EXECUTIVE COMMITTEE
AGENDA

Friday, September 10, 2004
8:00 a.m.
SANDAG
401 B Street
7th Floor Conference Room
San Diego, CA 92101

AGENDA HIGHLIGHTS

• LEGISLATIVE STATUS REPORT
• AMEND THE FY 2005 BUDGET AND WORK PROGRAM
• FY 2003 MANAGEMENT LETTER AND FY 2005 BUDGET STAFFING AMENDMENT

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MISSION STATEMENT
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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
Welcome to SANDAG. The regularly scheduled meeting of the San Diego Association of Governments Executive Committee has been called by its Chair for Friday, September 10, 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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EXECUTIVE COMMITTEE
Friday, September 10, 2004

ITEM #  RECOMMENDATION
1. APPROVAL OF JULY 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. CALIFORNIA PERFORMANCE REVIEW (Ellen Roundtree)  INFORMATION

This report summarizes the California Performance Review (CPR) that was publicly released on August 3, 2004. The proposal contains over 1,200 recommendations that, if all were implemented, would have the potential to save $32 billion over the next five years according to the authors of the report.

4. AMEND THE FY 2005 PROGRAM BUDGET AND OVERALL WORK PROGRAM WITH TWO NEW PUBLIC SAFETY PROJECTS (Cindy Burke)  APPROVE

The Executive Committee is asked to approve the following budget amendments: (1) accept $100,000 from the Centers for Disease Control and Prevention, and (2) increase ARJIS Project Management and Enhancements by $118,513 to implement the Regional Sex Offender Management System.

5. REVISED PUBLIC PARTICIPATION POLICY (Anne Steinberger)  RECOMMEND

Staff has revised and updated SANDAG’s Public Participation Policy No. 025 to serve as an umbrella policy for all public participation activities related to comprehensive planning, development planning, design/build construction; transit service and fare changes; and Native American Consultation. The Policy also addresses Title VI, related nondiscrimination requirements, and reflects the principles of social equity and environmental justice. The Executive Committee is asked to recommend that the Board accept the Draft Public Participation Policy for a 45-day public review and comment period with the final Public Participation Policy coming back to the Board for adoption in November.

REPORTS

6. PROPOSED SANDAG DISTRIBUTION OF AGENDA AND SUPPLEMENTAL MATERIALS POLICY (Leslie Campbell)  RECOMMEND

The Executive Committee is asked to recommend that the Board approve the proposed alternative method of distribution of agenda and supplemental materials for Board and Policy Advisory Committee meetings.
FY 2003 MANAGEMENT LETTER AND FY 2005 BUDGET STAFFING AMENDMENT (Marlene Kelleher)

SANDAG’s auditors, Caporicci & Larson, Certified Public Accountants, issued a Management Letter dated April 30, 2004, as a result of its audit of the financial statements for the year ended June 30, 2003. The financial statements were presented to the Board at its June 25, 2004 meeting. The auditor also recommended that staff be added to the Finance Department. The Executive Committee is asked to recommend to the Board an amendment to the FY 2005 budget that adds a regular SANDAG staff position to the Finance Department. Salary savings of approximately $70,000 from various staff vacancies will pay for this Associate Accountant position.

LEGISLATIVE STATUS REPORT (Ellen Roundtree)

Highlights of the September 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 changes SANDAG pursued in the 2003-2004 legislative session; and California’s FY 2004-2005 Budget Act. The report additionally provides information on Propositions 68 and 70, both related to gaming in California, and the impacts to transportation funding should either proposition pass in November. The Transportation Committee reviewed Propositions 68 and 70 at its September 3, 2004 meeting and recommends that the Executive Committee forward to the Board a position on both measures.

REVIEW OF DRAFT SEPTEMBER 24, 2004 BOARD AGENDA

APPROVE

UPCOMING MEETINGS

INFORMATION

The next Executive Committee meeting is scheduled for Friday, October 8, 2004 at 8:00 a.m.

ADJOURNMENT

GARY L. GALLEGOS
Executive Director

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS  
Meeting of July 9, 2004

Chairman Mickey Cafagna (North County Inland) called the Executive Committee meeting to order at 9:16 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

   Upon a motion by Councilmember Ron Morrison (South County) and a second by Councilmember Jim Madaffer (City of San Diego), the minutes of the June 18, 2004, Executive Committee meeting were unanimously approved; with Vice Chair Mary Sessom (South County) abstaining.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

   Clive Richard, a member of the public, congratulated Chair Cafagna on his selection as chairman of the SANDAG Board.

CONSENT (Item 3)

3. AMEND THE FY 2005 BUDGET AND WORK PROGRAM FOR THE AUTOMATED REGIONAL JUSTICE INFORMATION SYSTEM (ARJIS) BORDER SAFE PROJECT (APPROVE)

   The ARJIS Border Safe project is being funded by the Corporation for National Research Initiatives who has agreed to provide additional funds to expand the scope and time frame for this project. Border Safe is a Department of Homeland Security initiative to demonstrate the feasibility of multi-state sharing of law enforcement information. The Executive Committee is being asked to accept these funds, increase the FY 2005 Border Safe budget by $369,000, and direct staff to make appropriate changes to the FY 2005 Border Safe work program.

   Action: Upon a motion by Councilmember Madaffer and a second by Councilmember Morrison, the Executive Committee approved Consent Item No. 3.
4. **LEGISLATIVE STATUS REPORT (INFORMATION/POSSIBLE ACTION)**

Ellen Roundtree, Director of Government Relations, reported that Congress has been unable to reach consensus on a federal transportation bill, and approved an extension of the existing bill through the end of this month. The Congressional recess starts on July 23 and the session won’t be back until after Labor Day. The extension may continue passed the November election.

Chair Cafagna asked if there was any movement on the amount in the bill. Ms. Roundtree replied that the Senate asked the House to support the $318 billion amount and gave the House until July 7 for a response. The House responded that it needed more time to consider the Senate’s bill. Ms. Roundtree stated her feeling that the House doesn’t want to present a bill that the President will veto.

Gary Gallegos, Executive Director, said that the long-term challenge is that Congress is starting to get pressure from the construction industry and the states to pass a bill. Historically this has been a six-year bill because construction projects have long lead times. The continued extension is making it difficult for those who work on these projects to plan for the future.

Ms. Roundtree highlighted several issues at the state level. One was the SANDAG-sponsored bill on value pricing. This proposal would allow two value pricing projects in each county and leaves the decision of which projects to the local agency. No additional amendments are expected to this bill. Another SANDAG-sponsored bill is extending the sunset date for the pilot program for housing element self-certification to match the one year extension granted for the upcoming housing element cycle from 2009 to 2010. There has been quite a bit of activity on the fiscal reform issue. It is a sticking point for state budget approval at this point. The Governor and local governments had reached an agreement but it is still pending.

Ms. Roundtree stated that one more SANDAG-sponsored bill, is the design/build bill. This bill would allow four transportation authorities, including SANDAG, to use this on one project per authority, as long as the project cost at least $50 million. However, there is opposition from labor to this bill. There were three design build bills that have all been “gutted” with the intent to finalize a bill in conference.

Mr. Gallegos said that this is a very important tool for the Board to use, particularly if TransNet passes. A good example of where this was used was in Salt Lake City, Utah, in advance of the Olympics. They used design/build for Interstate 15. This process allowed the work to get done earlier and at less cost. We attempted to add this to Senate Bill (SB) 1703 to give the SANDAG this authority. The labor unions are extremely concerned about this bill. Some smaller contractors are also concerned about it as it is geared toward larger firms. He said that we should try one of these projects.
Councilmember Morrison asked how the bridge retrofit projects were accelerated after the earthquake in San Francisco. Mr. Gallegos said that was a different process; a lot of the environmental rules were waived in order for those projects to get implemented quickly.

Councilmember Madaffer mentioned that he has been on conference calls daily on the fiscal reform matter. There are too many provisions that are built into this new agreement. This Governor’s proposal is in lieu of Proposition 65, the Local Government Coalition’s ballot measure. It will still be a campaign the Governor will wage.

Chair Cafagna asked what prohibits the state from borrowing from local governments and then introduce another constitutional amendment so that they don’t have to pay those loans back. Councilmember Madaffer pointed out that the people of the State of California would have to approve a constitutional amendment.

Chair Cafagna asked what happens if both fiscal reform measures pass. Councilmember Madaffer said that he thought the Governor’s proposal would take precedence.

Ms. Roundtree stated that the recent Indian gaming compacts would provide $1 billion for transportation. Assembly Bill (AB) 687 has been passed and signed by the Governor. The bill breaks down how the $1.2 billion will be spread out to the various programs as shown in the staff report. There was to be a trailer bill to transfer monies from the funds to be allocated to the TCRP program compacts to various transportation funds, but she heard that there may be opposition to the trailer bill. Mr. Gallegos clarified that the bill is very specific about what amount goes into what program and the money will be transferred back to the programs it was taken from.

Chair Cafagna asked what impacts the lawsuit by the Rincon tribe may have on this process. Ms. Roundtree replied that she did not know of any significant concern. She stated that there will be two initiatives on the November ballot. If either one of these is approved, it invalidates the Indian gaming compact. Nothing can happen on the compacts until following the election in November.

Councilmember Jack Feller (North County Coastal) said that the initiative related to card clubs will directly affect the City of Oceanside. If approved, the City of Oceanside would stand to gain about $8 million. Every city that has already has a card room within its jurisdiction will be affected by this measure.

Mr. Gallegos said that the additional funding for the Transit Congestion Relief Program (TCRP) could prove important to SANDAG, especially as it relates to the Sprinter project. The bids have been opened for the main line of the Sprinter, with fairly good bids. The low bid was $12 million over the Engineer’s Estimate. We have been working with Sacramento to ensure that the Sprinter project is in the mix when the TCRP comes up. When we were there last week, the Sprinter was on the list of projects.

Action: The Executive Committee accepted this report for information.
5. POTENTIAL MEETING TIME CHANGE (INFORMATION/POSSIBLE ACTION)

Chair Cafagna stated that the Executive Committee meeting used to start at 8:00 a.m. However, when City of San Diego Mayor Dick Murphy was a member of the Executive Committee he asked that the meetings start at 9:00 a.m. This has worked well except for the days when there is a Policy Committee meeting immediately following the Executive Committee meetings. Since Councilmember Madaffer is now the City’s representative to the Executive Committee, we can consider going back to the 8:00 a.m. start time.

Mayor Lori Holt Pfeiler (North County Inland) noted that we could also move the Policy Board meetings to an earlier start time as well.

Action: Upon a motion by Councilmember Madaffer and a second by Councilmember Feller, the Executive Committee unanimously voted to change its meeting start time to 8:00 a.m., beginning with the next meeting date.

6. REVIEW OF DRAFT JULY 23, 2004 BOARD AGENDA (APPROVE)

Eric Pahlke, Chief Deputy Executive Director for Operations, reviewed the draft agenda for the July 23 SANDAG Board of Directors meeting. On Agenda item No. 6, the California Public Employees Retirement System (CALPERS) resolution will be acted on by the CALPERS Board next week. Under the Chair's Report is an item recognizing the service of Past Chair Ron Morrison. On agenda item No. 10, Councilmember Ron Morrison will provide the report. On agenda item No. 11, Chair Cafagna has asked that those who are currently in the chair and vice chair positions of the policy advisory committees (PACs) continue to serve for another year. To date, we have received agreement to do so from Mayor Lori Holt Pfeiler (Regional Planning Committee), Mayor Joe Kellejian (Transportation Committee), and Mayor Steve Padilla (Public Safety Committee). Under Reports, the major item is the adoption of the Regional Comprehensive Plan (RCP) and certification of the Environmental Impact Report (EIR).

Mr. Pahlke noted that there would an additional item to the agenda related to sending comments to the California Public Utilities Commission (CPUC) on the use of the energy efficiency funds. Agenda item No. 14 is the final report of the Interregional Partnership (IRP) that was formed between the San Diego region and southwestern Riverside County. This item has gone to the Transportation Committee for information.

Chair Cafagna stated that we had requested that the San Diego County Board of Supervisors take action to place the TransNet Extension as Proposition A on the November ballot. Supervisors Cox and Roberts put this item on the Supervisors' agenda for next week, and we had intended to send SANDAG Board representation to the meeting. Supervisor Cox asked for a time certain so that elected officials wouldn't have to wait for the whole agenda, and he was turned down. Chair Cafagna called Supervisor Jacob to request a time certain on this item and was told by Supervisor Jacob that she thought it could be a consent item. He said that he hopes that holds true.
Action: Upon a motion by Councilmember Madaffer, and a second by Councilmember Morrison, the Executive Committee unanimously voted to approve the agenda for the SANDAG Board of Directors meeting on July 23, 2004.

7. UP COMING MEETINGS

Mr. Pahlke stated that traditionally, we try not to hold meetings in the month of August. We can cancel the August Board of Directors meeting and we are working with the chairs of the PACs for them to be cancelled as well.

Action: Upon a motion by Councilmember Morrison, and a second by Chair Cafagna, the Executive Committee unanimously voted to cancel the Executive Committee meeting in August.

The next meeting is scheduled for September 10, 2004, at 8:00 a.m.

8. ADJOURNMENT

Chair Cafagna adjourned the meeting at 9:48 a.m.

