EXECUTIVE COMMITTEE
AGENDA

Friday, May 14, 2004
9 a.m.
SANDAG
401 B Street
7th Floor Conference Room
San Diego, CA  92101

AGENDA HIGHLIGHTS

• FY 2005 DRAFT PROGRAM BUDGET
• LEGISLATIVE UPDATE

PLEASE TURN OFF
CELL PHONES DURING THE MEETING

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, 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  ·  www.sandag.org

Members

Ron Morrison, Chairman
Councilmember, National City
(Representing South County)

Mickey Cafagna, Vice Chairman
Mayor, Poway
(Representing North County Inland)

Jack Feller
Councilmember, Oceanside
(Representing North County Coastal)

Hal Ryan
Councilmember, Santee
(Representing East County)

Jim Madaffer
Councilmember, San Diego

Dianne Jacob
Chairwoman, County of San Diego

Alternates

Stephen Padilla
Mayor, Chula Vista
(Representing South County)

Lori Holt Pfeiler
Mayor, Escondido
(Representing North County Inland)

Ramona Finnila
Mayor Pro Tem, Carlsbad
(Representing North County Coastal)

Mary Sessom
Mayor, Lemon Grove
(Representing East County)

Scott Peters
Councilmember, City of San Diego

Greg Cox
Supervisor, County of San Diego

Gary L. Gallegos
Executive Director, SANDAG
Welcome to SANDAG. The regularly scheduled meeting of the San Diego Association of Governments Executive Committee has been called by its Chair for Friday, May 14, 2004, starting at 9 a.m. in the SANDAG offices, 401 B Street, Suite 800, 7th Floor Conference Room, San Diego. The Executive Committee may take action on any item appearing on the agenda.

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ITEM # | ITEM | RECOMMENDATION
--- | --- | ---
+1. | APPROVAL OF APRIL 9, 2004 MEETING MINUTES | APPROVE
2. | PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS | 
Members of the public will have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee. Speakers are limited to three minutes each. Committee members may provide information and announcements under this agenda item.

CONSENT ITEMS (3 THROUGH 4)

+3. | REGIONAL COMPREHENSIVE PLAN (RCP) BUDGET AMENDMENT  (Carolina Gregor) | APPROVE
Authorization to transfer funding out of several OWP elements into the Regional Comprehensive Plan OWP Element is requested. Executive Committee approval is necessary per SANDAG policy given the proposed transfer amount.

+4. | LEGISLATIVE UPDATE (Ellen Roundtree) | INFORMATION/POSSIBLE ACTION
To help monitor the Legislative Program, a monthly status report on Federal and State Legislative Activity is provided to the Executive Committee. Highlights of the May 2004 report include the status of the multi-year Federal transportation program, known as TEA-21 (Transportation Equity Act of the 21st Century, an update on the SANDAG sponsored State bill on Value Pricing and other state legislative changes SANDAG is currently pursuing. If the May revision on the State budget proposal is published by the time of the Executive Committee, information will be provided at the meeting.

REPORTS

+5. | REQUEST BY THE COUNTY OF SAN DIEGO TO ADD ANOTHER COUNTY REPRESENTATIVE (Julie Wiley) | DISCUSSION/POSSIBLE ACTION
The County of San Diego has requested that SANDAG support its request for a split of the County's seat on the SANDAG Board of Directors such that one supervisor would represent primarily incorporated areas and another supervisor would represent the unincorporated areas of the County. The report provides background information to the Executive Committee to aid its discussion regarding a response to the request.
The Draft FY 2005 Program Budget is attached for review. The SANDAG bylaws require the adoption of a final budget by July 1 of each year. The Program Budget includes the budget of SANDAG serving as the San Diego County Regional Transportation Commission, the work elements identified in the Overall Work Program, the Capital Budget and the Administration Budget. At the June 11 meeting, the Executive Committee will be asked to make a recommendation to the Board for approval at its June 25 meeting.

The next Executive Committee meeting is scheduled for Friday, June 11, 2004.

GARY L. GALLEGOS
Executive Director
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS  
Meeting of April 9, 2004

Chairman Ron Morrison (South County) called the Executive Committee meeting to order at 9:10 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Councilmember Jim Madaffer (City of San Diego) and a second by Vice Chair Mickey Cafagna (North County Inland) the minutes of the March 12, 2004, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public or Committee member comments.

CONSENT (Items 3 through 4)

3. APPOINTMENT TO THE SAN DIEGO REGIONAL ENERGY OFFICE (SDREO) BOARD OF DIRECTORS (INFORMATION)

Chair Morrison asked if we had received anything from the SDREO on the status of its voting procedure. Staff replied that the procedure has not yet been decided.

Chair Morrison asked if SANDAG has an open Board slot. Staff responded affirmatively.

Chair Morrison stated that the SDREO wants SANDAG to hold off on making the second Board appointment until it decides on a new appointment procedure. He would prefer that we make the appointment and then let the SDREO decide on its appointment process.

It was the consensus of the Committee that the second appointment to the SDREO Board by SANDAG should be made.

Chair Morrison said that two persons had expressed an interest in serving on the SDREO Board: El Cajon Councilmember Dick Ramos and San Diego City Councilmember Donna Frye. He stated his preference for a person with related energy experience; therefore, he recommended that Dick Ramos be appointed.
Action Taken: Upon a motion by Councilmember Madaffer and a second by Vice Chair Cafagna, the Executive Committee unanimously approved the nomination of Dick Ramos to the San Diego Regional Energy Office Board.

4. CONSOLIDATION UPDATE: TRANSFER OF TWO INFORMATION SYSTEMS TECHNOLOGY POSITIONS FROM MTDB TO SANDAG (RECOMMEND)

The Executive Committee is asked to recommend that the Board of Directors approve the transfer of the Administrator of Information Technology and one Systems Engineer I/II from MTDB to SANDAG, amend the FY 2004 Overall Work Program, and approve a budget adjustment to reflect revenue from MTDB for these two positions for the balance of the fiscal year.

Action Taken: Upon a motion by Councilmember Madaffer and a second by Vice Chair Cafagna, the Executive Committee approved Consent Item 4.

REPORTS

5. REVIEW OF FY 2005 OVERALL WORK PROGRAM (OWP) (POSSIBLE ACTION)

The Director of Finance reported that staff has incorporated the previous comments and direction of the Executive Committee and other parties. The Executive Committee will see the full program budget at the next meeting. The changes that have been made were reviewed in detail.

Councilmember Madaffer asked if the amount for lobbying efforts was equal to or less than what it was last year. The Director of Finance replied that it is a little less because staff thinks there will be a savings by combining the lobbying efforts.

The Director of Finance indicated that this information was distributed for public comment following the last meeting, and that staff will formally respond to comments. This information was also reviewed with the Intermodal Planning Group (IPG) and it was satisfied with staff’s report. There were minor changes to the OWP that will be reflected in the next draft. There were also some comments from the Metropolitan Transit Development Board (MTDB), the City of Chula Vista, and the North County Transit District (NCTD) related to a proposed 30 percent reduction to the passenger counting program. Staff looked at the data that was obtained from this program and thought that it could be conducted every two years rather than annually. In 2005 an automated counting program will be implemented on buses. Eventually this will take the place or greatly augment the manual process. However, this automated counting program won’t provide real data until 2006.

The Director of Finance stated that the next step is to come back in May with any changes from today’s meeting and final adoption is slated for June.

Councilmember Madaffer suggested that at some point the smart growth incentive program should be discussed at the Transportation Committee to ensure good linkage.
between the Regional Planning and Transportation Committees. The Director of Finance agreed that it would be appropriate to add that suggestion. The Executive Director added that we have held joint committee meetings in the past, and we hope to be able to crosslink the efforts by having joint committee meetings in the future.

Supervisor Dianne Jacob (County of San Diego) thanked staff for the additional information. She asked for a list of the contract services. Staff agreed to provide that information. The Executive Director noted that some are existing contracts while others will be future contracts to staff up for workload peaks.

