



**FY 2013–2015  
Triennial Performance Audit  
of Santa Barbara County  
Association of Governments**

***Final***

**Submitted to  
Santa Barbara County  
Association of Governments**

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## **Executive Summary**

The Santa Barbara County Association of Governments (SBCAG) retained the Michael Baker International consultant team to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2012–13 through 2014–15. As a Regional Transportation Planning Agency (RTPA), SBCAG is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) in order to continue receiving TDA funding. TDA funding is used for SBCAG administration and planning, and distributed to local jurisdictions for motorized and non-motorized forms of transportation.

This performance audit is intended to describe how well SBCAG is meeting its administrative and planning obligations, as well as its organizational management and efficiency. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, September 2008 (third edition)* published by Caltrans was used to guide in the development and conduct of the audit. To gather information for the TDA performance audit, Michael Baker conducted interviews, reviewed various documents, and evaluated SBCAG's responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of implementing prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on our audit procedures.

### **Compliance with TDA Requirements**

SBCAG has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies. To its credit, SBCAG meets these mandates using limited staff resources.

### **Status of Prior Audit Recommendations**

Two of the three prior performance audit recommendations have been fully implemented. The two recommendations that were implemented pertain to keeping SBCAG staff and the Board apprised of the Strategic Plan, and tracking completion of Short Range Transit Plans. One prior recommendation relating to updating the Transit Resource Guide is carried forward in this audit for full implementation.

## Functional Review

1. SBCAG conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. In FY 2013-14, a 2 percent cost of living adjustment was given to all authorized staff, and a 1.5 percent adjustment was given in FY 2014-15. Prior to these adjustments, SBCAG staff had not received a salary or benefit increase for the past five years due to the recession. A compensation and benefits study was completed in 2015, which resulted in adjustment of salaries by job class to reflect the market median. The majority of the staff received an equity pay adjustment plus a 1.5 percent COLA. To help reduce costs, SBCAG implemented an office closure during the holiday period starting at the end of December 2013.
3. SBCAG works with the local transit systems to improve travel options within and outside of the county. An example is the Breeze Route 200 intercommunity service between Santa Maria, Los Alamos, Buellton, and Solvang that went into operation in January 2013. Also, in 2014, SBCAG and the Ventura County Transportation Commission adopted a 10-year service plan and entered into a new MOU for management of the Coastal Express service connecting Ventura, Santa Barbara and Goleta. Further, in 2015, the Clean Air Express began providing bi-directional Saturday service from the Santa Ynez Valley and linking Santa Barbara, Solvang, Los Olivos and Buellton.
4. The 2040 Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS) was approved in August 2013, marking SBCAG's first RTP that integrates the SCS mandates. The RTP-SCS plans for and programs the approximately \$7.4 billion in revenues expected to be available to the region for the 30-year period from 2010 to 2040. The next update to the RTP-SCS, entitled Fast Forward 2040, has been underway and is scheduled for completion in Spring/Summer of 2017.
5. Several Short Range Transit Plans were adopted including for City of Guadalupe (July 2014), SBMTD (March 2015), and City of Santa Maria (June 2015). These updates follow other transit operator SRTPs conducted in the prior audit period. Intercity transit issues and countywide transit studies are conducted through SBCAG including the North Santa Barbara County Transit Plan that commenced in August 2013 and adopted by the SBCAG Board in September 2016.
6. SBCAG prepares the annual Transit Needs Assessment in close consultation with the SBCTAC, which serves as the statutorily required Social Service Transportation Advisory Council (SSTAC). The Transit Needs Assessment fulfills the requirement of the TDA unmet transit needs process and entails an assessment of transit-dependent and transit-disadvantaged in the county, an evaluation of existing transit providers, public outreach, and testing of public request for services against reasonableness to meet criteria. For the three-year audit period, SBCAG made findings that there were no unmet transit needs that were reasonable to meet.

7. The SBCAG regularly updates its two reference documents *Local Transportation Fund Claim Manual* and *State Transit Assistance Fund Claim Manual*. The purpose of each manual is to clarify the respective provisions of TDA and to serve as a convenient reference document for TDA claimants and SBCAG in administering the TDA claims process. It also serves as a technical reference document for stakeholders who are involved with transportation planning in Santa Barbara County and with the unmet transit needs process.
  
8. In recognition of integrating alternative means of transportation, SBCAG completed a Regional Active Transportation Plan that meets requirements of the California Transportation Commission’s Active Transportation Program Guidelines for bicycle and pedestrian modes. Also, Traffic Solutions’ new interactive website, SmartRide.org, launched in April 2015 and is a one-stop-shop for dynamic real time commuter rideshare and trip-planning tools. Real time rideshare uses smartphone technology to match riders and drivers to facilitate casual carpooling for non-traditional commutes and transportation trips.

## Recommendations

Performance Audit Recommendation	
<p>1. Update the SBCAG TDA Claims Manuals for new legislation.</p> <p>(Auditor Suggestion)</p>	<p>The Local Transportation Fund (LTF) and State Transit Assistance (STA) claims manuals produced by SBCAG should be updated following new legislation that makes adjustments to some key TDA performance criteria. The passage of SB 508 in October 2015 has several objectives, including simplifying fare recovery requirements; authorizing funding of bicycle and pedestrian safety education programs; and modifying STA qualifying criteria for operations. The manuals should be updated to reflect these changes and identify the responsible party for implementing the updates, such as the fiscal auditor for the farebox recovery calculation. SBCAG should also communicate these changes to the transit systems and determine what implication, if any, the changes might have on their respective transit operations. A description of the suggested changes are provided in the last section of this audit report. SBCAG has contracted with an outside consulting firm to update both the STA and LTF manuals in the first half of 2017.</p>
<p>2. Update the Coordinated Public Transit-Human Services</p>	<p>The coordinated plan, entitled <i>Transportation Connections</i>, helps coordinate specialized transit services for elderly,</p>

Performance Audit Recommendation	
<p>Transportation Plan. (Auditor Suggestion)</p>	<p>disabled, and transportation-disadvantaged individuals and is used by SBCAG to set priorities for certain federal transportation grant programs, with potential local match from sources such as TDA. The plan sets project goals, strategies, and selection criteria in the review of grant applications by SBCAG and in addressing the coordination and the provision of social service transportation. SBCAG intends to update the plan following completion of the North County Transit Plan update, and to ensure it is internally consistent with the RTP-SCS. The current plan, which SBCAG adopted in 2007, emphasizes the importance of CTSAs, such as Easy Lift and SMOOTH in transportation service coordination in the larger areas. An update would provide guidance for coordination of specialized services under more recent operating conditions and service capacities of the transportation providers.</p>
<p>3. Update the Transit Resource Guide. (Auditor Suggestion)</p>	<p>This is a carryover from the prior recommendation. Traffic Solutions is continuing the update to the guide and plans to include a trip planner. Since 2009 when the last transit guide was developed, several new and modified transit services have been implemented along with new system connections. The Transit Resource Guide should be updated following or concurrently with the update of several other documents, including the North County Transit Plan, Short Range Transit Plans, and the coordinated public transit-human services transportation plan. The Transit Resource Guide should be made available electronically given the prevalence of technology use by the public. It is suggested that the updated Transit Resource Guide be inserted within the same webpage as the transit operator links on the Traffic Solutions website, as well on the SBCAG publications site.</p>
<p>4. Review agency strategic planning process as warranted under new leadership. (Auditor Suggestion)</p>	<p>The SBCAG strategic plan was approved in 2011 and presents a vision and high-level actions that executive management and the organization as a whole have been implementing the past several years through the OWP and budget. The upcoming three-year performance audit cycle is a window from which SBCAG could continue assessing the outcomes of the strategic plan in meeting broad agency</p>

Performance Audit Recommendation	
	<p>goals and policies. With the understanding that there will be new executive leadership in the near future, a review of the existing strategic plan and its consistency with the region's transportation goals in collaboration with the SBCAG committees and the public should occur as conditions warrant. Oftentimes new leadership is an impetus for revisiting the organization's mission, vision, and direction. A review of the strategic plan by this leadership is a step toward furnishing the context to improve accountability for the use of resources, coordinating policies and building partnerships with all constituencies, ensuring the alignment of resources to address critical issues, and reinforcing the basis for clearly linking goals and objectives with ultimate outcomes.</p>

# Section I

## Introduction – Initial Review of SBCAG Functions

The Santa Barbara County Association of Governments (SBCAG) retained the Michael Baker International consultant team to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2012–13 through 2014–15. As a Regional Transportation Planning Agency (RTPA), SBCAG is required by Public Utilities Code (PUC) Sections 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) in order to continue receiving TDA funding. This performance audit is intended to describe how well SBCAG is meeting its administrative and planning obligations under TDA as well as its organizational management and efficiency.

### Audit Methodology

To gather information for this performance audit, Michael Baker International accomplished the following activities:

- **Document Review:** Conducted an extensive review of documents including various SBCAG files and internal reports, TDA claims files, financial reports, committee and board agendas, and other published public documents.
- **Interviews:** Held interviews with the executive director, deputy executive directors, planning personnel, and administration and finance staff, as well as transit operators under SBCAG’s jurisdiction. All interviews were conducted in-person at their offices or at SBCAG.
- **Analysis:** Evaluated both the responses from the interviews as well as the documents to make findings about SBCAG’s responsibilities, functions, and performance as an RTPA and to the TDA guidelines and regulations.

The remainder of this report is divided into four chapters. Chapter II provides a review of the compliance requirements of the TDA administrative process. Chapter III describes SBCAG’s responses to the recommendations provided in the previous performance audit. In Chapter IV, Michael Baker provides a detailed review of SBCAG’s functions. The last section summarizes our findings and recommendations.

## Overview of SBCAG

SBCAG is an association of city and county governments in Santa Barbara County. SBCAG's primary purpose is to assist local governments in solving common problems and addressing public policy issues that are regional or multi-jurisdictional in nature. SBCAG exists to provide a forum for regional collaboration and cooperation between agencies on issues that extend beyond jurisdictional boundaries such as traffic, housing, air quality, and growth.

SBCAG was established in October 1966 as a voluntary council of governments under a joint powers agreement executed by Santa Barbara County and each of the five general purpose city governments in the county at that time (Carpinteria, Guadalupe, Lompoc, Santa Barbara and Santa Maria). Three additional cities have incorporated since then and have joined the JPA (Solvang incorporated in 1985, Buellton in 1992, and Goleta in 2002).

Santa Barbara County is located along the southern portion California's central coast and extends inland from the coastal plains and valleys to the Santa Ynez, San Rafael and Sierra Madre mountain ranges. The county is bordered by San Luis Obispo County to the north, Ventura County to the east, Kern County to the northeast and the Pacific Ocean to the south and west. Santa Barbara County was one the 26 original counties when California became a state in 1850. The county derives its name from Spanish explorer Sebastián Vizcaíno, who arrived in the Santa Barbara Channel on the feast day of Santa Barbara in 1602. The county geographically encompasses 3,789 square miles, which includes the offshore islands of San Miguel, Santa Cruz, Santa Rosa and Anacapa of the Channel Islands chain. The county has a land area of 2,735 square miles. The highest elevation is 6,820 feet at the summit of Big Pine Mountain in the San Rafael Range.

Santa Barbara is the county seat and Santa Maria is the largest city by population. Other incorporated cities in order of population rank are Lompoc, Goleta, Carpinteria, Guadalupe, Solvang and Buellton. The eight incorporated cities account for about 68 percent of the county's total population, based on the 2016 State Department of Finance city/county population estimates. Unincorporated communities and census-designated places of note include Ballard, Cuyama, Hope Ranch, Isla Vista, Los Alamos, Los Olivos, Mission Hills, Montecito, New Cuyama, Orcutt, Santa Ynez, Summerland, and Vandenberg Village. Santa Barbara County has one federally-recognized Native American tribal entity composed of the Santa Ynez Band of Chumash Indians, who are established on the Santa Ynez Reservation, which has a population of 249 residents. A demographic snapshot of incorporated cities and the County is presented below in Table I-1:

**Table I-1  
Santa Barbara County Demographics**

<b>City/Jurisdiction</b>	<b>2010 US Census Population</b>	<b>Change from 2000 US Census</b>	<b>2016 DOF Estimate</b>	<b>Population 65 years &amp; older</b>	<b>Land area (in square miles)</b>
<b>Buellton</b>	4,828	26.12%	4,957	13.19%	1.58
<b>Carpinteria</b>	13,040	-8.13%	13,928	13.80%	2.59
<b>Goleta*</b>	29,888	n/a	31,235	13.54%	7.90
<b>Guadalupe</b>	7,080	25.11%	7,348	8.01%	1.31
<b>Lompoc</b>	42,434	3.24%	44,116	9.95%	11.60
<b>Santa Barbara (county seat)</b>	88,410	-4.24%	93,190	14.22%	19.47
<b>Santa Maria</b>	99,553	28.58%	104,404	9.43%	22.76
<b>Solvang</b>	5,245	-1.63%	5,451	20.88%	2.43
<b>Santa Barbara County (Co. Total)</b>	423,895	6.15%	446,717	12.83%	2,735.09

*\*The City of Goleta incorporated in 2002. The population data from the 2000 Census do not reflect the current boundaries of Goleta. Therefore, the comparison between the 2000 and 2010 Census data has not been included.*

*Source: 2010 U.S. Census; California Department of Finance for 2016 population.*

### Role of SBCAG

Similar to many other large regional transportation planning agencies in California, SBCAG has a complex legal structure, which delineates its responsibilities in the areas of transportation, planning, and investment decision-making. SBCAG’s original 1966 JPA has served as the foundation upon which several additional responsibilities have been added in later years by the state and federal governments. In its role as an association of governments, and guided by its bylaws, SBCAG provides a regional forum to identify, study, and recommend solutions to regional problems through the development of comprehensive area-wide plans and action programs. SBCAG also serves as the regional, multi-jurisdictional organization enabling local governments to qualify for state or federal funds and programs and serves as the designated agency to review and comment on local applications for federal or state funding.