Attachment
## CONFIRMED ATTENDANCE
SANDAG EXECUTIVE COMMITTEE MEETING
JULY 9, 2004

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<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>City of Oceanside</td>
<td>Jack Feller</td>
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<td></td>
<td>City of Carlsbad</td>
<td>Ramona Finnila</td>
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<td>City of Escondido</td>
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<td>East County</td>
<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
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<td></td>
<td>City of Santee</td>
<td>Hal Ryan</td>
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<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
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<td></td>
<td>City of Chula Vista</td>
<td>Steve Padilla</td>
<td>Alternate</td>
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<tr>
<td>City of San Diego</td>
<td>___</td>
<td>Jim Madaffer</td>
<td>Member</td>
<td>Yes</td>
<td></td>
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<tr>
<td></td>
<td>----</td>
<td>Scott Peters</td>
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<td>No</td>
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<tr>
<td>County of San Diego</td>
<td>----</td>
<td>Dianne Jacob</td>
<td>Member</td>
<td>No</td>
<td></td>
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<tr>
<td></td>
<td>----</td>
<td>Greg Cox</td>
<td>Alternate</td>
<td>No</td>
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CALIFORNIA PERFORMANCE REVIEW

Introduction

On August 3, 2004, the California Performance Review (CPR) team submitted a 2,500-page reform proposal to Governor Schwarzenegger. According to the authors of the report, the proposal contains over 1,200 recommendations that if all were implemented would have the potential to save $32 billion over the next five years. Of this total, $10.8 billion would result in General Fund savings. Even though the report was very comprehensive and addressed many areas, many of the implementation details remain to be developed. Staff has developed a summary (Attachment 1) of the process and the outcomes of the review, along with a table (Attachment 2) listing CPR recommendations that would be of interest to SANDAG.

Some of the CPR recommendations would require legislative change, some would require voter approval, and some could be implemented by the Governor. The recommendations are very complex and need to be watched carefully as there is much potential for unintended consequences. The purpose of today’s report is informational with the intent to come back at a future date for direction on SANDAG’s position on particular recommendations. The process for the State to move forward on the recommendations would likely occur over the next year, and questions from the Administration, Legislators, and other agencies regarding SANDAG’s position are likely.

For background, Governor Schwarzenegger created a California Performance Review team early in his tenure for the purpose of bringing back recommendations to create a stable government that was:

- Innovative
- Responsive
- Compact
- Open and accountable
- Performance-based
- Attuned to customers and employees
- Productive
- Pro-economy

Rather than continue with the historical boom-and-bust cycles of spending and taxing, the team’s “mission” was to recommend permanent changes to how California does business. The team consisted of more than 275 state workers, academics, and public policy experts. Key functional and operational areas of government were examined.
It is worth noting that the report highlights the following SANDAG’s accomplishments as models for statewide efforts:

- The high occupancy/toll lane (HOT) concept is an alternative source of revenue by allowing single-occupancy vehicles access to high-occupancy-vehicle (HOV) facilities for a fee. The successful implementation of the Interstate 15 (I-15) project, as well as the other San Diego HOT lane corridors planned for the future, is recognized in the report.

- Lack of coordination among state agencies, local governments, and communities and collaboration on joint infrastructure projects is discussed in the report. SANDAG is praised for its Regional Comprehensive Plan.

Next Steps

Upon receipt of the report, the Governor handed it over to a 21-member California Performance Review Commission for its review. Implementation of these recommendations will not be simple, with some of them requiring legislation. You will also hear about other efforts to cut the legislative year by half, with lawmakers meeting for 90 days between January and the end of June.

GARY L. GALLEGOS
Executive Director

Attachments: 1. Summary of California Performance Review
              2. California Performance Review Recommendations

Key Staff Contact: Ellen Roundtree, (619) 699-6960; ero@sandag.org
SUMMARY OF CALIFORNIA PERFORMANCE REVIEW (CPR)

On August 3, 2004, the California Performance Review team submitted a 2,500-page reform proposal to Governor Schwarzenegger. The proposal contains over 1,200 recommendations that if all were implemented would have the potential to save $32 billion over the next five years. Of this, $10.8 billion would result in General Fund savings.

While the report was very comprehensive and addressed many areas, the following is an attempt to concisely summarize the 2,500 pages.

Very early in the Governor’s tenure, he created a CPR team to bring back recommendations to create a stable government that was:

- Innovative
- Responsive
- Compact
- Open and accountable
- Performance-based
- Attuned to customers and employees
- Productive
- Pro-economy

Rather than continue with the historical boom-and-bust cycles of spending and taxing, the team’s “mission” was to recommend permanent changes to how California does business. The team consisted of more than 275 state workers, academics, and public policy experts. Key functional and operational areas of government were examined. The seven areas and potential savings over the five-year period if all recommendations are implemented are as follows:

<table>
<thead>
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<th>Area</th>
<th>Savings</th>
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<tbody>
<tr>
<td>General Government</td>
<td>$12.438 billion</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>4.918 billion</td>
</tr>
<tr>
<td>Education, Training, and Volunteerism</td>
<td>4.124 billion</td>
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<tr>
<td>Infrastructure</td>
<td>3.363 billion</td>
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<tr>
<td>Resource Conversation and Environmental</td>
<td>.349 billion</td>
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<tr>
<td>Protection</td>
<td>.007 billion</td>
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<tr>
<td>Public Safety</td>
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</tr>
<tr>
<td>Statewide Operations</td>
<td>6.406 billion</td>
</tr>
<tr>
<td>Total</td>
<td>$31.606 billion</td>
</tr>
</tbody>
</table>

The CPR Diagnosis includes the following:

- The state’s organizational structure is chaotic and cumbersome.
- The management systems are outdated and ineffective.
- There are existing programs that are no longer needed, wasting valuable taxpayer dollars.
• More than a third of state employees become eligible for retirement in the next five years, creating a potential “human capital crisis.”

• The government’s basic systems are outmoded, while the world is connected by fast, efficient networks.

Section 1 of the 2,500-page report titled, “Prescription for Change,” summarizes the CPR recommendations. According to the report, the essential elements to fixing California state government are listed below:

1. How we serve the people of California. (Customer Service)
2. How we manage our people. (Good People, Good Government)
3. How we cut costs and save taxpayer dollars. (Getting the most out of Taxpayer dollars)
4. How we make our government more accountable. (Accountable Government)
5. How we manage our business operations. (Smart Management Decisions)
6. How we use the power of technology. (Tools for the Digital Age)
7. How we organize our business to realize our goals. (Executive Branch Organization)

This section is organized by these seven elements as shown in parentheses.

1. CUSTOMER SERVICE

Making state government work better for California was a central theme of the CPR. It was found that customer service was not the highest priority, programs are designed from the bureaucratic perspective rather than the customer’s perspective, and modern technologies are not being used. The following are some of the recommended actions to make state government work for Californians.

• Establish a statewide customer service system that requires all state agencies to develop standards and to reward those people in government who provide outstanding customer service.

• Establish a central California Information Center to improve information and service, and update and expand the state Web site.

• Establish a statewide Customer Service Representative classification to be used by all state agencies.

• Create a Local Government Relations Office to fortify relations with all levels of government.

2. GOOD PEOPLE, GOOD GOVERNMENT

In the next five years, the state will lose 34 percent of its current workforce. The personnel system is fragmented and divided. Recruitment, training, and evaluation systems need overhaul. The following are some of the recommended actions for improvement.
• Legislation to consolidate the Department of Personnel Administration and the State Personnel Board into a single entity.

• Establish a centralized unit within the Department of Personnel Administration to plan for the state’s future workforce needs.

• Plan and manage the state’s workforce on an enterprise-wide basis.

• Establish and staff a centralized state recruitment program to provide leadership and coordination for departmental recruitment efforts.

• Reestablish a centralized coordinated statewide college recruitment program and provide adequate resources to ensure its effectiveness.

• Create a central online training portal for state employees, and develop appropriate learning strategies and programs.

• To hold employees accountable, state agencies should incorporate performance goals and expected outcomes into employee evaluations.

3. GETTING THE MOST OUT OF TAXPAYER DOLLARS

To close the budget gap now and to help safeguard against future crises, the CPR found several opportunities to save or raise funds without new taxes or fees. The following are some of the recommendations included in the report:

• Achieve budget savings by controlling and better planning its workforce.

• By reorganizing government to be more efficient utilizing productivity enhancing technology and being more strategic in workforce planning and management, the state should be able to manage with a smaller workforce than currently exists. The report assumes that the state can manage with 12,000 fewer employees, saving $4.3 billion between fiscal years 2005-2010. The CPR assumes that this can be done through natural attrition and by exercising care in the hiring and training of new employees. (Currently there are 315,000 employees in the state; the reduction of 12,000 would represent almost 4 percent).

• Centralize the eligibility processing for Medi-Cal, CalWorks, and Food Stamps.

• Help to fight fraud by using smart-card technology for Medi-Cal recipients.

• The CPR estimates that an additional $47 million-$95 million can be achieved annually from sales of surplus state property with certain actions.
  o Undertake an inventory of the state’s real property assets.
Authorize the Department of General Services to declare and sell surplus assets for the state; and provide it with a clear role in the oversight of real property management.

Amend state law to require the sale of state property at fair market value.

- A savings of $22 million a year could be achieved by utilizing Owner-Controlled Insurance Programs (OCIP) for public works projects.
- Audit state telecommunications bills for overpayments or excessive line charges that could result in a savings of $2.5 million a year.
- Identify taxpayer noncompliance with state law through an advanced database system.
- Authorize the hiring of additional revenue collection personnel for the Employment Development Department, the Franchise Tax Board, and the Board of Equalization that could result in a net gain of $73.8 million a year from delinquent taxpayers.
- Legislate a general tax amnesty program for major state taxes, allowing for a partial waiver of penalty and interest. By CPR estimates, an amnesty program could bring in an additional $220 million that would otherwise not be collected.
- Direct the Franchise Tax Board to make a concerted effort to clear tax settlements. The Board of Equalization should also work to settle existing tax cases. A one-time revenue gain of $675 million is estimated if only half of the cases were cleared.
- To ensure that the state is receiving the federal funding it is entitled to, the Governor should consolidate all activities related to determining the eligibility and receipt of federal funding in a special unit within the Office of Planning and Research.

4. ACCOUNTABLE GOVERNMENT

The current budget system of baseline budgeting is nearly impossible to manage. Budgets are not tied to performance measures, performance results are not measured or tracked, and meaningful budget and financial information is not currently available. The following recommendations are intended to make government more accountable:

- The state should move to a performance-based budgeting system, based on statewide goals and objectives.
- The Department of Finance should identify core programs and performance targets in the Governor’s Budget proposal so that the Legislature can review and approve these performance goals.
- The Department of Finance should develop and distribute guidelines and procedures on how to develop and use practical performance measures.
• The Governor should direct the Department of Finance to prepare a long-range financial plan for the State of California.

• The Governor should instruct the Department of Finance to develop a financial management system that can support a performance-based management system.

• The Governor should direct the Department of Finance to develop a financial management strategic plan with targeted goals and strategies to accomplish those goals.

The CPR team was also tasked with conducting an audit of state government finances. The Audit Team consisted of skilled auditors from across the government. Some of the highlights of this assessment are discussed below:

Financial Controls

• The state's system of internal controls should be improved.

• Many smaller state agencies' financial information is not adequately reviewed to determine if it is reliable and fairly stated.

• Most state agencies do not have internal audit units and do not perform routine accounting/administrative control audits.

Financial Systems

• Existing financial systems within the state government are obsolete, inefficient, and not effective.

• Decentralization of the state's financial systems has created a risk due to the lack of a complete, accurate centralized inventory of fiscal systems.

• The State lacks a clear definition as to who is accountable for financial management and related systems.

Strategic Planning/Performance-Based Budgeting

• There is no centralized tracking or monitoring of statewide strategic planning efforts.

• Strategic plans do not drive the budget process.

Performance Measurement

• Insufficient resources and an inability to develop performance measures often derail efforts to establish or refine performance measures.

Performance-Based Budgeting

• State agencies claim that a lack of resources precludes them from implementing a performance-based budgeting process.
5. SMART MANAGEMENT DECISIONS

The CPR found a number of areas where the state can operate in a more business-like fashion. By incorporating techniques used by successful businesses, services could be improved and cost savings could be achieved. The following are some of the recommended actions included in the report.

- Currently, the Department of General Services is using an approach to purchasing called “strategic sourcing.” This approach is a process by which an organization analyzes its spending and determines the best way to buy goods and services to get the best value at the lowest price. The CPR recommends expanding this approach throughout state government as it believes there is a potential to save millions of dollars a year by doing so.

- The state should negotiate single master service contracts with major vendors wherever possible. According to the report, a savings from just a handful of initial vendors could save $2 million per year.

- The report lists a variety of actions to reduce pharmaceutical costs incurred by the state. The state could potentially save $15.8 million in the first year of implementation.

- The report discusses the use of electronic procurement (e-procurement) to purchase more goods and services more efficiently. An example provided in the report relates to the cost of procuring equipment toner manually. It is estimated that the state spends $28 million per year just to process the paperwork to purchase the toner. It is recommended that the Governor direct the Department of General Services to develop and implement an e-procurement system statewide.

- Establish a statewide strategy to implement electronic fee collection and reduce manual paper payments by 25 percent.

- The CPR recommends that the Department of General Services institute a statewide contract management policy and develop common guidelines and training for all employees, estimating a savings of $38 million a year.

