Members

Steve Vaus, Chair
Mayor, City of Poway
(Representing North County Inland)

Catherine Blakespear, Vice Chair
Mayor, City of Encinitas
(Representing North County Coastal)

Georgette Gomez
Council President, City of San Diego

Jim Desmond
Supervisor, County of San Diego
Chair, Transportation Committee

Bill Wells
Mayor, City of El Cajon
(Representing East County)

Mary Salas
Mayor, City of Chula Vista
(Representing South County)
Chair, Regional Planning Committee

Alternates

Rebecca Jones
Mayor, City of San Marcos
(Representing North County Inland)

David Zito
Mayor, City of Solana Beach
(Representing North County Coastal)

Barbara Bry
Councilmember, City of San Diego

Monica Montgomery
Councilmember, City of San Diego

Kristin Gaspar
Supervisor, County of San Diego

John Minto
Mayor, City of Santee
(Representing East County)
Chair, Public Safety Committee

Serge Dedina
Mayor, City of Imperial Beach
(Representing South County)
Chair, Borders Committee

Hasan Ikhrata
Executive Director, SANDAG

---

Executive Committee Agenda

Friday, May 10, 2019
>>Please Note Start Time<<
9:30 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street, 7th Floor
San Diego

Agenda Highlights

• Legislative Status Report

Please silence all electronic devices during the meeting

You can listen to the Executive Committee meeting by visiting our website at sandag.org

Mission Statement

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; makes strategic plans; obtains and allocates resources; plans, engineers, and builds public transit; and provides information on a broad range of topics pertinent to the region’s quality of life.

San Diego Association of Governments · 401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900 · Fax (619) 699-1905 · sandag.org
Welcome to SANDAG. Members of the public may speak to the Executive Committee (Committee) on any item at the time the Committee is considering the item. Please complete a Request to Comment form located at the Clerk desk. Members of the public may address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Committee may take action on any item appearing on the agenda.

Both agenda and non-agenda comments should be sent to the Clerk of the Committee via clerk@sandag.org. Please include the meeting date, agenda item, your name, and your organization. Any comments, handouts, presentations, or other materials from the public intended for distribution at the meeting should be received by the Clerk no later than 5 p.m. two working days prior to the meeting. All public comments and materials received by the deadline become part of the official public record and will be provided to the members for their review at the meeting.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG also provides access to all agenda and meeting materials online at sandag.org/meetings. Additionally, interested persons can sign up for email notifications at sandag.org/subscribe.

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In compliance with the Americans with Disabilities Act (ADA), SANDAG will accommodate persons who require assistance in order to participate in SANDAG meetings. If such assistance is required, please contact SANDAG at (619) 699-1900 at least 72 hours in advance of the meeting. To request this document or related reports in an alternative format, please call (619) 699-1900 or (619) 699-1904 (TTY), or fax (619) 699-1905.

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如有需要，我们可以把SANDAG议程材料翻译成其他语言。

请在会议前至少 72 小时打电话 (619) 699-1900 提出请求。

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Executive Committee
May 10, 2019

ITEM NO. | RECOMMENDATION
--- | ---
+1. | Approval of Meeting Minutes
The Executive Committee is asked to approve the minutes from its March 8, 2019, meeting. Approve

2. | Public Comments/Communications/Member Comments
Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

Consent

+3. | FY 2018 SourcePoint Basic Financial Statements and Independent Auditors’ Report (Cheryl Mason)
This report presents the FY 2018 SourcePoint Basic Financial Statements and Independent Auditors’ Report for the year ended June 30, 2018. Information

Reports

+4. | Review of Draft Board Agendas (Robyn Wapner)
The Executive Committee is asked to approve the agenda for the May 24, 2019, Board Business meeting. A verbal update on the June 7, 2019, Board Policy agenda will be provided. Approve

+5. | Legislative Status Report (Robyn Wapner)
Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. Staff will provide a summary of the various federal and state activities. Information

6. | Continued Public Comments
If the five-speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.
7. Upcoming Meetings

The next meeting of the Executive Committee is scheduled for Friday, June 14, 2019, at 9 a.m.

8. Adjournment

+ next to an agenda item indicates an attachment
March 8, 2019, Executive Committee Meeting Minutes

Chair Steve Vaus (North County Inland) called the meeting of the Executive Committee to order at 8:12 a.m.

1. Approval of Meeting Minutes (Approve)

Action: Upon a motion by Supervisor Jim Desmond (County of San Diego), and a second by Council President Georgette Gomez (City of San Diego), the Executive Committee approved the minutes from its February 8, 2019, meeting. Yes: Chair Vaus, Vice Chair Catherine Blakespear (North County Coastal), Council President Gomez, Mayor Bill Wells (East County), Supervisor Desmond, and Mayor Mary Salas (South County). No: None. Abstain: None. Absent: None.

2. Public Comments/Communications/Member Comments (Information)

There were no comments.

Reports

3. Review of Draft Board Agendas (Approve)

Robyn Wapner, Senior Legislative Analyst, presented the draft Board Business agenda for March 22, 2019, and provided a verbal update on the draft April 12, 2019, Board Policy agenda.

Action: Upon a motion by Mayor Wells, and a second by Council President Gomez, the Executive Committee approved the draft agenda for the March 22, 2019, Board Business meeting, as amended, and approved cancelling the April 12, 2019, Board Policy meeting, if no items are identified. Yes: Chair Vaus, Vice Chair Blakespear, Council President Gomez, Mayor Wells, Supervisor Desmond, and Mayor Salas. No: None. Abstain: None. Absent: None.

4. Draft FY 2020 SANDAG Program Budget (Approve)

The Executive Committee was asked to:

1. authorize distribution of the Draft FY 2020 Program Budget to the funding agencies for comment; and

2. recommend that the Board of Directors approve the Draft FY 2020 Program Budget and authorize distribution of the document to member agencies and other interested parties for review.

André Douzdjian, Finance Director; Ray Major, Director of Data, Analytics, and Modeling; Charles “Muggs” Stoll, Director of Land Use and Transportation Planning; and Ray Traynor, Director of Operations, presented an overview of the FY 2020 Program Budget.

Anna Arayz, IBEW 465, spoke in opposition to a reduction of funding to the transit agencies.

Gretchen Newsom, IBEW 569, spoke in support of this item.
Tony Kranz, Chair, North County Transit District, spoke in opposition to a reduction of funding to the transit agencies.

**Action:** Upon a motion by Council President Gomez, and a second by Chair Vaus, the Executive Committee approved distribution of the Draft FY 2020 Program Budget to the funding agencies for comment, and recommended that the Board of Directors approve the Draft FY 2020 Program Budget and authorize distribution of the document to member agencies and other interested parties for review. Yes: Chair Vaus, Vice Chair Blakespear, Council President Gomez, Supervisor Desmond, and Mayor Salas. No: Mayor Wells. Abstain: None. Absent: None.

5. **Legislative Status Report (Information)**
   This item was tabled.

6. **Continued Public Comments**
   There were no continued public comments.

7. **Upcoming Meetings**
   The next meeting of the Executive Committee is scheduled for Friday, April 12, 2019, at 9 a.m.

8. **Adjournment**
   Chair Vaus adjourned the meeting at 9:07 a.m.
# Confirmed Attendance at SANDAG Executive Committee Meeting

March 8, 2019

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Name</th>
<th>Member/Alternate</th>
<th>Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Inland</td>
<td>Steve Vaus, Chair</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Rebecca Jones</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>North County Coastal</td>
<td>Catherine Blakespear, Vice Chair</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>David Zito</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>South County</td>
<td>Mary Salas</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Serge Dedina</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>East County</td>
<td>Bill Wells</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>John Minto</td>
<td>Alternate</td>
<td>Yes</td>
</tr>
<tr>
<td>City of San Diego</td>
<td>Georgette Gomez</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Barbara Bry</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Monica Montgomery</td>
<td>Alternate</td>
<td>No</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>Jim Desmond</td>
<td>Primary</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Kristin Gaspar</td>
<td>Alternate</td>
<td>No</td>
</tr>
</tbody>
</table>
FY 2018 SourcePoint Basic Financial Statements and Independent Auditors’ Report

Overview

SourcePoint was established as a nonprofit, public-benefit corporation by SANDAG in 1982, and the Executive Committee serves as its Board of Directors. SourcePoint Bylaws require an independent audit be performed annually. The Basic Financial Statements and Independent Auditors’ Report for the year ended June 30, 2018, is included in Attachment 1. The auditors have expressed an unqualified, or clean, opinion on the basic financial statements.

Ray Major, Chief Economist and Director of Data, Analytics, and Modeling

Key Staff Contact: Cheryl Mason, (619) 699-1951, cheryl.mason@sandag.org
Attachment: 1. SourcePoint Basic Financial Statements and Independent Auditors’ Report for the Year Ended June 30, 2018

Action: Information
This report presents the FY 2018 SourcePoint Basic Financial Statements and Independent Auditors’ Report for the year ended June 30, 2018.