Councilmember Feller (North County Coastal) asked about the concerns from the transit agencies. Karen King, NCTD Executive Director, suggested that cutting a third of the Assistance to Transit Operators Program in 2005 is premature. The Metropolitan Transit System (MTS) will be implementing an automatic counting system; however, due to budgeting issues, NCTD will not be participating in that program, and data won’t be readily available from that program until 2006. She said that this issue is particularly important because between 2002 and 2003 NCTD implemented a whole new system in its area. There were two different systems in those two years and we need a base year of data for the new system for 2003. Within SANDAG’s new role, there are some significant criteria for monitoring system performance. We would like to ensure that we are using the best data when comparing routes throughout the region.

Chair Morrison asked for clarification on the proposal for this work element. The Director of Finance replied that to count every single route every year costs about half a million dollars and is more than what any transit agency in the nation does. Staff will continue working with the transit operators to determine where we should focus our efforts. We are looking to provide more reliable and focused data.

Chair Morrison asked about the overall revenue reduction. The Director of Finance answered that it is about 10 percent or $4 million less than the current year.

Councilmember Feller expressed concern about reducing the passenger counts.

Action Taken: This report was presented for information.

6. LEGISLATIVE STATUS REPORT (INFORMATION/POSSIBLE ACTION)

The Director of Governmental Relations provided a report on the federal transportation reauthorization efforts. The United States (US) House of Representatives (House) Committee on Transportation and Infrastructure (T & I) approved House Resolution (HR) 3350, the “Transportation Equity Act: A Legacy for Users (TEA LU)” in the amount of $275 billion ($225 billion for highways and $51 billion for transit). This is $100 billion less than their original reauthorization plan that was proposed last November. There are several complications to this bill including a “reopener” clause that will allow for the bill to be reviewed and more money added at a later date. Other issues include minimum guarantee rates of return to the states, where high-priority projects are counted against this minimum guarantee, and the percentage of dollars allocated to Metropolitan Planning Organizations (MPOs).
The Senate’s bill, “Safe, Accountable, Flexible, Efficiency Transportation Equity Act of 2004 (SAFETEA) that passed in February authorizes $318 billion ($262 billion for highways and $56 billion for transit). A reconciliation of the House and Senate bills would be addressed in conference. The Administration is threatening to veto any bill that authorizes more than the Administration’s six-year, $256 billion funding level or that includes a reopener clause.

The Executive Director reported that this is the second year where we’ve seen a better coordinated effort in our approach working with the San Diego congressional delegation and the delegation members working with each other. This approach has worked well. His assessment is that there is a lot of good understanding of the priorities and what we need. This year, some of the business groups including the San Diego Regional Chamber of Commerce and the Economic Development Corporation (EDC) were included. This emphasized the importance of a unified voice for San Diego.

Councilmember Madaffer thanked staff for their efforts in this area. He asked what actions beyond our delegation have been contemplated to weigh in to influence the Administration. He said that he was unimpressed with the Administration’s proposal especially as it relates to San Diego. He would like to see the funding level at least at what the House has proposed. He thought that San Diego should be rewarded for investing its own money in projects. He suggested that we send a resolution or letter to the White House stating SANDAG’s position on these bills.

The Executive Director agreed that this action should be taken. On the state site, staff has been working through the California Council of Governments (CALCOG) and Governor Swarzenegger’s Administration for better coordination.

The Director of Governmental Relations asked for clarification regarding the level of funding that should be supported and a position on the reopener clause. Councilmember Madaffer replied that we should support the House level as the minimum amount. The Executive Director urged support for the reopener cause because it leaves the option open should circumstances change over time.

Supervisor Jacob suggested that we express our appreciation to the Administration for the increased funding level, but indicate our support for the reopener clause, and include the reasons why we need additional money.

Councilmember Madaffer noted that this in an incredible jobs bill and public transportation is being provided in the process.

The Executive Director mentioned that last year when we were going through proposed state-level cuts by the Davis Administration we talked about jobs, income, and the tax base in the region. SANDAG’s Chief Economist created an input/output model that emphasized these points and it was presented to our legislative delegation in Sacramento. The model we developed has been shared with other regions in the state and it is now the model being adopted by the Secretary of Business, Transportation, and Housing’s office and with the California Transportation Commission (CTC).
Supervisor Jacob asked if we know how much we pay in federal taxes that are related to gasoline and transportation and what we get in return. This information should also be included in the letter.

**Action Taken:** Upon a motion by Councilmember Madaffer and a second by Councilmember Feller, the Executive Committee unanimously approved the transmittal to the federal Administration of a letter that includes support for a transportation reauthorization bill at a minimum amount proposed by the US House of Representatives, support for the reopener clause, information documenting the need for increased funding, and information related to the return to the San Diego region from payments of federal gasoline taxes.

The Director of Governmental Relations also reviewed proposed legislation related to rail security. In general, Senate Bill 2216 requests the Secretary of Homeland Security, in consultation with the Secretary of Transportation, to assess the security risks associated with freight and intercity passenger rail transportation, and to develop prioritized recommendations for improving the security of rail infrastructure and facilities, terminal, tunnels, rail bridges, rail switching areas, and other areas identified as posing significant rail-related risks to public safety and the movement of interstate commerce. This bill would authorize appropriation of $500 million for 2005-2009 for rail security nationwide. It was noted that Senator Barbara Boxer would be sponsoring a media event related to this bill on April 14, 2004, at Los Angeles Union Station.

The Director of Governmental Relations reported on the Freeway Service Patrol Grant Program (Assembly Bill [AB] 2498, Longville) which provides about $21 million throughout the state for a freeway service patrol system. SANDAG has been participating in this effort. This new bill opens up the program to other agencies; however, the problem is that the funding would remain at the same level. Allowing more agencies to participate in this program would reduce the funding for the existing participating agencies.

AB 2032 (Dutra and Kehoe) on Value Pricing relates to the ability for single drivers to use the high-occupancy-vehicle (HOV) lanes for a fee. The SANDAG Chair and Executive Director went to Sacramento for a hearing on this matter on March 19, 2004, and noted that the success of San Diego’s program will be a key factor in passage of this bill.

The Director of Governmental Relations noted that there would be a state budget hearing on Transportation on April 14, 2004.

**Action Taken:** This report was presented for information.

7. REVIEW OF APRIL 23, 2004, DRAFT BOARD AGENDA (APPROVE)

The Chief Deputy Executive Director for Operations reviewed the draft agenda for the SANDAG Board meeting scheduled for April 23, 2004. The approval of minutes from the March 19 and April 9 special Board meetings will be added. The consent item related to the US Department of Defense Projects affecting the San Diego region will be postponed to the May 28 Board meeting.
Supervisor Jacob distributed a letter from the County Board of Supervisors requesting a second seat on the SANDAG Board. Staff said that this would be added to the agenda for the May Executive Committee and Board meeting agendas.

**Action:** Upon a motion by Vice Chair Cafagna and a second by Councilmember Madaffer, the Executive Committee voted to approve the draft Board agenda for the April 23, 2004, meeting with the changes noted above.

8. **UPCOMING MEETINGS**

The next Executive Committee is scheduled for May 14, 2004.

9. **ADJOURNMENT**

Chair Morrison adjourned the meeting at 10:02 a.m.

Attachment: Attendance Sheet
# CONFIRMED ATTENDANCE
## SANDAG EXECUTIVE COMMITTEE MEETING
### APRIL 9, 2004

<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
<th>COMMENTS</th>
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<td>North County Coastal</td>
<td>City of Oceanside</td>
<td>Jack Feller</td>
<td>Member</td>
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<td>City of Carlsbad</td>
<td>Ramona Finnila</td>
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<td>Mickey Cafagna</td>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler</td>
<td>Alternate</td>
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<td>East County</td>
<td>City of Santee</td>
<td>Hal Ryan</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
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<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
<td>Yes</td>
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<tr>
<td></td>
<td>City of Chula Vista</td>
<td>Steve Padilla</td>
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<tr>
<td>City of San Diego</td>
<td>---</td>
<td>Jim Madaffer</td>
<td>Member</td>
<td>Yes</td>
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<td></td>
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<td>Scott Peters</td>
<td>Alternate</td>
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<tr>
<td>County of San Diego</td>
<td>----</td>
<td>Dianne Jacob</td>
<td>Member</td>
<td>Yes</td>
<td></td>
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<tr>
<td></td>
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<td>Greg Cox</td>
<td>Alternate</td>
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EXECUTIVE COMMITTEE

May 14, 2004

AGENDA ITEM NO.: 3

Action Requested: APPROVE

REGIONAL COMPREHENSIVE PLAN (RCP) BUDGET AMENDMENT

Introduction

The adopted FY 2004 budget for the Regional Comprehensive Plan (RCP) work element was $1,265,284. This report requests authorization to increase the RCP budget by $310,000 to a total of $1,575,284, primarily to cover expenses associated with the preparation of the Environmental Impact Report (EIR) and additional public outreach.