- To reduce the cost of goods and services, actively promote performance-based contracting. By moving to performance-based contracting services on 11 percent of state contracts, the CPR estimates a savings of about $67 million-$167 million per year, eventually saving a quarter of a billion dollars annually as the program expands.

- Create a Competitive Government Policy Council to examine and promote competition opportunities for non-core state functions. States that have used this approach include Virginia and Texas, realizing annual savings of $40 million and $84 million, respectively.

- Related to school construction, consolidate into a single department, a one-stop approval process.
Commit more State Highway Account (SHA) resources to preventative maintenance. According to Caltrans, a dollar spent today on preventative maintenance—joint and crack sealing, etc.—translates into a $20 saving for construction due to failure in the future.

Examine the routes identified by Caltrans for possible relinquishment to local governments. In a 1995 report, a study performed by Caltrans identified over 3,200 miles of roads that would be more appropriately maintained by local government. Approximately $100 million annual savings to the state could be realized.

Other actions in this section of the report relate to better debt collection and consolidation of departmental e-mail services.

This section of the CPR also discusses reforming the Corrections system, which is comprised of 54,000 employees, and a total annual budget of $4 billion. The panel found that much needs to be done to reform the California Correctional system if its credibility is to be restored in the eyes of the public.

6. TOOLS FOR THE DIGITAL AGE

The CPR finds that service delivery systems are outdated and inconvenient, internal systems are antiquated and fragmented, and statewide planning and implementation for technology is ineffective. The technology governance reveals years of incremental budgeting, poorly coordinated program management, and a lack of statewide leadership. The following recommendations are included in the report.

Permanently appoint and empower a state Chief Information Officer (CIO) to provide planning and direction for the state’s investments.

Establish a State Technology Investment Fund.

Establish a Technology Policy Council to establish state technology priorities and approve funding for programs and projects.

Direct the implementation of statewide technology solutions including a redesign of the state portal, MyCalifornia (www.ca.gov), to provide a statewide platform for all government services.

Establish a state government intranet and direct the development of common systems as “shared services”

7. EXECUTIVE BRANCH ORGANIZATION

The CPR found that the state’s complex organizational structure undermines accountability. Currently, there are over 300 boards and commissions, 11 agencies, and 79 departments. The CPR found that agencies and departments have redundant administration support functions, wasting hundreds of millions of dollars annually, and that the bureaucracy does not provide a quality of service to the citizens.
The proposed new organizational structure (reference Exhibit 14 of the CPR report) realigns the many existing agencies and departments into 11 integrated departments and eliminates more than 100 boards and commissions. The intent of the proposed organizational framework is to align functions as closely as possible according to the major purposes of state government to promote accountability and improve productivity.

The report assumes that the overall cost of government will be reduced significantly by reorganization, but does not define a dollar amount.

The Infrastructure Department is one of the 11 proposed departments and is the most related to SANDAG’s areas of interest. It is discussed in more detail below.

Infrastructure Department

One of the government’s most important functions is to provide a well-maintained infrastructure system that includes roads, air and water ports, public utilities, water facilities, public buildings, and schools.

In 1960, 22 state agencies were responsible for infrastructure issues. Today, infrastructure policy is spread across 64 state agencies and multiple local government entities, resulting in a lack of singular accountability for infrastructure. The CPR identifies four problems with the existing system.

1. California lacks an integrated infrastructure system. Transportation, housing, water, energy, and telecommunications operate as separate areas.

2. Infrastructure projects are not centrally managed or coordinated. For example, the decision of whether or not a road is built is considered independently of other infrastructure needs.

3. Necessary infrastructure investment lacks stable funding. The existing system leaves infrastructure planning within departments focused on recent developments and annual budgets rather than consistent and long-term financial support.

4. Multiple agencies involved in infrastructure make it difficult to complete projects.

The proposed organizational structure created from the current 32 departments, agencies, boards, and commissions is an integrated department with the following six operating divisions:

1. Water
2. Energy
3. Transportation
4. Housing, Buildings, and Construction
5. Telecommunications
6. Boating and Waterways
In addition to the six operating divisions, the Infrastructure Department would also include a central Infrastructure Authority, with divisions for planning, programming, and research and development.

All of the infrastructure programs in California under this proposal would be managed by the Infrastructure Department and led by the Infrastructure Authority. The powers, authorities, and responsibilities of the various organizations (e.g., Department of Water Resources, Infrastructure Bank, California Transportation Commission, California Energy Commission, and the State Lands Commission) that now affect infrastructure would be transferred to the Infrastructure Authority and the Infrastructure Department.

The Infrastructure Authority and the Secretary would serve as the Board of Directors for the Infrastructure Department. Members of the Authority would serve six-year terms. The Authority should adopt a long-range infrastructure plan, approve policy, and coordinate projects based on biennial fund estimates. The Authority should also assume the responsibility for power generation and transmission line site approval from the Public Utilities Commission and the Energy Commission.

The Transportation Division under this proposal would perform and manage the operation, maintenance, and construction of the transportation infrastructure. The Division would set performance and maintenance standards and be responsible for providing grants and technical assistance to local governments and their transportation agencies. All existing functions of the Department of Transportation, except for outdoor advertising, research and development, legal, some administrative functions, and planning and programming functions, would transfer to the Transportation Division. The functions of the High Speed Rail Authority would also transfer to this division.

The goal of the Planning, Programming, and Evaluation Division should be to consolidate all of the policy and administrative functions of the Department to address the highest priorities of the full-life cycle of the state’s infrastructure. Programming functions of the California Energy Commission, California Transportation Commission, and the Departments of Transportation and Water Resources should be transferred to this Division.

To Conclude:

This summary briefly touches on the full report and focuses on the areas that are of most interest to SANDAG.

Also worth noting are the SANDAG success stories that are pointed out in the report.

- The CPR supports the high-occupancy/toll lane (HOT) concept as an alternative source of revenue by allowing single-occupancy vehicles access to high-occupancy-vehicle (HOV) facilities for a fee. The report recognizes the successful implementation of the Interstate 15 (I-15) project as well as the other San Diego HOT lane corridors planned for the future.
• In the CPR's discussion on the lack of coordination between state agencies, local
governments, and communities, and collaboration on joint infrastructure projects,
SANDAG is praised for its Regional Comprehensive Plan.

• SANDAG was again mentioned as providing input to improve Project Management.

Upon receipt of the report, the Governor handed it over to a 21-member California Performance
Review Commission for its review. Implementation of these recommendations will not be simple,
with some of them requiring legislation. You will also hear about other efforts to cut the
legislative year by half, with lawmakers meeting for 90 days between January and the end of
June.
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<tr>
<td>EBO</td>
<td>The state’s complex organizational structure undermines accountability.</td>
<td>Currently there are over 300 boards and commissions, 11 agencies, and 79 departments. The CPR finds that agencies and departments have redundant administration support functions, wasting hundreds of millions of dollars annually, and that the bureaucracy does not provide a quality of service to the citizens.</td>
<td>The proposed new organizational structure realigns the many existing agencies and departments into 11 integrated departments and eliminates more than 100 boards and commissions. The intent of the proposed organizational framework is to align functions as closely as possible according to the major purposes of state government to promote accountability and improve productivity.</td>
<td>CBE</td>
<td>Requires legislation. This is a complicated proposal with the potential of unintended consequences; should be watched carefully.</td>
</tr>
<tr>
<td>INF 01</td>
<td>Lowering cost and speed project delivery.</td>
<td>Use of few models for project delivery results in missed opportunities for lowering costs and speeding delivery.</td>
<td>Legislation should be pursued that would authorize the use of different delivery methods including design-build-operate, and public-private partnerships.</td>
<td>CBE</td>
<td>Requires legislation. Proposal is consistent with SANDAG goals to utilize a menu of options with the intent to improve delivery of projects and contain costs.</td>
</tr>
<tr>
<td>INF 04</td>
<td>Performance measures are needed in traffic operations</td>
<td>Performance measures are needed in traffic operations to measure state’s progress toward achieving a mobile and reliable transportation system.</td>
<td>Increase priority for funding of Transportation Management System (TMS) Projects to expedite implementation of TMS projects and expand use of public-private partnerships for TMS activities.</td>
<td>(550,000,000)</td>
<td>Action by the Governor would be required. Support concept, but should be regional, not statewide.</td>
</tr>
</tbody>
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<tr>
<td>INF 05</td>
<td>Need for high-occupancy toll lanes to reduce traffic congestion and generate revenue to cover project costs</td>
<td>Need for high-occupancy toll lanes to reduce traffic congestion and generate revenue to cover project costs</td>
<td>Amend state law to authorize the Business, Transportation and Housing to determine selection of high occupancy/toll lane projects (HOT lane); and to fund toll bridge maintenance through toll revenues.</td>
<td>CBE</td>
<td>Requires Legislation. Proposal is consistent with SANDAG’s legislative goals and assumptions included in Mobility 2030. AB 2032, which allows for two HOT lanes projects in San Diego, has been sent to the Governor for his signature.</td>
</tr>
<tr>
<td>INF 09</td>
<td>California needs strong water policy</td>
<td>Conflicting policies exist in California’s water programs among state agencies and boards, water agencies, environmental interests</td>
<td>The California Water Plan concept should be updated and would require legislation. The Governor should work with the Legislature to promote regional water planning.</td>
<td>CBE</td>
<td>Requires Legislation. SANDAG’s Regional Comprehensive Plan (RCP) is consistent with the San Diego County Water Authority’s Urban Water Management Plan and Regional Water Facilities Master Plan. Conservation should be a key focus of state water policy.</td>
</tr>
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<tr>
<td>INF 13</td>
<td>The state owns several routes that it should relinquish to local agencies and eliminate the need for ongoing maintenance of these facilities</td>
<td>The state owns several routes that it should relinquish to local agencies and eliminate the need for ongoing maintenance of these facilities</td>
<td>Approximately 6,500 lane miles of state highways could be relinquished to local agencies. Such relinquishment should be done in accordance with existing law and without providing funds for future costs.</td>
<td>$432,000,000</td>
<td>Requires Legislation. Support concept of transferring the responsibility, but recognize that funds would need to be identified to offset the cost of the transfer.</td>
</tr>
<tr>
<td>INF 15</td>
<td>Revenues for Transportation Projects are increasingly inadequate to fund needed improvements.</td>
<td>Infrastructure funding is not keeping up with needs for building, maintaining and operating facilities and a toolbox of stable funding options is lacking</td>
<td>Amend California constitution assuring taxes collected for transportation are used for transportation projects. Implement flexibility using funds for transportation and develop new fee collection method based on use of highways.</td>
<td>$1.96 billion</td>
<td>Requires legislation and vote of people Proposal to protect transportation funding is consistent with SANDAG’s legislative goals; establishment of a new fee collection method based on highway usage is complex and should be watched carefully.</td>
</tr>
<tr>
<td>INF 18</td>
<td>Consolidate and coordinate State and infrastructure planning and programming</td>
<td>The state’s infrastructure planning and funding decisions are made in a disjointed fashion creating delay, increased cost and failure to deliver projects</td>
<td>Consolidate infrastructure and programming under one agency. Streamline and standardize administrative procedures. Funding should be linked with performance based management. The consolidated agency should provide</td>
<td>$2,324,000</td>
<td>The recommendations are generally consistent with and supportive of the RCP, which is cited in the CPR as a model for statewide coordination and infrastructure planning. Proposals are complicated</td>
</tr>
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<tr>
<td>INF 18</td>
<td>Cont’d</td>
<td>Supply of Affordable Multi-family housing is inadequate.</td>
<td>Consolidae housing programs under one agency; streamline and standardize housing general plans; ensure continuous monies to local governments to build necessary housing; Pursue legislation that requires redevelopment agencies to spend their 20% set-aside for affordable housing within three years or forfeit the money, which would go to a dedicated affordable housing fund managed by the state.</td>
<td>CBE Requires legislation. Recommendations are generally consistent with the RCP and our legislative goals, but proposals are complicated and should be watched carefully. Consider assigning the responsibility for allocation of state housing funds to the regional Councils of Governments (COGs), similar to transportation funding.</td>
<td></td>
</tr>
</tbody>
</table>

INF 21: Supply of Affordable Multi-family housing is inadequate.