Fiscal Impact:
The FY 2018 total net position of SourcePoint is $213,395.
SourcePoint
(A Component Unit of the San Diego Association of Governments)
San Diego, California

Basic Financial Statements and Independent Auditor’s Report
For the year ended June 30, 2018

PREPARED BY THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
FINANCE DEPARTMENT
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SourcePoint
A Component Unit of the San Diego Association of Governments

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Year Ended June 30, 2018

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Management’s Discussion and Analysis (Required Supplementary Information) ....................... 3
Basic Financial Statements
  Statement of Net Position .................................................................................................................. 9
  Statement of Revenues, Expenses, and Changes in Net Position ............................................. 10
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SOURCEPOINT

A Component Unit of the
San Diego Association of Governments

SOURCEPOINT BOARD OF DIRECTORS AND SANDAG OFFICERS

As of June 30, 2018

SourcePoint is a 501(c)(3) nonprofit public benefit corporation chartered in 1982 by the San Diego Association of Governments (SANDAG) that was created to provide regional information services and technical assistance to private clients and public agencies. SourcePoint is a complete data, research, and planning center for the San Diego region and offers the information and expertise developed by SANDAG over 20 years of solving regional planning issues and assisting governments with special projects.

BOARD OF DIRECTORS:  
Hon. Chair, Terry Sinnott, Council Member, City of Del Mar  
Hon. Vice Chair, Steve Vaus, Mayor, City of Poway  
Hon. Myrtle Cole, Council President, City of San Diego  
Hon. Bill Horn, Supervisor, County of San Diego  
Hon. Bill Wells, Mayor, City of El Cajon  
Hon. Ron Morrison, Mayor, City of National City

SANDAG OFFICERS:  
Vacant, Executive Director  
Kim Kawada, Chief Deputy Executive Director  
André Douzdjian, Director of Finance  
John Kirk, General Counsel  
Ray Major, Director of Data, Analytics, and Modeling  
Cheryl Mason, SourcePoint Manager
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INDEPENDENT AUDITOR’S REPORT

Board of Directors
SourcePoint
San Diego, California

Report on the Financial Statements

We have audited the accompanying financial statements of SourcePoint, a component unit of the San Diego Association of Governments, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise SourcePoint’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SourcePoint, as of June 30, 2018, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Prior-Year Comparative Information

The partial comparative information presented herein as of and for the year ended June 30, 2017, was derived from the financial statements of SourcePoint for the fiscal year ended June 30, 2017, which were audited by other auditors whose report dated December 15, 2017, expressed an unmodified opinion on those financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SourcePoint’s basic financial statements. The introductory section and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Crowe LLP

Costa Mesa, California
December 21, 2018
Management’s Discussion and Analysis

As management of SourcePoint, we offer readers of SourcePoint’s financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018.

Financial Highlights

SourcePoint’s net position at June 30, 2018, decreased by $3,586 or 1.65 percent, when compared to June 30, 2017. The decrease in net position was mostly due to the iCommute operating expenses exceeding operating revenues received during the year.

Net position restricted for iCommute activity decreased 19.30 percent over the previous year, primarily due to the increase in promotional materials encouraging participation in the iCommute program. iCommute contributions increased $5,000 over the prior year, but were approximately $2,300 short of expenses in fiscal year 2018; therefore, funds received in prior years for iCommute purposes were spent. The iCommute program, powered by the San Diego Association of Governments (SANDAG) and in cooperation with the 511 transportation information service, is the Transportation Demand Management program for the San Diego region. iCommute encourages the use of transportation alternatives to help reduce traffic congestion and greenhouse gas emissions.

Overview of the Financial Statements

The management’s discussion and analysis is intended to serve as an introduction to SourcePoint’s basic financial statements. SourcePoint’s basic financial statements include: (1) statement of net position; (2) statement of revenues, expenses, and changes in net position; (3) statement of cash flows; and (4) notes to the basic financial statements.

Basic Financial Statements. The basic financial statements are designed to provide readers with a broad overview of SourcePoint’s finances in a manner similar to a private sector business.

The statement of net position presents information on all of SourcePoint’s assets and liabilities, with the difference reported as net position. Over time, trends of increasing or decreasing net position may serve as a useful indicator of whether the financial position of SourcePoint is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how SourcePoint’s net position changed during the most recent fiscal year. It reports these changes when the underlying event occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows presents information showing the flow of cash and cash equivalents during the most recent fiscal year. This statement reports cash receipts, cash payments, and interest received resulting from operating activities.

Financial Analysis of SourcePoint as a Whole

As noted earlier, net position may serve over time as a useful indicator of the SourcePoint financial position.
The following table is a summary of the Statement of Net Position as of June 30, 2018, and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$218,258</td>
<td>$218,079</td>
</tr>
<tr>
<td>Liabilities</td>
<td>4,863</td>
<td>1,098</td>
</tr>
<tr>
<td>Net position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted - iCommute</td>
<td>9,744</td>
<td>12,075</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>203,651</td>
<td>204,906</td>
</tr>
<tr>
<td>Total net position</td>
<td>$213,395</td>
<td>$216,981</td>
</tr>
</tbody>
</table>

Unrestricted net position of $203,651 represents fees that are available for spending at the discretion of SourcePoint. The $3,765 increase in total liabilities is due to iCommute promotional activity to encourage participation in iCommute programs.

The following table is a summary of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2018, and 2017:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$1,882</td>
<td>$1,918</td>
</tr>
<tr>
<td>iCommute promotions</td>
<td>7,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>9,382</td>
<td>4,418</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>$6,734</td>
<td>$6,339</td>
</tr>
<tr>
<td>iCommute</td>
<td>9,831</td>
<td>6,549</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>16,565</td>
<td>12,888</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(7,183)</td>
<td>(8,470)</td>
</tr>
<tr>
<td>Nonoperating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,597</td>
<td>739</td>
</tr>
<tr>
<td>Changes in net position</td>
<td>(3,586)</td>
<td>(7,731)</td>
</tr>
<tr>
<td>Total net position - beginning</td>
<td>216,981</td>
<td>224,712</td>
</tr>
<tr>
<td>Total net position - end of year</td>
<td>$213,395</td>
<td>$216,981</td>
</tr>
</tbody>
</table>

Total operating revenues increased $4,964 or 112 percent and total operating expenses increased $3,677, or 29 percent. The changes resulted from an increase in donations from iCommute sponsors, which are paid through SourcePoint to utilize the 501(c)(3) status. These donations plus $2,331 of restricted net
position, a total of $9,831, were used to purchase promotional materials encouraging participation in the iCommute program.

**Economic Factors and Next Year’s Budget**

It is anticipated that all new projects will be provided through the SANDAG Service Bureau rather than SourcePoint. Service Bureau offers fee-base products and services in the same manner as SourcePoint, but without a nonprofit exemption. Only projects for clients having a desire or requirement to conduct business with a nonprofit agency are performed through SourcePoint.

For fiscal year 2019, SourcePoint is equipped to provide professional products and services in the areas of strategic planning, geographic information systems mapping, demographic data and analysis, economic services, transportation modeling and analysis, and survey design and analysis to established and new clients. This could also include providing interested member agencies access to on-call consultants and contractors for professional, construction management, and engineering services.

**Contacting SourcePoint’s Financial Management**

This financial report was designed to provide a general overview of SourcePoint’s finances for all those interested. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Director of Finance, SourcePoint, 401 B Street, Suite 800, San Diego, CA 92101, (619) 699-1931, or emailed to Cheryl Mason, SourcePoint Manager, at cheryl.mason@sandag.org.
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SourcePoint
A Component Unit of the San Diego Association of Governments
Statement of Net Position
June 30, 2018
(With comparative information for the prior year)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments - unrestricted</td>
<td>$197,359</td>
<td>$205,496</td>
</tr>
<tr>
<td>Cash and investments - restricted</td>
<td>12,310</td>
<td>12,075</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>5,000</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Due from SANDAG</td>
<td>298</td>
<td>-</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>791</td>
<td>508</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>218,258</strong></td>
<td><strong>218,079</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET POSITION</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>4,542</td>
<td>1,098</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>321</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>4,863</strong></td>
<td><strong>1,098</strong></td>
</tr>
</tbody>
</table>

Net position

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>Restricted - iCommute</td>
<td>9,744</td>
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<tr>
<td>Unrestricted</td>
<td>203,651</td>
<td>204,906</td>
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<tr>
<td><strong>Total net position</strong></td>
<td><strong>$213,395</strong></td>
<td><strong>$216,981</strong></td>
</tr>
</tbody>
</table>

See accompanying Notes to the Basic Financial Statements.
### Statement of Revenues, Expenses, and Changes in Net Position

