdivision (a) are included in all of its contracts or amendments executed on or after July 1, 2024, in which project funds will be expended.

SEC. 12. Section 104.3 of the Streets and Highways Code is amended to read:

104.3. (a) For purposes of this section, the following definitions apply:

(1) "Federal Reconnecting Communities Pilot Program" means the Reconnecting Communities Pilot Program established pursuant to Section 11509 of the federal Infrastructure Investment and Jobs Act (Public Law 117-58).

(2) "Joint powers authority" means a joint exercise of powers authority established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(3) "Program" means the Reconnecting Communities: Highways to Boulevards Pilot Program established pursuant to subdivision (b).

(b) The Reconnecting Communities: Highways to Boulevards Pilot Program is hereby established, to be administered by the department, with guidance from the Transportation Agency, and in consultation with the commission, the Department of Housing and Community Development, the Strategic Growth Council, and the Governor's Office of Planning and Research, to provide funding, upon appropriation by the Legislature, for the purpose of awarding competitive grants to eligible entities, in partnership with the department, for planning or implementing the conversion or transformation of underutilized state highways into multimodal corridors that serve residents of underserved communities.

(c) The purpose of the program is to achieve the following goals:

(1) Restore community connectivity through the removal, retrofit, mitigation, or replacement of eligible transportation infrastructure facilities that create barriers to mobility, access, or economic development.

(2) Provide matching funding for potential federal grant funds.

(3) Advance health and equity outcomes for underserved communities by removing health, safety, and access barriers associated with transportation infrastructure within communities.

(4) Improve access to opportunity by improving travel options and reducing combined household transportation and housing costs for underserved communities.

(5) Create opportunities for implementation of affordable housing and affirmatively furthering fair housing.

(6) Avoid or minimize direct and indirect displacement effects from project implementation.

(7) Advance community-based or community-driven transportation planning.

(d) The program shall set aside up to 25 percent of available funding for planning and the remainder for implementation.

(e) Eligible applicants under the program may include, but are not limited to, any of the following:

(1) For planning grants, a nonprofit organization, a community-based organization, a faith-based organization, a coalition or association of nonprofit organizations, a local agency, a regional agency, a joint powers authority, a tribal government, or a

transit agency.

(2) For implementation grants, a local, regional, or state transportation agency, a joint powers authority, or a tribal government.

(f) Eligible project types under the program for implementation grants include, but are not limited to, any of the following:

(1) Conversion or capping of an access-controlled state-operated transportation route to increase access for bicycles, pedestrians, and transit.

(2) Conversion of a state highway serving as a main street into a multimodal surface street that allows for bicycle, pedestrian, and transit access.

(3) A project that significantly enhances multimodal connectivity along or across a state highway without conversion or capping.

(4) Implementation of early action implementation plans developed under subdivision (g).

(5) Other implementation activities authorized for funding under the federal Reconnecting Communities Pilot Program.

(g) Eligible project types under the program for planning grants include, but are not limited to, the following activities leading to any of the eligible implementation project types:

(1) Community engagement, consultation, and leadership activities.

(2) Planning studies, needs assessments, feasibility studies, scenario planning, conceptual designs, and other planning products.

(3) Project plans and design documents needed to deliver implementation projects.

(4) Environmental review, consultation, or other efforts required under any state and federal environmental laws relating to the review or approval of an eligible project.

(5) Early action implementation plans for interim design solutions that demonstrate proof of concept for projects.

(6) Establishment of a community land trust for the development and use of excess or surplus land created by the removal, retrofit, or transformation of an underutilized highway.

(7) Other transportation and community-based transportation planning activities required to advance a specific project.

(8) Other planning activities authorized for funding under the federal Reconnecting Communities Pilot Program.

(h) (1) Within one year of June 30, 2022, the department shall develop guidelines, including project selection criteria, program evaluation metrics, and targeted technical assistance strategies to implement the program. The guidelines 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).

(2) In developing guidelines pursuant to this section, the department shall solicit input from local communities.

