Page 94, after line 6, insert the following: (and conform the table of contents accordingly):

SEC. 1120. TRANSPORTATION IMPROVEMENTS PROGRAM.

(a) FUNDING.—Out of the amounts apportioned or allocated to a State for each of fiscal years 2013 through 2016 under title 23, United States Code, a State shall set aside funds for carrying out eligible projects under this section.

(b) ELIGIBLE PROJECTS.—A State shall obligate funds set aside under subsection (a) for the following:

(1) Transportation enhancement activities, as defined in section 101(a) of such title.

(2) Projects and activities eligible for assistance under section 1404(f) of SAFETEA–LU (23 U.S.C. 402 note; 119 Stat. 1228), relating to the safe routes to school program.
(c) AMOUNT.—The amount of funds to be set aside by a State for a fiscal year under subsection (a) shall be the lesser of—

(1) the amount determined by adding—

(A) the amount of surface transportation program funds required to be set aside by the State under section 133(d)(2) of such title (as in effect on the day before the date of enactment of this Act) for fiscal year 2009, relating to transportation enhancements; and

(B) the amount of funds apportioned to the State for the safe routes to school program for fiscal year 2009 under section 1404 of SAFETEA–LU (as in effect on the day before the date of enactment of this Act); and

(2) the amount determined by multiplying—

(A) the amount determined under paragraph (1); by

(B) the ratio that—

(i) the total amount of funds made available to the State for Federal-aid highway and highway safety construction programs for fiscal year 2009; bears to

(ii) the total amount of funds made available to the State for Federal-aid high-
way and highway safety construction programs for the fiscal year in which the set-aside is being made.

(d) Allocation Among Programs.—A State shall determine which funds apportioned or allocated to the State under such title shall be used for the set-aside required by subsection (a). Such funds shall be available for the purposes of this section notwithstanding any other provision of law.

(e) Grants to Eligible Entities.—A State may not withhold a grant to an eligible entity for a project if funds are available for the project under this section and if the project is eligible. If funds set aside by a State under subsection (a) remain available to the State for a fiscal year after all eligible projects have been funded, the State may use the remaining funds for any project eligible for assistance under section 133(b) of such title.

(f) Staffing.—From the funds set aside under subsection (a), each State shall use a sufficient amount to fund 2 full-time positions of coordinator of the State’s transportation improvements program under this section.

(g) Administration.—Out of administrative expenses made available under section 104(a) of such title, the Secretary shall make grants to a competitively selected
national nonprofit organization to operate a transportation improvements clearinghouse.

(h) TREATMENT OF PROJECTS.—

(1) NONINFRASTRUCTURE PROJECTS.—A planning project or any other project carried out under this section that does not involve or lead directly to construction, or the placement of equipment, shall not be considered to be a project on a Federal-aid system under chapter 1 of such title.

(2) STATE PROCESS.—The Secretary shall work with State departments of transportation to ensure that any regulations issued to carry out this section are implemented consistently by States and the Secretary to avoid unnecessary delays in implementing projects and ensuring the effective use of Federal funds.

(i) APPLICABILITY OF CHAPTER 1 OF TITLE 23.—Funds set aside by a State under subsection (a) shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of such title, except that the Federal share of the cost of a project or activity described in subsection (b)(2) shall be determined in accordance with 1404(i) of SAFETEA–LU (as in effect on the day before the date of enactment of this Act).
Page 237, strike lines 22 through 25 (and redesignate subsequent subsections accordingly).

Page 239, strike line 23 and all that follows through line 5 on page 240 and insert the following:

SEC. 1701. TRANSPORTATION ENHANCEMENT ACTIVITY DEFINED.

Section 101(a)(35) is amended—

(1) in subparagraph (C) by striking “(including historic battlefields)”;

(2) in subparagraph (D) by striking “(including the provision of tourist and welcome center facilities)”;

and

(3) by striking subparagraph (L).