INF 22: Infrastructure siting for energy facilities is fractured and inefficient.
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<tr>
<td>INF 22</td>
<td>cont’d</td>
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<tr>
<td>INF 23</td>
<td>Energy Conservation and Efficiency have not achieved full potential</td>
<td>Energy Conservation and Efficiency have not achieved full potential</td>
<td>Consolidate energy planning, policy development and implementation under one agency. Implement policies for load and peak load management, increased conservation and develop innovative financing methods, conservation and demand management projects.</td>
<td>CBE</td>
<td>Might require a vote by the people. Consolidation might be effective, but this is a complicated proposal that has a potential for unintended consequences; should be watched carefully.</td>
</tr>
<tr>
<td>INF 24</td>
<td>Transportation hampered by unhealthy fuel market</td>
<td>High cost of fuel is impeding Californians from conducting business and enjoying leisurely travel.</td>
<td>Establish an Energy Agency responsible for developing and implementing a comprehensible strategy assuring the availability of clean and affordable fuel. Research grant applications and pilot projects should continue to support the development of emerging fuels and related technologies.</td>
<td>-0-</td>
<td>Might require legislation and vote of the people. Conceptually proposal is consistent with SANDAG goals and objectives.</td>
</tr>
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<tr>
<td>INF 25</td>
<td>Consolidate the ratepayer advocacy and public participation programs at the PUC to eliminate duplication.</td>
<td>Consolidate the PUC office of Ratepayer Advocates and Public Advisor Office</td>
<td>Consolidate the PUC Office of Ratepayer Advocates and Public Advisor’s Office to eliminate conflicts, duplication and effective costs.</td>
<td>-0-</td>
<td>Action required is unknown. Conceptually proposal is consistent with SANDAG goals and objectives; but has a potential for unintended consequences; should be watched carefully.</td>
</tr>
<tr>
<td>INF 27</td>
<td>Shift responsibility of railroad safety at roadway crossings to Caltrans</td>
<td>CPUC is responsible for railroad safety activities at roadway crossings that may be better suited for the Department of Transportation</td>
<td>Amend state law to shift responsibilities for at-grade rail crossing safety from the CPUC to Department of Transportation staff and eliminate the CPUC’s responsibilities for separated-grade projects. Amend state law to stipulate that separate-grade projects will be implemented on a competitive basis within the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP).</td>
<td>(303,000)</td>
<td>Requires Legislation. Transferring the programming of funding to the STIP and the SHOPP program is consistent with how other federal and state funds are administered; the proposal to shift the responsibility of railroad safety at roadway crossings from CPUC to Caltrans is complicated and should be watched carefully.</td>
</tr>
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## California Performance Review Recommendations

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<tr>
<td>INF 35</td>
<td>Early integration of Infrastructure and Resource Planning Necessary</td>
<td>The lack of coordinated infrastructure planning leads to costs and delays.</td>
<td>State agencies should implement an interagency issue resolution process; implement policy framework that allows infrastructure providers to collaborate with resource agencies early in the planning process to identify and commit to mitigation; streamline CEQA and other permitting processes to expedite project delivery; and work in partnership with local governments to provide plans that include incentives for infrastructure projects and services for existing communities to support infill, compact and contiguous development.</td>
<td>CBE</td>
<td>Requires Legislation. Generally consistent with RCP and the legislative goal to streamline processes to expedite project delivery as long as CEQA principles and processes are followed; as an example. A Presidential Executive Order was recently issued to allow use of a streamlined process by SANDAG and Caltrans on improvements to I-5.</td>
</tr>
<tr>
<td>INF 36</td>
<td>Infrastructure is necessary for economic development</td>
<td>Infrastructure is necessary for economic development</td>
<td>An executive order should be prepared to consolidate planning. Programming and evaluation of functions of infrastructure agencies should be consolidated into one organization. The appropriate state entities should identify and implement ways to improve environmental and permitting processes.</td>
<td>CBE</td>
<td>Recommendations are generally consistent with the RCP and have the potential to assist in its implementation. Recommendations are complicated in nature and should be watched carefully.</td>
</tr>
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<td>INF 37</td>
<td>Streamline the Environmental Review process to discourage sprawl and revitalize older developed urban areas.</td>
<td>Attempts to encourage revitalization of older, developed urban areas as alternative to urban sprawl are thwarted by the state’s environmental review process.</td>
<td>Amend the Public Resources Code to exempt from further environmental review infill and mixed-use development projects that are consistent with the local government’s general plan. State agencies should support local infill development through state policies, plans and investments.</td>
<td>CBE</td>
<td>Requires Legislation. Generally consistent with RCP, however the concept of exempting infill development from CEQA needs to be carefully evaluated. The proposal is complicated with the potential for unintended consequences, such as the elimination of opportunities for developer-funded improvements and should be watched closely.</td>
</tr>
<tr>
<td>GG 28</td>
<td>Improve Local Government finance by increasing predictability of revenues.</td>
<td>California’s local governments do not have stable, predictable funding.</td>
<td>Identify permanent sources of local government revenues that would not be subject to redirection.</td>
<td>CBE</td>
<td>Requires Legislation. Proposal is consistent with legislative goals to support fiscal reform and protection of local government revenues.</td>
</tr>
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<td>PS 01</td>
<td>Create a Department of Public Safety and Homeland Security.</td>
<td>Authority and responsibility for public safety, homeland security, fire and emergency management and victim services are divided among 80 separate state entities, creating confusing command structures and miscommunication.</td>
<td>State departments should be consolidated into a single Department of Public Safety and Homeland Security.</td>
<td>CBE</td>
<td>Required Legislation. This is a complicated proposal with the potential of unintended consequences; should be watched carefully.</td>
</tr>
<tr>
<td>PS 07</td>
<td>Law enforcement information analysis and infrastructure protection assessment</td>
<td>Currently functions are spread through several, often competing agencies, inadequacies are due to funding issues</td>
<td>Consolidate functions into an Office of Information, Analysis and Assessment</td>
<td>CBE</td>
<td>The centralized statewide approach is consistent with SANDAG’s regional approach to provide integrated up-to-date, accessible information systems.</td>
</tr>
<tr>
<td>RES 01</td>
<td>Establish a single point of contact for all public inquiries to the California Environmental Projection Agency.</td>
<td>Information needed to comply with environmental laws and for the general public is not provided in a timely, consistent or efficient manner.</td>
<td>Create a single, dedicated office for the purpose of responding to public inquiries about environmental protection programs to improve compliance and environmental laws and improve public accountability.</td>
<td>CBE</td>
<td>A single point of contact in concept would appear to an improvement.</td>
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<td>RES 17</td>
<td>Simplify process for interagency authorizations</td>
<td>State agencies are expending resources, particularly personnel and legal resources to create formal written agreements to work together.</td>
<td>Eliminate administrative oversight and approval of formal written cooperative agreements; develop a simplified model authorization agreement to be used; and provide for reimbursement of work by the recipient agency.</td>
<td>$10,950,000</td>
<td>Simplification and standardization of processes is consistent with SANDAG goals and objectives.</td>
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AMEND THE FY 2005 PROGRAM BUDGET AND OVERALL WORK PROGRAM WITH TWO NEW PUBLIC SAFETY PROJECTS

Introduction

On July 9, 2004, the Executive Committee approved an amendment to the FY 2005 Program Budget and Overall Work Program (OWP) that broadened the scope of the ARJIS Border Safe Project. Border Safe will enhance information sharing between local, state, and federal public safety agencies and demonstrate the effectiveness of public safety personnel receiving real-time information in the field. We are proposing two additional changes to the FY 2005 Program Budget and OWP to reflect additional grants received since that time.

It is my RECOMMENDATION that the Executive Committee approve amendments to the FY 2005 Program Budget and OWP, as follows:

1. **Add a new work element to accept $100,000 from the Centers for Disease Control and Prevention (CDC) for a program called, “HIV Mpowerment Evaluation.”**

2. **Increase the ARJIS Project Management and Enhancements work element budget by $118,513 to implement the Regional Sex Offender Management System. This funding is being provided by the San Diego County Probation Department.**

Discussion

There are two amendments proposed to the FY 2005 Program Budget and OWP:

1. **HIV Mpowerment Evaluation ($100,000):** Family Health Centers of San Diego (FHCSD) has received funds from the CDC to provide HIV prevention services to members of groups at high risk for HIV infection. SANDAG staff will assist FHCSD in documenting program services, which will include counseling, testing, referral, education, and case management. The Criminal Justice Research Division has conducted similar research efforts in the past and will assist program staff in collecting and reporting necessary data to the funding agency. In return for these services, SANDAG will receive a total of $100,000 over the five-year grant period. Attachment 1 shows the details of this new work element.
2. **ARJIS Project Management and Enhancements ($118,513):** San Diego County Probation has received funds from the Office of Justice Programs (OJP) to develop a regional sex offender information management system. The ARJIS division, responsible for developing regional information sharing systems for justice, has recently completed a Domestic Violence Communication System, and will utilize this system as a model for the sex offender system. ARJIS will provide project oversight to ensure the project objectives approved by the Public Safety Committee in July are met. ARJIS services include project management, development of user requirements and customer acceptance testing, and system implementation. In return for these services, SANDAG will receive a total of $118,513 for FY 05.

The proposed amendment does not impact the tasks or products of this work element but represents money that will be managed by SANDAG and used for consultant services. Attachment 2 shows the revised ARJIS Project Management and Enhancements work element.

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GARY L. GALLEGOS
Executive Director

Key Staff Contact: Cindy Burke, (619) 699-1910; cbu@sandag.org
Pam Scanlon, (619) 699-6971; psc@sandag.org
PROGRAM WORK ELEMENT 22005
HIV MPOWERMENT EVALUATION

BUDGET SUMMARY FOR OWP NO. 22005

<table>
<thead>
<tr>
<th>FUNDS SOURCE</th>
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<tbody>
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<td>FTA MPO Planning (5303)</td>
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<td>Member Assessment</td>
<td></td>
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<td>Local Other*</td>
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TOTAL $20,000

OBJECTIVE

The objective of this work element is to assist Family Health Centers of San Diego (FHCSD) staff in documenting HIV prevention services to members of groups at high risk for HIV infection. SANDAG staff will assist FHCSD in documenting program services which will include counseling, testing, referral, education, and case management. Emphasis in FY 05 is to begin documenting program implementation and finalizing data collection instruments and protocols.

PREVIOUS AND ONGOING WORK

SANDAG researchers have worked with FHCSD on the evaluation of the Pilot Clean Syringe Exchange Program (OWP #20023) and Hepatitis Outreach Evaluation (OWP #20036). In addition, they have worked with other partners in evaluating HIV prevention efforts.

TASKS

01 Meet with program staff and the Community Advisory Board. (FY 2005 - 15%)

02 Finalize data collection instruments and protocols. (FY 2005 - 20%)
03  Assist program staff in document program service statistics related to outreach, testing, and case management. (FY 2005 – 25%)

04  Assist program staff in conducting quality assurance. (FY 2005 – 10%)

05  Review program service statistics submitted to the funding agency. (FY 2005 – 15%)

06  Contribute to report to the funding agency. (FY 2005 – 15%)

Committee:  Public Safety Committee; Project Manager - Cynthia Burke

PRODUCTS

- Report to the funding agency. (January 2005)

FUTURE ACTIVITIES

The evaluation of this program will continue through June 30, 2009.
PROGRAM WORK ELEMENT 22002
ARJIS: PROJECT MANAGEMENT AND ENHANCEMENTS

BUDGET SUMMARY FOR OWP NO. 22002

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<tr>
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</table>

OBJECTIVE
The objective of this work element is to enhance ARJIS systems according to priorities set by the Public Safety Committee (PSC) and Chief’s/Sheriff’s Management Committee (CSMC). This element also includes project management and executive oversight for the ARJIS program and staffing the PSC, CSMC, and other working groups that help guide ARJIS. Emphasis in FY 2005 is to: (1) develop a new Web-based mapping application; (2) develop a regional sex offender registry system; (3) create interfaces to facilitate distribution of ARJIS data; (4) add new data sources to Global Query; (5) prepare a strategy and plan for migrating ARJIS from the mainframe to new technologies; and (6) test and evaluate enhanced data mining and crime analysis tools.

PREVIOUS AND ONGOING WORK
ARJIS staff continue to manage and provide oversight for the development of new systems and applications that enhance information sharing and provide accurate, timely, and relevant information to justice personnel. The projects are consistent with the ARJIS Strategic Plan and are evaluated for their impact on public safety and the region. All projects undergo a detailed project assessment, project plan, and development, implementation, and evaluation cycles. We provide staff support to the PSC and CSMC, the ARJIS Business, Technical, Users, and Crime Analysis working groups, and other justice committees as necessary.
TASKS

01 Provide project management and oversight for the implementation of the approved enhancements. (FY 2005 - 10%)

02 Design, develop, and implement a new Web-based regional and sex offender registry system. (FY 2005 - 20%)

03 Design, develop, and implement enhancements to regional Web-based crime mapping application. (FY 2005 - 20%)

04 Design, develop, and implement enhancements to existing systems and applications such as interfaces to link disparate systems, expansion of data sources for Global Query, and data mining and crime analysis tools. (FY 2005 – 15%)

05 Provide staff support, reports, and resources to the PSC, CSMC, and other working groups that support groups. (FY 2005 - 15%)

06 Prepare a white paper on the proposed migration of the ARJIS legacy system off the mainframe. (FY 2005 - 10%)

07 Review legislation, crime-related topics, and issues that have regional significance and prepare issue papers when appropriate. (FY 2005 - 5%)

08 Serve, as requested, on regional intergovernmental committees, task forces, etc., to provide expertise and contribute to liaison efforts. (FY 2005 - 5%)

Committee: Public Safety Committee; Working Groups: Chiefs’/Sheriff’s Management Committee and ARJIS Business, Technical, and Users Working Groups; Project Manager - Pam Scanlon

PRODUCTS

- Enhancements to existing systems and applications. (As needed)
- Project status reports. (Monthly)
- Committee reports, minutes, and agendas. (Monthly)
- Enhanced Web-based sex offender registry, including documentation and user guides. (March 2005)
- Enhanced Web-based regional crime mapping system, including documentation and user guides. (June 2005)
- White paper on ARJIS legacy mainframe migration. (June 2005)
FUTURE ACTIVITIES

This work element will continue to focus on an enterprise approach for disseminating public safety information. It will address the needs of public safety personnel through ongoing evaluation of public safety initiatives and new technologies. Policies will be developed to facilitate information sharing while ensuring privacy. Future activities also will include strengthening ARJIS’ leadership as a technology hub and continued expansion of ARJIS capabilities to meet its 2008 Vision and Goals.
San Diego Association of Governments

EXECUTIVE COMMITTEE

September 10, 2004

AGENDA ITEM NO.: 5

Action Requested: RECOMMEND

REVISED PUBLIC PARTICIPATION POLICY

Introduction

The attachment to this report is the revised and more comprehensive agencywide draft Public Participation Policy (Attachment 1). The policy will serve as an umbrella policy for all public participation activities related to comprehensive planning, program planning and development, design/build construction, transit service and fare changes, and Native American consultation. The draft policy has been prepared for review and comment by the Executive Committee. With the Executive Committee’s concurrence, the policy will be forwarded to the SANDAG Board at the September 24, 2004, meeting with a recommendation to accept for a 45-day public review and comment period.

