



**FY 2019-2021
Triennial Performance Audit
of Santa Barbara County
Association of Governments**

**Final
Draft**

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

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Executive Summary

The Santa Barbara County Association of Governments (SBCAG) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FY) 2018–19 through 2020–21. 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). 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. Michael Baker used the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, published by Caltrans, to guide the development and conduct of the audit. To gather information for the TDA performance audit, Michael Baker conducted interviews with SBCAG management, 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 the audit procedures.

Compliance with TDA Requirements

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

Status of Prior Audit Recommendations

One of the three prior performance audit recommendations have been fully implemented, while two have not been fully implemented. The recommendation implemented pertains to updating the SBCAG TDA claim form to allow operators to justify budget increases of greater than 15 percent. The two recommendations that have not been implemented pertain to updating the Coordinated Public Transit-Human Services Transportation Plan and reviewing the agency's strategic objectives and modifying the TDA audit schedule; these two recommendations are being carried forward 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. SBCAG has satisfactorily complied with state legislative mandates for RTPAs. To its credit, SBCAG meets these mandates using limited staff resources.
3. SBCAG experienced some staffing changes during the triennial audit period. While the number of authorized full-time positions increased by only one position, there were two separations, two retirements, and five new hires. The former Chief Financial Officer/Human Resources (CFO/HR) Director retired, and under direction of the new CFO/HR Director, a new Finance and Procurement Coordinator position was created in 2020. Two vacant Planner positions were also filled. Another significant staff change was the departure of the Government Affairs/Public Information Manager and the filling of this position. Further, an administrative assistant position was made vacant through retirement in 2021.
4. In August 2021, the SBCAG Board adopted Connect 2050, the updated Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS). Connect 2050 continues the vision laid out in the previous RTP-SCS, relies on the same core strategies and planning assumptions, and strives to achieve the same, broad goals as the prior plan in a condensed version.
5. An SRTP was completed during the audit period for the City of Guadalupe (December 2020), Santa Maria (November 2020), and SBCAG's first SRTP for the Clean Air Express (October 2019). At the time of this audit, SBMTD was in the procurement process to retain consultant assistance for the update of the agency's SRTP. Also, while a SRTP was not formally adopted, City of Lompoc (COLT) retained outside consultant assistance to assess and implement route revisions upon completion of the new transit center in 2018.
6. SBCAG reviews and 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. They also serve as technical reference documents for stakeholders who are involved with transportation planning in Santa Barbara County and with the unmet transit needs process.
7. Public information and outreach has played a significant role in SBCAG's ability to achieve many of its milestones over the last three years, including adoption of the RTP-SCS, project development and delivery, and the Traffic Solutions' interactive website

which provides a one-stop-shop for dynamic real-time commuter rideshare and trip-planning tools.

Recommendations

Performance Audit Recommendation	
<p>1. Implement remaining performance audit recommendations from prior cycles.</p> <p>(Auditor Suggestion)</p>	<p>Two prior performance audit recommendations remain to be fully implemented: one is to update the Coordinated Public Transit-Human Services Transportation Plan titled <i>Transportation Connections</i>, and the second is to review the agency strategic plan. SBCAG sought state grant funding for updating the coordinated plan in FY 2017-18 but was not successful in obtaining the grant. Subsequently, SBCAG applied for a Caltrans planning grant and was recently successful with a grant award. An RFP is being issued and the project is slated for development in FY 2022-23. Projects selected under FTA Section 5310 funds are to be included in a locally developed, coordinated public transit-human services transportation plan. An updated plan will reflect the changing role of CTSA's (Easy Lift and SMOOTH) in an evolving transit environment.</p> <p>Also, SBCAG management continues to discuss and refine strategic objectives and implementation. With new executive management in place during this audit period, the agency has opportunity to revisit its mission, vision, values, goals, and strategies for the organization to guide priority setting, decisions about work programs and staffing, and other decisions by staff and board over the next several years. As an example, multimodal transportation planning and transit innovation have an emphasis under new leadership which can be reflected in updated goals and strategies. SBCAG should assume a leadership role in transit innovation for the region that accounts for disruptive trends, technological changes, and population inclusion. A review of the existing strategic plan by leadership and adjustments that further align to current values 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</p>