SBCAG’s various designations for Santa Barbara County include:

#### **Areawide Planning Organization (APO)**

Designated by the U.S. Department of Housing and Urban Development, SBCAG is responsible to comply with the comprehensive planning responsibilities of Section 701 of the Housing Act of 1954 and subsequent legislation.

#### **Regional Transportation Planning Agency (RTPA)**

Designated by the Secretary of the California Business, Housing and Transportation Agency, SBCAG is responsible for the multi-modal transportation planning, programming, and fund

allocation required by state statutes. This includes the annual allocation of Transportation Development Act (TDA) funds.

#### **Metropolitan Planning Organization (MPO)**

Designated by the Governor as the agency responsible for all transportation planning and programming activities required under federal law. This includes the development of long-range transportation plans and multi-year funding programs, and the selection and approval of transportation projects using federal funds.

#### **Airport Land Use Commission (ALUC)**

Responsible for protecting public health, safety, and welfare by ensuring those vacant lands in the vicinity of airports are planned and zoned for uses compatible with airport operations. To do this, SBCAG must determine that the adoption of local land use plans and policies will minimize the public's exposure to excessive noise and safety hazards.

#### **Local Transportation Authority (LTA)**

SBCAG is responsible for administering the ½-cent county-wide sales tax authorized by voter approval of Measure A in 2008, which extends the existing sales tax until 2040. SBCAG is responsible for the annual allocation to local agencies as well as the development and construction of state and regional projects identified in the Measure A expenditure plan, approved by SBCAG, its member agencies and county voters.

#### **Areawide Clearing House**

Designated by the Governor's Office of Planning and Research to coordinate the regional review of and response to proposed programs for federal assistance and proposed federal development activities.

#### **Service Authority for Freeway Emergencies (SAFE)**

This program is responsible for the installation, operation and administration of the system of approximately 350 roadside call boxes in Santa Barbara County. This system is financed by a \$1 annual fee on all motor vehicles registered in the county. SBCAG also operates a Freeway Service Patrol during peak hours on the South Coast US-101 corridor to address incident-related traffic congestion.

#### **Affiliate Census Center**

SBCAG has been designated by the State Department of Finance to serve as the affiliate census center for Santa Barbara County. As such, SBCAG serves as the conduit for government and public access to census data.

#### **Congestion Management Agency (CMA)**

SBCAG is responsible for the development and implementation of the county-wide Congestion Management Program (CMP) required in all urban counties in California. The CMP is a comprehensive program designed to reduce auto-related congestion through capital

improvements, travel demand management, and coordinated land use planning among all local jurisdictions.

**Council of Governments (COG)**

SBCAG is responsible for carrying out the Regional Housing Needs Allocation process prescribed in state housing law. SBCAG is also required to approve a Sustainable Communities Strategy to limit greenhouse gas emissions from passenger vehicles and light trucks as required by SB 375.

**Traffic Solutions**

SBCAG administers a county-wide Transportation Demand Management (TDM) program that promotes ridesharing, public transportation, biking, walking, telecommuting, and other transportation alternatives. Traffic Solutions also works directly with employers to assist in developing employee transportation programs.

Organizational Structure

Governing Board and Committees

SBCAG is an independent public agency governed by a thirteen-member Board of Directors consisting of all five county supervisors and one city council member from each of the eight cities within the County. The Board meets on the third Thursday of each month alternating between Santa Barbara and Santa Maria. The Board has three standing advisory committees to assist in providing policy recommendations in its decision-making process. These committees include the Technical Planning Advisory Committee (TPAC), Technical Transportation Advisory Committee (TTAC), and Santa Barbara County Transit Advisory Council (SBCTAC). The fourth standing advisory committee is the Measure A Citizens Advisory Committee that is focused solely on the implementation of the Measure A program. All four standing advisory committees operate under the principles of the Brown Act and are duly noticed and open to the public. Table I-2 describes these committees in brief.

**Table I-2  
SBCAG Advisory Committees**

Committee	Purpose and Function
Technical Transportation Advisory Committee (TTAC )	TTAC reviews and makes policy recommendations on fiscal matters, fund allocations, special studies and planning documents for submittal to the SBCAG policy board. The committee consists of Public Works Department staff representatives from the county and eight cities, the Santa Barbara Metropolitan Transit District (SBMTD), Caltrans, SBCAPCD, and SBCAG. Additional non-voting, ex-officio members include the Federal Highways Administration (FHWA), Federal Transit Administration (FTA), Vandenberg Air Force Base (VAFB), and UC Santa Barbara (UCSB). TTAC meets monthly in Solvang.

Committee	Purpose and Function
Technical Planning Advisory Committee (TPAC )	TPAC serves as a communication link between SBCAG and all planning agencies in the county. TPAC is composed of the planning directors of the county and eight cities, the Santa Barbara County Air Pollution Control District (SBCAPCD), and SBCAG. Additional non-voting, ex-officio members include representatives from the University of California, Santa Barbara (UCSB), Vandenberg Air Force Base, Local Agency Formation Council (LAFCO), and the County’s Housing Program. TPAC generally meets monthly in Solvang or on an as-needed basis.
Santa Barbara County Transit Advisory Council (SBCTAC)	SBCTAC advises SBCAG on transit issues and provides input on unmet transit needs around the county. SBCTAC is comprised of representatives from fixed route transit and paratransit providers, social service agencies, nonprofit groups providing social services, and transit users. The SBCTAC serves as the statutorily required Social Service Transportation Advisory Council (SSTAC) under TDA, and includes the required members. SBCTAC generally meets monthly in Buellton.
Measure A Citizens Advisory Committee	Appointment of this committee and its responsibilities are specified in the Measure A ordinance. The committee was established to help ensure accountability to voters regarding the expenditure of Measure A funds and to assist the LTA in ensuring all provisions are properly carried out.

The SBCAG Executive Committee is comprised of five Board members who conduct executive level activities such as budget review, selection of contract lobbyists, comment on ordinances and bylaws, and performance review of the Executive Director.

SBCAG also maintains two subcommittees of the Board, known as “subregional planning committees,” one for the South Coast and the other for North County, in recognition of the unique issues between these subregions. The subregional committees allow for more focused discussion and consensus-building than is possible with the full board, and are given specific responsibilities in the implementation of the Measure A local sales tax. Membership includes Board members representing the cities or supervisorial districts within the subregion. The Caltrans District 5 Director is an ex-officio member of the committees, as is a member selected by the Santa Barbara Metropolitan Transit District (SBMTD) for the South Coast Subregional Planning Committee.

SBCAG also appoints members to other ad hoc or standing committees that focus on specific issues or topics, including the Santa Barbara County Travel Model Users Group, Joint Technical Advisory Committee (JTAC), the Coastal Express Policy Steering Committee, and the Highway

166 Safety Task Force. To guide the development of the Regional Transportation Plan and Sustainable Communities Strategy, the Board formed the ad hoc JTAC comprised of TPAC and TTAC together. Also, SBCAG is an active participant in the Coast Rail Coordinating Council and the LOSSAN Rail Corridor Agency.

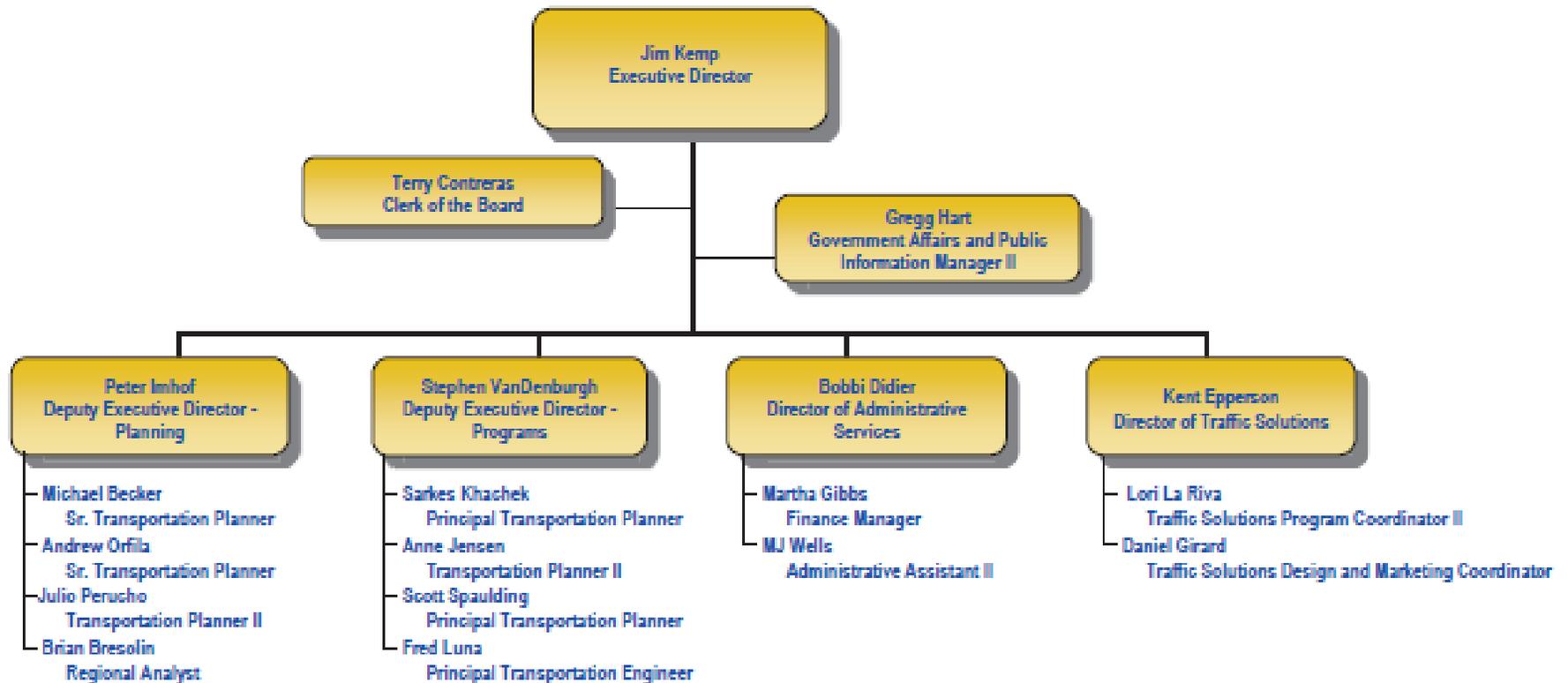
### SBCAG Divisions and Staff

SBCAG maintains a small yet highly qualified staff. During the audit period, SBCAG retained 20 authorized positions with no significant changes to staffing levels. Outside of Executive Management, SBCAG staff is organized into four divisions: Administration & Finance, Planning, Programming, and Traffic Solutions. Some divisions encompass more than one programmatic unit. For example, the Administration & Finance Division provides administrative support to all SBCAG staff, including personnel, training, facilities management, accounting and fiscal management, grants administration and clerical support. Public information and government affairs services are shown as a separate grouping on the organization chart but are part of the administration and finance division. Public information includes increasing awareness of and involving the public in all aspects of SBCAG's activities through issuing press releases, working with local media to ensure information is disseminated to the public in a timely manner, responding to requests for information by the public and making presentations to community organizations regarding SBCAG planning efforts and projects.

SBCAG has federal and state legislated responsibilities to provide various planning activities. Through the Planning Division, SBCAG is responsible for the regional growth forecast, census information, airport land use commission; regional housing needs assessment, and the inter-regional partnership project. Also, the Planning Division has responsibility for all regional transportation planning activities, including the Regional Transportation Plan, transit planning, passenger rail planning, bicycle/pedestrian planning, congestion management program, travel trend monitoring, and travel demand modeling.