For the year ended June 30, 2018

(With comparative information for the prior year)

<table>
<thead>
<tr>
<th></th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$1,882</td>
</tr>
<tr>
<td>iCommute promotions</td>
<td>$7,500</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$9,382</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>6,734</td>
</tr>
<tr>
<td>iCommute</td>
<td>9,831</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>16,565</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>(7,183)</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>3,597</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>3,597</td>
</tr>
<tr>
<td><strong>CHANGES IN NET POSITION</strong></td>
<td></td>
</tr>
<tr>
<td>(3,586)</td>
<td></td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>216,981</td>
</tr>
<tr>
<td>End of year</td>
<td>$213,395</td>
</tr>
</tbody>
</table>

See accompanying Notes to the Basic Financial Statements.
SourcePoint
A Component Unit of the San Diego Association of Governments
Statement of Cash Flows
For the year ended June 30, 2018
(With comparative information for the prior year)

<table>
<thead>
<tr>
<th>Totals</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$1,584</td>
<td>$196,286</td>
</tr>
<tr>
<td>Payments for suppliers</td>
<td>(12,800)</td>
<td>(204,163)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) from operating activities</strong></td>
<td>(11,216)</td>
<td>(7,877)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>3,314</td>
<td>2,826</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) investing activities</strong></td>
<td>3,314</td>
<td>2,826</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in cash and investments</strong></td>
<td>(7,902)</td>
<td>(5,051)</td>
</tr>
<tr>
<td><strong>CASH AND INVESTMENTS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of year</td>
<td>$217,571</td>
<td>$222,622</td>
</tr>
<tr>
<td>End of year</td>
<td>$209,669</td>
<td>$217,571</td>
</tr>
<tr>
<td><strong>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>$ (7,183)</td>
<td>$ (8,470)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided by (used for) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from SANDAG</td>
<td>(298)</td>
<td>-</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>(5,000)</td>
<td>189,118</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(2,500)</td>
<td>2,750</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,444</td>
<td>(188,922)</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>321</td>
<td>(2,353)</td>
</tr>
<tr>
<td><strong>Net cash used for operating activities</strong></td>
<td>$ (11,216)</td>
<td>$ (7,877)</td>
</tr>
</tbody>
</table>

There were no noncash financing or investing activities for the years ended June 30, 2018 and 2017.

See accompanying Notes to the Basic Financial Statements.
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SourcePoint
A Component Unit of the San Diego Association of Governments
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

I. Organization and Operations

SourcePoint was established as a 501(c)(3) nonprofit public benefit corporation by SANDAG on April 15, 1982. SourcePoint was created to provide fee-based products and services that meet the needs of decision-makers in the public and private sectors while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the Regional Information System. The SourcePoint governing board is the SANDAG Executive Committee, which is made up of six voting members from among the primary voting members of the SANDAG governing board.

SourcePoint is an integral part of the reporting entity of SANDAG, where it is classified as a blended component unit. The accounts and activities of SourcePoint have been included within the scope of the basic financial statements of SANDAG, because SANDAG has financial accountability and continuing oversight responsibility over SourcePoint. The SourcePoint financial statements should be read in conjunction with those of SANDAG. Only the accounts and activities of SourcePoint are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of SANDAG as a whole.

SourcePoint has received notice from the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and is exempt from state income taxes on related income pursuant to California Revenue and Taxation Code Section 23701(d).

Effective July 1, 2005, SourcePoint began doing business under SANDAG as an option for clients who are required or prefer to contract with a nonprofit agency. All other clients contract through the SANDAG Service Bureau.

II. Summary of Significant Accounting Policies

The accounting policies of SourcePoint conform to Generally Accepted Accounting Principles in the United States as applicable to governmental units. The following is a summary of the significant policies:

A. Measurement Focus, Basis of Accounting, and financial Statement Presentation

The SourcePoint basic financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Estimated unbilled revenues are recognized at the end of each fiscal year.

Proprietary fund types are used to account for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. SourcePoint is accounted for as an enterprise fund, as it is SourcePoint’s policy to establish charges designed to recover the cost of providing services.
B. Revenue Recognition

Contributions including unconditional donation revenue are recognized in the period received and/or unconditionally given. Revenue from conditional promises (pledges) is recognized when it is received, and the conditions are met. Revenue for exchange transactions is recognized when the amounts are realized and are earned.

C. Cash and Cash Equivalents

SourcePoint's cash and cash equivalents are demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

SourcePoint's investment policies are consistent with SANDAG policies and in accordance with California Government Code Section 53601. SourcePoint is authorized to invest in the following:

- Treasury obligations
- Federal agencies and United States government-sponsored enterprises
- State obligations
- Local agency obligations
- Repurchase agreements
- Bankers’ acceptances
- Commercial paper
- Medium-term notes
- Negotiable and nonnegotiable certificates of deposit
- State of California’s Local Agency Investment Fund
- San Diego County Treasurer’s pooled investment fund
- Savings/money market accounts
- California Asset Management Program
- Money market funds
- Mortgage and asset-backed obligations
- Supranationals
<table>
<thead>
<tr>
<th>Authorized Investment Type</th>
<th>Maximum Effective Maturity</th>
<th>Maximum Percentage of Portfolio</th>
<th>Maximum Investment in One Issuer</th>
<th>Minimum Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury obligations</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Federal agencies and U.S. government sponsored enterprises</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>State municipal obligations</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>A-1/AA</td>
</tr>
<tr>
<td>Local agency obligations</td>
<td>5 Years</td>
<td>N/A</td>
<td>N/A</td>
<td>A-1/AA</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>90 Days</td>
<td>N/A</td>
<td>N/A</td>
<td>A-1</td>
</tr>
<tr>
<td>Bankers' acceptances</td>
<td>180 Days</td>
<td>40%</td>
<td>10%</td>
<td>A-1</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>270 Days</td>
<td>25%</td>
<td>10%</td>
<td>A-1</td>
</tr>
<tr>
<td>Medium-Term notes</td>
<td>5 Years</td>
<td>30%</td>
<td>10%</td>
<td>A</td>
</tr>
<tr>
<td>Negotiable certificates of deposits</td>
<td>5 Years</td>
<td>30%</td>
<td>N/A</td>
<td>A</td>
</tr>
<tr>
<td>Nonnegotiable certificates of deposit</td>
<td>5 Years</td>
<td>30%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>State of California's Local agency investment fund (LAIF)</td>
<td>N/A</td>
<td>Set by LAIF</td>
<td>Set by LAIF</td>
<td>N/A</td>
</tr>
<tr>
<td>San Diego county treasurer's pooled investment fund</td>
<td>N/A</td>
<td>Set by LAIF</td>
<td>Set by LAIF</td>
<td>N/A</td>
</tr>
<tr>
<td>Savings/money market accounts</td>
<td>5 Years</td>
<td>Not to exceed equity</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>California asset management program</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>AA/A-2</td>
</tr>
<tr>
<td>Money market funds</td>
<td>5 Years</td>
<td>20%</td>
<td>N/A</td>
<td>AAA</td>
</tr>
<tr>
<td>Mortgage and asset-backed obligations</td>
<td>5 Years</td>
<td>20%</td>
<td>N/A</td>
<td>AA</td>
</tr>
<tr>
<td>Supranationals</td>
<td>5 Years</td>
<td>30%</td>
<td>N/A</td>
<td>AA</td>
</tr>
</tbody>
</table>

SourcePoint is a voluntary participant in the San Diego County Treasurer’s Pooled Money Fund (Pool), which is administered by the Treasurer-Tax Collector’s Office. The fair value of SourcePoint’s investment in the Pool is reported at amounts based upon SourcePoint’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). Earnings realized on investments based on amortized cost are distributed to Investment Pool participants. Section 27013 of the California Government Code authorizes the Treasurer’s Office to deduct administrative fees related to investments. The net realized earnings on investments are apportioned to Pool participants quarterly, based on the participants’ average daily balances. The County’s annual financial report for the Pool can be obtained from the Treasurer-Tax Collector at 1600 Pacific Highway, Room 162, San Diego, CA, 92101 and can also be accessed at sdttc.com.
D. Net Position

The difference between fund assets and liabilities is “Net Position” on the Statement of Net Position.

Net position is reported as restricted when constraints are placed on net position use by creditors or by law or enabling legislation. The following terms are used in the reporting of net position:

Restricted – iCommute – Certain iCommute activities are performed through SourcePoint. iCommute provides regional information services, promotions, and programs for commuter services. The majority of iCommute activities are performed through SANDAG; however, cash donations that are made by iCommute sponsors are paid to SourcePoint to utilize the 501(c)(3) status. Those cash donations are used to purchase promotional items to encourage participation in the iCommute program.

The balance of the iCommute funding at June 30, 2018, was $9,744.

