



Gavin Newsom ■ Governor

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May 13, 2022

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 0521-490, Support, California State Transportation Agency

Zero-Emission Intercity Rail and Bus Rolling Stock—It is requested that Item 0521-490 be added to extend the allocation and liquidation period for Public Transportation Account funding provided by the Budget Act of 2021 for zero-emission intercity rail and bus rolling stock (Attachment 1). The encumbrance and liquidation period is currently set to expire on June 30, 2022, and this will allow for allocation of these funds through June 30, 2027. The additional time is needed to allow for the procurement of the zero-emission trains and buses.

Statutory Changes to 2021 Budget Act—Amendment to Budget Bill Item 0521-031-0001, Support, and Item 0521-131-0001, Local Assistance, California State Transportation Agency

Transportation Infrastructure Planning and Oversight—It is requested that statutory changes be made to decrease Item 0521-031-0001 by \$338,000 to reflect the funding offset for resources utilized by the California Transportation Commission to implement the Climate Adaptation Grant Programs (Attachment 2). Additionally, statutory changes are requested to increase Item 0521-131-0001 by \$1,000,000,000 to reflect the proposed transportation infrastructure plan (Attachment 3). Lastly, proposed provisional language is requested to be added to designate how the funds will be expended.

The effect of my requested action is reflected on the attachments.

If you have any questions or need additional information regarding this matter, please call Steve Wells, Principal Program Budget Analyst, at (916) 322-2263.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Maria Elena Durazo, Chair, Senate Budget and Fiscal Review Subcommittee
No. 5
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Toks Omishakin, Secretary, California State Transportation Agency
Elissa Konove, Undersecretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, California State Transportation Agency

0521-490—Reappropriation, Secretary of Transportation. The amount specified in the following citation is reappropriated for the purpose provided in the appropriations and shall be available for encumbrance or expenditure until June 30, 2027:

0046—Public Transportation Account

- (1) Up to \$280,000,000 of the unencumbered balance of Schedule (1) of Item 0521-001-0046, Budget Act of 2021.

Statutory Changes to Amend the Budget Act of 2021 as follows:

"0521-031-0001—For support of Secretary of Transportation ~~70,000,000~~ 69,662,000

Schedule:

- (1) 0276-Transit and Intercity Rail Capital Program~~70,000,000~~ 19,662,000
- (2) 0277-Statewide Transportation Priorities...50,000,000

Provisions:

1. Of the amount appropriated in this item, \$20,000,000 is for program administration ~~and shall not be available for encumbrance or expenditure unless additional legislation specifying how the funds shall be allocated is enacted by October 10, 2021. If no such legislation is enacted by October 10, 2021, all funds appropriated in this item shall revert to the General Fund on October 11, 2021.~~
2. Notwithstanding any other law, funds appropriated in this item may be transferred to Item 0521-131-0001. These transfers require the prior approval of the Department of Finance.
3. ~~Of the funds appropriated in this item, \$50,000,000 is for zero-emission rail and transit demonstration projects and shall be available for encumbrance or expenditure until June 30, 2027, and available for liquidation until June 30, 2027.~~
4. All appropriated funds and ~~if~~ any funding is transferred into this item from Item 0521-131-0001, ~~it~~ shall be available for encumbrance or expenditure until June 30, 2027, and available for liquidation until June 30, 2027."

Statutory Changes to Amend the Budget Act of 2021 as follows:

"0521-131-0001—For local assistance, Secretary of Transportation
.....~~2,530,000,000~~3,530,000,000

Schedule:

- (1) 0276-Transit and Intercity Rail Capital Program ...~~2,530,000,000~~3,230,000,000
- (2) 0277-Statewide Transportation Priorities...300,000,000

Provisions:

1. Of the funds appropriated in Schedule (2), \$50,000,000 is for zero-emission rail and transit demonstration projects and shall be available for encumbrance or expenditure and liquidation until June 30, 2027.
2. Of the funds appropriated in Schedule (2), \$250,000,000 is shall be administered as a general fund set-aside for High-Priority Grade Crossing Improvement and Separation Projects. Such funds shall be available for multi-year grants to support the delivery of projects that maximize safety benefits and reduce or eliminate conflicts between road users and railroads, including those anticipated with future rail service growth. Such projects may benefit existing or proposed rail passenger services. Contingent awards that provide the match necessary to leverage federal funds shall be encouraged. The Agency shall amend its program guidelines to establish an application review and prioritization process that is separate and apart from the prioritization of program funds not set aside under this subsection.
3. Of the funds appropriated in Schedule (1), \$1,242,000,000 shall be for high-priority transit projects in Southern California, geographically inclusive of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties, to deliver local and regional projects.
4. Of the funds appropriated in Schedule (1), \$1,988,000,000 shall be for statewide investments in high-priority transit and rail infrastructure projects.
5. Of the funds appropriated in Provisions (3) and (4), not less than \$1,500,000,000 shall be administered as a general fund set-aside for an "Existing TIRCP Projects Leveraging Federal & Local Funds Reserve" and shall be available for multi-year grants to support the delivery of capital projects that have previously received grants from the Transit and Intercity Rail Capital Program and that can demonstrate that a supplemental state grant would leverage or maintain an identified source of significant local or federal investment, including through the federal Capital Investment Grant Program, Expedited Project Delivery Program or other such federal funding source. The Agency shall amend its program guidelines to establish an application review and prioritization process that is separate and apart from the prioritization of program funds not set aside under this subsection.
6. Of the funds appropriated in Provisions (3) and (4), up to \$250,000,000 shall be administered as a general fund set-aside for a "Major Projects Project Development Reserve" and shall be available for multi-year grants to support the delivery of capital projects and programs of projects that have entered or have applied to enter federal project development processes for at least a

portion of the project or program of projects, and that expect to receive federal funding in the future once complete with project development. Contingent awards that provide the match necessary to leverage federal planning funds shall be encouraged. The Agency shall amend its program guidelines to establish an application review and prioritization process that is separate and apart from the prioritization of program funds not set aside under this subsection.

7. Notwithstanding any other law, funds appropriated in this item may be transferred to Item 0521-031-0001. These transfers shall require the prior approval of the Department of Finance.
- ~~8. Funding appropriated in this item is for transit capital projects, with project eligibility to be determined pursuant to Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.~~
- ~~9. Of the amount appropriated in this item, \$2,480,000,000 is for projects and shall not be available for encumbrance or expenditure unless additional legislation specifying how the funds shall be allocated is enacted by October 10, 2021. If no such legislation is enacted by October 10, 2021, all funds appropriated in this item shall revert to the General Fund on October 11, 2021.~~
10. All appropriated funds and ~~If any funding is transferred into this item from Item 0521-031-0001,~~ it shall be available for encumbrance or expenditure until June 30, 2027, and available for liquidation until June 30, 2027."