SBCAG's Programming and Project Delivery Division is responsible for programming of transportation funds pursuant to state and federal statutes, and for advising and monitoring projects to ensure that they are completed and funds expended in a timely manner. The division helps project sponsors successfully navigate funding, environmental, and engineering guidelines to deliver projects in a timely manner. It is also responsible for serving, as needed, as the lead agency on regionally significant projects in coordination with Caltrans and local agencies. Lastly, Traffic Solutions promotes and encourages alternatives to driving alone, with the goals of reducing traffic congestion, air pollution and vehicle miles driven as well as improving the quality of life for employees, visitors, and residents of Santa Barbara County. Figure I-1 provides a chart of SBCAG that reflects the organizational structure.

Figure I-1, SBCAG Organization Chart



## SBCAG General Fund Financials

According to the Comprehensive Annual Financial Reports (CAFRs), SBCAG's audited revenue for the General Fund for the fiscal years covered by this audit ranged from \$3.59 million in FY 2013 to \$3.30 million in FY 2014 to \$3.91 million in FY 2015.<sup>1</sup> Revenues are comparable to the annual actual amounts from the previous triennial period. These audited revenues compare to final budgeted figures of \$4.17 million in FY 2013, \$3.80 million in FY 2014, and \$3.97 million in FY 2015.<sup>2</sup> As shown, actual revenues were lower than budgeted.

SBCAG's audited expenditures for the General Fund ranged from \$3.47 million in FY 2013 to \$3.41 million in FY 2014 to \$3.53 million in FY 2015.<sup>3</sup> Expenditures are comparable to the annual actual amounts from the previous triennial period. Remaining fund balances at the beginning of the year filled the gaps between the revenues and costs for those years where expenditures exceeded revenues (only in FY 2014). These audited expenditures compare to budgeted figures of \$3.90 million in FY 2013, \$3.67 million in FY 2014, and \$4.01 million in FY 2015.<sup>4</sup> As shown, actual expenditures were lower than budgeted.

Over a three-year period, SBCAG salaries and benefits increased only marginally from \$2.69 million in FY 2013 to \$2.73 million in FY 2014 to \$2.74 million in FY 2015.<sup>5</sup> The changes are from cost-of-living adjustments (COLAs) made in FYs 2014 and 2015, plus few merit increases within staff's authorized salary range. According to the FY 2014 budget, prior to the COLAs in 2014 and 2015, the last time SBCAG staff received an adjustment to salaries was a COLA increase in FY 2008-09.

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<sup>1</sup> CAFRs for FYs 2013–2015. Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid. Expenditures include Salaries & Benefits, Services and Supplies, Other and Capital Outlay.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

## Section II

### RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, and used to assess SBCAG’s conformance with TDA. Our findings concerning SBCAG’s compliance with state legislative requirements are summarized in Table II-1.

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.	Public Utilities Code, Section 99231	<p>SBCAG accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their area. Interregional and some local bus service cross jurisdictional boundaries; thereby the agencies release TDA to the transit provider to claim on their behalf.</p> <p>SBCAG makes a finding in each adopted resolution approving LTF claims that each jurisdiction’s claim is consistent with their approved apportionments plus releases from other agencies.</p> <p>Each claimant’s apportionments follow the population formula prescribed by law.</p> <p><b>Conclusion: Complied</b></p>
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.	Public Utilities Code, Sections 99233.3 and 99234	SBCAG updates an in-house TDA-Local Transportation Claim Manual that includes instructions for completing TDA claims. A checklist determines which forms are required to be submitted to SBCAG

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>by the claimant (Figure 4-1 of the Claim Manual). For bicycle and pedestrian claims, four items are to be provided including the Claim Form, Resolution, Project Description &amp; RTP Conformity, and State Controller Annual Report.</p> <p>While the claim manual states that SBCAG does not provide guidelines on the types of projects that might be eligible, it lists example projects that could be eligible.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process which includes at least an annual public hearing.</p>	<p>Public Utilities Code, Sections 99238 and 99238.5</p>	<p>SBCAG established the Santa Barbara County Transit Advisory Council (SBCTAC) in October 2002 which serves as the designated Social Services Transportation Advisory Council (SSTAC).</p> <p>SBCTAC meetings are open to the public, while public workshops on unmet needs are held at several north county locations, including in Lompoc and Santa Maria. Traditionally, south coast transit issues are discussed at the SBCTAC, in addition to public testimony received at Transit Talk meetings held by SBMTD in the south county. The SBCAG Board also solicits public comment during an annual public hearing prior to adopting the Transit Needs Assessment document by resolution.</p> <p>The bylaws of the SBCTAC were</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>amended in April 2012 by expanding membership to include an agricultural worker representative as part of a 2006 legal settlement agreement. The bylaws also clarified that membership of the SBCTAC shall consist of the nine members required by TDA, plus nine additional members.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has annually identified, analyzed and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> <li>• A committee for the purpose of providing advice on productivity improvements may be formed.</li> <li>• The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year</li> </ul>	<p>Public Utilities Code, Section 99244</p>	<p>SBCAG undertakes actions that could result in development of potential productivity improvements as well as meet state and federal requirements. One is SBCAG's review of short-range transit plans (S RTP) for the transit operators. The S RTPs are updated every five years and generally include service recommendations to improve transit services. Recent regional transit studies such as the North County Transit Plan Update also provide potential productivity improvements.</p> <p>Another SBCAG action is the commissioning of triennial performance audits of the operators as required by state statute. The performance audits often contain recommendations for productivity improvement. The SBCAG TDA Manual indicates that that a Productivity Improvement Progress Report be included with the TDA claim. This report includes the implementation status for each of</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
allocation.		<p>the recommendations from the most recent TDA triennial performance audit, and a description of any other efforts made or planned to improve cost effectiveness and/or increase ridership. These efforts are summarized for both fixed route and demand response operations.</p> <p>A third SBCAG activity is the analysis conducted for the unmet transit needs process to determine whether transit needs are being met. A fourth activity SBCAG undertakes is discussion with SBCTAC members about transit operational issues and specialized transit service. Transit performance data is included in the annual Transit Needs Assessment, which SBCTAC reviews.</p> <p>Finally, SBCAG works directly with the transit operators to address special issues such as meeting farebox recovery standards and taking board action through recommendations from the advisory committees.</p> <p><b>Conclusion: Complied</b></p>
The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal	Public Utilities Code, Section 99245	SBCAG retains a Certified Public Accountant (CPA) to conduct all TDA claimant fiscal and compliance audits with the exception of Easy Lift, SMOOTH, and SBMTD which contract for their own fiscal audits. This practice of contracting for some of the audits but not all is acceptable

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).		<p>per the TDA requirements and is a local decision.</p> <p>The CPA firm of Moss, Levy, &amp; Hartzheim LLP was retained and completed the fiscal audits for FYs 2013, 2014 &amp; 2015 for the following operators:</p> <p><b>County of Santa Barbara:</b>  FY 2013: March 14, 2014  FY 2014: March 5, 2015  FY 2015: March 30, 2016</p> <p><b>City of Guadalupe:</b>  FY 2013: March 26, 2014  FY 2014: March 19, 2015  FY 2015: March 28, 2016</p> <p><b>City of Lompoc:</b>  FY 2013: March 26, 2014  FY 2014: March 24, 2015  FY 2015: February 9, 2016</p> <p><b>City of Santa Maria:</b>  FY 2013: April 8, 2014  FY 2014: December 1, 2014  FY 2015: December 9, 2015</p> <p><b>City of Solvang (SYVT):</b>  FY 2013: February 25, 2014  FY 2014: April 2, 2015  FY 2015: April 5, 2016</p> <p>All TDA fiscal audits were completed by the timelines set by the State Controller or have been granted the appropriate extension.</p> <p>For Easy Lift, the CPA firm of</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>MacFarlane Faletti Co. LLP was retained and completed the fiscal audits for FYs 2013, 2014 &amp; 2015 on the following dates:</p> <p>FY 2013: October 24, 2013  FY 2014: November 20, 2014  FY 2015: November 17, 2015</p> <p>For SBMTD, the CPA firm of McGowan Guntermann was retained and completed the fiscal audits for FYs 2013, 2014 &amp; 2015 on the following dates:</p> <p>FY 2013: December 6, 2013  FY 2014: December 26, 2014  FY 2015: December 9, 2015</p> <p>For SMOOTH, the CPA firm of Carrie Troup was retained and completed the fiscal audit for FY 2013, and Moss, Levy, &amp; Hartzheim LLP completed the fiscal audits for FYs 2014 and 2015 on the following dates:</p> <p>FY 2013: September 30, 2013  FY 2014: October 1, 2014  FY 2015: October 28, 2015</p> <p><b>Conclusion: Complied.</b></p>
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium).	Public Utilities Code, Sections 99246 and 99248	<p>For the current three-year audit, SBCAG retained the independent firm Michael Baker International to conduct the performance audits of the RTPA and the transit operators.</p> <p>PMC was retained to conduct the</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.		<p>performance audits for the previous triennium. The operator audits include calculation of the required TDA performance indicators.</p> <p>Performance audits from the previous triennium were delivered after the statutory timeline, but received proper SBCAG and Caltrans extensions.</p> <p><b>Conclusion: Complied</b></p>
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of the operators located in the area under its jurisdiction have been completed.	Public Utilities Code, Section 99246(c)	<p>Upon completion of the previous performance audits and approval for transmittal by the Board of Directors, SBCAG submitted a transmittal letter and copies of the performance audits to Caltrans dated December 4, 2013.</p> <p><b>Conclusion: Complied</b></p>
The performance audit of the operator providing public transportation service shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The	Public Utilities Code, Section 99346(d)	<p>The performance audits of the operators include all required TDA performance measures plus additional indicators where warranted to further assess each operator's efficiency, effectiveness, and economy with the use of TDA funds.</p> <p><b>Conclusion: Complied</b></p>

**TABLE II-1  
SBCAG Compliance Requirements Matrix**

<b>SBCAG Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.</p>		
<p>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.</p>	<p>Public Utilities Code, Sections 99270.1 and 99270.2</p>	<p>The SBCAG TDA Claims Manual includes a table specifying the fare revenue ratios for each transit operator. Depending on service type and population size of the operator’s service area, transit agencies are subject to varying farebox ratios that range from 10 to 20 percent. Rural systems are subject to 10 percent farebox while urban systems are generally subject to 20 percent. Farebox ratios by service mode also range from 10 to 20 percent for demand response and fixed route services. These ratios are consistent with TDA.</p> <p>SBCAG approved a temporary farebox recovery ratio for Lompoc at 15 percent for three years (FY 2011-12 through FY 2013-14) per SBCAG Resolution 10-36. Resolution 14-01 further extended this temporary reduction for one additional year (FY 14-15). Resolution 14-34 extended the reduction for an additional three years (FY 15-16 through FY 17-18).</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>Santa Maria’s farebox ratio was also reduced from 20 percent to 15 percent in FY 2014–15 (for fixed route or system-wide) (Resolution 14-02). The temporary reduction was extended through FY 2015-16 (Resolution 14-35).</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has adopted criteria, rules and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.</p>	<p>Public Utilities Code, Section 99275.5</p>	<p>As described in Resolution No. 90-1 adopted February 1990 by the Santa Barbara County-Cities Area Planning Council (the predecessor to SBCAG); policies are established for claims by CTSA’s under Article 4.5. These include several requirements:</p> <ol style="list-style-type: none"> <li>1. No more than 50% of the CTSA’s operating budget for the year come from LTF.</li> <li>2. The claim includes an operations plan and budget describing existing and proposed service, and report on progress of coordination and consolidation.</li> <li>3. Conformance to TDA requirements and farebox ratios.</li> <li>4. Other administrative requirements.</li> </ol> <p><b>Conclusion: Complied</b></p>
<p>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</p>	<p>Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116</p>	<p>SBCAG allocates State Transit Assistance (STA) funds for transit planning, operations and capital uses only. The annual staff report accompanying the resolution</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>adopting STA allocations specify that STA funds are restricted to transit and transportation planning purposes.</p> <p><b>Conclusion: Complied</b></p>
<p>The amount received pursuant to Public Utilities Code, Section 99314.3; by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller’s Office.</p>	<p>Public Utilities Code, Section 99314.3</p>	<p>SBCAG administers STA funds in accordance with the relevant PUC requirements (i.e., on the basis of population and operator revenues). SBCAG apportions PUC 99313 funds by population among four transit planning areas (Resolution No. 82-12): South Coast, Santa Maria Valley, Lompoc Valley and Santa Ynez/Cuyama Valleys. PUC 99314 funds are apportioned directly by the State Controller to transit operators based on fare and other revenues.</p> <p><b>Conclusion: Complied</b></p>
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> <li>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code, Section 99238;</li> <li>• Identified transit needs,</li> </ul>	<p>Public Utilities Code, Section 99401.5</p>	<p>Each year, SBCAG develops the document <i>Transit Needs Assessment</i> in consultation with the SBCTAC. As part of the unmet transit needs schedule, the SBCTAC meets to discuss the unmet transit needs process which generally occurs between October through April each year. SBCTAC discusses options for and provides direction on outreach efforts. The committee approves the type, design, and distribution of public outreach materials. SBCAG also accepts public input through transit agency workshops, surveys, e-mails, and telephone calls.</p>