<table>
<thead>
<tr>
<th>Beginning</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td></td>
<td></td>
<td>Balance</td>
</tr>
<tr>
<td>$12,075</td>
<td>$7,500</td>
<td>$(9,831)</td>
<td>$9,744</td>
</tr>
</tbody>
</table>

Unrestricted net position – Unrestricted net position is the net amount of the assets and liabilities that is not included in the above restricted category of net position.

It is SourcePoint’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

E. Operating and nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SourcePoint are donations from iCommute program. Operating expenses for SourcePoint include iCommute promotional items and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect reported amounts of certain assets and liabilities and related reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Management believes that the estimates are reasonable.
G. Prior Year Comparative Information

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with SourcePoint’s prior year financial statements, from which this selected financial data was derived.

H. Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. There is no effect on changes in net position as a result of these reclassifications.

III. Cash and Cash Equivalents

A summary of cash and cash equivalents at June 30, 2018, is as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
<th>Weighted Average Maturity (Days)</th>
<th>NRSRO Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash - demand deposits</td>
<td>$ 36,927</td>
<td>1</td>
<td>Not Rated</td>
</tr>
<tr>
<td>San Diego County Treasurer's Pooled Money Fund</td>
<td>172,742</td>
<td>345</td>
<td>AAAf/S1</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>$ 209,669</td>
<td>325</td>
<td></td>
</tr>
</tbody>
</table>

At June 30, 2018, SourcePoint’s carrying amount of deposits and bank balance was $36,927. This balance was covered by federal depository insurance.

A. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit losses from interest rate risk, investments are generally limited to a maturity of 5 years or less, unless express authority is granted by the board. Furthermore, SourcePoint does not have callable step up United States Agency securities and holds investments in liquidity to sustain operations for the next 6 months. SourcePoint is in compliance with all provisions of the investment policy.
B. Credit Risk

Investments are subject to credit risk, which is the chance that an issuer will fail to pay principal or interest in a timely manner, or that negative perceptions of the issuer’s ability to make these payments will cause price to decline. SourcePoint maintains policies to manage credit risks, which include requiring minimum credit ratings issued by nationally recognized statistical rating organizations for its investments. SourcePoint is in compliance with all minimum rating requirements of the investment policy and did not experience any credit rating changes that brought a security below the minimum required credit ratings.

C. Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification or having too much invested in a few individual shares. SourcePoint maintains investment policies that establish thresholds for holdings of individual securities. SourcePoint did not have any holdings meeting or exceeding the allowable threshold levels as of June 30, 2018. SourcePoint did not have any investments in one issuer greater than 5% of total investments.

D. Custodial Credit Risk

The California Government Code requires California banks and savings and loan associations to secure SourcePoint cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the SANDAG name.

The market value of pledged securities must equal at least 110 percent of SourcePoint cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the SourcePoint total cash deposits. SourcePoint, per direction of the SANDAG investment policy, may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. SourcePoint, however, has not waived the collateralization requirements.
STATISTICAL SECTION
(UNAUDITED)
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**Note:** To better reflect SourcePoint's program revenues, note the following:

FY 2002 is shown net of a $150,000 one-time contribution to SANDAG for public outreach;
FY 2004 and FY 2005 are shown net of $61,991 and $73,814, respectively, of marketing-related labor expenses not recovered with services revenue;
Beginning in FY 2006 with the introduction of RideLink into SourcePoint, revenues and net assets are shown net of RideLink activities;
FY 2008 is shown net of a $69,340 contribution to SANDAG for two projects to enhance the agency's Regional Information System;
Beginning in FY 2012, program revenues increased due to contract management work within Redevelopment Project Areas in the City of Santee;
FY 2013 is shown program revenues of $1,245,644 as the City of Santee project moves into the construction phase;
FY 2014 is shown program revenues of $4,639,644 as the City of Santee project approaches the completion of the construction phase;
FY 2015 is shown program revenues of $11,865,422 as construction work for one of the City of Santee projects was completed;
FY 2016 is shown program revenues of $1,425,513 as construction work for the City of Santee project was complete.
# Draft May 24, 2019, Board Business Agenda

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1.</td>
<td><strong>Approval of Meeting Minutes</strong></td>
</tr>
<tr>
<td></td>
<td>+1A. Special Joint Board of Directors, Policy Advisory Committee, and Independent Taxpayer Oversight Committee Meeting – April 26, 2019</td>
</tr>
<tr>
<td></td>
<td>+1B. Board of Directors Policy Meeting – May 10, 2019</td>
</tr>
</tbody>
</table>

## 2. Public Comments/Communications/Member Comments

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

## 3. Policy Advisory Committee Chairs’ Report

Policy Advisory Committee Chairs will provide updates on key Committee activities.

## 4. Executive Director’s Report

The Executive Director will provide an update on key programs, projects, and agency initiatives.

## Consent

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5.</td>
<td><strong>Approval of Proposed Solicitations and Contract Awards (Julie Wiley)</strong></td>
</tr>
<tr>
<td></td>
<td>The Board of Directors is asked to review and approve the proposed solicitations and contract awards.</td>
</tr>
<tr>
<td></td>
<td>+5A. Solicitations</td>
</tr>
<tr>
<td></td>
<td>+5B. Contract Awards</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6.</td>
<td><strong>Policy Advisory Committee Actions (Victoria Stackwick)</strong></td>
</tr>
<tr>
<td></td>
<td>The Board of Directors is asked to ratify the delegated actions taken by the Policy Advisory Committees.</td>
</tr>
</tbody>
</table>
The Transportation Committee recommends that the Board of Directors approve the eligibility of the Metropolitan Transit System and North County Transit District to receive their FY 2020 allocations of Transportation Development Act funds.

In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Executive Director since the last Board Business meeting.

Board members will provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG.

This report provides the weighted vote distribution for FY 2020, which has been recomputed based on updated population figures certified by the California Department of Finance.

This quarterly report provides an update on various finance-related items to the Board of Directors, including:

1. a quarterly report of investments, including all money under the direction or care of SANDAG;
2. an update on the SANDAG debt portfolio; and
3. information about the latest developments in the financial markets, the economy, and sales tax revenues.

This quarterly report summarizes the current status of major transit, highway, arterial, traffic management, and transportation demand management projects in the 2018 Regional Transportation Improvement Program.
Chair’s Reports

13. San Diego Forward: The 2021 Regional Plan
   Information
   Staff will provide an update on San Diego Forward: The 2021 Regional Plan.

14. Update on Airport Connectivity Subcommittee
   Information
   An update on the Airport Connectivity Subcommittee will be provided.

Reports

   Adopt
   The Audit Committee recommends that the Board of Directors adopt the proposed Office of the Independent Performance Auditor Charter.

+16. Regional Electric Vehicle Charger Program Partnership
   Adopt
   (Mayor Jim Desmond, Transportation Committee Chair; Susan Freedman; Kathy Keehan, San Diego County Air Pollution Control District)
   The Transportation Committee recommends that the Board of Directors adopt Resolution No. 2019-XX, establishing a joint Regional Electric Vehicle Charger Incentive Program between SANDAG, the San Diego County Air Pollution Control District, and the Center for Sustainable Energy.

+17. 2015 Ozone Standard Conformity Determination
   Adopt
   (Supervisor Jim Desmond, Transportation Committee Chair; Elisa Arias)*
   The Transportation Committee recommends that the Board of Directors adopt Regional Transportation Commission (RTC) Resolution No. RTC-2019-03, adopting the 2015 Ozone National Ambient Air Quality Standard Conformity Demonstration for San Diego Forward: The Regional Plan (2015 Regional Plan) and the 2018 Regional Transportation Improvement Program (RTIP); and finding that the 2015 Regional Plan and 2018 RTIP, as amended, are in conformity with the requirements of the federal Clean Air Act and applicable State Implementation Plan for air quality..
+18. 2019 Capital Grant Receipts Revenue Bonds: Review of Draft Documents (André Douzdjian; Peter Shellenberger, Public Financial Management; Victor Hsu, Norton Rose Fulbright, LLP; and Devin Brennan, Orrick, Herrington & Sutcliffe, LLP)

Staff will provide an overview of the proposed bond financing, draft documents, and schedule for the issuance of up to $331.3 million to advance implementation of the Mid-Coast Corridor Transit Project funding strategy.

+19. 2020 Census Complete Count (Darlanne Hoctor Mulmat)

Staff will provide an overview of SANDAG activities related to the Census 2020 Complete Count.

20. Continued Public Comments

If the five-speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

21. Upcoming Meetings

The next Board Policy meeting is scheduled for Friday, June 14, 2019, at 10 a.m. The next Board Business meeting is scheduled for Friday, June 28, 2019, at 9 a.m.

22. Adjournment

+ next to an agenda item indicates an attachment

* next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item
Executive Committee

May 10, 2019

Legislative Status Report

Monthly status reports on legislative activities are provided to the Executive Committee.