Funds to cover the budget increase have been identified, as described below, and transfers are not expected to impact work in remaining work programs. Executive Committee approval for the requested budget amendment is necessary per SANDAG policy, given that the proposed increase surpasses the $100,000 budget amendment authorization limit provided to the Executive Director.

It is

RECOMMENDED

that the Executive Committee approve the RCP budget amendment for FY 2004 OWP #3000200.

Discussion

The following table summarizes funding changes as part of the proposed budget amendment.

<table>
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<tr>
<th>Adopted FY 2004 RCP Budget</th>
<th>$1,265,284</th>
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<tbody>
<tr>
<td>Carryover of FY 2003 Caltrans RCP Funds</td>
<td>25,000</td>
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<tr>
<td>Reallocation of FY 2003 Carryover Funds from the U.S. Fish &amp; Wildlife Service</td>
<td>137,000</td>
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<tr>
<td>Reallocation of FY 2004 Caltrans Stormwater Funds</td>
<td>100,000</td>
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<tr>
<td>Transfer from Open Space Work Element</td>
<td>48,000</td>
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<td>Proposed Amended FY 2004 RCP Budget</td>
<td>$1,575,284</td>
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</table>

As described above, additional expenses to complete the final RCP include $300,000 related to the preparation of the Environmental Impact Report (which was not included in the FY 2004 budget), and $10,000 related to additional public outreach (additional workshops), for a total of $310,000.

GARY L. GALLEGOS
Executive Director

Key Staff Contact: Carolina Gregor, (619) 699-1989; cgr@sandag.org
LEGISLATIVE UPDATE

Introduction

An update of federal and state legislative activity since the last report, organized by SANDAG’s Legislative Goals, is included as Attachment 1. Changes are shown in bold. Highlights of the May 2004 report include the status of the multi-year federal transportation program, known as TEA-21 (Transportation Equity Act for the 21st Century), an update on the SANDAG-sponsored state bill on Value Pricing, various legislation related to housing, fiscal reform, and other state legislative changes SANDAG is currently pursuing. If the May revision on the state budget proposal is published by the time of the Executive Committee meeting, information will be provided at the meeting.

Federal
Transportation Reauthorization

The most recent extension of TEA-21 expired on April 30, 2004. On April 30, a two-month extension through June 30, 2004, was passed into law (108-224). A conference committee consisting of members from the House and the Senate will be formed to reconcile the House and the Senate bills over this two-month time frame. The Conferees were unknown at the time of agenda printing.

A recap of the three versions of the bill is as follows:

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<tr>
<th>Version</th>
<th>Title</th>
<th>Amount</th>
<th>Return to the States</th>
<th>Scope of Return</th>
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<tr>
<td>Senate</td>
<td>SAFETEA</td>
<td>$318 million</td>
<td>95%</td>
<td>Does not include high-priority projects</td>
</tr>
<tr>
<td>House</td>
<td>TEA-LU</td>
<td>$275 million</td>
<td>95% by 2009 (re-opener to provide sufficient revenues to allow for equity return)</td>
<td>Includes high-priority projects</td>
</tr>
<tr>
<td>Administration</td>
<td>SAFETEA</td>
<td>$256 million</td>
<td>90.5%</td>
<td>Does not include high-priority projects</td>
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</table>

SAFETEA: Safe, Accountable, Flexible, Efficiency Transportation Equity Act of 2004 (S. 1072)
TEA-LU: Transportation Equity Act: A Legacy for Users (H.R. 3550)
Value Pricing (State and Federal)

There has been considerable federal and state legislative activity related to the Board’s current and future value-pricing program. Value pricing allows drive-alone customers to use the high-occupancy-vehicle (HOV) lanes for a fee. The Federal Government has allowed for value pricing on HOV lanes since the passage of ISTEA (Intermodal Surface Transportation Efficiency Act) in 1997. In a recent amendment to the House bill, H.R. 3550, this provision was challenged. Through the efforts of the Value Pricing Futures Group, of which SANDAG is a participant, a letter was developed requesting support of the Senate bill with respect to value pricing, as the Senate bill allows this program to continue. In addition, our legislative representative in Washington, D.C., enlisted the help of our delegation and the American Public Transportation Association (APTA) to ensure that SANDAG’s current and future efforts for value pricing were protected. SANDAG also solicited the support of the American Metropolitan Planning Organization (AMPO) for our efforts. A letter was submitted to the Chairs and ranking members of the appropriate committees with 47 signatories, including APTA and AMPO.

The SANDAG sponsored bill, AB 2032, if passed, will provide the state authority to implement value pricing on Interstate 805 (I-805) between State Route (SR) 905 and I-5; SR 52, east of I-15, to SR 125 to Santee; and I-5 from I-805 to Vandergrift Boulevard, consistent with MOBILITY 2030. This bill was passed by the Assembly Transportation Committee on April 19, 2004, with a 14-0 vote in favor. The bill is also sponsored by the Sunol Smart Carpool Lane Joint Powers Authority, consisting of the Alameda County Congestion Management Agency, Alameda County Transportation Improvement Authority, and the Santa Clara Valley Transportation Authority. The bill was moved to the suspense file pending technical clarification language on cost reimbursement to the California Department of Transportation (Caltrans). The bill will move off suspense when the clarification language is included, which needs to occur by May 19. The authors and co-authors of this bill include Assemblymembers John Dutra, Christine Kehoe, Shirley Horton, and Guy Houston. Senator Dede Alpert is the principal co-author.

Housing

There were a variety of bills related to self-certification and housing element reform, and housing incentives:

SB 492 was introduced last year by Senator Ducheny as a potential legislative vehicle to extend SANDAG’s housing element self-certification pilot program. This bill passed out of the Senate Special Consent Calendar on January 28, 2004, and was sent to the Assembly on January 29, 2004; the status is listed as currently held at desk. A related bill, AB 2980 introduced by Assemblymember Salinas would establish a statewide alternative production-based, self-certification process for the housing elements of cities and counties. The key provisions of the bill specifying the production standard that cities and counties would be required to meet in order to self-certify their housing elements have been intentionally left blank. This allows the bill to move forward while the various stakeholders, including the Housing Element Working Group (HEWG), which includes representatives from the Housing and Community Development (HCD), cities, counties, councils of governments (including SANDAG), the building industry and housing advocates strive to reach consensus.

Related to the regional housing needs assessment (RHNA) process, AB 2158 introduced by Assemblymember Lowenthal would enact consensus-based changes proposed by the Housing Element Work Group; Location: Assembly Consent. AB 2348 introduced by Assemblymember Mullin proposes
numerous changes to the provisions of housing element law pertaining to the land inventory, adequate sites, and permitted use, based on the work of the HEWG. Highlights of the proposal include land inventory requirements, relocation assistance, minimum densities for lower income housing, and parking requirements for density bonus projects.

Related to infill development, SB 1592 introduced by Senator Torlakson would, according to its author, provide developers with real incentives that reduce costs and hassles and encourage them to build housing and commercial projects in existing downtown areas rather than on so-called “greenfields.” At the same time, it provides local governments with the flexibility to choose the incentives that best fit their needs and the time to fund and incorporate the effort into the next housing element revision.

Fiscal Reform

Senator Ducheny’s bill on fiscal reform, SB 1212, repeals three subventions to cities and counties: (1) vehicle license fee (VLF) “backfill,” (2) replacement for the homeowners’ property tax exemption, and (3) gas tax revenue and transfers an equivalent amount from a percentage of the state’s share of the sales tax and the schools’ share of the property tax to cities and counties. This bill has passed the Local Government Committee with a re-referral to the Appropriations Committee, where it has been put on suspense.

Other fiscal reforms bills include Senate Constitutional Amendment (SCA) 22 and its companion bill SB 1774 introduced by Senators Johnson and Torlakson. The California Constitution requires that certain revenues derived under the VLF law be allocated to cities and counties. SCA 22 would repeal this constitutional allocation requirement on July 1, 2005. SB 1774, which is an urgency measure, would implement the constitutional measure exchanging $7 billion in local sales tax and VLF revenues for an equivalent amount of schools’ share of the property tax. The measure would also give local governments that have planned new retail developments an additional share of schools’ property tax and phases out “excess” property tax revenues to basic aid school districts.