(3) The guidelines shall include, but shall not be limited to, all of the following:

(A) (i) A requirement that 100 percent of the program funds are awarded to projects that benefit underserved communities. For purposes of the program, the department shall establish a data-driven definition for underserved communities that may include, but need not be limited to, disadvantaged communities, as identified pursuant to Section 39711 of the Health and Safety Code, and low-income communities, as defined in paragraph (2) of subdivision (d) of Section 39713 of the Health and Safety Code.

(ii) A project eligible under the program shall clearly demonstrate a direct and meaningful benefit to an underserved community, and be adjacent to, or directly located in, an underserved community.

(iii) A project eligible under the program shall require that the applicant demonstrate that the project is developed in partnership with the department and that it would be consistent with the requirements of the federal Reconnecting Communities Pilot Program, regardless of the availability of funding from the federal program.

(B) Project selection criteria that includes, but is not limited to, all of the following:

(i) The ability of the project to successfully compete for federal grant funding.

(ii) The demonstrated need of the applicant to address the goals of the program as described in subdivision (c).

(iii) The demonstrated leadership and involvement from local community members and organizations in the creation of the project, or the anticipated leadership or involvement from local community members and organizations in the planning process for which funds are being requested.

(iv) The demonstrated commitment of local, regional, or federal funds as leveraged match to state grants.

(v) In awarding planning grants, the prioritization of applications that demonstrate multistakeholder partnerships with local and regional agencies, community-based organizations, and other stakeholders, as appropriate.

(C) Development of performance metrics to measure project outcomes in order to inform future implementation of the program.

SEC. 13. Section 2196.3 is added to the Streets and Highways Code, to read:

2196.3. (a) A lead applicant agency may apply to the Secretary of Transportation or the secretary's designee for a letter of no prejudice for a project or for any component of a project included in the program of projects awarded by the Transportation Agency pursuant to Section 2196.2. If approved by the Secretary of Transportation or the secretary's designee, 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 from moneys available for the program.

(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) of the Public Resources Code).

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

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

(d) The Transportation Agency may develop guidelines to implement this section, which 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).

(e) This section shall become inoperative on June 30, 2033, and, as of January 1, 2034, is repealed.

SEC. 14. Section 2704.79 is added to the Streets and Highways Code, to read:

2704.79. Pursuant to the authorization set forth in subdivision (h) of Section 2704.08, not more than 5 percent of the proceeds of bonds described in paragraph (1) of subdivision (b) of Section 2704.04 shall be used for administrative purposes.

SEC. 15. Section 15 of Chapter 71 of the Statutes of 2022 is amended to read:

Sec. 15. It is the goal of the Legislature to provide two billion dollars (\$2,000,000,000) for the 2023–24 fiscal year, one billion dollars (\$1,000,000,000) for the 2024–25 fiscal year, and one billion dollars (\$1,000,000,000) for the 2025–26 fiscal year, for transit and intercity rail capital projects. It is the goal of the Legislature that each recipient of funding described in subdivision (a) of Section 99313 of the Public Utilities Code will receive a minimum allocation of three hundred thousand dollars (\$300,000) from the Transit and Intercity Rail Capital Program funds described in this section, with the balance of the Transit and Intercity Rail Capital Program funds described in this section allocated on a population-based formula to each recipient of funding described in subdivision (a) of Section 99313 of the Public Utilities Code. It is the intent of the Legislature that these funds will be used consistent with the uses identified Item 0521-131-0001 of Section 2.00 of the Budget Act of 2021.

SEC. 16. The sum of one hundred million dollars (\$100,000,000) is hereby appropriated from the General Fund to the Department of Transportation to support the Active Transportation Program (Chapter 8 (commencing with Section 2380) of Division 3 of the Streets and Highways Code). Funds appropriated pursuant to this section shall be available for allocation by the California Transportation Commission until June 30, 2027, and available for encumbrance and liquidation until June 30, 2030.

SEC. 17. 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.