Attachments 1 and 2 include summaries from Ellison Wilson Advocacy, LLC on state legislative activity, and from Peyser Associates LLC on federal legislative activity related to SANDAG for March and April 2019.

Robyn Wapner, Acting Principal Government Relations Analyst
Key Staff Contacts: Robyn Wapner, (619) 699-1994, robyn.wapner@sandag.org
Attachments: 1. Report from Ellison Wilson Advocacy
2. Report from Peyser and Associates

Action: Information
Staff will present an update on federal and state legislative and policy activities.
To: SANDAG Board of Directors
From: Ellison Wilson Advocacy, LLC
Subject: SANDAG Legislative Activity Report – March 2019

Legislative Overview

Approximately 2,700 bills were introduced prior to the February 22 bill introduction deadline. The vast majority of bills were introduced on or around the bill introduction deadline, and newly introduced non-budget bills cannot be acted on within 30 days per Joint Rule 55. The deadline for fiscal bills to pass out of a policy committee is April 26, 2019, and bills must pass out of a fiscal committee by May 17, 2019.

SANDAG Regional Plan Bill Introduced by Assembly Member Lorena Gonzalez

On February 22, at the request of SANDAG, Assembly Member Lorena Gonzalez introduced Assembly Bill 1730 (AB 1730). Introduced as a “spot” bill, the bill will be amended to extend the Regional Plan deadline for SANDAG from 2019 to 2021 and delink the Regional Housing Needs Assessment (RHNA) process from the Regional Plan process to ensure the 6th RHNA cycle (and related housing element updates) stay on the current timeline. Specifically, the bill will:

- Extend the Regional Plan deadline to December 31, 2021
- Authorize SANDAG and other agencies to continue relying on the 2015 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and Environmental Impact Review (EIR) until the next plan is adopted (for funding eligibility and other purposes)
- Reset the RTP/SCS deadline to every four years following the 2021 update
- Exempt the interim federal RTP update from California Environmental Quality Act
- Authorize SANDAG and local jurisdictions to continue following the current timeline for the 6th RHNA cycle
- Authorize SANDAG to use the 2015 RTP/SCS for consistency determinations that are needed for the 6th RHNA cycle
- Align the 7th RHNA cycle for the San Diego region with future updates of the RTP/SCS (given the extension and reset)

After these amendments are adopted, the bill will be referred to the appropriate policy committee(s).
Governor Unveils Proposed Housing Budget Trailer Bill Language

In his 2019-2020 proposed budget, the Governor included a number of proposals aimed at improving the affordability of housing in California, including: (1) establishing new short-term housing goals for local communities and providing them funding to help them plan to meet these goals; (2) offering additional funding to communities that make progress toward meeting the short-term goals; (3) revamping the state’s existing process for establishing long-term housing goals for communities; and (4) linking receipt of funds for local streets and roads (Senate Bill 1) to communities’ progress toward meeting long-term housing goals.

On March 11, the Governor released his proposed budget trailer bill language, which of note, included the following language linking SB 1 funds to housing production:

(1) By December 31, 2022, the Department, in collaboration with the California State Transportation Agency and the Office of Planning and Research, shall propose, after engaging in stakeholder participation, opportunities to link transportation and other non-housing funding, including funds available pursuant to paragraph (2) of subdivision (h) of section 2032 of the Streets and Highways Code, with statutorily required housing goals, including but not limited to housing element and annual progress report compliance, and policies that support meeting of housing goals, and integrated housing and transportation planning. The recommendations proposed may be implemented administratively or proposed to the Legislature for statutory change, as applicable.

(2) To aid the implementation of paragraph (1), beginning July 1, 2023, funds available pursuant to paragraph (2) of subdivision (h) of section 2032 of the Streets and Highways Code may be withheld from any jurisdiction that does not have a compliant housing element and has not zoned or entitled for its annual housing goals, pursuant to its most-recent Regional Housing Needs Allocation. Any forms and guidelines issued pursuant to this subdivision shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) or Part 1 of Division 3 of Title 2 of the Government Code).

(3) By May 1, 2023, and annually thereafter, the Department shall report to the Controller a list of cities and counties with funds to be withheld from the following FY apportionment pursuant to paragraph (2). The Controller shall reapportion any withheld funds under paragraph (2) to all cities and counties that do not have funds withheld for that FY, pursuant to the formula in clauses (i) and (ii) of subparagraph (C) of paragraph (3) of subdivision (a) of Section 2103 of the Streets and Highways Code.

The Governor’s budget proposal will continue to be extensively discussed over the next few months by the Legislature’s budget committees and subcommittees, and the Legislature must ultimately pass a budget to the Governor by June 15.
TO: SANDAG Board of Directors  
FROM: Ellison Wilson Advocacy, LLC  
SUBJECT: SANDAG Legislative Activity Report – April 2019

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**Legislative Update**

**Legislative Overview**

The deadline for fiscal bills to pass out of house-of-origin policy committees was April 26, 2019, and the deadline for all non-fiscal bills to pass out of house-of-origin policy committees is May 3. All bills must pass out of house-of-origin fiscal committees by May 17. All bills must be passed by the house-of-origin by May 31.

**SANDAG Regional Plan Bill Unanimously Passed by Assembly Housing & Community Development Committee**

On April 24, the Assembly Housing & Community Development Committee heard and unanimously passed, 8-0, SANDAG’s AB 1730. Among other provisions, this bill extends SANDAG’s Regional Plan deadline from 2019 to 2021 and delinks the RHNA process from the Regional Plan process to ensure the 6th RHNA cycle (and related housing element updates) stay on the current timeline.

In addition to SANDAG, also in support are: the cities of San Diego (co-sponsor), Carlsbad, Del Mar, Escondido, Imperial Beach, La Mesa, National City, Oceanside, and Poway; Alliance for Regional Solution; Bayside Community Center; Circulate San Diego; City Heights Community Development Corporation; Climate Action Campaign; El Cajon Collaborative; Environmental Health Coalition; IBEW 569; North County Transit District; San Diego Regional Chamber of Commerce; SanDiego350; the Urban Collaborative Project; and United Association of Plumbers and Steamfitters Local #230. There was no opposition.

The bill will now head to the Assembly Local Government Committee where it will be heard on May 1.
Transportation Update from Peyser Associates

March 8, 2019

Key Leaders Cast Doubt on Prospects for Infrastructure Package This Year

Prospects for enactment of a major infrastructure package this year continue to be cloudy at best. Key leaders of the House this week cast doubt on the potential for getting a bill done even as the House Ways and Means Committee held its first hearing in four years on infrastructure.

The most telling comment of the week came from House Majority Leader Steny Hoyer (D) who said on Wednesday that finding a way to pay for an infrastructure package would require a consensus that included President Trump and congressional Republicans. House Ways and Means Committee Chair Richard Neal (D) made a similar comment to reporters and indicated a plan to raise revenues for investment in infrastructure would need to be developed “in tandem” with the White House.

Hoyer and Neal made these comments in the context of Wednesday’s hearing at the House Committee on Ways and Means to take testimony on the nation’s infrastructure needs and discuss a potential infrastructure package.

The first panel of witnesses at the hearing consisted of House Transportation and Infrastructure Committee (T&I) Chair Peter DeFazio (D) and Ranking Minority Member Sam Graves (R). Representative DeFazio repeated his call for a modest increase to the federal gas tax and bonding to bring forward the increased revenue from that increase. Representative Graves focused on the need for “smart technology” and project delivery improvements as his top priorities. Regarding funding, he said “all options are on the table,” but said the “gas tax is not a long-term solution.” He said that a lot of political capital would need to be expended to plug the short-term hole in the Highway Trust Fund’s finances, and that in order to spend that capital it would be important to bring forward a long-term solution as well. He noted vehicle miles traveled (VMT) is the most likely long-term answer.

Representative Graves’ comments suggest that he might be able to abide a gas tax increase in the short term if it were part of a stable, long-term solution for the Highway Trust Fund. He did not shut the door on a gas tax increase and repeated the “everything is on the table” comment.

Leading the outside witness panel were AFL-CIO President Richard Trumka and Tom Donohue, the CEO of the U.S. Chamber of Commerce.

Representatives DeFazio and Graves did not take questions, so the question from committee members were directed at the second panel. Most of the members of the committee used their time to make statements rather than elicit more information from witnesses.
Very few members of the committee, on either side, expressed support for a gas tax increase. Among those who did were long-time supporters of the concept like Representatives Earl Blumenauer (D) and Bill Pascrell (D). Representative John Larson (D) also inferred he supported a gas tax increase. Most members were cagey in their discussion of the need for resources for investment. Some focused on sources other than the gas tax. Chairman Neal said he supports reviving Build America Bonds as a way to generate capital for infrastructure. Numerous members expressed an interest in a VMT tax, but no one indicated they thought that could be implemented soon.