**TABLE II-1  
SBCAG Compliance Requirements Matrix**

<b>SBCAG Compliance Requirements</b>	<b>Reference</b>	<b>Compliance Efforts</b>
<p>including:</p> <ul style="list-style-type: none"> <li>○ Groups that are transit-dependent or transit-disadvantaged,</li> <li>○ Adequacy of existing transit services to meet the needs of groups identified, and</li> <li>○ Analysis of potential alternatives to provide transportation services;</li> <li>● Adopted or re-affirmed definitions of “unmet transit needs” and “reasonable to meet”;</li> <li>● Identified the unmet transit needs or there are no unmet transit needs, or that there are unmet transit needs that are reasonable to meet.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>		<p>As part of the transit needs assessment, SBCAG performs an assessment of the size and location of identifiable groups likely to be transit-dependent or transit-disadvantaged in Santa Barbara County. SBCAG also analyzes existing transportation services. Staff then conducts an analysis of comments using Board-adopted definitions of “unmet transit needs” and “reasonable to meet.”</p> <p>SBCAG discusses the findings at meetings with both the SBCTAC and the TTAC. The SBCAG Board also has an opportunity to review the draft assessment and conducts one noticed hearing to receive public comments. A final draft and review of the Transit Needs Assessment is undertaken prior to Board adoption by resolution of the findings of unmet transit need and reasonable to meet.</p> <p>LTF funds have only been allocated to streets and roads after completion of the unmet needs process.</p> <p><b>Conclusion: Complied</b></p>
<p>The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor or a certified public accountant. The RTPA must transmit the</p>	<p>California Administrative Code, Section 6662</p>	<p>An independent Certified Public Accountant completed the SBCAG Annual Financial Report. The CPA firm of Moss, Levy, &amp; Hartzheim LLP was retained and completed the fiscal audits for FYs 2013, 2014 &amp;</p>

TABLE II-1 SBCAG Compliance Requirements Matrix		
SBCAG Compliance Requirements	Reference	Compliance Efforts
resulting audit report to the State Controller within 12 months of the end of each fiscal year and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the transportation development and accompanying rules and regulations. Financial statements may not commingle the state transit assistance fund, the local transportation fund, or other revenues or funds of any city, county or other agency. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following the fiscal year close.		<p>2015.</p> <p>The annual reports are submitted to the State Controller within 12 months of the end of each fiscal year. Dates of completion were:</p> <p>FY 2013: December 11, 2013  FY 2014: November 19, 2014  FY 2015: December 3, 2015</p> <p><b>Conclusion: Complied</b></p>

### Findings and Observations from RTPA Compliance Requirements Matrix

SBCAG has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies. To its credit, SBCAG meets these mandates under limited staff resources.

In reference to the farebox recovery standard, SBCAG uses several compliance methods to determine each operator’s TDA eligibility. Transit agencies that operate both fixed route and demand response services are subject to separate revenue ratios for each respective service (15-20% fixed route, 10% demand response). Agencies that operate one transit mode are subject to one revenue ratio. For COLT, SMAT, SYVT and Guadalupe, pursuant to SBCAG’s policy (Res. 10-35), an operator which provides both specialized demand response and general public fixed route services may be allocated TDA funds if either its demand response services meet the farebox recovery ratio specified in CCR 6633.5(a) and its fixed route services meet the applicable farebox recovery ratios as specified in the PUC, or its services combined meet the

farebox recovery ratio specified in CCR 6633.2(a). The in-house LTF claim manual provides description and a table of the farebox recovery ratio.

SBCAG has complied with the requirement to annually identify, analyze and recommend potential productivity improvements of the transit operators. These are achieved through activities conducted directly by SBCAG staff (e.g., Transit Needs Assessment and SBCTAC meetings) or SBCAG review of documents prepared using outside expertise (e.g., Short Range Transit Plans and TDA Performance Audits). Also, in an effort to increase transit productivity oversight and stakeholder participation, and better meet TDA law, SBCAG amended the bylaws of the SBCTAC to align its membership with that described in the public utilities code, as well as include an agricultural worker representative in compliance with a legal settlement agreement.

## Section III

### Prior Triennial Performance Audit Recommendations

This chapter describes SBCAG's response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

#### Prior Recommendation 1

Ensure process to keep staff and Board of Directors apprised of the Strategic Plan.

#### Actions taken by SBCAG

The organizational strategic plan is a living document providing overarching values and goals and the framework for SBCAG's activities. The strategic plan recommended that updates be undertaken annually by the staff and Board. This is conducted through the annual Overall Work Program (OWP) and budget preparation. The OWP identifies SBCAG's work tasks and how they relate to the board's Strategic Plan. An appendix in the OWP provides the status of implementing the strategies from the strategic plan. OWP work elements are described under each strategy and the status of the tasks are described. The table in the appendix keeps both staff and the board apprised of the strategic plan initiatives through ensuring that the goals and implementation strategies continue to bring perspective to SBCAG work programs. With new Board members that join SBCAG on a fairly regular basis, staff is reminded of the need to keep all members updated on the strategic goals. Strategic plan components are articulated during board member orientation and meetings.

#### Conclusion

This recommendation has been implemented.

#### Prior Recommendation 2

Track completion of Short Range Transit Plans.

#### Actions taken by SBCAG

Short Range Transit Plans guiding operations and capital projections are prepared by the public transit operators on various schedules. Three sets of SRTPs were planned for completion during the prior audit period including for Santa Maria, Guadalupe and SBMTD. SMAT completed a SRTP Update Summary Report in June 2015 that focused on evening service and a fare analysis.

SBMTD completed its SRTP in March 2015 that included an assessment of the strengths and weaknesses of the existing service, and a forecast of future service and financial needs. The City of Guadalupe completed a SRTP in July 2014 that undertook a review of transit services to ensure that Guadalupe's transit program keeps up with demand, addresses the diversity of mobility needs, and is financially sustainable. The program of projects contained in the SRTPs provides the justification for their inclusion in regional and federal transportation improvement plans, and consistency with the principles and objectives in the Regional Transportation Plan & Sustainable Communities Strategy.

### Conclusion

This recommendation has been implemented.

### *Prior Recommendation 3*

Update the Transit Resource Guide.

### Actions taken by SBCAG

The previous guide was last developed in 2009. Since then, several new and modified transit services have been implemented along with new system connections. The Transit Resource Guide should be updated following the update of several other documents, including the North County Transit Plan, Short Range Transit Plans, and the coordinated public transit-human services transportation plan. Using a Caltrans transportation planning grant, Traffic Solutions is continuing the update to the guide and plans to include a trip planner module on the Traffic Solutions website. As recommended in the prior performance audit, Traffic Solutions added an electronic link to the Transit Resource Guide on the same webpage as the transit operator links on the Traffic Solutions website. However, the links to the Transit Resource Guide in both English and Spanish are broken with no information, indicating that the updated guide is not yet completed. Traffic Solutions staff also verified that the Transit Resource Guide update is in process.

### Conclusion

This recommendation has been partially implemented and is carried forward in this audit for full implementation.

## Section IV

### Detailed Review of RTPA Functions

In this section, a detailed assessment of SBCAG's functions and performance as an RTPA during this audit period is provided. Adapted from Caltrans' *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, SBCAG's activities can be divided into the following activities:

- Administration and Management
- Transportation Planning, Programming, and Coordination
- TDA Claimant Relationships and Oversight
- Public Information and Alternative Transportation
- Grant Application and Management

#### **Administration and Management**

During this audit period, SBCAG accomplished several milestones during its work efforts on various projects. As described in the OWP, highlights of these milestones include the following:

**Strategic Plan** - SBCAG successfully links the budget and the OWP to the development of annual action plans under the strategic plan umbrella. The overall intent of the 2011 strategic plan is to provide SBCAG with the tools necessary to best serve the interests of the region while maintaining transparency and helping the agency improve the federally required OWP process. Continuity between the strategic plan and the work efforts by SBCAG are documented in an appendix to the annual OWP that identifies the measures implemented by the agency. Each goal, strategy, and implementation measure is described with a status finding. The goals include transportation, housing, sustainable communities, member and community services, and organizational excellence.

Given the multiple strategies and implementation measures for each goal, the strategic plan is in various stages of implementation with short term and longer term actions. Many are ongoing as they relate to continuous activities such as fund administration, coordination, gathering of regional data, and deployment of intelligent technology. Measures that have been implemented include active transportation (bicycle/pedestrian) planning, regional growth forecast and housing needs allocation, public participation plan, and sustainable communities strategy modeling. With the strategic plan in place for over five years, a review of the goals,

strategies, and measures might be warranted to ensure consistency with current issues and agency mandates that meet regional interests, especially in light of new executive management joining the agency in the near term.

Measure A – This local measure provides funding toward projects of regional significance such as the work completed on the US-101 Santa Maria Bridge widening, the new US-101 interchange in Orcutt at Union Valley Parkway and parkway arterial connecting US-101 with the Santa Maria Airport Business Park. Measure A continued to provide funding for commuter and local public transportation service throughout the county, as well revenue for locally selected bicycle, pedestrian, and roadway repair projects.

Proposition 1B CMIA – SBCAG has worked with Caltrans, the Ventura County Transportation Commission and the San Luis Obispo Council of Governments for funding of interregional capacity-increasing projects on US-101 from the Corridor Mobility Improvement Account (CMIA). This included the widening of US-101 between Mussel Shoals and Carpinteria Creek through a partnership between SBCAG, Caltrans, and VCTC. Construction of the project began in 2012 and the southbound lanes were completed in 2014. In December 2010, a partnership between SBCAG, SLOCOG and Caltrans for the Santa Maria River Bridge project successfully closed a shortfall with a \$31.6 million allocation by the CTC of cost savings from previously awarded Prop 1B CMIA projects. The State funds are being matched by approximately \$8 million in Measure A funds. Construction of the bridge project began in fall 2011 and was completed in early 2014. The CTC also allocated \$6.1 million in CMIA funds to the Union Valley Parkway Interchange Project in April 2012.

Transit Needs Assessment – SBCAG prepares the annual Transit Needs Assessment in close consultation with the SBCTAC. The Transit Needs Assessment fulfills the requirement of the TDA unmet transit needs process and entails an assessment of transit-dependent and transit-disadvantaged in the county, an evaluation of existing transit providers, public outreach, and testing of public request for services against reasonableness to meet criteria. SBCAG conducts an extensive public outreach program to inform citizens of the transit needs assessment process. A public hearing is held with a Spanish language interpreter available for translation. An American Sign Language interpreter is also provided upon request.

Intercommunity Transit Services:

*Breeze* - The City of Santa Maria, in cooperation with the County of Santa Barbara, the Cities of Buellton and Solvang, and SBCAG, planned for the initiation of extended Breeze intercommunity service between Santa Maria, Los Alamos, Buellton, and Solvang. The new service, labeled Breeze Route 200, went into operation in January 2013 and provides a critical link that closes the travel loop connecting the north county communities. Santa Maria was awarded grant funding from the FTA Section 5311(f) Intercity Bus Program to fund operations for the first year. Cost sharing is provided among the funding partners which agreed to run the service through June 2019.

*Coastal Express Limited* - Through an MOU between SBCAG and the SBMTD, SBMTD operated peak hour intercity service called Coastal Express Limited starting in September 2011. The limited service from Ventura to Goleta was discontinued in June 2015 with the Ventura County Transportation Commission (VCTC) VISTA Coastal Express expanding its operations to provide this service. In 2014, SBCAG and VCTC adopted a 10-year service plan and entered into a new MOU for management of the Coastal Express service.

*Clean Air Express* – The service is funded by the Measure A interregional transit program and the SBCAG Board is the policy board for the service. In November 2012, administration of the service was transferred from Santa Maria to Lompoc under a new MOU. In 2015, the Clean Air Express began providing bi-directional Saturday service from the Santa Ynez Valley and linking Santa Barbara, Solvang, Los Olivos and Buellton. The SBCAG Programming and Project Delivery division continues to provide oversight of the program in coordination with Lompoc (COLT).

*Adoption of Programming Documents* – SBCAG adopted several key programming documents on schedule, including updates to the Federal Transportation Improvement Program (FTIP) in September 2012 and September 2014, and the Regional Transportation Improvement Program (RTIP) in November 2013. The FTIP met the requirements of the former federal Moving Ahead for Progress in the 21st Century Act (MAP-21), and the RTIP was consistent with the 2040 Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS).

*Regional Transportation Plan* – The 2040 RTP-SCS was approved in August 2013. Key elements of the plan that were developed included adoption of goals, objectives and performance measures and development of a list of RTP projects and project evaluation criteria for prioritizing project funding in the plan.