Performance Audit Recommendation	
	objectives with ultimate outcomes.
<p>2. Modify TDA triennial performance audit schedule for additional transit recipients of TDA.</p> <p>(Compliance Requirement)</p>	<p>This prior performance audit recommendation is being carried forward for full implementation. SBCAG commissions TDA triennial performance audits of all public transit systems that receive TDA funding according to the statute. A significant change for the Clean Air Express was the administrative transition of the service from City of Lompoc to SBCAG. SBCAG will begin receiving TDA-State Transit Assistance (99314 farebox revenue) directly to supplement the existing amounts from Measure A North County Interregional Transit Program and releases of additional TDA from the County and City of Solvang. About \$850,000 in Measure A is dedicated to CAE annually, and another \$220,000 per year from TDA pass-throughs by the local jurisdictions since FY 2018-19. This Measure A funding support will decline to about \$720,000 annually when bond debt payments begin for the US 101 HOV project, which is currently projected to take effect in 2024. As a result of directly receiving TDA 99314 formula funds in the future, SBCAG/Clean Air Express is currently in compliance with several TDA requirements, including submitting a State Controller Office Transit Operator Report and a financial compliance audit. A full TDA performance audit of Clean Air Express should be scheduled during the next cycle covering FYs 2021-22 through 2023-24 upon becoming a direct recipient of TDA funds. The current triennial performance audit schedule was set based on a five-year contract for auditing services. In the next audit cycle, SBCAG will conduct an RFP process which will allow for changes.</p>
<p>3. Consider prioritizing and ranking unmet transit needs public comments in coordination with the transit operators and SBCTAC.</p> <p>(Auditor Suggestion)</p>	<p>While SBCAG no longer undertakes the full unmet transit needs process, but continues under law to collect input from public hearings, a more prescribed method of prioritizing and ranking the public comments should be considered and developed in concert with the transit operators and SBCTAC. Rather than simply passing on the comments to the operators, this proposed exercise will help identify those unmet needs that are high priority and should remain on the unmet transit needs list so that the operators can factor them into their service planning and</p>

Performance Audit Recommendation	
	<p>demonstrate accountability for their eventual implementation. For example, and contained in the Appendix, another transportation commission (also not subject to the TDA unmet transit needs process) updates its unmet needs list annually through prioritization (High-Medium-Low) combined with an enumerated graduated scale (1-2-3) to help narrow the focus of the comments. High-priority items are those needs that fill a gap or absence of ongoing service. Medium-priority items supplement existing service. Low-priority items should be more specific and then be planned for, as funds become more available.</p> <p>The graduated scale, for example, indicates to what extent the need, if addressed, would achieve the following outcomes: increase the number of individuals who are within a 30-minute transit trip to key destinations; improve safety; support economic vitality by way of decreasing transportation costs; or improve cost-effectiveness of transportation services. Each unmet need is labeled such as H1 (high priority & graduated scale 1), M3 (medium priority & graduated scale 3), or L2 (low priority & graduated scale 2), as examples. The unmet needs list is substantiated with a series of strategies containing proposals and suggestions to address the need, including programs and projects.</p> <p>The unmet needs list helps determine projects for funding when funding becomes available. The list could be organized as well under general needs, paratransit needs, and transit needs, or alternatively under operational, capital, and customer service, and would be prioritized within those categories. The informal unmet needs process could be addressed by the SBCTAC through development and review of a draft and final list prior to delivery to the transit operators for their planning and implementation.</p>

Section I

Introduction – Initial Review of SBCAG Functions

The Santa Barbara County Association of Governments (SBCAG) retained Michael Baker International to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, fiscal years (FYs) 2018–19 through 2020–21. 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). 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 various SBCAG personnel (executive director, directors, and program staff), as well as with transit operators under SBCAG’s jurisdiction. SBCAG interviews were conducted both in-person and remotely.
- **Analysis:** Evaluated responses from the interviews and 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 the 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 (JPA) 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 of 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. 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 2,734 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 69 percent of the county's total population, based on the 2022 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. Table I-1 presents a demographic snapshot of incorporated cities and the county.

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

State/County/City	2020 US Census Population	Change from 2010 Census	2022 DOF Estimate	Population 65 Years & Older	Land Area (in square miles)
Buellton	5,161	6.90%	5,055	19.4%	1.58
Carpinteria	13,264	1.69%	12,963	19.2%	2.59
Goleta	32,690	9.38%	32,591	16.3%	7.85
Guadalupe	8,057	13.80%	8,544	10.3%	1.31
Lompoc	44,444	4.74%	43,845	11.2%	11.62
Santa Barbara	88,665	0.29%	86,591	18.7%	19.51
Santa Maria	109,707	10.20%	109,910	9.8%	22.81
Solvang	6,126	16.80%	5,709	23.2%	2.43
Unincorporated Area	140,115	5.00%	139,956	19.2%	2,664.82
Santa Barbara County Total	448,229	5.74%	445,164	15.7%	2,734.40

Source: 2020 U.S. Census; California Department of Finance for 2022 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 SBCAG 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.