Republican members of the committee, starting with Ranking Member Kevin Brady (R), focused their comments on the importance of streamlining project delivery and creating incentives for private sector investment.

**Federal Transit Administration Releases List of Discretionary Bus Projects**

The Federal Transit Administration (FTA) on Thursday announced the award of $366.2 million in discretionary grants for Bus and Bus Facilities for FY 2018. The list includes 107 projects ranging in size from $115,000 to $11 million. To see a full list of the awarded projects click [HERE](#).

**Schumer Pursuing Appropriations Strategy to Advance Gateway Projects**

Senate Minority Leader Chuck Schumer (D) this week said he will be pushing for appropriations bill language that will allow Amtrak and the states of New York and New Jersey to pay for continued progress on the Gateway program with an assurance they will be reimbursed for their up-front investment when the federal government finally signs on to a funding deal for the program.

In a speech to the Association for a Better New York, Schumer said it is critical that progress on the Portal North Bridge and Hudson River Tunnels continue. His plan is to enact a statutory Letter of No Prejudice for Gateway. This will ensure that money invested now will be considered as non-federal match when a Full Funding Grant agreement is executed.

Schumer’s approach feeds into the narrative about Gateway that has been solidifying in recent months. The strategy for project sponsors appears to be to keep making progress on the Gateway projects until such time as there is either a breakthrough with President Trump or a new administration takes over in Washington. This approach rests on two assumptions: first, that the states and Amtrak will take the leap of faith to invest their own money before there is a guarantee of an acceptable federal plan, and second, that there will be a new administration in Washington in 2021. At this juncture, neither one of those assumptions can be viewed as rock-solid.

**House Appropriations Chair Says No Spending Bill Earmarks This Year**

House Appropriations Committee Chair Nita Lowey (D) on February 28 sent a letter to her colleagues to inform them there will be no congressional earmarks in FY 2020 spending bills.

While indicating her own support for “congressionally directed spending,” Representative Lowey wrote that “unfortunately, there is currently not the necessary bipartisan, bicameral agreement to allow the Appropriations Committee to earmark.” Her letter said the issue would be up for discussion in the coming months and solicited members’ views on the wisdom of returning to earmarks as part of normal practice.

While Chair Lowey’s letter did not address the potential for earmarking on authorization legislation, her letter points to a leadership strategy in the House not to allow earmarking. House T&I Committee Chair Peter DeFazio (D) has been pushing for earmarks on the infrastructure package as a tool for building support for a revenue increase.

**Senate Environment and Public Works Committee Solicits Legislative Proposals**

The Senate Committee on Environment and Public Works this week notified senators that they are soliciting proposals for legislative provisions to be included in an infrastructure package. Senators are beginning outreach to entities in their states seeking input. The committee is looking to receive input from senators by the end of the month.
Michigan Governor Seeks to Double State Gas Tax

Governor Gretchen Whitmer (D) this week joined the list of Governors seeking gas tax increases in their states. Her proposal is the most ambitious so far. She is seeking a 45-cent per gallon increase in the state’s 44-cent per gallon gas tax.

The Michigan legislature is under Republican control, and few observers believe an increase that large could be passed. But the Governor, who ran on a platform of “fix the damn roads,” is starting the debate with a strong position.

Michigan joins a roster of states considering gas tax increases this year that includes Illinois, Ohio, Wisconsin, North Dakota, Alabama, Kentucky, Mississippi, and New Mexico.

March 15, 2019

President’s Budget Highlights Difficulty in Moving Infrastructure Package

The President’s budget calls for cuts in several key infrastructure programs such as transit Capital Investment Grants, Amtrak, and water infrastructure. The budget does include room for a $200 billion investment of federal funds over ten years to support an infrastructure plan. However, comments from the Acting Office of Management and Budget Director and President Trump during the week essentially amounted to an indication that they are leaving the details to Congress on how dollars would be invested. This “hands off” approach to the legislative process indicates that comments from Capitol Hill that Presidential leadership will be needed to advance an infrastructure plan went unheeded.

As has become the custom in Washington over many years, the President’s budget was declared by many to be “dead on arrival” on Capitol Hill. Leaders of the Budget Committee on both sides of the Capitol speculated that given the broad differences between the parties in Congress and the White House it might not make sense to even attempt to move a budget resolution this year. By law, Congress is required to approve a budget resolution by April 15; however, it has been many years since a budget resolution was approved at all by Congress, much less by the deadline.

Luckily, appropriators are always ready to step into the breach and advance annual spending bills based on agreements in place for spending caps. Such a deal is needed this year because spending caps enacted in 2011’s Budget Control Act will bite hard on both domestic discretionary spending and defense spending. It appears such a deal is under discussion and there appears to be little appetite on the Hill for a major battle on this in 2019.

With all of the above in mind, it might seem that the submittal of a Presidential budget that is “dead on arrival” is not really a problem. While that is true in terms of prospects for annual spending bills, it does make more remote the chances for enactment of an infrastructure plan because it does not signal engagement with Congress to get one done.

Administration Doubles-Down on Gateway

The Trump Administration’s budget would eliminate funding that was included in the FY 2018 and 2019 transportation appropriations bills intended to support the Gateway program of projects in New York and New Jersey. In briefings with reporters following the release of the budget, Deputy Secretary Jeffrey Rosen commented on Gateway even before being asked about it. Referring to the Gateway program of projects he said: “Those transit projects are local responsibilities, and elected officials from New York and New Jersey are the ones accountable for them.” It is worth noting that the Deputy Secretary was describing projects that include the repair and augmentation of tunnels owned by Amtrak—an instrumentality of the federal government. It is also worth noting that the federal interest in highway bridges connecting two states, such as the Columbia River Crossing, Ohio River Bridges, and others, has never been called into question.
As noted in a recent report, Governor Phil Murphy of New Jersey indicated late last month that he believed there was a potential the President might be willing to move on Gateway and that he planned to meet with him to discuss that. Clearly, any message about softening the Administration’s stance on Gateway has not been transmitted to DOT.

State Actions on Gas Tax Increases Continue

The states of Arkansas and Alabama this week both approved plans to increase their gas taxes to support transportation funding. The Arkansas plan signed into law by Governor Asa Hutchinson (R) increases the gas tax by 3 cents per gallon and the diesel tax by 6 cents per gallon. In Alabama, Governor Kay Ivey (R) signed legislation to raise the gas tax by 10 cents per gallon.

Meanwhile, Massachusetts legislators are reviving a plan to index the state’s gas tax to inflation. Voters rejected such a plan in 2016, but legislative leaders believe the political environment will be more amenable to this now.

March 22, 2019

Federal Transit Administration New Starts Report Shows Pipeline Slowing Down

The FTA on Monday released its annual report on the status of the Capital Investment Grant (CIG) Program. Each year, this report provides a snapshot of the pipeline of projects being managed by the agency. Information is available on individual projects and on the pipeline as a whole.

In this year’s report, as in previous ones, the FTA reports on major actions taken on categories of projects in the preceding year. This year’s report shows that while the FTA made progress in FY 2018 and 2019 in advancing projects already in the pipeline, there is a notable slowdown in the number of projects entering the pipeline and advancing through earlier stages of development. For comparison purposes, let us review the progress report section of the FY 2020 report with that from the FY 2018 report—the last one that reflects the program under the Obama Administration.

<table>
<thead>
<tr>
<th>Step in the Process</th>
<th>2020</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Execution of New Starts FFGA</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Execution of Core Capacity CGA</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Execution of Small Starts CGA</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>New Starts Entered into Engineering</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Core Capacity Entered into Engineering</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>New Starts Entered into Project Development</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Core Capacity Entered into Project Development</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Small Starts Entered into Project Development</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

It is hard to know all the reasons behind the extraordinary situation of having a year go by with no projects entering Project Development in the New Starts category. It is likely a combination of several factors including a slow-growth economy, fiscal issues in the states, the downturn in transit ridership, and the perception that the Trump Administration is not transit friendly.

With regard to the latter potential reason for a slowdown, the Administration is taking pains to tout its steps to advance projects through to Full Funding Grant Agreements and Construction Grant Agreements, and deservedly so. Now that there is some evidence of progress in the program, perhaps more projects will step up to the plate.

To see this year’s FTA report click [HERE](#).
Administration Takes Another Swipe at Gateway, Triggering Angry Response from Cuomo

The FTA’s annual report on the CIG program came alongside an update in Project Profiles prepared for each project in the FTA pipeline. The Administration used this year’s update on two projects in the Gateway Program to throw more fuel on the fire of their dispute with the states of New York and New Jersey over the projects.