Therefore, it is the

RECOMMENDATION

that the Executive Committee recommend to the SANDAG Board that the proposed revised Public Participation Policy be distributed for a 45-day public review and comment period.

Discussion

The revised policy establishes a process for obtaining input from and providing information to the public concerning all agency programs, projects, and program funding to help ensure the public is informed and has the opportunity to provide SANDAG with comments and suggestions so plans and programs can reflect the public’s input. The policy also addresses Title VI, related nondiscrimination requirements, and reflects the principles of social equity and environmental justice. The policy also fulfills various state and federal public involvement requirements. SANDAG will review and update this policy every three years. During the 45-day public review period, comments will be solicited from jurisdiction representatives, residents, and other stakeholders. Their comments will be reflected in the final policy that will be submitted to SANDAG for adoption consideration at the November 19, 2004, Board meeting.

GARY L. GALLEGOS
Executive Director

Attachment: Revised Board Policy No. 25

Key Staff Contact: Anne Steinberger (619) 699-1937 or ast@sandag.org
PUBLIC PARTICIPATION/INVOLVEMENT POLICY

Purpose

This policy establishes a process for obtaining input from and providing information to the public concerning agency programs, projects, and program funding in order to ensure the public is informed and has the opportunity to provide SANDAG with input so plans can reflect the public's desire. SANDAG will review and update this plan every three years. Various federal and state laws and regulations require that an agency such as SANDAG conduct public participation programs to ensure that the public is involved and that community concerns are addressed. For example, planning of mass transit guideway projects and fare and service changes to public transportation require public participation. The California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) also have public information components that require an agency such as SANDAG to conduct public participation programs to ensure that the public is involved and that community concerns are addressed. A significant component of SANDAG’s mission is a strong commitment to public participation and involvement to include all residents and stakeholders in the regional planning process.

The public participation policy is consistent with the requirements of Public Utility Code Section 132360.1 established with the passage of Assembly Bill 361 which reads as follows:

(c) The agency shall engage in a public collaborative planning process; recommendations from that process shall be made available and considered for integration into the plan. A procedure to carry out this process including a method of addressing and responding to recommendations from the public shall be adopted.

Social Equity and Environmental Justice

Ensuring the meaningful involvement of low income, minority, disabled, senior, and other traditionally underrepresented communities is a key component of SANDAG’s public participation activities. SANDAG’s policies, procedures, and programs are consistent with federal and state environmental justice laws, regulations, and requirements, Title VI, related nondiscrimination requirements, and reflect the principles of social equity and environmental justice. Social equity means ensuring that all communities are treated fairly and are given equal opportunity to participate in the planning and decision-making process, with an emphasis on ensuring that traditionally disadvantaged groups are not left behind. Environmental justice means ensuring that plans, policies, and actions do not disproportionately affect low income and minority communities.
Scope

The policy addresses public participation policies and public information efforts in the following areas:

A. Overall Public Participation Process
B. Development Planning
C. Design and Construction
D. Transit Service and Fare Changes
E. Native American Consultation

A. Overall Public Participation Process -- Unless otherwise noted or required, these are SANDAG’s general policies for public participation for major planning initiatives such as the Regional Transportation Plan, Regional Comprehensive Plan, and other planning and programming projects.

1. SANDAG’s Public Participation/Involvement Program is designed to inform and involve the region’s residents in the decision-making process on issues such as growth, transportation, environmental management, housing, open space, air quality, energy, fiscal management, economic development, and public safety.

2. The Public Participation/Involvement Program seeks to involve all citizens, including but not limited to low income households, Hispanic, African American, Asian, American Indian, senior, and other communities, persons with disabilities, as well as community and civic organizations, public agencies, and other stakeholders.

3. SANDAG’s board meetings provide the public forum and decision point for significant regional issues. SANDAG Directors usually hold one or two board meetings each month: a Board Policy Meeting the second Friday of each month and a Board Business Meeting the fourth Friday of each month. During these meetings, Directors adopt plans, allocate transportation funds, approve transit construction plans, approve transit fare and service changes, and establish policies and develop programs that are used by local governments as well as other public and private organizations.

4. SANDAG’s Public Participation/Involvement Program shall comply with the Americans with Disabilities Act (ADA). SANDAG shall hold public meetings in buildings, rooms, or locations that are accessible to persons with disabilities. SANDAG shall provide public meeting information in alternate formats and shall provide special accommodations at public meetings with 72 hours notice.

5. SANDAG’s Public Participation/Involvement Program is carried out as an integrated work element of the agency’s Overall Work Program and Budget and as part of other programming, development, and implementation processes such as the Regional Transportation Plan, the Regional Comprehensive Plan, Environmental Impact Reports, transit capital project development, transit service implementation and fare changes, corridor studies, and other projects.
6. SANDAG shall proactively seek and promote public participation in SANDAG’s workshops and public hearings, as well as participation and attendance at committees, working groups, and task forces. SANDAG shall follow local, state, and federal guidelines for posting public meeting and hearing notices. Depending upon the specific project, SANDAG shall endeavor to hold meetings at times that can attract as many participants as possible, including evenings and weekends and at locations in communities throughout the region.

7. SANDAG shall inform the public in a timely manner about regional issues, actions, and pending decisions through a number of efforts. As needed or required, SANDAG shall post public notices in newspapers of general circulation for publication of legal notices. Other publication and distribution efforts can include mail distribution to residents, agencies, and city/county governments, the SANDAG Web site, e-mail lists, and rEgion – SANDAG’s monthly electronic newsletter. As needed, SANDAG also shall distribute press releases and media alerts to local, regional, and Mexico border area print and broadcast media.


9. SANDAG shall use its Web site to provide the public with useful and timely information including meeting schedules and agendas; plans and environmental documents; reports and other publications; demographic profiles and data downloads; and interactive database and mapping applications.

10. As appropriate and depending on the specific project, SANDAG shall translate into Spanish, and other languages, publications, announcements, and Web content. In addition, numerous staff members are bilingual Spanish-English speakers and participate in public outreach and conduct presentations in Spanish. Translators shall be hired as needed to provide services in Spanish and other languages as appropriate.

11. SANDAG conducts periodic public opinion surveys as part of the outreach and citizen participation component of SANDAG’s work program. These surveys shall be designed to include the San Diego region’s residents in the regional planning process and to keep SANDAG officials aware of issues that are of concern to the people who live here.

12. SANDAG will endeavor to respond to general comments received by phone, fax, letter, or e-mail within 5 business days of receipt. Comments shall be routed to the SANDAG staff person who is responsible for that issue. Comments may be responded
to in writing (e-mail or letter) or may be resolved with the initial phone call. Some comments may need to be resolved by another agency or jurisdiction so the customer is referred to the appropriate entity. When a comment is submitted as part of a public review process (e.g., a plan or environmental report) the comment and response is logged into a database. Comments, concerns, and responses received as part of a public review process shall be included in the final plan or report.

B. Development Planning – Planning, environmental, preliminary engineering activities on major capital projects.

1. SANDAG shall follow current federal and state regulations regarding public involvement processes and procedures. SANDAG shall develop public involvement programs tailored to meet specific project needs which address the unique challenges presented by each project. Programs shall be developed using the joint Federal Highway Administration and Federal Transit Administration (FHWA/FTA) guidelines titled “Public Involvement Techniques for Transportation Decision-Making.”

2. The public involvement program shall set objectives, identify people to be reached, develop public involvement strategy, and define specific outreach techniques.

3. The public involvement program shall be developed so that critical community concerns and technical issues are identified in the study. The issues need to address the engineering, environmental, economic, and financial analyses that respond effectively to community needs and preferences and satisfy local, state, and federal environmental clearance requirements.

4. To facilitate community participation, lists of individuals, agencies, and organizations shall be developed for distribution of agency materials. These lists will include persons who have indicated an interest in transportation planning projects during previous public information efforts and/or focused on the specific project. Project information would be distributed to the persons on this list in conjunction with public meetings and workshops, to solicit comments and recommendations.

5. Environmental documents shall be prepared in accordance with California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), as appropriate, and in coordination and consultation with various federal, state, and local agencies, and with elected officials, community leaders, organizations, and other individuals from the neighborhoods and communities potentially affected by the proposed action. Coordination and public involvement shall be achieved through a variety of means, such as formal public hearings and meetings, circulation of draft documents, mailings, focus group meetings, workshops, and individual/group contacts.

6. Formal scoping meetings, public hearings, and/or other meetings during the comment period and environmental document certification shall be held in accordance with the requisite environmental document. As required, meetings shall
be announced in the Federal Register, local publications, and on SANDAG’s Web site. Persons and organizations on the project mailing list also will be notified.

7. SANDAG shall prepare and distribute appropriate notices and communications to comply with CEQA and NEPA requirements.

8. A public information program shall be developed to inform the community of factors related to the project. The information program may include briefings for the news media, informational meetings, presentations to include community and professional associations and educational institutions, and public forums.

9. A project working group may be organized to review and comment on the project to build understanding and identify support for feasible alternatives. This group may consist of various elected officials/staff, community and neighborhood organizations, business organizations, property owners, and other stakeholders and interested parties. This group would be formed to provide comment and guidance regarding technical issues, review study alternatives and evaluation results, and provide community input regarding the alternatives. This iterative process would allow for identified issues and concerns to receive follow-up responses. Meeting summaries of project working group activities shall be produced. Meeting notices, agendas, and/or other information shall be posted to SANDAG’s Web site.

10. Other public participation opportunities include SANDAG Board of Directors meetings and meetings of SANDAG’s five policy committees: Executive, Transportation, Regional Planning, Borders, and Public Safety. Other opportunities for public participation are at working group meetings, general public meetings, and presentations to planning and community groups.

C. Design and Construction – Design and construction of capital projects.

1. For all capital improvement projects with significant community impacts, SANDAG shall provide opportunities for members of the public to provide input and express concerns. SANDAG also shall implement a program designed to inform the public of progress, as well as safety and community impacts in the event of construction.

2. SANDAG shall hold publicly noticed meetings at key stages of project development and implementation in the area(s) being impacted. The location of the meetings shall depend upon the geographic location of the project. Meetings concerning projects exclusively within the North San Diego County Transit Development Board’s (NSDCTDB’s) service area shall be held in North County locations, and if appropriate, at SANDAG’s offices. Meetings concerning all other projects shall be held at SANDAG’s offices or other locations specified in SANDAG’s agendas.

3. SANDAG shall solicit input from the representatives of interest groups of the local population, such as community groups, planning groups, neighborhood associations, and senior and disabled riders. These stakeholders will be consulted during the design and construction of capital projects.
4. SANDAG shall work to advise the public regarding actual and perceived disruption during construction of capital projects by distributing informational, educational, and public information materials, and by using other traditional community relations tools.

5. SANDAG shall endeavor to meet citizen concerns as they arise and attempt to resolve those concerns.

6. For all projects requiring environmental review under CEQA and NEPA, such as major capital improvement projects, SANDAG shall provide opportunities for members of the public to provide input and comply with all related legal requirements.

   6.1 SANDAG shall solicit input from the representatives of interest groups of the local population, such as community groups, planning groups, and neighborhood associations.

   6.2 SANDAG shall incorporate public input into project planning and development where practical and feasible.

   6.3 SANDAG shall hold a public hearing to seek public comment whenever required under CEQA and/or NEPA.

       6.3.1 Published notifications for such hearings shall be published in newspapers of general circulation for publication of legal notices. Notices also may be published in regional, community, or Spanish-language newspapers to reach the affected area.

       6.3.2 Any item subject to a public hearing will be listed and described in the Board’s published agenda, which shall be posted at least 72 hours in advance of the meeting at the Board’s meeting place and on SANDAG’s Web site.

       6.3.3 Public hearings shall be conducted by SANDAG at the published date, time, and place. The public hearing will allow for interested parties to be heard. The Board also will consider any written comments that were forwarded to the Board prior to the hearing.

D. Transit Service and Fare Changes

   1. SANDAG has adopted Transit Service Planning and Fare Setting policies to provide policy guidance for transit service and fare changes. This portion of this policy is designed to inform and involve public transit riders, stakeholders, and the general public about proposed changes in transit fares and regionally significant transit services (as defined in the SANDAG Policy on Regional Transit Service Planning). Public information and involvement programs for other service changes would fall under adopted policies of the Metropolitan Transit System (MTS) and North San Diego County Transit Development Board (NSDCTDB).
1.1. As appropriate, local jurisdiction staffs and/or community groups will be notified regarding proposals for regionally significant service changes prior to publishing a notice for formal public hearing.