*Public Participation* – SBCAG’s Public Participation Plan as required by SB 375 lays out a process for public participation in adoption of the Sustainable Communities Strategy and Regional Transportation Plan. Through the RTP-SCS process, SBCAG staff completed all three phases of the plan. In 2015, SBCAG adopted an update to the Public Participation Plan to add performance measures and the Title VI plan adopted by SBCAG in 2014.

### **Personnel Management**

As described earlier, SBCAG has maintained stable staffing levels during the triennial audit period, authorizing 20 full-time positions, with minimal staff turnover. The annual budget showed no staff position additions or deletions for the three year period. The horizontal organizational structure of SBCAG, combined with the relatively small size of the agency, limits promotional opportunities. However, several positions at SBCAG have growth potential (e.g., Transportation Planner I/II/Senior/Principal, Transportation Engineer I/II/Sr/Principal, Government Affairs and Public Information Manager I/II, Traffic Solutions Coordinator I/II and Administrative Assistant I/II/III) allowing for promotional opportunities as staff gains experience and training. Management offers cross-training among staff and opportunities to take leadership roles and positions outside of SBCAG.

In FY 2013-14, a 2 percent cost of living adjustment (COLA) was given to all authorized staff, and a 1.5 percent adjustment was given in FY 2014-15. Prior to these adjustments, SBCAG staff had not received a salary or benefit increase for the past five years due to the recession. SBCAG conducted an extensive compensation and classification study in 2015. In September 2015 the board adopted a resolution rescinding all prior classification and compensation plans and establishing a new compensation and classification plan, including an updated job class table and updated salary schedule reflecting a 1.5 percent cost of living adjustment and benefit adjustment, retroactive to the first pay period of the fiscal year. To help reduce costs, SBCAG implemented an office closure during the holiday period starting at the end of December 2013.

### Personnel Handbook

The SBCAG Personnel Handbook was last revised in January 2010. The handbook adopts the Santa Barbara County personnel policies and includes personnel measures guiding the human resource benefits, employment classifications and personnel behavior policies. The method and process by which performance evaluations are conducted are also described in the handbook. Generally, an Employee Performance Report is provided on anniversary dates or at the end of probationary periods. The performance report is signed by three individuals prior to placement of the evaluation in the employee's official personnel file. These individuals include the employee, the immediate supervisor, and the Executive Director.

Wage increases are not automatically given when an employee receives a performance evaluation, or moves from probationary status to regular status. Regular employees are considered for wage increases only from an annual cost of living adjustment at the discretion of the SBCAG Board, or based on merit. The merit salary increase applies to the steps within the position (Steps A through E). The employee must serve in a particular step for a minimum number of continuous months before consideration of a merit step increase.

SBCAG's personnel policies, inherited from Santa Barbara County at SBCAG's formation, have not been significantly updated since 1990, when SBCAG separated from the County of Santa Barbara to become its own public agency. At the time of separation, the SBCAG Board adopted the County of Santa Barbara's compensation plan and personnel policies. These policies have been modified periodically, but have not been comprehensively updated since a SBCAG has entered into a contract with Liebert Cassidy Whitmore to update the Personnel Policies and Manual no later than the end of FY 2016-17.

In 2015, SBCAG conducted a compensation and classification study which allowed the Board to assess whether SBCAG compensation and benefits were competitive within the labor market and to make adjustments as necessary. The 2015 compensation/benefits study was a necessary step in ensuring SBCAG has a current compensation plan, classification system and job descriptions. Soon, SBCAG will also have updated personnel policies and Employee Personnel Manual to ensure legal compliance with current laws.

## **Overall Work Program**

As a conduit for facilitating regional discussion on issues that transcend jurisdictional boundaries, SBCAG serves as a focal point on matters that impact its comprehensive planning program. SBCAG develops specific project tasks within work elements of the OWP that address these regional issues.

The OWPs prepared during the audit period reflect SBCAG's efforts to integrate the eight planning principals and strategies contained in MAP-21 legislation in the scope of the planning process. These planning factors are to:

1. Support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency;
2. Increase the safety of the transportation system for motorized and non-motorized users;
3. Increase the security of the transportation system for motorized and non-motorized users
4. Increase the accessibility and mobility of people and for freight;
5. Protect and enhance the environment, promote energy conservation, and improve quality of life, and promote consistency between transportation improvements and State and local planned growth and economic development patterns;
6. Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight;
7. Promote efficient system management and operation; and
8. Emphasize the preservation of the existing transportation system.

SBCAG projects that support the planning principals include development of the RTP, Transportation Improvement Program, Intelligent Transportation Systems, travel modeling, and transit planning. In addition, Federal Planning Emphasis Areas identified by the FHWA are addressed in the OWP as they are developed each year.

The OWP is directly correlated with the agency's comprehensive budget and serves as a dynamic document that is amended as necessary to account for programmatic changes that may occur during the year. The OWP lays much of the groundwork for the budget in that it assigns staff resources to specific work tasks and products.

The general format and organization of the OWP follows the functions of the agency, including Program Administration, Comprehensive Planning and Analysis, Transportation Planning and Programming, Air Quality Planning, and Program Delivery/Services. A funding source table is provided in the OWP showing how each work element is funded, whether through federal, state, and/or local sources. New to the OWP beginning in FY 2013-14 is the assignment of staff resources by FTEs by division for each work element that supports the budget projections and

broadly identifies the utilization of personnel resources within the agency in meeting the strategy set forth in the OWP.

## **Transportation Planning, Programming, and Coordination**

This functional area addresses planning functions required of SBCAG, including the Regional Transportation Plan (RTP), Transportation Improvement Program (TIP), project delivery, and transit planning and coordination.

### **Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS)**

With State legislation aimed at reducing greenhouse gas emissions (AB 32) and mandating the creation of regional plans to reduce emissions from vehicle use throughout the state through integrated transportation and land use planning (SB 375), SBCAG has a central role in regional transportation planning that meets these state mandates.

The 2040 Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS) was approved in August 2013, marking SBCAG's first RTP that integrates the SCS mandates. It is an achievement for SBCAG that involved agency efforts in the years prior to the plan's approval. Goals, objectives and performance measures that follow the format recommended by Caltrans' Smart Mobility Framework were adopted by the SBCAG Board to guide the plan. Working with SBCAG member agencies, SBCAG staff also developed a list of RTP projects and project evaluation criteria for prioritizing project funding in the plan. Fiscal constraints were applied to this list to determine those projects that can be implemented within the planning period using committed, available or reasonably available revenue sources.

The RTP-SCS plans how the Santa Barbara County region should meet its transportation needs for the 30-year period from 2010 to 2040, considering existing and projected future land use patterns as well as forecast population and job growth. The RTP-SCS plans for and programs the approximately \$7.4 billion in revenues expected to be available to the region. It identifies and prioritizes expenditure of this anticipated funding for transportation projects of all transportation modes including roadways, transit, rail, and bicycle and pedestrian, as well as transportation demand management measures and intelligent transportation systems. The RTP-SCS is fiscally constrained while preserving local land use autonomy. There is no requirement that local General Plans be consistent with RTP-SCS as land use changes are at the discretion of the responsible local governments.

The elements of the RTP-SCS address the critical components of a viable, long-range transportation plan and meeting state and federal requirements. Report chapters are dedicated to the following areas:

- Vision and Scope
- Setting and Background

- Policy Element
- Planning Process
- Sustainable Communities Strategy & Performance Element
- Action Element
- Financial Element

SBCAG worked with State, County, local cities, general public, community groups, environmental organizations, resource agencies, and the business community to prepare the document and proactively seek public input. These collaborators provide input into the vision for the region, sharing their goals and priorities. Local jurisdictions, transit agencies, and Caltrans provide SBCAG with information about regionally significant transportation system projects that will be needed over the life of the RTP-SCS.

The SBCAG public participation process was structured around three planning phases: (1) RTP-SCS Scoping and Goal-Setting, (2) Alternative Transportation / Land Use Scenarios, and (3) Draft RTP-SCS and Preferred Transportation / Land Use Scenario. SBCAG staff met with more than 30 groups representing a wide range of interests (environment, alternative transportation, local business, architecture, development, real estate, affordable housing, air quality, higher education, public land, etc.). SBCAG held four public workshops & Environmental Impact Report (EIR) scoping meetings to report the preliminary results of the alternative land use and transportation scenario modeling. These workshops were held in Solvang, Santa Maria, Santa Barbara and Lompoc. A public comment meeting was held in Santa Barbara on the Draft RTP-SCS and Draft EIR while two public hearings were held during regular meetings of the SBCAG Board of Directors.

The next update to the RTP-SCS, entitled Fast Forward 2040, has been underway. The public participation process is being conducted in three stages again which is consistent with the process employed for the 2040 RTP-SCS and contained the public participation plan. With more RTP-SCS documents prepared on a statewide basis the last several years, SBCAG incorporates lessons learned and best practices into this update process including use of the activity based model. The planned completion of the next RTP-SCS is scheduled in Spring/Summer of 2017.

**Transportation Improvement Program (TIP)**

Transportation Improvement Programs developed by SBCAG include the federally required Federal Transportation Improvement Program (FTIP) and state-required Regional Transportation Improvement Program (RTIP). The FTIP provides short-term listing of financially constrained surface transportation projects that receive federal funds, are subject to a federally required action, or are regionally significant. SBCAG's FTIP is not required to include an air quality conformity analysis and findings due to Santa Barbara County attaining the federal 8-hour ozone standard and the federal one-hour ozone standard being revoked. As a result of this

attainment status, SBCAG is not eligible for certain federal funding such as Congestion Mitigation and Air Quality (CMAQ) funds.

The 2013 and 2015 FTIPs were approved by SBCAG in September 2012 and September 2014, respectively. The FTIP covers a four-year period and integrates new and modified projects which initially took form as amendments to the prior FTIP. Individual projects are organized by 16 grouped listings by local jurisdiction/agency. Approximately \$254 million in federal, state and local funding was identified in the 2013 FTIP to support local roadway and state highway maintenance projects, and transit operations and maintenance. For the 2015 FTIP, approximately \$395 million was identified.

Projects in the FTIP are specifically identified in SBCAG's adopted RTP or are consistent with the RTP's goals, policies and objectives. The 2011 FTIP projects also emerged from other transportation plans and programs, including the State Transportation Improvement Program (STIP), State Highway Operation and Protection Program (SHOPP), the Congestion Management Program (CMP), Measure A's Program of Projects, and from transit plans developed by the region's transit operators and SBCAG, in cooperation with the SBCTAC.

SBCAG utilizes EZ-Trak online software which serves as a FTIP management database. The state and federal database is stored on the vendor's servers (EcoInteractive) and enables local jurisdictions to view FTIP projects and amendments using different query functions. This online program provides one set of SBCAG-updated data that is shared between SBCAG and the member jurisdictions. Local agencies can submit changes online directly to programming staff, thus reducing redundancies and misinformation due to "older" versions. SBCAG pays a monthly fee for this database.

Every two years, the RTIP is adopted as required by State law. The RTIP includes a five-year program of projects selected by SBCAG that are to be funded with the statutory share of state gas tax money. During the audit period, the 2014 RTIP was adopted in November 2013. Funding available in the RTIP for programming in Santa Barbara County was about \$4.5 million during the five-year period through FY 2018-19, composed of the STIP fund estimate target share, deletion of transportation enhancement program reserves, and cost savings from the Union Valley Parkway Interchange Landscaping project.

### **Project Delivery**

In recognition of the different needs between the north county jurisdictions and their south county counterparts, and to address these diverse needs efficiently, local project delivery assistance in the Programming and Project Delivery Division is divided between the north and south county and assigned to separate staff. However, coverage is provided where programming staff are cross-trained to handle each other's responsibilities and provide program support. SBCAG typically provides more assistance to the north county, as opposed to south county, as a means to help the local agencies with their transportation-related funding in

spite of the limited staffing resources that the SBCAG programming division has currently available.

Sample components of local assistance provided by SBCAG staff for the north and south county are STIP Timely Use of Funds, STIP amendments, and STP Claim Tracking. Measure A local project delivery is also divided between the same SBCAG programming staff for the north and south county, where staff facilitate the North County and South County Subregional Committee, and the North County and South County Bike and Pedestrian and Safe Routes to Schools Programs.

The ability to deliver regional projects and assist member jurisdictions with local programming and delivery has been a focus of SBCAG through the Programming and Project Delivery Division. As described above, programming documents are updated and amended as necessary to ensure the proper programming and allocation of federal and state funding for transportation projects countywide.

Federal law requires SBCAG to publish for public review an annual listing of projects for which federal funds have been obligated in the preceding year, as a record of project delivery and a progress report for public information and disclosure. Table IV-1 shows the number of projects and federal funding amounts obligated each fiscal year in Santa Barbara County. The amounts for transit capital and operations in the table are Federal Transit Administration funds.