With regard to the Portal North Bridge, which is awaiting entry into the Engineering Phase of project development, the report gives the project a “Medium-Low” overall rating, which means it cannot advance in the program. The reason for the “Medium-Low” rating is local financial commitment. The FTA contends that the State of New Jersey has not committed its non-federal share to the project and that most of its contribution is merely “planned.” The State takes exception to that and believes the FTA is being unduly harsh in its assessment of its actions to date to make funds available through bond proceeds and other mechanisms.

The controversy over Gateway heated up even more because of the FTA report’s update on the Hudson River Tunnels project. That project has been awaiting approval of its National Environmental Policy Act documents for over a year. In the project profile for this year, the Administration says the Project Justification Rating for the Project is Medium, and the local financial commitment is rated as Low. On the Project Justification, the report includes details on the ratings for the various elements of that evaluation. For each category the rating is either Medium-High or High. On local financial commitment, the report says none of the non-federal share of the project has been committed. This despite the fact that the Port Authority of New York-New Jersey board last year approved an allocation of $2.7 Billion in their capital budget. They consider those funds committed.

The combination of this week’s report and last week’s statement by DOT Deputy Secretary Jeff Rosen that the tunnels are a “local” project pushed New York Governor Andrew Cuomo over the edge. On Tuesday he sent a strongly worded letter to the President and held a press conference to add even more vituperation to his comments. Up until that time, Governor Cuomo had tried a diplomatic approach with the President, including a meeting last year where they agreed that Amtrak should be sidelined in the development of the new tunnels. (That sidelining has not occurred.) While it is hard to see how the Governor’s new approach will work, it is clear the old approach was not working.

Capitol Hill Visits Confirm Headwinds for Infrastructure Package

As reported last week and in other recent reports, the mantra from congressional Democrats at this point is that they will not advance legislation calling for a gas tax increase or other revenue increase for transportation until the President comes out convincingly in favor of it.

With no sign the President is prepared to stake such a position, it is becoming less and less clear that the House will move on a package this spring. While T&I Committee Chair Peter DeFazio (D) has shown a willingness to have his committee put a stake in the ground by passing a sizable ten-year authorization for infrastructure funding, House leaders may stand in the way of that. The Chairman of the House Ways and Means Committee, Representative Richard Neal (D) may not want to have members pressuring him to deliver revenue to pay for the benefits a T&I Committee bill could bring to their districts if he is not in a position to move a revenue package. House Democratic leaders are unlikely to want to pit two of their committee chairs against one another in that fashion.

FTA Issues Notice of Funding for “Low-No” Buses

The FTA on Monday announced a funding opportunity for discretionary grants for low- and no-emissions bus projects. The Administration will award $85 million in grants from this program for FY 2019. The deadline for applications is May 14, 2019.
April 5, 2019

**House Advances Plan to Boost Defense and Domestic Spending**

The House Committee on the Budget last night approved legislation to lift spending caps for FY 2020 and FY 2021. The current caps are in place as a result of the Budget Control Act of 2011 and represent the last two years of spending control under that legislation. If enacted into law, the House measure would pave the way for increased appropriations for both defense and non-defense discretionary spending.

The committee measure would increase non-defense discretionary spending in FY 2020 by 5.7 percent over FY 2019 levels and an additional 2.4 percent in FY 2021. Defense spending would increase by 2.6 percent in FY 2020 and an additional 2.4 percent in FY 2021.

Budget Committee Chair John Yarmuth (D-KY) had to navigate some tricky politics within his own caucus to gain support for his proposal. Some members believed that even though he proposed to increase non-defense spending in FY 2020 by more than double the rate of increase for defense spending, the measure did not adequately fund non-defense programs. Leaders of the Progressive Caucus, including Representative Pramila Jayapal (D-WA), called for the nominal amount of non-defense and defense spending to be equal.

In the days and hours before the committee vote, House Democratic leaders urged Budget Committee members to support the Yarmuth proposal.

The spending cap measure will advance to the House floor in lieu of a traditional budget resolution, which includes spending authority broken down by government function. Congressional leaders on both sides of the Capitol do not believe a budget resolution with that level of detail could pass in a timely way. Despite a 1974 law that requires a budget resolution to be enacted, that requirement is generally observed in the breach.

**States Continue the Gas Tax Increase Push**

Louisiana and Virginia this week joined the list of states that are either considering or have already enacted gas tax increases for transportation this year. Ohio enacted its gas tax increase, which we have discussed in earlier reports.

In Virginia, the legislature approved an innovative gas tax increase proposal to fund improvements in the Interstate 81 corridor. The legislation increases the state gas tax by 2 percent in communities along that corridor, but not in the rest of the Commonwealth. The legislation also would increase the diesel tax statewide and some registration fees paid by trucks.

In Louisiana, the legislature is scheduled to debate legislation to increase the gas tax by 6 cents per gallon and the diesel tax by 4 cents in 2019. After that, both taxes would increase by 2 cents per gallon every two years through 2031. The bill also establishes new annual fees on electric and hybrid vehicles.

Meanwhile, the usually tax-adverse Ohio legislature approved for Governor Mike DeWine’s (R) signature a 10.5-cents per gallon increase in the state gas tax. DeWine had proposed an 18-cent per gallon increase, but he accepted the compromise worked out in the legislature.

**What Does “Everything’s on the Table” Really Mean?**

Much has been made in the industry and general media this week of comments made by Secretary of Transportation Elaine Chao on Capitol Hill and elsewhere to the effect that “everything is on the table” in terms of funding sources for an infrastructure program. Democrats on Capitol Hill and advocates have touted this as a potential opening for Administration support for a gas tax increase.

Secretary Chao used exactly the same phrase last year when she testified on Capitol Hill about the Administration’s proposed infrastructure plan. Her comments ended up signally nothing about the support in the White House for a funding source for infrastructure. There is skepticism that Secretary Chao’s comments represent a change in the Administration’s reluctance to back any funding source to increase infrastructure spending other than private, state, and local funds.
**Alex Bond Moves to Secretary Chao’s Office**

Alex Bond recently joined Secretary Chao’s staff as a Transportation Policy Analyst. He will be acting as a liaison to Federal Transit Administration and other modal agencies. Most recently, Alex was at the Eno Center and before that he was at the National Association of Regional Councils. He is knowledgeable on rail and transit issues.

**April 12, 2019**

**Legislators Shift Gears on Infrastructure – Focus on Surface Transportation Reauthorization**

In a tacit admission that the politics are not in place to advance a major infrastructure package this year, authorizing committees in the House and Senate are now focusing on beginning action on a surface transportation reauthorization measure. Current programs for highways, transit, rail, and highway safety would be covered by this legislation. Authorization for these programs does not expire until September 30, 2020.

In previous reports we have noted the preparations at the Senate Committee on Environment and Public Works for the highway portion of the surface transportation reauthorization. This week, House Transportation and Infrastructure (T&I) Committee Chair Peter DeFazio (D-OR) reached out to House members to request that they submit reauthorization ideas to the committee and scheduled a hearing for May 1 to hear from House members on their priorities for the legislation. In comments to reporters, DeFazio wouldn’t commit to the timing for committee consideration, but said “It’s not going to be done by May and it’s not going to be done by July.”

**Democratic Leaders Say They Will Meet with Trump on Infrastructure**

House Speaker Nancy Pelosi (D-CA) and Senate Minority Leader Chuck Schumer (D-NY) on Thursday held a joint press briefing and said they are planning to meet with President Trump to seek bipartisan agreement to bring forward this summer a ten-year infrastructure plan worth at least $1 trillion. “I would like closer to $2 trillion,” said the Speaker.

In making their statement, the Democratic leaders made it clear they will be pressing the President for a commitment on a mechanism to finance the package. They continue to say any action on a package will depend on Presidential support for the “pay-fors.”

Within the House Democratic caucus, which is facing a series of internal policy fights, some alternatives to raising the gas tax to pay for infrastructure are emerging. Some progressive members are focusing on rolling back some of the corporate tax cuts enacted in 2017. Others are calling for a transaction fee on high-speed financial transactions. These alternatives are viewed by some as preferable to a gas tax, which they view as a regressive tax.

Democratic leaders hope these discussions with the White House and within their own caucuses will yield the outlines of a bipartisan deal that can be voted on this summer.

Meanwhile, in a stance that is becoming common for him, Senate Majority Leader Mitch McConnell on Thursday said it is up to Speaker Pelosi and the White House to work out a deal on infrastructure. This would indicate he is not feeling pressure from members of his caucus to get something on the floor.

Despite all this talk about working towards a bipartisan agreement, your reporter found little optimism that such a scenario will play out in meetings this week with congressional staffers.

**Federal Transit Administration Apportions Capital Investment Grant Funds for FY 2018 and 2019**

The FTA on Tuesday announced the apportionment of $424.8 in FY 2018 funds and $935.7 million in FY 2019 funds from the CIG program.