Also related to fiscal reform is Assembly Constitutional Amendment (ACA) 30 and its companion bill AB 3105 introduced by Assemblymembers Campbell and Steinberg. Although, according to the authors, the intent of these measures is to remove the instability in local government finance by reducing the influence of the volatile sales tax and VLF in exchange for the more stable property tax, there has been registered opposition by many cities.

Over 1.1 million signatures were obtained on the Local Government Ballot Initiative guaranteeing its inclusion on the November 2004 ballot. The Local Government Ballot Initiative is a constitutional amendment sponsored by the League of California Cities, the California State Association of Counties, and the California Special Districts Association, that would allow voters to decide whether state government may appropriate local tax funds to fund state government operations and responsibilities.

Vehicle License Fees

Introduced by the Committee on Budgets as an urgency measure, AB 1457 was chaptered on May 4, 2004. This measure suspends a “Poison Pill” provision through July 15, 2004, to authorize continued allocations of VLF revenue and General Fund (GF) “backfill” transfers to the Local Revenue Fund (LRF), which finances local (primarily county) health and mental health programs under the 1991 State-Local Realignment. The bill revises, temporarily, the allocation of backfill transfers between the
LRF and the Motor Vehicle License Fee Account (MVLF Account) in the State Transportation Fund in order to hold realignment funding harmless for the 2003-04 VLF backfill funding "gap."

Other Legislative Changes Being Pursued

Design Build: There are a variety of bills related to design-build procurements for both highway and transit projects. SANDAG staff has been working with our state legislative representative in researching the possibility of including a San Diego project as a candidate for a design-build procurement in Senate Bill (SB) 1793 (McPherson). Senator Alpert has agreed to support this effort. Design-build procurement is defined as a single contractor or entity responsible for both the design and construction phases of a project. Three essential benefits of design-build procurement include faster implementation, cost containment, and improved quality.

Queue Jumping: We are also pursuing legislation to allow for priority signalization for buses, known as queue jumping. Queue jumping includes a bypass lane and a special bus-only traffic signal phase. The bus benefits from this priority by not having to stop at the back of the vehicle queue in the regular traffic lane when the traffic light is red. Instead, the bus bypasses the queue and moves to the front of the line by using a bus-only lane, or a right turn-only lane that exempts buses from turning. Because of the bypass, the bus has "jumped" the traffic queue and is the first vehicle in line at the limit line.

Budget

The revision to the state budget, known as the “May revise” is still pending. News coming out of the Assembly Budget Committee is significantly more positive than previously reported in the area of transportation funding, specifically related to the Traffic Congestion Relief Program (TCRP). A report from our state legislative representative summarizing the committee action is attached (Attachment 2). Updated information, if known, will be made available at the meeting.

SIGNIFICANT STATE SCHEDULE REMAINING

May 28       Last day for bills to be passed out of the house of origin
June 15      Budget must be passed
June 25      Last day for a legislative measure to qualify for the general election
July 2       Summer Recess begins at the end of this day's session if the Budget Bill has been enacted

SIGNIFICANT FEDERAL SCHEDULE REMAINING

May 24-31    Senate not in session
June 1       Senate reconvenes
June 28-July 5 Senate not in session
July 6       Senate reconvenes
July 26-September 6 Senate not in session
September 7  Senate reconvenes
October 1    Target adjournment
Letters

The following is a listing of letters sent to our federal or state delegation this past month. These letters are consistent with the Board’s legislative goals for FY 2004.

<table>
<thead>
<tr>
<th>Bill No.</th>
<th>Subject</th>
<th>Author</th>
<th>Federal/State</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 2737</td>
<td>Public Agency Tort Liability Reform</td>
<td>Dutra</td>
<td>State</td>
<td>Support</td>
</tr>
<tr>
<td>SB 1209</td>
<td>Driver License: violation points, penalty charge; revenues to be allocated for transportation purposes</td>
<td>Scott</td>
<td>State</td>
<td>Support</td>
</tr>
<tr>
<td>S. 1087</td>
<td>Safe Routes to School</td>
<td>Soto</td>
<td>State</td>
<td>Support</td>
</tr>
<tr>
<td>S. 1072/ H.R. 3550</td>
<td>Multi-Year Transportation Reauthorization</td>
<td>Inhofe (OK), Young (AK)</td>
<td>Federal</td>
<td>Support (higher funding levels)</td>
</tr>
<tr>
<td>S. 1072/ H.R. 3550</td>
<td>Multi-Year Transportation Reauthorization</td>
<td>Inhofe (OK), Young (AK)</td>
<td>Federal</td>
<td>Support the Senate, with respect to Value Pricing</td>
</tr>
<tr>
<td>N/A</td>
<td>Traffic Congestion Relief Program (TCRP)</td>
<td>State</td>
<td>Joint letter</td>
<td>SANDAG/MTS</td>
</tr>
</tbody>
</table>

GARY L. GALLEGOS
Executive Director

Attachments

Key Staff Contact: Ellen Roundtree (619) 699-6960; ero@sandag.org
<table>
<thead>
<tr>
<th>General Description of Goal</th>
<th>Priority</th>
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<tbody>
<tr>
<td>Reauthorization of ½ percent sales tax (TransNet) for 40 years, which is estimated to bring over $14 billion (2002 dollars) to San Diego.</td>
<td>1</td>
<td>Highest Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>Planned for the November 2004 Ballot. First Reading is planned for the May 14, Special Board meeting.</td>
</tr>
<tr>
<td>Lower the current two-thirds voter requirement for special purpose taxes (i.e. transportation) to a simple majority vote.</td>
<td>2</td>
<td>Highest Support</td>
<td>2002</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>A myriad of bills were introduced last year: ACA 7 (Dutra) Inactive File; ACA 9 (Levine) Inactive File; ACA 14 (Steinberg) Inactive File; SCA 7 (Murray; SCA 11 (Alarcon)</td>
</tr>
<tr>
<td>Reauthorization of a six-year transportation bill, including increased levels of funding for highway and transit programs, railroad and highway safety, goods movement, and other programs such as the New Starts and Small Starts Program, Intelligent Technology Systems (ITS), Borders, Bus, and Bus Related (including the eligibility of Bus Rapid Transit). Support for inclusion of Board-adopted principles including increased flexibility, environmental streamlining, change to the requirement for Regional Transportation Plans from three years to five years, and requests for earmarks for projects as included in the list of priority projects.</td>
<td>3</td>
<td>Highest Support/Sponsor</td>
<td>2002</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>The Administration’s Bill, SAFETEA proposes $256 billion; the Senate bill (S. 1072) proposes $318 billion; the House (H.R. 3550) proposes $275 billion and includes a re-opener to increase the guaranteed rate of funding returned to the states. Last extension of TEA-21 expired on April 30, 2004. A two-month extension through June 30, 2004 was signed into law on April 30, 2004.</td>
</tr>
<tr>
<td>FY 2005 Appropriation requests as included in the project funding request list.</td>
<td>4</td>
<td>Highest Sponsor</td>
<td>2003</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>FY 2004 Transportation Appropriations Bill rolled into an Omnibus Bill (H.R. 2673) was signed into law (108-199) on January 23, 2004. The FY 2005 Appropriations process began in February. There is not an FY 2005 budget resolution, and it is not likely that the appropriation markup will begin until there is one.</td>
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<tr>
<td>Legislation rewarding jurisdictions producing more housing, especially affordable housing (e.g., housing trust funds and other smart growth housing-related programs).</td>
<td>5</td>
<td>Highest</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td>A variety of housing bills relating to land use, housing elements, and local planning: AB 1970 (Harmon), authorizes a city that meets specified requirements to adopt a housing element that makes no provision for new housing or the share of regional housing needs; AB 2158 (Lowenthal), defines existing and projecting housing need; AB 2358 (Mullin), allows a city or county to reduce its share of regional housing needs by 15 percent under prescribed conditions, SB 1777 (Ducheny), changes the requirement for the Department of Housing and Community Development to update the statewide housing plan from two years to four years.</td>
</tr>
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<tr>
<td>Legislation assisting in the implementation of the Regional Comprehensive Plan, especially through funding incentives for smart growth (including, but not necessarily limited to, mixed-use projects, transit-oriented developments, and/or walkable communities).</td>
<td>6</td>
<td>Highest</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td>AB 1320 (Dutra), Transit Village Plan, relates to the Transit Village Development Planning Act and states that the plan must show 13 public benefits: traffic relief, infill and resource preservations, air quality, improvements, pedestrian safety, increased transit revenues, nearby retail, more affordable housing, job opportunities, neighborhood redevelopment, cost-effective infrastructure, live-work options, increased local tax, and reduced energy consumption; the bill also defines transit to include rail stations, light rail stations, ferry terminals, a bus hub or a bus transfer station. To enrollment May 6. SB 1592 (Torlakson) According to the sponsor, this bill will provide developers with real incentives that reduce costs and hassles and encourage them to build housing and commercial projects in existing “greenfields” At the same time, it provides local governments with the flexibility to choose the incentives that best fit their needs and the time to fund and incorporate the effort into the next housing element revision.</td>
</tr>
<tr>
<td>Fiscal reform initiatives enabling regions to develop their own fiscal strategies and oppose unfunded mandates on local government.</td>
<td>7</td>
<td>Highest</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td>Senator Ducheny introduced SB 1212 on February 11, 2004. Local Government Committee passed SB 1212 but re-referred it to Appropriations; Appropriations put it on suspense. Other fiscal reforms bills include SCA</td>
</tr>
</tbody>
</table>
### General Description of Goal