**Table IV-1  
Federal Funding Obligations  
Santa Barbara County**

Project Type	FY 2012-13		FY 2013-14		FY 2014-15	
	Number of Projects	Federal Funding	Number of Projects	Federal Funding	Number of Projects	Federal Funding
Bicycle/Pedestrian	4	\$356,388	4	\$52,241	10	\$4,919,938
Miscellaneous	--	--	2	\$21,598	1	\$43,567
Bridge	30	\$15,733,023	25	\$41,945,123	29	\$12,321,598
Road Operations and Maintenance	21	\$1,661,720	36	\$32,997,905	22	\$51,442,879
Transit Capital and Operations	3	\$6,669,144	20	\$9,357,304	6	\$5,386,547
<b>Total</b>	<b>58</b>	<b>\$24,420,275</b>	<b>87</b>	<b>\$85,133,833</b>	<b>68</b>	<b>\$74,114,529</b>

Source: SBCAG Annual Listing of Federally Obligated Projects in Santa Barbara County

**Transit Planning and Coordination**

SBCAG provides regional coordination among the public transit operators in the county. The planning of local public transit services in the short term is accomplished primarily through the

preparation of short-range transit plans (SRTPs). SRTPs are required to be updated every five years and are to be consistent with the SBCAG RTP and transit policies. The projects contained in an operator's respective SRTP are used as a basis for federal and state funding included in the transportation improvement programs.

Several SRTPs were completed during the audit period, including for City of Guadalupe (July 2014), SBMTD (March 2015), and City of Santa Maria (June 2015). These updates follow other transit operator SRTPs conducted in the prior audit period (City of Lompoc, April 2011 and Short Range Financial Plan October 2012, and Santa Ynez Valley Transit, September 2012).

Intercity transit issues and countywide transit studies are conducted through SBCAG. Regional transit studies that have been commissioned by SBCAG and intercity transit services that have received TDA, Measure A, and/or federal funding (e.g., Breeze 100 and 200, Wine Country Express, and Clean Air Express) reflect an evolution of the provision of transit in the county, particularly in the north county, where local control of transit is prevalent. There is more connectivity than in the past between communities in the north county, and recently between the Santa Ynez Valley and Santa Barbara, that have traditionally operated their own local transit systems, or that did not have one. Most of these intercommunity services are operated on separate MOU's between the affected agencies including SBCAG and paid for by these parties.

The North Santa Barbara County Transit Plan was undertaken during this triennial period, commencing in August 2013 and adopted by the SBCAG board in September 2016. The plan was developed over the course of roughly three years as data was collected, analyses completed, and consensus was built. The plan includes six chapters and an executive summary, and is statutorily exempt from the California Environmental Quality Act (CEQA) as a feasibility or planning study under CEQA Guidelines Section 15262. The plan is built around the two recommendations developed in collaboration with local transit agency staff, endorsed by the Executive Steering Committee, and approved by the North County Subregional Planning Committee:

1. That north county jurisdictions at their discretion pursue voluntary merger of select transit services (e.g., SYVT into COLT, Guadalupe and Cuyama services into SMAT); and
2. That the Cities of Lompoc and Santa Maria working with SBCAG consider/pursue development of an agreement to integrate the Clean Air Express into COLT and/or SMAT prior to the expiration of the Clean Air Express' current operating contract on December 31, 2017.

With regard to social service transportation coordination, the 2007 coordinated public transit-human services transportation plan titled *Transportation Connections*, which SBCAG intends to update following completion of the North County Transit Plan update, is internally consistent with the RTP-SCS. The project goals, strategies, and selection criteria in *Transportation Connections* are used in the review of applications for federal funding assistance and in addressing the coordination and the provision of social service transportation. This plan

emphasizes the importance of Consolidated Transportation Service Agencies (CTSAs), such as Easy Lift and SMOOTH, in transportation service coordination in the larger areas.

The Transit Resource Guide developed in 2009 remains the current regional guide to assist residents and visitors in understanding the transportation opportunities available in Santa Barbara County. The guide was a result of the collaborative efforts of SBCTAC, the CTSAs (Easy Lift and SMOOTH), and the public transit agencies. The Transit Resource Guide is divided according to geographic region and developed in a format for the community at large and provides a comprehensive transportation resource for planning trips without use of the private automobile. A Frequently Asked Questions section supplements the transit schedules and information and covers several topic areas such as fare payment, service to transportation facilities such as Amtrak, Greyhound and the airport, and ADA eligibility. Traffic Solutions is working to update the document to reflect the new and modified services and connections over the past several years and create electronic versions in English and Spanish for placement on the Traffic Solutions website.

One of the key transit documents produced by SBCAG on an annual basis is the Transit Needs Assessment. As discussed under the Unmet Transit Needs section of this audit, the Transit Needs Assessment report is intended to fulfill TDA requirements prior to TDA revenues being allocated for streets and roads. This requirements now applies only to unincorporated north county; the City of Lompoc will no longer file a TDA claim for streets and roads.

SBCAG also maintains a strong presence in rail planning. SBCAG is an active participant in the LOSSAN Rail Corridor Agency, comprised of regional government agencies served by the state-supported Amtrak Pacific Surfliner rail service operating in the coastal rail corridor between San Diego and San Luis Obispo. Both the Planning and Program Divisions are involved with rail in their respective areas of planning and project delivery including overseeing regional commuter transit services, coordinating grant applications for corridor rail infrastructure improvements, and interfacing with Caltrans Division of Rail, LOSSAN, Union Pacific, and Coastal Rail Coordinating Council staff. The passage of Measure A included \$25 million for improving passenger/commuter rail, thus providing seed capital for leveraging additional funding for rail improvements.

### SBCTAC

SBCTAC is the standing committee that advises on transit issues and provides input on unmet transit needs around the county. TDA requires a minimum of nine members representing specific interests to serve on a statutorily required Social Service Transportation Advisory Council (SSTAC). The SBCTAC has exceeded this minimum by including a total of 18 members drawn from north and south county, including an agricultural worker representative as part of a 2006 legal settlement agreement.

With membership that meets and exceeds the requirements of the SSTAC under TDA, SBCTAC provides the forum for regional transit discussion among representatives from fixed route

transit and paratransit providers, social service agencies, nonprofit groups providing social services, and transit users. SBCAG provides support for service and planning coordination among the region’s transit operators through the SBCTAC. The monthly meetings are relatively well-attended, providing an indication of their value to the members.

The bylaws of the SBCTAC specify membership terms. The language includes that “the term of appointment shall be for three years, which may be renewed for an additional three-year term.” SBCAG has interpreted this to mean that after the additional three-year term, a new appointment must be made for that position. For the transit operator membership, for example, staff from the same operator have rotated in serving on the SBCTAC. The auditor consulted with Caltrans TDA branch on the interpretation of SSTAC member terms and the need to appoint a new member after six years. The response by Caltrans was there are many different ways to interpret this section, and for the RTPA to consult with their own legal counsel. Hence, as the PUC section does not provide further direction on appointments following the consecutive three-year terms, the existing practice by SBCAG to appoint a new member is one method. Other RTPAs elect to re-appoint SSTAC members after each three year term as long as the member is willing to serve. Continuous recruitment via active recruitment by staff and/or posting of the SSTAC member application on-line are also done. With many RTPAs challenged in keeping full SSTAC membership for each required position, most tend to retain their current members as long as possible. Some also appoint alternates to the positions.

## **TDA Claimant Relationships and Oversight**

As the designated RTPA, SBCAG is responsible for the administration of the TDA program. This functional area addresses SBCAG’s administration of the provisions of TDA. The subfunctions described include costs for regional transportation planning, TDA claims processing and related technical assistance, and the unmet transit needs process.

### **TDA Administration and Planning Allocation**

The uses of TDA revenues apportioned to Santa Barbara County flow through a priority process prescribed in state law. Prior to apportionment of funds to the local jurisdictions for bicycle and pedestrian facilities, transit operations and local streets and roads, SBCAG is able to claim TDA revenues for TDA administration and planning purposes. This amounts to 2 percent of total Local Transportation Funds (LTF) during the audit period after deduction for County administration of the fund.

According to the annual TDA apportionments, the agency received the following for transportation planning (Table IV-2):

**Table IV-2  
Local Transportation Fund Allocations for  
SBCAG TDA Administration and Planning**

Fiscal Year	Total LTF <sup>(1)</sup>	SBCAG LTF Administration/ Planning	Percentage of LTF
2013	\$14,591,000	\$285,983	2%
2014	\$16,350,000	\$320,461	2%
2015	\$16,624,000	\$325,831	2%

(1) Total annual LTF receipts. Excludes STAF.

*Source: SBCAG Annual TDA-LTF Apportionments, FYs 2013 - 2015.*

The amount allocated to SBCAG was relatively stable each year due to the steady level of LTF revenue which is tied to the sales tax, a barometer of economic activity. Because SBCAG’s share is percentage-based, which is consistent with TDA, the amount fluctuates with the expected inflow of the revenue.

**TDA Claim Processing and Related Technical Assistance**

SBCAG regularly updates its two reference documents *Local Transportation Fund Claim Manual* and *State Transit Assistance Fund Claim Manual*. The purpose of each manual is to clarify the respective provisions of TDA and to serve as a convenient reference document for TDA claimants and SBCAG in administering the TDA claims process. It also serves as a technical reference document for stakeholders who are involved with transportation planning in Santa Barbara County and with the unmet transit needs process.

Available on the SBCAG website, the manual explains TDA statutory provisions, policies, procedures, and administrative instructions. Claimants filling out TDA claims and those managing the claim process have the document to:

- Understand what TDA is;
- Understand how to complete the claim forms;
- Understand TDA requirements and the reasons for them; and
- Understand how the whole process fits together in Santa Barbara County.

The manual provides background about TDA, the flow of funds to claimants, reporting and performance requirements, timelines, and sample claims forms with instructions. A standard assurance checklist that is filled out by the claimant is included that summarizes compliance with specific TDA measures. Each submitting claimant certifies that all conformance requirements are satisfied to receive both Local Transportation Funds and State Transit Assistance funds.

The updated manuals also provides clarity with regard to the farebox recovery ratio requirements for each transit operator. A table contains the required farebox ratios for fixed route and demand response, as applicable, by operator. For those systems that operate both fixed route and specialized demand response (Guadalupe, Lompoc, Santa Maria, and SYVT), the systems are required to meet either a systemwide farebox or separate farebox ratios for each service (e.g., 20% fixed route, 10% demand response).

The claims forms are made available in Excel to create efficiencies in completing the forms. If requested, the SBCAG Director of Administrative Services will prefill the Excel spreadsheet with known information to assist the claimants. Training is also offered. Distribution of the forms is expedited via email. SBCAG's guidelines require claims for TDA revenues to be submitted by April 1 preceding the fiscal year of the claim. The claims are processed by the SBCAG Administration & Finance Division, which conducts its verification for financial consistency with available LTF revenues, and uses the checklist from the claims manual to determine whether all necessary documentation is filed with the claim. Through the implementation of a prior audit recommendation, staff from both Planning and Programming Divisions responsible for transit partake in the review of the TDA claim to verify the performance and operations and capital data submitted. TDA claims requirements slightly differ for CTSAs. In the standard assurance checklist, as a condition of SBCAG approving claims for Article 4.5 funding for Easy Lift and SMOOTH, the CTSAs provide documentation under SBCAG Resolution 90-1 Exhibit A, Section B, including an operations plan and budget, and insurance documentation.

A separate guidance document was developed for State Transit Assistance Funds (STA) beginning in FY 2012-13. A separate timeline shows when fund estimates are made available and when revised claims are due. Apportionments are explained including how the revenues are divided according to state and SBCAG adopted provisions. A required forms checklist is also provided to ensure proper documentation is received for processing by SBCAG.

Recent state legislation was passed shortly after the audit period that significantly impacts several aspects of TDA administration. Senate Bill (SB) 508 (October 2014) modifies a number of areas including the calculation of farebox recovery, claims for non-motorized projects, and STA fund eligibility. These provisions should be added to the next update of the LTF/STA in-house manuals so that TDA claimants and SBCAG have a common understanding, and documentation, of its implementation.

### **Unmet Transit Needs**

The unmet transit needs process conducted by SBCAG involves review and input from the advisory committees (TTAC and SBCTAC), the Board of Directors, and the community. The SBCTAC dedicates a significant portion of its meetings on the unmet transit needs process which generally occurs between October through April each year. Public workshops are conducted in the north county to solicit community comments on potential unmet transit needs, generally held in the cities of Santa Maria and Lompoc and facilitated by the respective city transit department. With Lompoc moving towards claiming TDA only for transit, the County

of Santa Barbara remains the sole claimant to require an unmet transit needs process prior to approval of LTF for streets and roads in the north unincorporated county.

The Transit Needs Assessment documents the public workshops in Santa Maria and Lompoc. Both cities properly notice the public workshops in their respective cities. Public notices of this workshop in English and Spanish were placed in the Lompoc Record, a general circulation newspaper, for a two week period. Public service announcements were also sent to TV Stations KSBY, KCOY, KPMR, KTAS and radio station KRQK. Posters in both English and Spanish were posted in each bus and at each bus shelter a two week period. Notices were also individually mailed to specific interest groups. In Santa Maria, public notices of the workshop in English and Spanish were posted in the Santa Maria Times newspaper, on the buses, and in various locations around the city. A presentation is also made by the transit manager.