Congestion Management Agency (CMA)

SBCAG was responsible for the development and implementation of the county-wide Congestion Management Program (CMP) required in all urban counties in California. In July 2018, the beginning of the audit period, the SBCAG Board directed staff to work with local jurisdictions to explore becoming exempt from the state's Congestion Management Program statutes. In October and November 2018, SBCAG staff coordinated with local public works staff to adopt local resolutions of support for exemption from the state CMP statute. In January 2019, the SBCAG Board approved a resolution exempting the region from the state CMP statute.

Council of Governments (COG)

SBCAG is responsible for carrying out the Regional Housing Needs Allocation (RHNA) 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.

Transportation Management Area (TMA)

The Santa Barbara County area has been designated as a Transportation Management Area pursuant to the provisions of federal transportation law. This designation imposes certain planning and programming responsibilities on SBCAG.

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 of Directors meets the third Thursday of each month, alternating between Santa Barbara and Santa Maria. The Board of Directors has four standing advisory committees to assist in providing policy recommendations in its decision-making process: Technical Planning Advisory Committee (TPAC), Technical Transportation Advisory Committee (TTAC), Santa Barbara County Transit Advisory Council (SBCTAC), and Measure A Citizens Advisory Committee. 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 Highway Administration (FHWA), Federal Transit Administration (FTA), Vandenberg

Committee	Purpose and Function
	Air Force Base (VAFB), and University of California at Santa Barbara (UCSB). TTAC generally meets monthly in Solvang.
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 UCSB, VAFB, Local Agency Formation Council (LAFCO), and the County’s Housing Program. TPAC generally meets monthly in Solvang.
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, non-profit 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 Oversight 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.

SBCAG also maintains two subcommittees of the Board of Directors, known as “subregional planning committees” – one for the South Coast and one 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 of Directors, 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), Highway 154 Truck Safety Committee, and Highway 166 Safety Task Force. To guide the development of the Regional Transportation Plan and Sustainable Communities Strategy, the Board of Directors formed the ad hoc JTAC comprised of TPAC and TTAC together. SBCAG also appoints board members as representatives to the LOSSAN Rail

Corridor Agency, a JPA that manages and operates the Pacific Surfliner rail service, and the Coast Rail Coordinating Council.

SBCAG Divisions and Staff

SBCAG maintains a small, yet highly qualified, staff. During the audit period, SBCAG retained 21 authorized positions with no significant changes to staffing levels. SBCAG staff is organized into the following divisions:

- Executive
- Planning
- Programming
- Transit and Rail
- Project Delivery
- Traffic Solutions
- Public Information, and
- Administration & Finance

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, bicycle/pedestrian planning, travel trend monitoring, and travel demand modeling.

SBCAG's Programming Division is responsible for programming of transportation funds pursuant to state and federal statutes, and project delivery for Measure A. The division advises and monitors projects to ensure they are completed and funds are expended in a timely manner. The division helps project sponsors successfully navigate funding, environmental, and engineering guidelines to deliver projects in a timely manner. The division is also responsible for serving, as needed, as the lead agency on regionally significant projects in coordination with Caltrans and local agencies.

The Transit and Rail Division coordinates Coastal Express Bus Service and Clean Air Express Commuter Bus Service, Measure A funded rail and inter-regional bus, Commuter bus and rail service planning, and project development and implementation.

Project Delivery implements Measure A regional highway projects; highway project development (environmental/design/construction), Highway 101 HOV Corridor, and ITS project implementation.