Status of Legislative Goals for CY 2004

<table>
<thead>
<tr>
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22, SB 1774; ACA 30, AB 3105. SB 1774 is the companion bill to SCA 22. SCA 22, the California Constitution requires that certain revenues derived under the Vehicle License Fee law be allocated to cities and counties. This measure would repeal this constitutional allocation requirement on July 1, 2005. SB 1774, an urgency measure, implements a constitutional measure to exchange $7 billion in local sales tax and VLF revenues for an equivalent amount of schools' share of the property tax. It also gives local governments that have planned new retail developments an additional share of schools' property tax and phases out "excess" property tax revenues to basic aid school districts. (Johnson and Torlakson) is similar to the California Home Rule Amendment; AB 3105 is the companion bill to ACA 30 (Campbell and Steinberg) and both bills are opposed by many cities. Author’s intent: AB 3105 (Campbell/Steinberg) and its companion measure ACA 30 will constitutionally protect local revenue sources. This is intended to remove the instability in local government finance by reducing the influence of the volatile sales tax and vehicle license fee in exchange for the more stable property tax.
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<tbody>
<tr>
<td>Efforts to backfill the loss of Vehicle License Fees (VLF) to cities and counties.</td>
<td>8</td>
<td>Highest</td>
<td>Support</td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td>On December 17, 2003, Governor Schwarzenegger exercised his executive branch power to ensure that scheduled payments will be made to cities and counties. Section 27 of the 2003 Budget Act allowed the Governor to spend approximately $2.7 billion for local governments over the balance of the current budget year. In addition $150 million in current year spending was re-directed to local governments. AB 1457 (Committee on Budget) Urgency Bill Chaptered on May 4, 2004: Suspends a &quot;Poison Pill&quot; provision through July 15, 2004, to authorize continued allocations of vehicle license fee (VLF) revenue and General Fund (GF) &quot;backfill&quot; transfers to the Local Revenue Fund (LRF), which finances local (primarily county) health and mental health programs under the 1991 State-Local Realignment. Revises, temporarily, the allocation of backfill transfers between the LRF and the Motor Vehicle License Fee Account (MVLF Account) in the State Transportation Fund in order to hold Realignment funding harmless for the FY 2003-04 VLF backfill funding &quot;gap.&quot;</td>
</tr>
</tbody>
</table>
## STATUS OF LEGISLATIVE GOALS FOR CY 2004

Legend:
T: Transportation  R: Regional Planning  P: Public Safety  B: Borders

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Efforts that would reduce transportation funding and challenges existing regional decision-making authority.</td>
<td>9</td>
<td>Higher</td>
<td>Oppose</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td>Transportation funding is at great risk of being reduced. There have been discussions that the Governor is considering reversing the $189 million included in the FY 2004 state budget for the TCRP (Traffic Congestion Relief Program). There has also been speculation that the entire TCRP program (141 projects) might be reversed. The legality of doing so has not yet been determined. The fund estimate for State Transportation Improvement Program (STIP) anticipates zero funding for the 2004 cycle. Transit funding in the form of State Transit Assistance (STA) is also likely to be at a reduced level. The Administration must submit a balanced budget by January 10; more information will be known at that time; even then the Legislature has until June 15, 2004, to approve a budget. On the federal side, there are current efforts (S. 1637, Grassley) to eliminate a financing tool that transit agencies have used since 1990, known as Cross Border Leasing. The region has realized over $20 million from this mechanism. AB 2498 (Longville) modifies the Freeway Service Patrol Grant program, this could potentially reduce funding for this program in San Diego if more entities join in the program and the base amount is not increased. ACA 21 (Bogh) and SCA 21 (Murray) would provide a constitutional amendment that would change the vote requirement to 4/45 of membership of each house</td>
</tr>
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<tr>
<td>of the Legislature in order to enact a statute suspending in whole or in part the transfer of motor vehicle fuel sales tax revenue from the General Fund to the Transportation Investment Fund. Location: Assembly Transportation; ACA 29 (Harman) would delete the provision authorizing the Governor and the Legislature to suspend the transfer of revenues from the General Fund to the Transportation Investment Fund for a fiscal year during a fiscal emergency – Location: Assembly Transportation; ACA 24 (Dutra and Oropeza). Purpose of this measure is to stop future suspensions of Proposition 42 transfers; authorizing loans under certain conditions.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Efforts assisting in the implementation of key environmental efforts including habitat conservation, planning beach restoration and replenishment, and water quality issues.</td>
<td>10</td>
<td>Higher Support</td>
<td>2002</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>SB 2105, introduced by US Senator Lautenberg in February 2004, restores and maintains the shores, beaches, and other coastal resources of the United States and maintains funding levels to carry out beach and shore protection projects. AB 392 (Montanez) establishes a grant program for Community Based Transportation Planning and Environmental Justice: a single grant could not exceed $300,000.</td>
</tr>
</tbody>
</table>
### Status of Legislative Goals for CY 2004

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<th>General Description of Goal</th>
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<tr>
<td>Mechanisms and funding to provide for the implementation of Mobility 2030 including Congestion Pricing Program, Managed Lanes, High-Occupancy-Toll (HOT) Lanes, and the alleviation of current constraints on transponder technology; and other mechanisms that provide for more efficient use of highways and local roads.</td>
<td>11</td>
<td>High Support</td>
<td>2002/2003</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>AB 1279 (Horton) Inactive File, addressing the High-Occupancy-Vehicle (HOV) lane concept was introduced last year. Assembly Members Dutra and Kehoe have authored AB 2032 for a HOT Lane demonstration program similar to SANDAG's bill for the Interstate 15 FasTrak program. AB 2032 would authorize single users to use HOV lanes for a fee. Principal coauthor: Senator Alpert, Coauthors: Assembly Members Shirley Horton and Houston). The bill passed Assembly Transportation on April 19-Location: Assembly Appropriation. SANDAG is pursuing legislation to allow for bus priority signalization.</td>
</tr>
<tr>
<td>Extending the housing element self-certification pilot program; participating in activities related to legislative and administrative reform of the state housing element law.</td>
<td>12</td>
<td>High Sponsor/ Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>SB 492 was introduced last year by Senator Ducheny to extend SANDAG's self-certification pilot program. This bill passed out of the Senate Special Consent Calendar on January 28, 2004 and sent to the Assembly on January 29, 2004; currently held at desk. Other bills: AB 2980 (Salinas). This bill would establish a statewide alternative production-based, self-certification process for the housing elements of cities and counties. The key provisions of the bill specifying the production standard that cities and counties would be required to meet in order to self-certify their housing elements have been left blank, to allow the bill to move forward while</td>
</tr>
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</table>
## Status of Legislative Goals for CY 2004