Despite public noticing, the workshops have generally not attracted a large audience the last several years in comparison to prior years when service changes were being made to both cities. The 2014 Transit Needs Assessment included a letter from an attorney representing a local transportation group that expressed concern about the public comment process, citing the trend in the use of TDA by the City of Lompoc for streets versus public transit. Alternative public input was suggested in the letter such as on-bus surveys and active solicitation of information from various points in Lompoc. SBCAG is reviewing its public noticing practice for any possible modifications. Although SBCTAC members are not required to attend the public workshops, a staff representative attends to gather information from requests and testimony. A staff member representing the County also attends in addition to Lompoc and Santa Maria transit staff. These workshops are conducted in addition to the one public hearing held by SBCAG which attracts a larger number of speakers for unmet transit needs. Other public comments are received via written letter and email.

In the south county, SBMTD holds “Transit Talk” meetings at its offices that provide a venue for public participation in transit planning, although not required since all TDA is already used for transit.

The Transit Needs Assessment, which is a requirement of law, provides the compilation of the unmet transit needs process. As prescribed in TDA, the transit assessment includes several sections including the consultation process, an assessment of population characteristics, analysis of existing transportation services, service expansions and improvements, and analysis of the unmet needs requests. The analyses of individual requests for unmet transit needs are organized by SBCAG into three different tables. One table lists requests that are unmet transit needs, which are analyzed further to determine their reasonableness to meet. A second list identifies requests that are not unmet transit needs because they are either already met by existing service, or do not meet the definition of unmet transit need. A third table lists requests that are not applicable to the transit needs assessment because they request service in jurisdictions already using all TDA funds for transit, are operational concerns, or require wholesale changes to the transit system. In addition, some of the requests in the third table are

outside SBCAG's jurisdiction or do not provide enough information for analysis. All requests and comments are sent to the transit operators for review and consideration.

Each table identifies the specific request, the source of the request (survey, workshop, email, phone, etc.) and either the type of service affected by the request, reason it is not an unmet need, or reason it is not applicable, depending on where request is categorized. The document has evolved each year to include more graphic display and user friendly content, including an Executive Summary.

For the three-year audit period, SBCAG made findings that there were no unmet transit needs that were reasonable to meet. A formal resolution is considered and approved by the SBCAG Board of Directors with findings from the unmet needs process.

TDA regulations require SBCAG to adopt definitions of "unmet transit needs" and "reasonable to meet." The revised unmet transit needs definition was adopted by the SBCAG Board on January 19, 2006, while the revised reasonable to meet criteria was adopted on December 21, 2006. A copy of the definitions is included as an attachment in the unmet needs resolutions and reaffirmed by the Board. The definitions are as follows:

*Unmet Transit Needs Definition*  
*Adopted by SBCAG Board on January 19, 2006*

"An unmet transit need is the expressed or identified need of the community for additional public transportation services to meet existing basic mobility needs which are not currently being met through the existing system of public transit services or private transportation services. Included, at a minimum, are those public transportation or specialized services which are identified in the Regional Transportation Plan, short range transit plan, and/or transit development plan that have not been implemented or funded.

If an expressed or identified need is determined by SBCAG to be an "operational issue", it shall not be considered to be an unmet transit need. Requests that do not require an identifiable additional increment of service will generally be considered operational. Issues such as, but not limited to, the adequacy of location of bus stops, minor route improvements, marketing, and service reliability will generally be considered operational. The identified needs must be for the system of general public transit services. All eligible users of a given service should have equivalent access or opportunity to use the service."

*Reasonable To Meet Criteria*  
*Adopted by SBCAG Board on December 21, 2006*

"An identified unmet transit need shall be determined to be "reasonable to meet" if SBCAG determines that the transit service will be in general compliance with the following criteria:

1. Can be implemented consistent with the transportation improvement priorities, policies and performance standards contained in the Regional Transportation Plan, the transit development plan, or the short-range transit plan for the area.
2. Can be implemented safely and in accordance with local, state, and federal laws and regulations.
3. Excluding the first three years of operation, the additional transit service shall not cause the system of which it is a part to fail to meet systemwide performance standards including:
  - a. the operator's ability to maintain the required fare to operating cost ratio;
  - b. the estimated number of passengers carried per service hour for proposed service shall be in the range of other similar services provided; and
4. The proposed service would not cause claimant to incur expenses in excess of the maximum allocation of TDA funds.
5. The proposed service is projected to reach a 20% fare box recovery within 3 years, 10% in non-urbanized areas providing rural services, 10% in non-urbanized areas serving urbanized areas, and projected to show continuous progress toward meeting the fare box recovery ratio within 3 years."

## **Public Information and Alternative Transportation**

Public information and outreach has played a significant role in SBCAG's ability to achieve many of its milestones over the last three years. The adopted Public Participation Plan required by SB 375 lays out a process for public participation in adoption of the Sustainable Communities Strategy and Regional Transportation Plan. SBCAG staff conducted extensive public outreach meeting with a range of stakeholder groups and local stakeholders to inform the public and seek engagement in the RTP-SCS planning process. Public outreach materials were printed in English and Spanish, and Spanish language interpreters were available at public workshops. An American Sign Language interpreter is also provided upon request.

The SBCAG website ([www.sbcag.org](http://www.sbcag.org)) provides a portal to most, if not all, of SBCAG's activities and serves as a central open site for regional projects. The website was updated in 2014 and provides a number of user friendly drop down menus and links to resources on the website such as travel options for residents, commuters, and travelers; current construction projects; and planning projects. A documents page organizes an inventory of SBCAG reports for transit related documents, planning and services; FTIP; STIP; and surface transportation program. SBCAG's policies and financial resources are on the documents page, as well as its Title VI Civil Right Act program to ensure compliance with the Act and related statutes regarding nondiscrimination and environmental justice.

Links to major highway projects along US-101 direct a user to the Caltrans website that provides information and contacts for projects such as the South Coast 101 HOV Project, while another project site by SBCAG/Caltrans (<http://www.sbroads.com>) provides project

information and travel options during construction for the Linden Casitas Route 101 Interchange Project, and Santa Barbara to Mussel Shoals project. Measure A information is provided through a link to the separate Measure A website that provides an abundance of information.

Board and advisory committee meeting agendas and a host of other pertinent public data, including direct email contact information with all SBCAG staff members, are also available. The “News” link on the website is kept fresh for required public information such as posting of workshops, funding recommendations, and other released materials and news feeds. SBCAG maintains a Twitter social media account to share its news releases to a broader market. Use of social media is an impetus for SBCAG to keep its news content fresh and relevant.

### **Alternative Transportation**

Shortly after the audit period, SBCAG completed a Regional Active Transportation Plan in August 2015. The plan was prepared to meet the requirements of the California Transportation Commission’s 2014 Active Transportation Program Guidelines. It provides an overview of the existing conditions as related to the bicycle and pedestrian modes in the region and highlights current and future needs and improvements. The purpose of the plan is to create a regional vision for improving the bicycle and pedestrian network by integrating the bicycle and pedestrian planning of the region’s nine member governments. The plan is also intended to establish a base level of eligibility for funding through Active Transportation Program grants for projects in the plan area. Four goals were developed for the plan to guide its development, as well as to shape the future of the bicycle and pedestrian environments in the region. Policies implement each goal and support the recommendations of this plan. The goals were developed with the input of the project’s Technical Advisory Committee, and include:

- Enhance Mobility
- Increase Connectivity
- Promote Equity for all Users in all Communities
- Improve Safety and Public Health

### **Traffic Solutions**

Traffic Solutions promotes and encourages alternatives to driving alone, with the goals of reducing traffic congestion, air pollution and vehicle miles traveled as well as improving the quality of life for employees, visitors, and residents of Santa Barbara County. Traffic Solutions has some information on the SBCAG website, but has much more on its own website and is branded separately with its own logo and color scheme as the countywide rideshare agency for Santa Barbara County.

Traffic Solutions' interactive website, SmartRide.org, is a replacement for Traffic Solutions Online. It launched in April 2015, and is a one-stop-shop for the following commuter and trip-planning tools:

- Trip-Planner – Compares how to get from one location to another by carpool, vanpool, bus, bike, train, walking or driving alone.
- Carpool and Vanpool Matching – Finds other commuters to share the ride with.
- Commute Calendar – Tracks a user's commute to calculate savings and qualify for promotions through Traffic Solutions or participating businesses.
- Commuter Benefits – Local business offer their employees benefits and incentives that are managed through our site.
- Ridesharing for Events – One-time ridematching to special events and meetings.

Funding through the Federal Highway Administration (FHWA) for information technology systems resulted in upgrades to the website that provides, among a number of programs, a dynamic real time rideshare tool. The program instantaneously generates a list of interested carpoolers, 24 hours a day, for the commuter by registering with SmartRide.org and sharing information about their commute. There are roughly 6,000 registered participants in the new carpool program, a decline from about 10,000 from the prior Traffic Solutions Online service. General differences from the use of new technology between the two carpool matching services may be a factor for the decline. The relatively new site is currently designed for daily commuter trips within Santa Barbara County or into Santa Barbara County from neighboring counties. For a customer needing a carpool for a long or one-time trip, the website offers other available services such as Craigslist (rideshare page for Santa Barbara) and ZimRide.

Real time rideshare uses smartphone technology to match riders and drivers to facilitate casual carpooling for non-traditional commutes and transportation trips. The system facilitates micro-payments from the riders to the drivers and will create a simple incentive system for regional rideshare promotions. Phase I testing was conducted from October to December 2012 with larger testing along two corridors in 2013, one corridor along US-101 between Ventura and Santa Barbara, and the other corridor between Isla Vista, UCSB and Santa Barbara City College. Traffic Solutions set a goal to integrate technology and various tools such as mobile apps, social media, website, and video into the promotion, awareness and communication of alternative transportation.

Traffic Solutions offers additional services to carpool matching including commuter savings calculator, Emergency Ride Home, commute calendar and employer tools for administering employee commuter benefits and promotions. The Traffic Solutions website is used to administer commuter benefits programs by most of the largest employers in Santa Barbara County, including the County of Santa Barbara, City of Santa Barbara, Cottage Health System, CenCal Health, Valle Verde Retirement Community and Marian Medical Center.

Traffic Solutions has been able to extend its reach of services with the Green Business Program of Santa Barbara County. To become certified, businesses must offer commuter benefits to their employees as a means to reduce air pollution and traffic congestion. This certification requirement has greatly expanded the reach of SBCAG Traffic Solutions by exposing many new businesses to commuter benefits that would not have done so otherwise. Among the alternative transportation options promoted by Traffic Solutions is staff's work with employers to provide employees with transit passes. This program provides opportunities for Traffic Solutions to reach out to additional participating businesses with more than 100 employees.

Traffic Solutions, the City of Santa Barbara and the Santa Barbara Bicycle Coalition hold the annual CycleMAYnia, a culmination of bicycling events during the month of May. Traffic Solutions issues mini-grants for \$50 to \$500 through Measure A revenue to volunteer organizations that host such events. Mini-grants can be for events for kids and/or adults that relate to any type of cycling or bicycle lifestyle and are leveraged to extend the events to larger numbers in the community. The CycleMAYnia event is secured in three year cycles. SBCAG has secured three cycles (9 years), with the second cycle falling within the audit period.

The Countywide Bike Map is also available, which is paid for by a Measure A grant with support from Cottage Health System. However, customers must pay a fee for the map in paper form. Since 2013, a mobile app to download the county bike map is available for free. In addition to the normal features of the bike map, a user can track their trips, save ride stats, and link to bike shops and resources directly from the app.

Transit marketing received a boost from the new low carbon and transit operations program (LCTOP). Traffic Solutions works with the transit operators to promote routes that experience light ridership and/or new services. A promotion such as a free transit pass is used to generate more interest on the routes. For example, the new Saturday Clean Air Express service received marketing assistance from Traffic Solutions and free bus passes.

Traffic Solutions evaluates its performance through participation statistics for its programs and online enrollment. Employer participation in commuter reductions is also a factor as well as the environmental benefits that are quantified from participation in carpool, bicycling and other transportation modes. Staff indicated that budget has been set aside to develop and monitor performance measures for Traffic Solutions activities.

## **Grant Application and Management**

SBCAG receives the bulk of its funding from grants and has had success in obtaining grants to fund many of its programs. SBCAG receives funding for transit capital improvements from the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) included in Proposition 1B. The funds can only be expended for capital projects such as the purchase of buses, vans and development and construction of transit centers. SBCAG sub-apportions the funds by formula to local agencies that operate transit public services. The transit operators then nominate projects for approval by SBCAG to expend their share of the

funding. By law, the status of PTMISEA expenditures and remaining balances are contained in the annual TDA fiscal and compliance audits of each transit recipient.