1.2. A public hearing will be held by SANDAG for major transit service changes and fare changes. The public hearings will be held at the SANDAG offices during a regularly scheduled meeting of the SANDAG Transportation Committee and/or Board of Directors and/or in the general geographic area of the affected public at a special or relocated meeting of the SANDAG Transportation Committee or Board.

1.3. Take One notices in both English and Spanish will be posted on all public transit vehicles within the affected area at least 21 calendar days prior to the public hearing and will include a description of the proposed change, the date, time, intent and location of the public hearing, and the deadline for written, e-mail and phone comments from the public. The Take One notices will be posted to the SANDAG and Transit Agency Web site(s).

1.4. Print notice of public hearings will be provided at least 15 calendar days prior to the public hearing meeting date in newspapers of general circulation in the affected area(s), including appropriate minority and community publications. The public hearing notice will include a description of proposed changes, the date, time, intent, and location of the public hearing, and the deadline for written, e-mail, and phone comments from the public.

1.5. An open phone line will be made available to take public comments at least 15 calendar days prior to public hearing.

1.6. A SANDAG Policy Committee and/or Board report (as appropriate) will be completed and available for public review at least 72 hours prior to the public hearing and posted to the SANDAG Web site(s).

2. After a fare or service change is approved by SANDAG:

2.1. The public will be notified via news release(s)

2.2. Take One notices in both English and Spanish will be posted on all transit vehicles at least 15 calendar days prior to changes going into effect and posted to the SANDAG and Transit Agency Web site(s).

3. SANDAG shall follow federal Title VI and environmental justice requirements when implementing transit service or fare changes.

3.1. Residential, employment, and transportation patterns of low-income and minority populations shall be identified so that their needs can be identified
and addressed, and the benefits and burdens of transportation investments can be fairly distributed. SANDAG shall endeavor to involve the affected communities in evaluating the benefits and burdens of transportation investments.

3.2. SANDAG shall evaluate and, where necessary, improve the public involvement processes to eliminate participation barriers and engage minority and low-income populations in transportation decision making.

E. Native American Consultation

1. SANDAG shall establish and adhere to government-to-government relationships when interacting with Tribal Governments, acknowledging these tribes as unique and separate governments within the United States.

2. SANDAG shall recognize and respect important California Native American rights, sites, traditions, and practices.

3. SANDAG engages in “consultation” with Tribal Governments prior to making decisions, taking actions, or implementing programs that may impact their communities.

4. To facilitate effective consultation with Tribal Governments, SANDAG has established a Tribal Government Liaison. The Liaison shall serve as an initial contact for Tribal Governments and communicates with tribal governments regarding SANDAG’s activities.

4.1. “Consultation” is the active, affirmative process of: (1) identifying and seeking input from appropriate American Indian government bodies, community groups, and individuals; and (2) considering their interests as a necessary and integral part of the decision-making process.
PROPOSED SANDAG DISTRIBUTION OF AGENDA AND SUPPLEMENTAL MATERIALS

Introduction

Currently, approximately three-quarters of a million pages are printed per year and distributed as agendas and related material to up to 225 interested parties for the two Board and six Policy Advisory Committee meetings per month. In our ongoing efforts to gain efficiencies and preserve resources, three alternative methods of distribution were evaluated that provide opportunities for the Board to move toward technologies already utilized by other agencies.

The Board of Directors and Policy Advisory Committee (PAC) members and alternates were surveyed in June 2004 as to their preferences for receiving Board agendas and supplemental materials. In our ongoing efforts to provide a high level of service, while maintaining efficiency and gaining cost savings, we looked at three alternative methods of distribution. The proposed distribution methods include: (1) our traditional hard-copy (paper) form via the U.S. Postal Service, (2) receiving materials on a compact disc (CD) via the U.S. Postal Service, and (3) notification by e-mail with a pointer directly linking to the agenda and reports on the SANDAG Web site. Surveys were mailed to 93 Board Members and PAC members and alternates. Based upon 50 responses, the majority of respondents would like to continue receiving a hard copy of the agenda and supporting materials. In addition, respondents showed a strong interest in receiving an e-mail notification when the materials were posted on the SANDAG Web site, and some preferred to receive materials on a compact disc.

Based upon staff review of the three alternative methods of distribution, it is my RECOMMENDATION

That the Executive Committee recommend Alternative #3 to the Board of Directors as the preferred method of distributing Board and Policy Advisory Committee agendas and reports.

Discussion

Staff’s analyses of the three proposed alternate methods of distribution and the results from the survey lead to the conclusion that we should continue to provide the traditional hard copy packet to the Board and PAC members/alternates only. Board/PAC members requesting a CD or e-mail notice in lieu of a hard copy packet will, of course, be accommodated. Additional sets of Board/PAC agendas and materials will continue to be available at the meetings for interested attendees. Other interested parties will be notified via e-mail with a direct link to our Web site when agenda and supplemental materials are available. If a hard copy is still desired, it will be sent to the interested party for a fee. An appropriate annual subscription fee will be established and charged for each
committee packet to recoup actual costs of production. This may be implemented as early as January 2005. These technological changes are in compliance with the Brown Act and our own policies.

Based upon the survey results, it is apparent that the Board/PAC members are receptive to using current technology and alternative methods of distribution. Staff studied the three following alternatives for effectiveness, costs and use of resources.

**Alternative #1:** The annual cost for producing the traditional hard-copy/paper distribution is $84,000.

**Alternative #2:** The annual cost projected for using a compact disc (CD) as a method of distribution is approximately $28,000. There is a potential annual savings of $56,000 for this distribution method. Hard copies of the agendas and supplemental materials would continue to be provided to the Board and alternates. Those desiring agenda and supplemental materials will be supplied with a CD. This distribution method would transfer part of the labor costs from the reproduction to burning CDs. Staff time would still be required for the shipping and handling of the CDs.

**Alternative #3:** Finally, annual costs to distribute Board agenda and supplemental materials using e-mail notifications and links to the SANDAG Web site would be $13,000, with an additional one-time cost of approximately $7,000 to purchase a high-speed scanner. Members would continue to receive hard copies of agenda and supplemental materials. Other interested parties would be notified via an e-mail message, pointing to the SANDAG Web site with direct links to agendas and related materials. Copies of agendas and materials will continue to be available at the Board meetings. This method provides the agency and staff with substantial savings of $64,000 a year due to the absence of postage, savings on the lease and maintenance of copiers, and lower staffing needs. Along with this alternative, we request approval to charge a fee to recoup actual costs for hard copies of agendas and reports.

GARY GALLEGOS
Executive Director

Key Staff Contact: Leslie Campbell, (619) 699-1999; lca@sandag.org
FY 2003 MANAGEMENT LETTER AND FY 2005 BUDGET STAFFING AMENDMENT

Introduction

In conjunction with the annual audit of SANDAG’s financial statements for the year ended June 30, 2003, the independent auditing firm of Caporicci & Larson has issued a Management Letter dated April 30, 2004 (Attachment 1). Staff’s review and response to this letter were subsequent to the presentation of the financial statements as an Information Item to the Board of Directors at its June 25, 2004, meeting.

Additionally, as part of its audit, Caporicci & Larson noted deficiencies in Finance Department staffing levels related to processing accounting functions that could result in a lack of segregation of duties, reconciliation of accounts, and delays in audit preparation. Caporicci & Larson recommended SANDAG consider additional Finance Department staff to enhance the internal controls and to ensure that accounting records are generated in a timely manner. It is my

RECOMMENDATION

that the Executive Committee recommend that the Board of Directors approve an amendment to the FY 2005 OWP/Budget that adds a new regular SANDAG staff position to work in the Finance Department. Funds for this position will come from salary savings of approximately $70,000 from various staff vacancies.

Discussion

While planning and performing its audit, Caporicci & Larson noted matters involving internal control and other operational matters reported via this Management Letter. Caporicci & Larson noted its findings in the Observations section of the Management Letter. The auditor made Recommendations that the Finance Department staff has addressed in the Management’s Response section of the Management Letter. During the FY 2004 audit, Caporicci & Larson will be evaluating the implementation of the Recommendations from this FY 2003 Management Letter and will update the FY 2004 Management Letter accordingly as part of the FY 2004 audit.

In order to appropriately manage the financial responsibilities of SANDAG, and as supported by the auditor’s observations, we are recommending the addition of an Associate Accountant position to the Finance Department’s fiscal year 2004/2005 Budget. Salary savings of approximately $70,000 from various staff vacancies will pay for this Associate Accountant position.

GARY GALLEGOS
Executive Director

Attachment: 1. Caporicci & Larson Report (This attachment is available in hard copy only and may be requested by contacting Deborah Gunn, Clerk of the Board, at (619) 699-1912)
Key Staff Contact: Marlene Kelleher, (619) 699-1988; mke@sandag.org
LEGISLATIVE STATUS REPORT

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 September 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; and final approval of California’s FY 2004-2005 Budget Act.

The report additionally provides information on Propositions 68 and 70, both related to gaming in California, and the impacts to transportation funding should either proposition pass in November. If either measure passes, the recently negotiated Tribal-State Gaming Compacts, AB 687 and the associated revenues of $1.214 billion projected for transportation, will be effectively negated. Governor Schwarzenegger has taken a formal position opposing both of these propositions.

Proposition 68 is sponsored by a select number of card clubs and racetracks. The initiative would require all 64 Tribal Governments currently operating under Tribal-State Compacts to agree with a specified list of requirements within 90 days of the passage of this initiative. If Tribes do not comply, 11 card clubs and 5 horseracing tracks would be authorized to engage in the operation of 30,000 slot machines. The new casinos authorized by Proposition 68 would be located in urban areas of California further congesting major streets and freeways in Los Angeles, San Francisco, and San Diego. More than 400 law enforcement groups, firefighters, educators, parents, Indian Tribes, business, labor, seniors, local government, environmentalists, and taxpayer groups are on record opposing this initiative.

Proposition 70, sponsored by the Agua Caliente Band of Cahuilla Tribes, would allow tribes to conduct all forms of Class III gaming (including roulette, craps, and other forms of casino gaming) for 99 years. Specifically, Proposition 70 states that the Governor would be required, upon request by a federal recognized tribe, to amend existing compacts or negotiate new compacts within 30 days of a tribe’s request. The measure would allow tribes to expand their gambling operation by operating an unlimited number of casinos. Although Proposition 70 proponents claim that tribes would pay a percentage of their profits to the state, the initiative prohibits the state from auditing the casino books. Opponents contend that without a state audit, taxpayers will never know if they are getting a fair share. More than 60 Indian Tribes operate casinos in California, but Agua Caliente is the only tribe sponsoring this measure. The California Taxpayers Association, the California Taxpayer Protection Committee, the California State Sheriff’s Association, the California Police Chiefs’ Association, and the California District Attorneys’ Association are on record opposing Proposition 70.

The Transportation Committee discussed these propositions and their impacts on transportation funding at its September 3 meeting.
Therefore, it is the recommendation of the Transportation Committee

RECOMMENDATION

that the Executive Committee take a position on Propositions 68 and 70 at its September 10, 2004, meeting.

Discussion

Federal

Transportation Reauthorization

On July 22, 2004, House and Senate conferees attempted to reach agreement on an overall funding level for the reauthorization of the six-year transportation bill, known as TEA-21. At this meeting, Ways and Means Committee Chairman Bill Thomas (CA) unveiled a proposal with spending authority of $299 billion, including $284 billion in guaranteed spending, and pledged President Bush’s support for these funding levels. Conferees did not vote on the Thomas proposal but directed staff to explore whether the House Leadership proposal could support an agreement between the House and Senate positions. As you will recall, the Senate-passed bill had a funding level of $318 billion, while the House version included authority for $275 billion and included a re-opener clause to provide sufficiently for the 95 percent return to the States.

With the fourth TEA-21 extension set to expire on July 31, Congress approved a fifth extension (H.R. 4916) of TEA-21 before adjourning for its summer recess. Unlike the previous four extensions, this bill treats programs differently. All federal highway programs are extended through September 24, while all other programs are authorized through September 30. The shorter extension for the highway programs gives Congress the opportunity to make adjustments in the flow of dollars among the states before the new fiscal year begins October 1.

FY 2005 Transportation Appropriations

On July 22, the House Appropriation Committee approved $57.8 billion in new spending authority, raising funding levels for federal highway programs by nearly $1 billion to $34.63 billion, and reducing transit by $16 million to $7.25 billion. The House proposed discretionary funding only for New Start projects with pending or executed Full Funding Grant Agreements (FFGA) with the intent of waiting until conference negotiations with the Senate before making final decisions on additional project earmarks. Both the Mission Valley East Trolley Extension and the Sprinter projects were proposed for funding consistent with their FFGA schedules, $65 million and $55 million, respectively. The House bill also proposes $900 million for Amtrak operations equal to the President’s request, which is $300 million less than the FY 2004 appropriation. To maintain current service levels, Amtrak asked Congress for an appropriation of $1.798 billion for FY 2005. The Senate has not considered its version of the bill.