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<tr>
<td>the various stakeholders, including the Housing Element Working Group, which includes representatives from the Housing and Community Development (HCD), cities, counties, COGs (including SANDAG), the building industry, and housing advocates strive to reach consensus. AB 2158 (Lowenthal). This bill would enact consensus-based changes proposed for the regional housing needs allocation (RHNA) process by the Housing Element Work Group: Location Asm Consent; AB 2348 (Mullin) proposes numerous changes to the provisions of housing element law pertaining to the land inventory, adequate sites, and permitted use, based on the work of the Housing Element Work Group (HEWG). Highlights include land inventory requirements, relocation assistance, densities for lower income housing, and parking requirements for density bonus projects. Location: Assembly Appropriations.</td>
<td>13</td>
<td>High</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit boards' legislative program consistent with SANDAG policy.</td>
<td>13</td>
<td>High</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td></td>
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AB 2085 (Montanez), sponsored by the Southern California Regional Rail Authority's Metrolink Commuter Rail, increases the penalty for approaching or attempting to traverse a railroad grade crossing in an unsafe manner. Passed Assembly floor; Location: Senate.
<table>
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<tbody>
<tr>
<td>In accordance with the Border Committee and COBRO recommendations, enhancing of border</td>
<td>14</td>
<td>High</td>
<td>Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>The final FY 2004 Consolidated Appropriations bill included the $3</td>
</tr>
<tr>
<td>security and reducing wait times; pursuit of funding and legislation supporting interregional partnerships and bi-national trade and border projects.</td>
<td></td>
<td></td>
<td>2002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>million for SR 905.</td>
</tr>
<tr>
<td>Seek funds to implement the Regional Energy Strategy (RES); respond to legislation related to energy consistent with RES principles.</td>
<td>15</td>
<td>Higher</td>
<td>Support/Sponsor</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>There have been a variety of bills introduced related to energy: AB 1966 (Campbell) would develop incentives to produce hydrogen; AB 2473 (Wolk) related to the use of solar energy; AB 2484 (Ridley-Thomas) related to streamlined energy coordination.</td>
</tr>
<tr>
<td>Local Government Ballot Initiative, a constitutional amendment sponsored by the California League of California Cities, the California State Association of Counties, and the California Special Districts Association, that would allow voters to decide whether state government may appropriate local tax funds to fund state government operations and responsibilities.</td>
<td>16</td>
<td>High</td>
<td>Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>On October 20, 2003, the Local Taxpayers and Public Safety Protection Act was filed with the Attorney General's office. On February 4, 2004, the California Attorney General filed the Proposed Measure, “LOCAL GOVERNMENT FUNDS AND REVENUES. STATE MANDATES. INITIATIVE CONSTITUTIONAL AMENDMENT, FILE NO. SA2003RF0067.” Over 1.1 million signatures were obtained which guaranteed its inclusion on the November 2004 ballot</td>
</tr>
<tr>
<td>Aggressively seek Homeland Security Funding for ARJIS, and transit and freight corridors.</td>
<td>17</td>
<td>Medium</td>
<td>Sponsor</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>In FY 2004, by formula, the COASTER commuter rail received $800,000 for security improvements on the railroad. In February 2004, SANDAG, the City of San Diego, the Otay Mesa Chamber of Commerce, the San Diego Regional Economic Development Corporation, the San Diego Regional Chamber of</td>
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<tr>
<td>Commerce, MTS, and NCTD jointly visited our San Diego Congressional Delegation in Washington, D.C., to talk about the need for funding in this area. Also, in February, SANDAG Board members, during their National Association of Regional Councils (NARC) Conference held in Washington, D.C., visited the delegation on the subject of Public Safety and Homeland Security. Federal Bill S. 2216 would create authorization for funding railroad security programs.</td>
<td></td>
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<tr>
<td>Generation of new revenue sources and maximizing flexibility in the use of federal and state dollars, and increase regional decision-making authority.</td>
<td>18</td>
<td>Lower Support</td>
<td>2003</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>Examples of potential new revenue sources: November 2003 – Federal bill introduced (HR 3611); Metropolitan Congestion Relief Act to be funded at $2 billion annually for six years each fiscal year (FY 2004-09). Federal bill introduced May 2003 (HR 2220) related to NAFTA would authorize $200 million for corridors that connect borders between the U.S. and Mexico and the U.S. and Canada each fiscal year (FY 2004-09). SB 1614 (Torlakson) imposes a 10 cent fee on each gallon of gas, 9 cents of the revenues to be used to finance maintenance, operation, and construction of the state highway and local streets and road system, 1 cent for environmental programs to mitigate the air impacts of motor vehicles. Second was hearing canceled by author.</td>
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## Status of Legislative Goals for CY 2004

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<tbody>
<tr>
<td>Legislation resulting in cost efficiencies and savings.</td>
<td>19 Lower Monitor and Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>AB 2737 (Dutra) Public Agency Tort Reform: Provides that a public entity and a public employee is not liable for an injury caused by the location of, the condition of, existing upon, or that occurs on, a street, highway, road, sidewalk, or other access adjacent to, or leading to or from, public property not owned or controlled by that public entity. The measure is intended to overturn the recent decision in Bonanno v. Central Contra Costa Transit Authority in which the California Supreme Court held, based on well-established case law, that public entities may be subject to liability when their facilities are located in physical situations that unnecessarily increase the danger to those who, exercising due care themselves, use the facilities in a reasonably foreseeable manner. Location: Assembly Judiciary</td>
<td></td>
</tr>
<tr>
<td>Legislation related to personnel matters, i.e., Workers Compensation, Public Employees Retirement System (PERS), benefits.</td>
<td>20 Lower Monitor and Respond</td>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>There was a myriad of bills related to Worker's Compensation introduced in the extraordinary session; a high priority of Governor Schwarzenegger is Workers Compensation Reform. SB 899 (Poochigan) signed into law on April 19 as an urgency measure and therefore effective immediately</td>
<td></td>
</tr>
</tbody>
</table>
### STATUS OF LEGISLATIVE GOALS FOR CY 2004

Legend:
- T: Transportation
- R: Regional Planning
- P: Public Safety
- B: Borders

<table>
<thead>
<tr>
<th>General Description of Goal</th>
<th>Priority</th>
<th>Board Position</th>
<th>Position Date</th>
<th>T</th>
<th>R</th>
<th>P</th>
<th>B</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislation affecting solid waste, water supply, and storm water; support funding opportunities to assist in these areas.</td>
<td>21</td>
<td>Lower Monitor and Respond</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>FY 2004 Appropriations: $750,000 for San Diego Water Authority; water desalinization program, $800,000 for the Olivenhain Municipal Water District.</td>
</tr>
<tr>
<td>Other organizations’ legislative programs where consistent with SANDAG policy, i.e., CALCOG (California Association of Councils of Governments) APTA (American Public Transportation Association), AMPO (Association of Metropolitan Planning Organization), NARC (National Association of Regional Councils), and CTA (California Transit Association).</td>
<td>22</td>
<td>Lower Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>These organizations are closely monitoring federal legislation reauthorizing transportation programs as well as potential repercussions related to the state’s budget problems. Staff continues to participate in these discussions.</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Transportation Clients
FROM: Mark Watts
DATE: May 6, 2004
SUBJECT: Assembly Budget Subcommittee hearing actions

Assembly Member Diaz conducted a hearing of his subcommittee on transportation funding related to the Governor’s proposed Mid-Year Budget Reduction Proposals and elements of the 2004-05 Proposed Budget yesterday afternoon.

Although a number of issues discussed were technical or minor action or information items, the committee did take some very positive and significant steps toward funding transportation programs in 2004-05.

The first key item was the Administration’s budget proposal to provide a specified amount in the budget act that would have limited the amount of proceeds from GARVEE bond programs that could be expended in 2004-05. At the urging of CTC staff and transportation advocates, the committee voted to amend the proposed budget to eliminate the $800 million “cap” and in its place, authorized discretion to the CTC to determine the amount of GARVEE funding to be used. This will be a key tool for the CTC to rely on in the event the eventual transportation component of the budget remains constrained.

Additionally, with respect to the proposed suspension of Proposition 42, the committee voted to adopt a partial suspension for the purpose of leaving $498 million in TCRP. This amount, according to testimony by the CTC, would meet cash flow needs in 2004-05 for existing contract obligations, repayment of LONP’s for projects completed to date, new allocation of TCRP projects in 2004-05 for construction purposes, and new non-construction allocations related to future TCRP construction projects. In essence, this action reflects the minimum cash needs in 2004-05 to keep the TCRP alive.