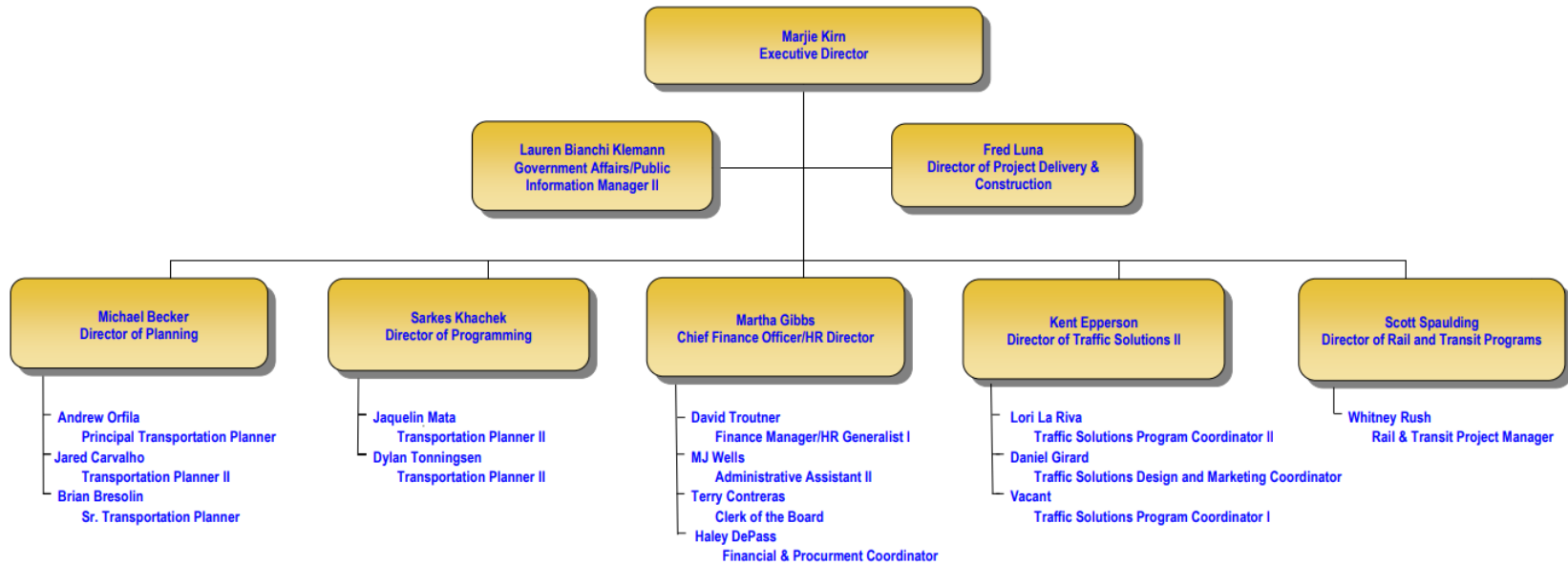
Traffic Solutions promotes and encourages alternatives to driving alone, with the goals of reducing traffic congestion, air pollution and vehicle miles driven, as well as improving the quality of life for employees, visitors, and residents of Santa Barbara County.

Public information includes increasing awareness of and involving the public in all aspects of SBCAG's activities. Administration and Finance includes human resource management, financial management and reporting, clerk of the board, and procurement and contracts. Figure I-1 provides a chart of SBCAG that reflects the organizational structure as of August 2020.

Figure I-1, SBCAG Organization Chart
(as of August 2020)



Staff Organization Chart



SBCAG General Fund Financials

According to the Annual Financial Reports, SBCAG’s audited revenue for the General Fund for the fiscal years covered by this audit ranged from \$6.13 million in FY 2019 to \$4.72 million in FY 2020 to \$5.44 million in FY 2021.¹ These audited revenues compare to final budgeted figures of \$6.65 million in FY 2019, \$6.94 million in FY 2020, and \$11.8 million in FY 2021.² As shown, actual revenues were lower than budgeted.

SBCAG’s audited expenditures for the General Fund ranged from \$6.34 million in FY 2019 to \$4.94 million in FY 2020 to \$5.36 million in FY 2021.³ Audited expenditures compare to budgeted figures of \$7.02 million in FY 2019, \$7.26 million in FY 2020, and \$11.96 million in FY 2021.⁴ As shown, actual expenditures were lower than budgeted.

Over a three-year period, SBCAG salaries and benefits exhibited modest growth, varying from \$3.03 million in FY 2019 to \$3.23 million in FY 2020 and to \$3.47 million in FY 2021.⁵ Changes occurred in staffing from management attrition and turnover, plus promotions and new hires among SBCAG divisions. Staff FTEs in the annual Overall Work Program (OWP) provide the distribution of staff work effort among the project tasks.

¹ Annual Financial Reports for FYs 2019–2021. Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund.

² Ibid.

³ Ibid. Expenditures include Salaries & Benefits, Services and Supplies, and Other.

⁴ Ibid.