Rail and Public Transportation Security Legislation

Railroad security continues to be a high priority in Washington, D.C. H.R. 4896, introduced on July 22 by United States Representatives Oberstar (Senior Democrat on the House Committee on Transportation & Infrastructure), titled “Protecting Railroad Operators, Travelers, Employees, and Communities with Transportation Security Act of 2004,” proposes $5 million to conduct a rail transportation risk assessment and $500 million for a freight and passenger rail improvement program. The bill also proposes $600 million for tunnel improvements in New York, Baltimore, and Washington

2
The State 2003-2004 Legislative Session has effectively come to a close. Bills that have been approved by the Legislature, and not already signed or vetoed by Governor Schwarzenegger, are pending his action. The Governor has until September 30 to either sign or veto a bill passed by the Legislature before September 1 and in his possession on or after September 1. The following provides the status on SANDAG-sponsored bills and other bills of interest that are consistent with SANDAG’s legislative program.

Value Pricing

The SANDAG-sponsored bill, Assembly Bill (AB) 2032, providing state authority to implement value pricing on two corridors in San Diego has been enrolled and sent to the Governor for approval. SANDAG’s Mobility 2030 Plan includes three projects that implement value pricing: Interstate 805 (I-805) between State Route (SR) 905 and I-5; SR 52, east of I-15 to SR 125 in Santee; and I-5 from I-805 to Vandergrift Boulevard. As the legislation restricts the number of projects in San Diego to two, additional legislation would be needed to implement a third project. The bill does not, however, define a specific project. Passage of this bill was dependant upon the tremendous efforts its principal authors, Assemblymembers Dutra and Kehoe, Senator Alpert, and co-authors Assemblymembers Shirley Horton and Houston, as well as project sponsors, Sunol Smart Carpool Lane Joint Powers Authority, Santa Clara Valley Transportation Authority, and Alameda County Congestion Management Agency.

Housing/Land Use

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

Sent to the Governor on August 23, Senate Bill (SB) 492, authored by Senator Ducheny extends the housing self-certification pilot program in San Diego by one year to June 30, 2010. If signed by the Governor, the sunset date for the self-certification pilot program, which allows communities in San Diego County to self-certify their housing elements, would coincide with the housing element sunset date.

AB 2158, authored by Assemblymember Lowenthal, which enacts consensus-based changes for the regional housing needs allocation (RHNA), was sent to enrollment on August 25. This bill would only become operative if AB 2348 is enacted and becomes operative on or before January 1, 2005. AB 2348, authored by Assemblymember Mullin, makes numerous changes to the provisions of housing element pertaining to land inventory, adequate sites, and permitted use. As with the provisions of AB 2158, AB 2348 can only become effective if AB 2158 is enacted and becomes operative on or before January 1, 2005. Both proposals were based on the work of the Housing Element Work Group (HEWG), a task force that SANDAG staff participated in.

AB 1268, authored by Wiggins, authorizing the text and diagrams in a general plan’s land use element and the implementing local zoning ordinances to express community intentions regarding urban form and design, was signed by the Governor on July 1, 2004.
SB (SB) 1818, authored by Senators Hollingsworth and Ducheny, making various changes in the density bonus law has passed the Legislature and is pending the Governor’s signature. The changes are intended to strengthen existing law to address the state’s housing needs.

AB 2702, authored by Assemblymember Steinberg, restricting local governments’ ability to deny or place restrictions on the development of a second unit housing, has been sent to enrollment and is pending the Governor’s signature. The League of California Cities is opposed to this bill.

In addition, Secretary of California’s Business, Transportation and Housing Agency Sunne Wright McPeak has been holding meetings with various stakeholders to discuss potential changes to land use and housing law. SANDAG staff has been participating in these meetings.

Fiscal Reform

Senator Ducheny’s bill on fiscal reform, SB 1212, would have repealed 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. The bill, held in Assembly Appropriations Committee, did not meet the August 31 legislative deadline for a bill to pass out of both houses.

SCA 4, a protection measure for local government finance, was Chaptered by the Secretary of State on July 30, and will be on the November 2004 ballot as Proposition 1A. Specifically, this measure:

1. Protects the property tax revenues of local governments.
2. Allows suspension of the property tax protection provision for any individual fiscal year, starting with 2008-2009, subject to certain conditions.
3. Constitutionally protects the sales tax replacement revenue that cities and counties receive while the Bradley-Burns local sales and use tax is in effect.
4. Constitutionally protects local sales tax revenues.
5. Enables the Legislature to authorize two or more specifically identified local agencies within a county to exchange property tax and Bradley-Burns sales tax revenues with a majority vote of the governing bodies of each entity.
6. Revises the dedication of Vehicle License Fee revenues in the Constitution.
7. Provides additional requirements for payment of state-mandated local costs.
8. Declares that this measure is a comprehensive alternative to the Local Government Property Tax Protection Act, Proposition 65 (see below), and that none of the provisions of Proposition 65 would take effect if both measures pass and Proposition 1A receives a larger share of affirmative votes.

As you know, the Local Taxpayers and Public Safety Protection Act, sponsored by the League of California Cities, the California State Association of Counties, and the California Special Districts Association, would require voter approval for any legislation that proposes to reduce the share of local
governments’ vehicle license fee revenues, sales tax powers and revenues, and a proportionate share of local property tax revenues.

The League of California Cities, the California State Association of Counties, and the California Special Districts Association have worked closely with the Governor and the Legislature on SCA 4 (now Proposition 1A). Both propositions will be on the ballot, and they have taken positions to support Proposition 1A and oppose Proposition 65.

High Speed Rail Authority

In response to the Administration’s proposal early this year, SB 1169, authored by Senator Murray, which defers the vote on the Safe, Reliable, High-Speed Train Bond Act for the 21st Century from November 2004 until November 2006, was Chaptered by the Secretary of State on June 24.

Other Legislative Changes Being Pursued

**Design Build**

There were three separate bills related to design-build procurements. One of the bills, SB 1793 (McPherson), authorizes four transportation authorities, including SANDAG, to use a design-build process for bidding on one highway construction project with a cost of at least $50 million within the jurisdiction of the applicable transportation authority. The other two related bills are AB 1210 (Torlakson and Ducheny) and AB 3048 (Oropeza). AB 1210, the only bill related to design-build to survive the legislative session, extends the current law authorizing the Department of Transportation to conduct a pilot project to let design-sequencing contracts to January 1, 2010. While we were disappointed that SB 1793 did not survive this session, it is our understanding that the design-build concept is viewed favorably by the Governor, and we look forward to expansion of this concept next year.

**Queue Jumping**

AB 1951, introduced by Assemblymember Benoit, amending the California Vehicle Code to make it a violation for a driver of a vehicle to fail to obey a sign or a signal defined as regulatory in the federal Manual on Uniform Traffic Control Devices (MUTCD), was Chaptered by the Secretary of State on July 27, 2004. Buses and light rail vehicles are identified and given priority control in the MUTCD. Examples of priority control include displaying of early or extended green signal indications at an intersection to assist public transit vehicles in remaining on schedule, and special phasing to assist public transit vehicles in entering the travel stream ahead of the platoon of traffic, known as queue jumping.

**State Budget**

On July 31, 2004, Governor Schwarzenegger signed the 2004 Budget Act. Key features of the budget:

- No tax increases.
- Reduces the state’s structural deficit.
- Spends more than $10 billion less that projected baseline spending in 2004-05.
• It Improves the State’s out-year fiscal forecast through an early repayment of $1.4 billion in transportation loans (through revenues gained with Tribal-State Gaming Compacts).

• It makes permanent the Governor’s 2003 roll-back of the car tax.

• It incorporates the Governor’s agreement with local governments to prevent the State from using local revenues to balance State budgets in future years.

Transportation

The 2004 Budget Act and associated legislation, AB 687, makes possible $1.397 billion in funding for transportation, through early repayment of prior transportation loans. The funding is accomplished by dedicating $1.214 billion in potential bond proceeds resulting from the Tribal-State Gaming Compacts as well as $140 million of “spillover” revenues and $43 million from the General Fund. "Spillover" occurs when the sales tax on gasoline, statewide, brings in more revenue to the State than the sales tax on all other taxable goods in California.

The allocation of the $1.214 billion projected from the Tribal-State Gaming Compacts as provided for in AB 687 is as follows:

• $457 million to the State Highway Account (SHA)
• $290 million for new allocations in the Traffic Congestion Relief Program (TCRP)
• Up to $192 million for local streets and roads
• Up to $275 million for Public Transportation Account capital expenditures

In addition, the Budget Act provides for $117.3 million for local transit projects.

The Budget Act provides a suspension of Proposition 42 gasoline sales tax money transfers, saving the General Fund $1.2 billion. The suspension, however, is to be repaid by June 30, 2008.

Proposition 42 Loophole

As you will recall, Proposition 42 includes a provision that authorizes the suspension of revenues intended for the purpose of transportation in whole or in part for a fiscal year during a fiscal emergency with a proclamation by the Governor and the enactment of a statute by a two-thirds vote of both houses. There were strong efforts this legislative session to support Assembly Constitutional Amendment (ACA) 24, which would delete this provision, and instead authorize the Legislature to loan funds under certain circumstances and requires repayment with interest. Although this did not receive passage this session, future efforts to protect the intent of Proposition 42 to fund transportation will likely continue.

Local Government

The 2004 Budget Act proposes constitutional protection for over $25 billion of local revenues. If the voters approve Proposition 1A (SCA4), discussed above, the State would be prohibited from reducing local governments’ share of the property tax revenues below current levels. In a fiscal emergency, the State could borrow up to 8 percent of local property tax revenues, provided that the amount borrowed would be paid back within three years and a number of conditions are met. In exchange, the cities, counties, special districts, and redevelopment agencies give up a total of $1.3 billion of their property tax revenues over the next two fiscal years.
SIGNIFICANT STATE SCHEDULE REMAINING

September 30  Last day for Governor to sign or veto bills passed by the Legislature before September 1; and in his possession on or after September 1.

October 2  Bills enacted on or before this date take effect on January 1, 2005

November 30  Adjournment Sine Die (adjournment “without day” being set for reconvening. Final adjournment) midnight

December 6, 2004  Convening of the 2005-06 Regular Session

January 1, 2005  Statutes take effect

SIGNIFICANT FEDERAL SCHEDULE REMAINING

July 26-September 6  Senate not in session
September 7  House of Representatives reconvenes
September 7  Senate reconvenes
October 1  Target adjournment

The following letters were sent during the months of July and August:

- Support of Senate Bill 924: The Establishment of the Global Gateways Development Council, status: Enrolled 8/31 and sent to Governor
- Support for AB 2085-Vehicles: Railroad grade crossings: violations: penalties:, status: vetoed by Governor
- Support for AB 488-Megan’s Law Information Internet, status: Enrolled and sent to Governor 8/31
- Letter to Assemblymember Christine Kehoe providing the status of the Regional Comprehensive Plan and its compliance with AB 361.

GARY L. GALLEGOS
Executive Director

Attachment

Key Staff Contact: Ellen Roundtree, (619) 699-6960; ero@sandag.org
# STATUS OF LEGISLATIVE GOALS FOR CY 2004

September 10, 2004

<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>
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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</td>
<td>Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>On May 28, 2004, the SANDAG Board of Directors approved the second reading and adopted the ordinance to place on the November 2004 ballot.</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</td>
<td>Support</td>
<td>2002</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) held under submission; SCA 11 (Alarcon), Placed on the inactive file by request of author.</td>
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<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</td>
<td>Sponsor/Sponsor</td>
<td>2002</td>
<td>X</td>
<td>X</td>
<td>X</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. Conferees include Senator Boxer and Congressman Filner. A fifth extension through September 30 was granted.</td>
</tr>
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<td>FY 2005 Appropriation requests as included in the project funding request list.</td>
<td>4</td>
<td>Highest</td>
<td>Sponsor</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td>The House approved its transportation appropriations bill July 2004, included $34.63 billion for highways, $7.25 billion for transit; the Senate bill is pending.</td>
</tr>
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<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 2158 (Lowenthal), enacts consensus based regional housing needs AB 2348 (Mullin), enacts various changes to housing element requirements. Both</td>
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### STATUS OF LEGISLATIVE GOALS FOR CY 2004

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<td>are dependant upon each other’s passage and both are pending the Governor’s signature. 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. Pending the Governor’s signature.</td>
</tr>
<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 Support</td>
<td>2002</td>
<td>X</td>
<td></td>
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<td></td>
<td>Transit Village Plan, relates to the Transit Village Development Planning Act. AB 1320 (Dutra), Approved by the Governor 5/19/04.</td>
</tr>
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<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 Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>SB 1212 (Ducheny) on Hold in the Appropriations Committee, 8/12; Other fiscal reform bills include SCA 22, SB 1774; ACA 30, AB 3105. SB 1774 canceled by authors. SCA 4, a protection measure for local government finance, was Chaptered by the Secretary of State on July 30, and will be on the November 2004 ballot as Proposition 1A.</td>
</tr>
<tr>
<td>Efforts to backfill the loss of Vehicle License Fees (VLF) to cities and counties.</td>
<td>8</td>
<td>Highest Support</td>
<td>2003</td>
<td></td>
<td></td>
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<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</td>
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Legend:
- T: Transportation
- R: Regional Planning
- P: Public Safety
- B: Borders
### Status of Legislative Goals for CY 2004