Since inception of the PTMISEA program in FY 2007-08 through FY 2013-14, the county transit operators have expended \$15.67 million including for paratransit vehicles utilized by Easy Lift and SMOOTH, funding for the construction of transit centers for the cities of Lompoc and Santa Maria, replacement of buses for SBMTD and bus stop improvements in the Santa Ynez Valley and unincorporated north county. Further, Santa Barbara County receives approximately \$4.55 million from the PTMISEA population formula for FYs 2014-15 and 2015-16. After FY 2016-17, the authority to expend the funds expires and the State would presumably apply unspent funds to retire Proposition 1B bond debt. To ensure that SBCAG will not be left with a large balance in the last fiscal year of the program, the Board adopted a requirement that local transit operators submit a Program of Projects (POP) demonstrating when and how their sub-apportionments will be spent down.

The Santa Barbara County region received approximately \$433,000 in transit security funding in each of the three audit years from the Transit Security Grant Program included in Proposition 1B. The program is administered by the California Office of Emergency Services. Of this amount, \$341,000 is available for projects programmed by SBCAG and \$92,000 for projects selected directly by transit operators in Santa Barbara County. The amount available for programming by SBCAG uses the board-adopted State Transit Assistance sub-allocation formula since the State uses the same formula for allocating STA revenue for both PTMISEA and transit security funds. The funds are allocated for transit security capital projects nominated by the county transit agencies.

SBCAG fulfills its responsibilities as the designated recipient for FTA Section 5307 funds attributable to the Santa Barbara County Transportation Management Area. The funds are allocated to the urban operators in the county including SBMTD, and the cities of Santa Maria and Lompoc after SBCAG conducts the grant application reviews. SBCAG staff estimated available FTA Section 5307 apportionments for FYs 2012-13 to 2014-15 at about \$7.6 million per year.

The SBCAG Board adopted FTA Section 5307 project selection procedures and announced a call for projects for funding. The procedures required each of the transit operators to issue a call for projects for their respective urbanized area (in addition to a countywide call issued by SBCAG), then screen, score and recommend to SBCAG which projects in their urbanized area should be funded. Using the FTA Section 5307 project scoring system adopted by the SBCAG Board, each transit operator scored and selected projects and submitted those projects to SBCAG staff. Projects submitted for funding for the Lompoc, Santa Barbara and Santa Maria Urbanized Areas were selected and approved by the respective transit operator's city council or governing board. SBCAG then approved the project allocations and added the funding and projects to the Federal Transportation Improvement Program (FTIP) via a formal amendment. SBCAG also coordinates with SLOCOG to implement transit planning for the expanded Santa Maria urbanized area and provides appropriate allocation of FTA Section 5307 formula funds.

In addition to urbanized funds, SBCAG prepares the FTA Section 5311 Program of Projects for the rural operators which include City of Guadalupe (Guadalupe Flyer) and the City of Solvang (Santa Ynez Valley Transit - SYVT). The estimated FTA Section 5311 apportionment for FY 2013-14 was \$310,837 and divided by the population served by the transit systems. The operators requested that all of the FTA Section 5311 funds be programmed for operating assistance. These transit funding sources are an integral part of the FTIP.

SBCAG also administers the application process for other federal transit grants. Caltrans announced a call for projects for the FTA Section 5310 - Enhanced Mobility of Seniors and Individuals with Disabilities in October 2014 that covers a two-year period. The FTA incorporated the former FTA Section 5317 (New Freedom) program into the FTA Section 5310 program. SBCAG, as the Metropolitan Planning Organization for Santa Barbara County, is responsible for conducting a regional or "first level" scoring of projects submitted from within the county before they are submitted to Caltrans to be included in a statewide competitive selection process and scored by a statewide scoring committee. For this application cycle, SBCAG received four applications from local transit operators, nonprofit agencies, and for-profit private operators for vehicle purchase, radios, global positioning systems units, and volunteer driver reimbursement.

## Section V

### Findings

The following material summarizes the major findings obtained from the Triennial Audit covering fiscal years 2013 through 2015. A set of audit recommendations is then provided.

1. SBCAG conducts its management of the TDA program in a competent, professional manner while operating in a complex intergovernmental environment.
2. SBCAG has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies. To its credit, SBCAG meets these mandates using limited staff resources.
3. Two of the three prior performance audit recommendations have been fully implemented. The two recommendations that were implemented pertain to keeping SBCAG staff and the board apprised of the Strategic Plan, and tracking completion of Short Range Transit Plans. One prior recommendation relating to updating the Transit Resource Guide is carried forward in this audit for full implementation.
4. In FY 2013-14, a 2 percent cost of living adjustment was given to all authorized staff, and a 1.5 percent adjustment was given in FY 2014-15. Prior to these adjustments, SBCAG staff had not received a salary or benefit increase for the past five years due to the recession. A compensation and benefits study was completed in 2015, which resulted in adjustment of salaries by job class to reflect the market median. The majority of the staff received an equity pay adjustment plus a 1.5 percent COLA. To help reduce costs, SBCAG implemented an office closure during the holiday period starting at the end of December 2013.
5. SBCAG works with the local transit systems to improve travel options within and outside of the county. An example is the Breeze Route 200 intercommunity service between Santa Maria, Los Alamos, Buellton, and Solvang that went into operation in January 2013. Also, in 2014, SBCAG and Ventura County Transportation Commission adopted a 10-year service plan and entered into a new MOU for management of the Coastal Express service connecting Ventura, Santa Barbara and Goleta. Further, in 2015, the Clean Air Express began providing bi-directional Saturday service from the Santa Ynez Valley and linking Santa Barbara, Solvang, Los Olivos and Buellton.
6. The 2040 Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS) was approved in August 2013, marking SBCAG's first RTP that integrates the SCS mandates. The RTP-SCS plans for and programs the approximately \$7.4 billion in revenues expected to be available to the region for the 30-year period from 2010 to 2040. The next update to the

RTP-SCS, entitled Fast Forward 2040, has been underway and is scheduled for completion in Spring/Summer of 2017.

7. Several Short Range Transit Plans were adopted including for City of Guadalupe (July 2014), SBMTD (March 2015), and City of Santa Maria (June 2015). These updates follow other transit operator SRTPs conducted in the prior audit period. Intercity transit issues and countywide transit studies are conducted through SBCAG including the North Santa Barbara County Transit Plan that commenced in August 2013 and adopted by the SBCAG board in September 2016.
8. SBCAG prepares the annual Transit Needs Assessment in close consultation with the SBCTAC, which serves as the statutorily required Social Service Transportation Advisory Council (SSTAC). The Transit Needs Assessment fulfills the requirement of the TDA unmet transit needs process and entails an assessment of transit-dependent and transit-disadvantaged in the county, an evaluation of existing transit providers, public outreach, and testing of public request for services against reasonableness to meet criteria. For the three-year audit period, SBCAG made findings that there were no unmet transit needs that were reasonable to meet.
9. The SBCAG regularly updates its two reference documents *Local Transportation Fund Claim Manual* and *State Transit Assistance Fund Claim Manual*. The purpose of each manual is to clarify the respective provisions of TDA and to serve as a convenient reference document for TDA claimants and SBCAG in administering the TDA claims process. It also serves as a technical reference document for stakeholders who are involved with transportation planning in Santa Barbara County and with the unmet transit needs process.
10. In recognition of integrating alternative means of transportation, SBCAG completed a Regional Active Transportation Plan that meets requirements of the California Transportation Commission's Active Transportation Program Guidelines for bicycle and pedestrian modes. Also, Traffic Solutions' new interactive website, SmartRide.org, launched in April 2015 and is a one-stop-shop for dynamic real time commuter rideshare and trip-planning tools. Real time rideshare uses smartphone technology to match riders and drivers to facilitate casual carpooling for non-traditional commutes and transportation trips.

## Recommendations

1. Update the SBCAG TDA Claims Manuals for new legislation.  
(Auditor Suggestion)

The Local Transportation Fund (LTF) and State Transit Assistance (STA) claims manuals produced by SBCAG should be updated following new legislation that makes adjustments to some key TDA performance criteria. The passage of SB 508 in October 2015 has several objectives, including simplifying fare recovery requirements; authorizing funding of bicycle and pedestrian safety education programs; and modifying STA qualifying criteria for operations. The manuals should be updated to reflect these changes and identify the responsible party for implementing the updates, such as the fiscal auditor for the farebox recovery calculation. SBCAG should also communicate these changes to the transit systems and determine what implication, if any, the changes might have on their respective transit operations.

SB 508 rationalizes performance metrics, for example, by applying the same operating cost exemptions to both the farebox recovery ratio and the STA qualifying criteria. In addition, this bill clarifies a few terms that should help ensure expectations are applied uniformly to the transit operators. Highlights of the bill are summarized below.

### Farebox Recovery

- Deletes the requirement for transit operators to maintain higher farebox requirements based on the 1978–79 fiscal year.
- Revises definition of local funds to mean any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.
- Revises definition of operating cost to exclude principal and interest payments on capital projects funded with certificates of participation.
- Exempts startup costs for new transit services for up to two years.
- Exempts additional categories of expenditures from operating cost (cost increases above the Consumer Price Index for fuel, alternative fuel programs, power, insurance premiums and claims, and state and federal mandates).

### Claims for Funds

- Authorizes the funding of bicycle and pedestrian safety education programs up to 5 percent of the 2 percent bicycle and pedestrian allocation found under Article 3 (PUC Section 99234(a)).

### STA Qualifying Criteria for Operations

- Uses of a sliding scale to reduce the operator's STA allocation for operations, rather than pass/fail.
- STA qualifying criteria requirement is exempt through fiscal year 2015–16.
- New sliding scale effective July 1, 2016.

The farebox recovery ratios calculated in the FY 2016-17 TDA fiscal audit should account for these changes given that operator eligibility for TDA funds is determined by the audited farebox ratios. Given the emphasis on the new farebox calculations in the fiscal audits, SBCAG should ensure that the transit managers for each transit system have reviewed the calculation methodology in their respective financial audits. The revised STA sliding scale test that SBCAG must apply for operating funds also would have certain budgeting and planning implications for the operator to continually use STA for operations. SBCAG has contracted with an outside consulting firm to update both the STA and LTF manuals in the first half of 2017.

2. Update the Coordinated Public Transit-Human Services Transportation Plan.  
(Auditor Suggestion)

The coordinated plan, entitled *Transportation Connections*, helps coordinate specialized transit services for elderly, disabled, and transportation-disadvantaged individuals and is used by SBCAG to set priorities for certain federal transportation grant programs, with potential local match from sources such as TDA. The plan sets project goals, strategies, and selection criteria in the review of grant applications by SBCAG and in addressing the coordination and the provision of social service transportation. SBCAG intends to update the plan following completion of the North County Transit Plan update, and to ensure it is internally consistent with the RTP-SCS. The current plan, which SBCAG adopted in 2007, emphasizes the importance of CTSAs, such as Easy Lift and SMOOTH in transportation service coordination in the larger areas. An update would provide guidance for coordination of specialized services under more recent operating conditions and service capacities of the transportation providers.

3. Update the Transit Resource Guide.  
(Auditor Suggestion)

This is a carryover from the prior recommendation. Traffic Solutions is continuing the update to the guide and plans to include a trip planner. As recommended in the prior performance audit, an electronic link to the Transit Resource Guide is on the same webpage as the transit operator links on the Traffic Solutions website. However, the links to the Transit Resource Guide in both English and Spanish are broken with no information. Since 2009 when the last transit guide was developed, several new and modified transit services have been implemented along with new system connections. The Transit Resource Guide

should be updated following or concurrently with the update of several other documents, including the North County Transit Plan, Short Range Transit Plans, and the coordinated public transit-human services transportation plan. The Transit Resource Guide should be made available electronically given the prevalence of technology use by the public. It is suggested that the updated Transit Resource Guide be inserted within the same webpage as the transit operator links on the Traffic Solutions website, as well on the SBCAG publications site.

4. Review agency strategic planning process as warranted under new leadership.  
(Auditor Suggestion)

The SBCAG strategic plan was approved in 2011 and presents a vision and high-level actions that executive management and the organization as a whole have been implementing the past several years through the OWP and budget. The upcoming three-year performance audit cycle is a window from which SBCAG could continue assessing the outcomes of the strategic plan in meeting broad agency goals and policies. With the understanding that there will be new executive leadership in the near future, a review of the existing strategic plan and its consistency with the region's transportation goals in collaboration with the SBCAG committees and the public should occur as conditions warrant. Oftentimes new leadership is an impetus for revisiting the organization's mission, vision, and direction. A review of the strategic plan by this leadership is a step toward furnishing the context to improve accountability for the use of resources, coordinating policies and building partnerships with all constituencies, ensuring the alignment of resources to address critical issues, and reinforcing the basis for clearly linking goals and objectives with ultimate outcomes.