Projects receiving FY 2018 funds were all in the Small Starts category and included:

- First Coast Flyer Southwest Corridor Bus Rapid Transit (BRT) project in Jacksonville, Florida;
- Virginia Street Corridor BRT project in Reno, Nevada;
- River Corridor/Blue Line BRT project in Albany, New York;
- Division Transit BRT project in Portland, Oregon;
- Central City Line BRT project in Spokane, Washington
With the allocations announced for FY 2018, the FTA has $340 million in unallocated CIG funds. Of that amount, $313.7 million is for Core Capacity. It appears the remaining $26.3 million would be for Small Starts.

The lag in allocation of Core Capacity funds is due to the fact that there are currently only two projects with funding agreements in that category. The “elephant in the room” in that category is the Portal North Bridge project in New Jersey – part of the Gateway Program of projects. That project is being held up by the dispute between the Trump Administration and the states of New York and New Jersey on that program of projects. The other major project in the wings for that category is the Transbay Tunnel project in the Bay Area. That project is expected to be admitted to Engineering soon and could be a candidate to receive Core Capacity funds from FY 2018 and 2019.

For FY 2019, FTA announced the apportionment of $935.7 million for CIG New Starts as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>San Diego, Mid-Coast Corridor Transit Project</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Los Angeles, Westside Subway Section 1</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Los Angeles, Westside Subway Section 2</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Los Angeles, Regional Connector</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Boston Green Line Extension</td>
<td>$150,000,000</td>
</tr>
<tr>
<td>Maryland National Capital Purple Line</td>
<td>$120,000,000</td>
</tr>
<tr>
<td>Portland, Portland - Milwaukie LRT</td>
<td>$65,664,144</td>
</tr>
<tr>
<td>Fort Worth, TEX Rail</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Seattle, Lynnwood Link Extension</td>
<td>$100,000,000</td>
</tr>
</tbody>
</table>

As a result of these apportionments, $330 million remains in FY 2019 funds for the New Starts category of CIG. The entire appropriations of $635 million for Core Capacity and $526.5 for Small Starts remain to be apportioned. The remaining CIG New Starts funds would be available for new projects slated for Full Funding Grant Agreement’s or to bump up allocations for existing New Start FFGA projects. This week the FTA advanced into the Engineering phase of development the Federal Way Link Extension project in the Puget Sound. That project may be in line for an allocation of New Start funds in FY 2019.

**House Leaders Shelve Bill to Raise Budget Caps**

Last week, this report reviewed a measure approved by the House Budget Committee to raise the spending caps in FY 2020 and 2021 for both non-defense and defense discretionary spending. This week, Speaker Pelosi put that legislation on hold because of dissention among House Democrats.

The Budget Committee bill came under fire from progressive members for failing to approve greater increases in non-defense spending. Those members were seeking an additional $30 billion in such spending. Some moderate Democrats also opposed the measure for its failure to assume smaller increases in entitlement spending over the long term.

The House did approve a resolution that set the rules for debate for the Budget Committee bill. When it did that, it also approved an overall spending cap of $1.3 billion, but with no breakout of how much of that would be for defense and non-defense spending. This ensures the Appropriations Committee can begin its work on appropriations bills with at least some clarity as to their overall spending ceiling.

While the potential House measure would not have guaranteed a deal with the Senate and the White House, it would have put the House in a strong position to advance Appropriations measures this Spring. Faced with this stalemate, the Appropriations Committee will be required to advance individual spending bills without the benefit of an overarching agreement on spending levels for defense and non-defense spending. The result is likely to be a messy process in the House and an even more contentious showdown between the House and Senate and the White House.
April 19, 2019

Quiet During Spring Break Belies Activity Behind the Scenes

While some of Washington has been fixated on yesterday’s release of the Mueller Report, things appear quiet on Capitol Hill at the end of the first week of a two-week Spring break. However, this relative quiet masks the fact that congressional staff members are preparing for action on key legislation once Congress returns on April 29.

Your reporter visited with a number of staffers this week to discuss issues relating to the upcoming FY 2020 appropriations process and the potential action on an infrastructure package or a Fixing America’s Surface Transportation (FAST) Act reauthorization.

Regarding appropriations, subcommittee staff members who cover transportation programs are racking up the many requests they have received from members of the House and Senate for funding and policy actions relating to those programs. On the House side, they are preparing for subcommittee mark-ups to occur next month. While leadership has yet to officially declare they will accept policy riders on their appropriations bills, subcommittee staffers are preparing to deal with such riders in anticipation of the eventual signal from leaders. On the Senate side, Majority staff has clearly stated their leadership’s desire to not consider policy riders when the Senate Appropriations Committee acts on their spending plans. It is not unusual for the Senate to take this position and to wait to deal with policy riders until they sit down with the House to resolve the differences between the two chambers’ bills.

On the authorizing front, staffers at the Senate Committee on Environment and Public Works (EPW) are reviewing submittals from Senators regarding issues they would like considered when the committee considers reauthorization of the portions of the FAST Act under the committee’s jurisdiction. The EPW committee jurisdiction includes highway programs, multimodal grant programs such as Infrastructure for Rebuilding America (INFRA) and Better Utilizing Investments to Leverage Development (BUILD) and the Transportation Infrastructure Finance and Innovation Act program. The House Transportation and Infrastructure Committee is not quite as far along as their counterparts at EPW, but they are preparing to hear from members about their issues for reauthorization shortly after Congress returns from recess.

None of this preparatory activity on FAST Act reauthorization changes the prevailing view of most on Capitol Hill that the hurdles to getting a bill done this year are very high. Foremost among those hurdles is that just to reauthorize the existing programs at current funding levels—much less provide for increases—would require either a substantial increase in the federal gas tax and/or the infusion of significant general fund money into the Highway Trust Fund. Neither of those options appears to enjoy sufficient political support to allow legislation to get to the finish line.

Department of Transportation Releases BUILD Program Notice of Funding Opportunity

The DOT on Wednesday released the Notice of Funding Opportunity (NOFO) for the BUILD (previously TIGER) program. There are a few notable things about this NOFO. First, it follows the guidance in the FY 2019 appropriations bill for DOT by indicating DOT plans to allocate 50 percent of funds to Rural areas and 50 percent to Urban Areas. Last year, DOT awarded 68 percent of the $1.5 billion available for BUILD to rural areas. Second, while acknowledging that the appropriations bill says “up to” $15 million should be available for planning grants, the NOFO indicates a clear preference for projects ready to go to construction, so planning proposals are not likely to fare well. Third, again in conformance with appropriations language, the NOFO drops from the selection criteria the extent the applicant overmatches federal funds and the extent to which the project will generate non-federal revenue. Applications are due July 15.

FTA Proposes Changes to Guidance on Joint Development

The FTA on Wednesday released proposed changes to its circular providing guidance on the rules for FTA-assisted Joint Development projects. The major change in the proposal is to change the definition of what is required as a “fair share” of project revenues to be generated for transit. Currently the minimum requirement is that project revenues
devoted to transit be at least equal to the FTA investment in the project. Under the proposed change, the minimum would be eliminated and project sponsors would be able to define “fair share” for themselves.

Making this policy change also allows FTA to propose eliminating two major elements of an approval package for a joint development project: the Baseline Market Analysis and the certification of compliance with revenue requirements.

Comments on the proposed changes are due on June 3.

April 26, 2019

Pelosi and Schumer to Meet with Trump Next Week on Infrastructure

Congress returns from its Spring Break next week and one important question leaders will address is how to proceed on infrastructure legislation. A key meeting on Tuesday between Speaker Pelosi, Minority Leader Schumer and President Trump may shed a significant amount of light on the fate of an infrastructure package this year.

Speaker Pelosi announced this week the meeting will take place on Tuesday, April 30. She reiterated her strong interest in moving legislation this year. President Trump, for his part, on Wednesday said Congress should get to work on infrastructure among a few other issues instead of focusing on investigations of his Administration.

Presumably, topic A of the meeting on Tuesday will be how to pay for an infrastructure package. Democratic congressional leaders have made it clear in recent weeks that no “pay for” will advance in the absence of clear presidential support for it. If such support is not forthcoming on Tuesday, it is certainly possible the Speaker and Minority Leader will emerge from the meeting and tamp down speculation that a major package can move this year.

LA Metro Receives Letter of No Prejudice to Cover $1.36 Billion Construction Contract

Los Angeles Metro last week received from the FTA a Letter of No Prejudice (LONP) to cover a contract for final design and construction of the Westside Purple Line Extension Section 3 Project stations, trackwork, systems and testing. The contract was awarded in January to Tutor Perini with a contract amount of $1.36 billion. It originally was awarded subject to execution of a Full Funding Grant Agreement (FFGA). But with the FFGA delayed, Los Angeles Metro was anxious to issue a Notice to Proceed on the work. They will now do so on the strength of the LONP. It is one of the largest LONP’s in memory.