An adjustment at the conclusion of the committee’s motion converted the suspended amount from Proposition 42 to a “loan”, or a future General Fund obligation to repay to transportation programs.
Finally, the committee also revised the Administration’s proposal related to the PTA “spillover”. The proposed budget sought to capture the full amount of General Fund “spillover” funds that under law would otherwise accrue to the PTA. The committee voted to reduce the General Fund reallocation by half, which I believe would benefit the PTA by nearly $90 million in 2004-05.

It is expected that Mr. Diaz will reconvene the subcommittee shortly after the release of the May Revision of the 2004-05 State Budget, which is anticipated to be May 13.

In the Senate, Senator Dunn has set aside May 19 for his hearing on May Revision discussions and to close out other open items not yet settled.
REQUEST BY THE COUNTY OF SAN DIEGO
TO ADD ANOTHER COUNTY REPRESENTATIVE

Introduction

The County of San Diego has requested that SANDAG assist the County in obtaining legislation authorizing a split of the County’s seat on the SANDAG Board of Directors such that one supervisor would represent primarily incorporated areas and another supervisor would represent the unincorporated areas of the County.

It is

RECOMMENDED

that the discussion of the County’s request for a legislative change be postponed until SANDAG prepares its legislative program for the next legislative session. An interim possibility could provide for the Board to allow the County’s Alternate to serve in an advisory capacity.

Discussion

Current law passed as part of SB 1703 in 2002 states that the SANDAG Board shall consist of 20 primary representatives. All of the member agencies have one vote per primary representative with the exception of the City of San Diego. The City of San Diego has two primary representatives, but only one non-weighted vote. This means that there are a total of 19 non-weighted votes and that a quorum exists when 10 member agencies have a primary representative present. Public Utilities Code section 132351.2 (b) states that, “The City of San Diego shall determine how to allocate its single agency vote and its weighted votes between its two members.” The City of San Diego has elected to have Mayor Murphy control its non-weighted vote when he is present and Councilman Madaffer controls the non-weighted vote when Mayor Murphy is not present. The two primary representative split the City of San Diego’s weighted vote between them equally. A copy of the portions of the statutes providing for the voting structure of SANDAG’s Board is provided as Attachment A.

By letter dated April 8, 2004 (a copy of which is Attachment B hereto), Dianne Jacob, Chair of the County Board of Supervisors, informed SANDAG that the Supervisors are requesting SANDAG’s assistance in obtaining legislation authorizing the addition of a 21st seat on SANDAG’s Board. The reason stated for the County’s request is the need for representation of the diversity of interests in the County’s incorporated and unincorporated areas. The County has proposed that one of its primary representatives would represent mainly incorporated areas and the other would represent
the concerns of the unincorporated areas. As recognized by the County, its proposal will require an amendment to SANDAG’s current legislation. Such an amendment would only affect the number of primary representatives on SANDAG’s Board. It would not change the number of votes held by each member agency, nor would it change the number of member agencies who must be present to constitute a quorum.

Under the County’s proposal its voting method for its non-weighted vote would be similar to the City of San Diego’s, but the allocation of its weighted votes would be mandatory rather than discretionary. The County has proposed that the Chair of the Board of Supervisors would control its non-weighted vote whether that person represents the incorporated or unincorporated areas. During years when the Chair represents a district that is substantially unincorporated, the other primary representative will represent a district that is substantially incorporated. The opposite representative approach would be used in years when the Chair represents a district that is substantially incorporated. If directed to do so, SANDAG staff could work with County staff to determine whether the County wants to legislate matters such as whether its Chair’s alternate or the other primary representative to SANDAG would control the non-weighted vote in the absence of the Chair, or definitions of the terms “incorporated” and “unincorporated.” As to the weighted vote, it appears the County wants to legislatively mandate an equal division of the votes between the two primary representatives. This is different than the City of San Diego’s situation because SB 1703 leaves the allocation of the City’s votes up to the discretion of the City.

Staff recommends offering the County an advisory seat on the Board at this time. This additional seat will address the County’s concern that both its incorporated and unincorporated areas have a voice at SANDAG, but defer a decision on a request that is worthy of more focused discussion. Such a change will not require a legislative amendment. Public Utilities Code section 132351.1 (e), which is part of SB 1703 states: “The board may allow for the appointment of advisory representatives to sit with the board but in no event shall said representatives be allowed a vote.” There is no limitation in SB 1703, the Bylaws, or Board Policy, which would prevent the Board from voting to appoint an additional advisory representative.

GARY L. GALLEGOS
Executive Director

Attachments

Key Staff Contact: Julie D. Wiley, (619) 699-6966; jwi@sandag.org,

The attachments to this Agenda Item are available in hard copy only and may be obtained by contacting SANDAG’s Clerk of the Board at (619) 699-1912.
FY 2005 DRAFT PROGRAM BUDGET

Introduction

This item provides the FY 2005 Draft Program Budget, as well as a revised version of the FY 2005 Overall Work Program (OWP). The Program Budget includes the budget of SANDAG serving as the San Diego County Regional Transportation Commission, the work elements identified in the OWP, the Capital Budget and the Administration Budget.

It is my RECOMMENDATION that the Executive Committee review and provide comments on the Draft FY 2005 Program Budget and recommend, to the Board of Directors, approval of the FY 2005 OWP in substantially the same form as attached. This approval would include fully funding the passenger counting program.

Discussion

The Executive Committee has reviewed previous drafts of the OWP, and all comments have been incorporated in this latest draft. There were a few topics that we were directed to report back on, as follows:

1. Passenger Counting Program – the original proposal was to rework the transit Passenger Counting Program (PCP) with the goal of achieving savings, while at the same time providing the transit operators with more useful data. NCTD, MTS and Chula Vista Transit all objected to this proposal, and we were directed to work with them to address their concerns, while at the same time being mindful of the budget constraints we are working within. Upon further analysis and through discussions with the transit operators, we became aware of additional data needs which, combined with the fact that the automatic passenger counters (APC) won’t be deployed until late in FY 2005 has convinced us that FY 2005 would not be the year in which to reduce the PCP. Therefore, our recommendation is to fully fund the passenger counting program, while at the same time accelerate the process of equipping all transit fleets with automatic passenger counters (APCs). In FY 2006, San Diego Transit will have enough buses equipped with APCs to reduce the level of manual counts currently performed. This should yield over $100,000 annually in PCP cost savings, with a relatively small capital investment. Once SDTC has a working APC system, expanding this program to other operators will become the next priority. Over the next few months
we will work with the transit operators to develop an APC transition plan as part of a broader strategic plan for optimizing transit data collection tied to critical needs.

The passenger counting program is funded in large part by Federal Transit Administration 5307 funding. In order to accommodate the transit operators’ request to fully fund the passenger counting program back to its original amount, we reviewed other 5307 funded transit programs that are perhaps lower in priority. As a result, we are proposing to transfer $130,000 from the Transit First Implementation project.

2. Contracts – the Executive Committee requested that we add a list of contracts to the OWP. This has been included in Appendix A of the OWP. The list provides current contracts, as well as contracts that we expect to enter into during FY 2005.

3. Committee List – For each work element in the OWP, we indicate any policy committee involvement. The Board requested that this information be presented in a table. That information is included in Attachment A to this agenda item. As we went through this exercise, we found some instances where committees should have been listed, but weren’t. Those corrections will be made to the OWP in the next draft. We will also include this table in the next draft.

This is the first draft of the Program Budget brought for Executive Committee review. The Program Budget includes the following budget components:

1. Administrative Budget (Section 3) – includes the costs that are not directly charged to a capital project or work element, including indirect salaries and benefits, postage, paper, supplies, legal and audit fees, equipment rental and maintenance, rent, insurance, telephone, etc.

2. Overall Work Program (Section 4) – includes the planning, coordination, evaluation, monitoring, consensus building, and research efforts conducted by SANDAG on behalf of member agencies.

3. Capital Program (Section 5) – includes the transit-related regional capital improvements that are programmed and funded through SANDAG. The Capital Program includes the projects that are carrying over from the current year, as well as the Capital Improvement Program approved by the SANDAG Board in January.