Legend:
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<td>Efforts that would reduce transportation funding and challenges existing regional decision-making authority.</td>
<td>9 Higher</td>
<td>Oppose</td>
<td>2002</td>
<td>X</td>
<td></td>
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<td>Bill Chaptered on May 4, 2004: Suspends a &quot;Poison Pill&quot; provision through July 15, 2004.</td>
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<td>The approved FY 2003-2004 Budget Act signed by the Governor on July 31 is more positive for transportation than the January proposal, with the proposal to repeal the TCRP program and suspend the $189 million appropriated in the 2003-04 Budget withdrawn and early repayment of prior loans. Proposition 42 was suspended for the third year, with a promise to pay back by 2008.</td>
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<td>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. To enrollment 8/25.</td>
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<td>ACA 21 (Bogh) and SCA 21 (Murray) would provide a constitutional amendment that would change the vote requirement to 4/5 of membership of each house 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: ACA 21 failed passage; SCA 21 Senate Appropriations hearing postponed by author.</td>
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<td>ACA 29 (Harman) would delete the</td>
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<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</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
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<td>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 Appropriations, held under submission.</td>
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<td>ACA 24 (Dutra and Oropeza). Purpose of this measure is to stop future suspensions of Proposition 42 transfers; authorizing loans under certain conditions. Location: Assembly Appropriations, held under submission.</td>
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<td>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. Part of a larger bill to amend the IRS Code of 1986 to simplify the international taxaction rules. Passed the Senate 5/11/04</td>
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<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. Failed Passage on 6/29.</td>
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<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></td>
<td>X</td>
<td></td>
<td></td>
<td>AB 2032, authored by Dutra, Kehoe and Alpert, authorizes single users to use HOV lanes for a fee. Passed Assembly Floor, Enrolled and to Governor on 8/30</td>
</tr>
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<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></td>
<td>X</td>
<td></td>
<td></td>
<td>SB 492 (Ducheny) would extend SANDAG’s self-certification pilot program to June 30, 2010; Enrolled and to Governor on 8/23. 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. Assembly Appropriations, hearing postponed by committee 5/05. AB 2158 (Lowenthal). This bill enacts consensus-based changes to regional housing needs allocation (RHNA). AB 2348 (Mullin) proposes numerous changes to the provisions of housing element law pertaining to the land inventory, adequate sites, and permitted use. Both bills based on work by Housing Element Work Group (HEWG) and are dependent upon each other to become operative. To enrollment on 8/27.</td>
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## STATUS OF LEGISLATIVE GOALS FOR CY 2004

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<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>
<td></td>
<td>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. Vetoed by Governor on 8/27.</td>
</tr>
<tr>
<td>In accordance with the Border Committee and COBRO recommendations, enhancing of border security and reducing wait times; pursuit of funding and legislation supporting interregional partnerships and bi-national trade and border projects.</td>
<td>14</td>
<td>High</td>
<td>Support</td>
<td>2002</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>SB 817, (Ducheny) establishes within existing resources an Office of Foreign Affairs and International Protocol, would serve as a clearinghouse for information and assistance to other state agencies that are involved with Mexico. Bill amended on June 9 and re-titled Employment Training Panel.</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>Sponsor/Support</td>
<td>2002</td>
<td>X</td>
<td></td>
<td></td>
<td>There have been a variety of bills introduced related to energy: AB 1966 (Campbell) would develop incentives to produce hydrogen; Passed Assembly Floor, Hearing canceled by author on 6/08. AB 2473 (Wolk) related to the use of solar energy. Enrolled and to Governor on 8/2.</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>2003</td>
<td></td>
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<td>On May 28, 2004, the Secretary of State notified the coalition that the Local Taxpayers and Public Safety Protection Act has qualified for the November Ballot. Current efforts by the Governor and local government on an alternative initiative are in process. The League of California Cities, the California State Association of Counties, and the</td>
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<td>California Special Districts Association have worked closely with the Governor and the Legislature on SCA 4 (now Proposition 1A). Both propositions will be on the ballot, and they have taken positions to support Proposition 1A and oppose Proposition 65.</td>
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<td>Aggressively seek Homeland Security Funding for ARJIS, and transit and freight corridors.</td>
<td>17</td>
<td>Sponsor</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>Federal Bills S. 2216 would create authorization for funding railroad security programs. Referred to Committee on Commerce, Science, and Transportation. S. 2273 (McCain), a federal bill to provide increased rail transportation security. S. 2453 (Shelby) to award grants to public transportation agencies to improve security, includes authorization to appropriate for a capital security program, operational security assistance program, and research. H.R. 4476 (Lynch), would provide for the security and safety of rail and rail transit transportation systems. H.R. 4604 (Young, Quinn, and Porter); introduced on 6/17/04, titled “The Protecting Railroads against Enemy Efforts through Modernization, Planning and Technology Act” (PREEMPT) is designed to expand and improve anti-</td>
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### STATUS OF LEGISLATIVE GOALS FOR CY 2004

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

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<td><strong>Generation of new revenue sources and maximizing flexibility in the use of federal and state dollars, and increase regional decision-making authority.</strong></td>
<td>18</td>
<td>Lower Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>terrorist security programs of passenger railroad and freight rail systems. H.R. 4896 (Oberstar) introduced on July 22, titled “Protecting Railroad Operators, Travelers, Employees, and Communities with Transportation Security Act of 2004, proposes nearly $1.2 billion for freight and passenger rail security improvements. Examples of potential new revenue sources: Federal bills HR 3611-Metropolitan Congestion Relief Act to be funded at $2 billion annually for six years each fiscal year (FY 2004-09). 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, the revenues to be used to finance maintenance, operation, and construction of the state highway and local streets and road system for environmental programs. Hearing was canceled by author 5/04.</td>
</tr>
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<td><strong>Legislation resulting in cost efficiencies and savings.</strong></td>
<td>19</td>
<td>Lower Monitor and Support</td>
<td>2003</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></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,</td>
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<td>sidewalk, or other access adjacent to, or leading to or from, public property not owned or controlled by that public entity. Failed passage 05/04. AB 1793 Design Build Contracting (McPherson). This bill would have provided SANDAG the ability to enter into one design build contract. Too much opposition by labor; bill failed to pass both houses by legislative deadline.</td>
</tr>
<tr>
<td>Legislation related to personnel matters, i.e., Workers Compensation, Public Employees Retirement System (PERS), benefits.</td>
<td>20</td>
<td>Lower</td>
<td>Monitor and Respond</td>
<td>2003</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>
</tr>
<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</td>
<td>Monitor and Respond</td>
<td>2003</td>
<td>X</td>
<td>X</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>
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<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</td>
<td>Support</td>
<td>2003</td>
<td>X</td>
<td>X</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>
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## REVIEW OF SEPTEMBER 24, 2004 DRAFT BOARD AGENDA

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<th>ITEM #</th>
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<tr>
<td>1.</td>
<td>APPROVAL OF MEETING MINUTES</td>
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<td>2.</td>
<td>ADDITIONS AND DELETIONS</td>
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<td>3.</td>
<td>PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</td>
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</table>

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.     | REGIONAL TRANSIT SERVICE PLANNING POLICY (Toni Bates) | APPROVE |

Under consolidation, SANDAG is responsible for regional transit service planning. The proposed policy, which revises existing SANDAG Policy No. 18, would establish the process for transit service planning and clarify the roles and responsibilities of the transit agencies and SANDAG related to transit service planning in the region. The proposed policy has been recommended by the Transportation Committee for adoption by the SANDAG Board. The Joint Committee on Regional Transit has also endorsed the proposed policy.
6. **AMENDMENT TO CONFLICT OF INTEREST CODE (Julie Wiley)**  
   Staff seeks approval from the Board for distribution of proposed amendments to SANDAG’s Conflict of Interest Code. Approval will commence the public comment period required by the Political Reform Act (Government Code Sections 81000 et seq.). The Proposed Amendment reflects necessary updates to the list of designated positions subject to filing annual economic disclosure statements and the financial disclosure categories applicable to such designated positions. After the public comment period has ended, this item will be brought back to the Board for final approval, and if requested, public hearing.

7. **AMENDMENTS TO BYLAWS AND BOARD POLICIES (Julie Wiley)**  
   Staff recommends updates are necessary to reflect changes over the past year and that some additions are necessary to clarify roles and responsibilities.

8. **APPROVAL OF FY 2005 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM GOALS (Elaine Richardson)**  
   Federal regulations require all recipients of funds from the U.S. Department of Transportation (DOT) to develop DBE programs with specific project goals. The draft program is pending approval by the Federal Transit Administration (FTA), and Caltrans and, with SANDAG Board approval, will be distributed for public comment. The SANDAG FY 05 DBE goals are representative of the consolidated agency, inclusive of certain functions from SANDAG, the Metropolitan Transit Development Board (MTDB) and the North San Diego County Transit Development Board (NCTD).

9. **QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS (Jose Nuncio)**  
   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.

10. **QUARTERLY INVESTMENT REPORT – PERIOD ENDED JUNE 30, 2004 (Marlene Kelleher)**  
   State law requires that the Board be provided a quarterly report of investments held by SANDAG.
11. REVISED PUBLIC PARTICIPATION POLICY (Anne Steinberger)  

At its September 10, 2004, meeting, the Executive Committee recommended that the revised Public Participation Policy be approved for distribution for a 45-day public review and comment period. The revised policy will serve as an umbrella policy for all public participation activities related to comprehensive planning, development planning, design/build construction; transit service and fare changes; and Native American Consultation. The final Public Participation Policy, including comments received and responses to the comments, will be available for the Board's consideration at its November 19, 2004, meeting.

12. SALES TAX AUDITS (Craig Scott)  

Approval of this item would authorize the Executive Director to enter into an agreement with MBIA MuniServices Company (MMC) for sales tax auditing services related to recovering misallocated and misreported TransNet sales tax revenues. Resolution No. 2005-xx would designate MMC as a consultant to SANDAG and would allow MMC access to the State Board of Equalization's records for the one-half percent TransNet sales tax revenues.

13. LOCAL TECHNICAL ASSISTANCE PROJECTS REQUIRING MORE THAN $1,000 OR THREE DAYS STAFF TIME (Jeff Tayman)  

Local Technical Assistance (LTA) policy guidelines require that projects involving more than three days staff time be reported to the Board of Directors. The projects covered in this month's report are transportation modeling and analysis for the City of Coronado and the County Departments of Planning and Land Use and Public Works.

14. FY 2003 MANAGEMENT LETTER AND FY 2005 BUDGET STAFFING AMENDMENT (Marlene Kelleher)  

SANDAG's external auditors, Caporicci and Larson, Certified Public Accountants, have issued a Management Letter dated April 30, 2004, as a result of their audit of the basic financial statements for the year ended June 30, 2003. The audited basic financial statements were presented to the Board at its June 25, 2004 meeting. The Executive Committee recommends that the Board approve an amendment to the FY 2005 budget that adds a regular SANDAG staff position to the Finance Department. Salary savings of approximately $70,000 from various staff vacancies will pay for this Associate Accountant position.
15. **TransNet EXTENSION ENVIRONMENTAL MITIGATION PROGRAM IMPLEMENTATION GUIDELINES** (Craig Scott) APPROVE

A series of meetings have been held over the last few months with representatives of the wildlife agencies and environmental organizations to further refine and define the components of the Environmental Mitigation Program (EMP) as contained in the adopted *TransNet* Extension Ordinance and Expenditure Plan and its attachments. Approval of this item would represent the concurrence of the Board in the set of implementation guidelines that have been developed through these meetings. The implementation guidelines would provide the basis for the required agreements that will need to be developed to implement the EMP consistent with passage of Proposition A in November.

16. 

**CHAIR’S REPORT**

17. **RECOGNITION OF PARTICIPANTS THAT CONTRIBUTED TO THE PREPARATION OF THE REGIONAL COMPREHENSIVE PLAN (RCP)** (Chair Cafagna, and Mayor Lori Holt Pfeiler, Chair of the Regional Planning Committee)

In July SANDAG adopted the Regional Comprehensive Plan, the long-term plan for the San Diego region. SANDAG would like to recognize the sustained participation from policymakers, planning directors, stakeholders, community-based organizations, and others from throughout the region over the past two years on this effort.

**REPORTS**

18. **PUBLIC HEARING - RESOLUTIONS OF NECESSITY** (Jack Limber, Tim Allison) APPROVE

Hearing of Necessity: (A) Partial Acquisition of Assessor Parcel Numbers 316-180-14, 15, and 16, owned by Legacy Sabre Springs LLC, located in the City of San Diego; and (B) Full Acquisition of Assessor Parcel Number 313-031-16, owned by Carmel Mountain Ranch, a California General Partnership, located in the City of San Diego.
19. REGIONAL HOUSING NEEDS ALLOCATION (Susan Baldwin)  ACCEPT

Required by state law, the Regional Housing Needs Allocation (RHNA) process allocates the regional housing need number by jurisdiction and income category for the 2005-2010 housing element cycle. On September 3, 2004, the Regional Planning Committee recommended that the SANDAG Board of Directors accept the draft RHNA methodology for a 90-day public review period. Final action on the RHNA is scheduled for the January 28, 2005 SANDAG Board meeting.

20. LOCAL PROJECT SAFE NEIGHBORHOODS PROGRAM (Cindy Burke)  INFORMATION

As part of the FY 2005 Overall Work Program, the outreach campaign has been launched, targeted at reducing youth gun violence in San Diego County. Through the local Project Safe Neighborhoods Task Force, Criminal Justice Research Division staff has developed a number of messages being released in a new campaign coinciding with the start of the new school year. The messages were developed through the analysis of crime statistics, as well as interviews and focus groups with youth. Information about this campaign and the posters and campaign messages will be presented.

21.

22. UPCOMING MEETINGS

23. ADJOURNMENT

GARY L. GALLEGOS
Executive Director