4. TransNet Program (Section 6) – the cost of managing and administering funds for local roads, freeways, and transit improvements, the majority of which passes through SANDAG to the local jurisdictions, Caltrans and transit agencies.

5. Board Budget (Section 7) – includes expenses relating to the Board of Directors function.

6. Member Agency Assessments (Section 8) – We are proposing to hold member agency assessments constant at the FY 2003 level. This table will need to be updated once we receive the January 1, 2004 population estimates, but it is not expected to change significantly.
7. **Organization Structure (Section 9)** - Organization charts, a summary of the components of personnel costs, a listing of authorized positions and a classification table are included in this section. The position classification table shows a net increase of 5.5 positions and other reclassifications of positions. Many of these actions occurred and were approved by the Board throughout the current fiscal year to accommodate new work. Following are the additional changes proposed:

- 1 environmental planning position so that we can reduce our reliance on consultants (more than offset by a reduction in consultant services)
- 1 administrative support position, offset by a reduction in the use of temporary help
- 1 assistant planning position, which we are absorbing as part of the transfer of the CTSA program from American Red Cross to SANDAG (funded by dedicated TDA funds)
- 1 Criminal Justice position, funded by dedicated grants to conduct new studies
- 1 Information Technology position to be able to continue to provide an appropriate level of support given the increasing complexity of the demands in the IT environment.
- Deleted one Division Director, and upgraded two senior planning positions to principal positions

The Program Budget is scheduled for final Board approval at the June meeting. The OWP is scheduled for approval at the May meeting so that we can begin the process of filing for the federal grants. We anticipate making minor adjustments to the OWP between now and June, and will report those adjustments to the Executive Committee and the Board at the June meetings.

GARY L. GALLEGOS  
Executive Director

Attachments

Key Staff Contact: Renee Wasmund, (619) 699-1940; rwa@sandag.org

The attachments to this Agenda Item are available in hard copy only and may be obtained by contacting SANDAG’s Clerk of the Board at (619) 699-1912.
San Diego Association of Governments

EXECUTIVE COMMITTEE

May 14, 2004

AGENDA ITEM NO.: 7

Action Requested: APPROVE

REVIEW OF MAY 28, 2004 DRAFT BOARD AGENDA

1. APPROVAL OF MEETING MINUTES APPROVE
   A. APRIL 23, 2004 MEETING MINUTES
   B. MAY 14, 2004 MEETING MINUTES

2. ADDITIONS AND DELETIONS

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. 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. Speakers are limited to three minutes.

CONSENT ITEMS (4 THROUGH ---)

4. ACTIONS FROM POLICY ADVISORY COMMITTEES APPROVE

5. COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SINGLE AUDIT REPORTS FOR THE PREVIOUS FISCAL YEAR (Renee Wasmund) INFORMATION/POSSIBLE ACTION

In accordance with the Bylaws, these reports, including the independent auditor's financial and compliance opinions, have been filed with the Clerk of each Member Agency.

6. PROGRESS REPORT ON TRANSPORTATION PROJECTS (Jose Nuncio) INFORMATION/POSSIBLE ACTION

This report summarizes the current status of major highway, transit, arterial, traffic management, and Transportation Demand Management (TDM) projects in SANDAG’s five-year Regional Transportation Improvement Program (RTIP). The TransNet one-half percent local sales tax and other local, state, and federal sources fund these projects.
7. QUARTERLY INVESTMENT REPORT (Marlene Kelleher)  
INFORMATION/POSSIBLE ACTION

State law requires that the Board be provided a quarterly report of investments held by SANDAG.

8. U.S. DEPARTMENT OF DEFENSE PROJECTS AFFECTING THE SAN DIEGO REGION (CAPT Christopher Schanze, USN, CEC, Commander, Southwest Division, Naval Facilities Engineering Command)  
ACCEPT

Each year, the Defense Department provides SANDAG a summary of its activities related to implementing smart growth strategies and a listing of its military construction projects for the current fiscal year and the next two fiscal years. Board action would accept the report for distribution to interested agencies, organizations, and individuals.

9. WORKERS COMPENSATION COVERAGE FOR VOLUNTEERS (Julie Wiley)  
APPROVE

Pursuant to Labor Code section 3363.5, SANDAG may cover its volunteers under its workers compensation insurance policy by adopting a resolution authorizing such coverage. Staff recommends that the Board adopt the attached resolution so that persons volunteering for SANDAG will be covered by its workers compensation insurance in the event of an injury.

10. 

11. 

CHAIR’S REPORT

12. APPOINTMENT OF NOMINATING COMMITTEE FOR BOARD OFFICERS (Chair’s Report)  
APPOINT

Per the Bylaws, the Chair will appoint a five-member nominating committee for Board offices, made up of Board Members from each of the four subregions and a member from either the City of San Diego or the County of San Diego. The committee will submit its list of nominees, in writing, for mailing to Board Members as part of the June Board meeting. Additional nominees for any office may be made by Board Members at the June meeting.
REPORTS

13. 2004 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) - REVISED SUBMITTAL (Jose Nuncio)  APPROVE

On March 26, 2004, the Board of Directors approved submittal of Option C of the 2004 State Transportation Improvement Program (STIP) which maximizes the use of Grant Anticipation Revenue Vehicle (GARVEE) and other bonds. Early feedback from the California Transportation Commission (CTC) indicates that it will not make a decision on which projects will be financed with GARVEE bonds until after the statewide STIP is adopted on August 5, 2004. CTC staff is requesting submittal of a “pay as you go” STIP proposal that does not include GARVEE or other bond financing. On May 7, 2004, the Transportation Committee recommended Board approval of Option A, an initial STIP alternative with direction to continue to pursue GARVEE for as many projects as possible. Programming actions for three projects that are ready to go to construction in the near-term are discussed as well.

14. COMMISSION ORDINANCE 04-01 – THE SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN PROVIDING FOR AN EXTENSION OF THE RETAIL TRANSACTION AND USE TAX IMPLEMENTED BY THE INITIAL SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE (COMMISSION ORDINANCE 87-1 – PROPOSITION A, 1987) FOR A FORTY YEAR PERIOD COMMENCING ON APRIL 1, 2008 (SECOND READING) (Craig Scott)  ADOPT

At the May 14, 2004 meeting, the SANDAG Board of Directors approved the introduction (First Reading) of the Ordinance and Expenditure Plan for the TransNet Extension (Commission Ordinance 04-01). If adopted, the Ordinance and Expenditure Plan would be sent to the County Board of Supervisors to be placed on the November 2, 2004 ballot.

15. UPDATE ON REGIONAL COMPREHENSIVE PLAN (RCP) (Mayor Lori Holt Pfeiler, Chair, Regional Planning Committee; Carolina Gregor, SANDAG Staff)  INFORMATION/ POSSIBLE ACTION

A. WORKSHOP RESULTS

SANDAG culminated its third and final round of public workshops on the draft RCP last month. Attached is a summary of the results.

B. UPDATED SMART GROWTH MATRIX AND PRINCIPLES FOR INCENTIVES

Last month, the SANDAG Board discussed the smart growth matrix proposed for inclusion in the final RCP and aspects of the smart growth incentive program. Refinements to the matrix and the principles have been made, and are included in the attached report.
C. SUMMARY OF KEY CHANGES TO THE DRAFT REGIONAL COMPREHENSIVE PLAN (RCP)

Based on public comments submitted on the draft RCP, comments received at the public workshops, and direction from the Regional Planning Committee and its Working Groups, several changes have been made to the draft RCP. The attached report provides a summary of the key changes. Next month, the Board will be asked to certify the final Environmental Impact Report and adopt the final RCP.

16. FY 2005 DRAFT PROGRAM BUDGET

The Draft FY 2005 Program Budget is attached for review. The SANDAG bylaws require the adoption of a final budget by July 1 of each year. The Program Budget includes the budget of SANDAG serving as the San Diego County Regional Transportation Commission, the work elements identified in the Overall Work Program, the Capital Budget and the Administration Budget. The final FY 2005 Program Budget is scheduled for Board approval at its June 25 meeting.

17. 

18. 

19. UPCOMING MEETINGS

The next meeting of the SANDAG Board of Directors is scheduled for Friday, June 25, 2004 at 9 a.m.

20. ADJOURNMENT

GARY L. GALLEGOS
Executive Director