⁵ Ibid. Expenditures include Salaries & Benefits.

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. Table II-1 summarizes the findings concerning SBCAG’s compliance with state legislative requirements.

TABLE II-1
SBCAG Compliance Requirements Matrix

SBCAG Compliance Requirements	Reference	Compliance Efforts
<p>All transportation operators and city or county governments which have responsibility for serving a given area, in total, shall claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.</p>	<p>Public Utilities Code, Section 99231</p>	<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.</p> <p>Interregional and some local bus services 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>Conclusion: Complied.</p>
<p>The RTPA shall adopt rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.</p>	<p>Public Utilities Code, Sections 99233.3 and 99234</p>	<p>SBCAG updated an in-house TDA-Local Transportation Claim Manual that includes instructions for completing TDA claims. Figure 4-1 of the Claim Manual shows a checklist for determining which forms are required to be submitted to SBCAG by the claimant. For bicycle and pedestrian claims, four items are to be</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>provided, including the Claim Form, Resolution, Project Description & 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 does list example projects that could be eligible.</p> <p>Conclusion: Complied.</p>
<p>The RTPA shall establish 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 Lompoc and Santa Maria. Traditionally, south coast transit issues are discussed at the SBCTAC, in addition to public testimony received at public 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 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>

SBCAG Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.
<p>The RTPA shall annually identify, analyze and recommend 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 shall include, but not be limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • 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 allocation. 	<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 (SRTPs) for the transit operators. The SRTPs are updated every five years and generally include service recommendations to improve transit services. Regional transit studies such as the North County Transit Plan Update, Santa Maria-San Luis Obispo Transportation Connectivity Study, and recent Clean Air Express Short Range Transit Plan 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 a Productivity Improvement Progress Report be included with the TDA claim. This report includes the implementation status for each transit operator of 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</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>needs are being met.</p> <p>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>Conclusion: Complied.</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
<p>The RTPA shall ensure that all claimants to whom it allocates 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 year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</p>	<p>Public Utilities Code, Section 99245</p>	<p>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 per the TDA requirements and is a local decision.</p> <p>The CPA firm of Moss, Levy, & Hartzheim LLP was retained and completed the fiscal audits for FYs 2019, 2020, and 2021 for the following operators:</p> <p>County of Santa Barbara: FY 2019: March 30, 2020 FY 2020: April 22, 2021 FY 2021: March 31, 2022</p> <p>City of Guadalupe: FY 2019: April 28, 2020 FY 2020: February 8, 2021 FY 2021: April 12, 2022</p> <p>City of Lompoc: FY 2019: April 23, 2020 FY 2020: April 16, 2021 FY 2021: March 30, 2022</p> <p>City of Santa Maria: FY 2019: July 10, 2020 FY 2020: July 19, 2021 FY 2021: <i>Pending completion</i></p> <p>City of Solvang (SYVT): FY 2019: April 8, 2020 FY 2020: March 12, 2021</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>FY 2021: March 21, 2022</p> <p>TDA fiscal audits were completed by the timelines set by the State Controller or have been granted the appropriate extension. Some audits exceeded the extension timeline.</p> <p>For Easy Lift, the CPA firm Anikouchine & Associates completed the fiscal audits in the triennial period:</p> <p>FY 2019: February 18, 2020 FY 2020: March 26, 2021 FY 2021: March 29, 2022</p> <p>For SBMTD, the CPA firm of Brown Armstrong Accountancy Corporation completed the fiscal audits on the following dates:</p> <p>FY 2019: November 6, 2019 FY 2020: November 11, 2020 FY 2021: November 8, 2021</p> <p>For SMOOTH, the CPA firm of Moss, Levy, & Hartzheim LLP completed the fiscal audits on the following dates:</p> <p>FY 2019: October 22, 2019 FY 2020: November 11, 2020 FY 2021: January 12, 2022</p> <p>Conclusion: Complied.</p>
<p>The RTPA shall designate an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium).</p>	<p>Public Utilities Code, Sections 99246 and 99248</p>	<p>For the current and previous triennium, SBCAG retained the independent firm Michael Baker International to conduct the performance audits of the RTPA</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
<p>For operators, the audit shall be made and shall calculate the required performance indicators, and the audit report shall be 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 is not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds shall not be allocated to that operator for that or subsequent fiscal years until the audit is transmitted.</p>		<p>and the transit operators. 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>Conclusion: Complied.</p>
<p>The RTPA shall submit a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA shall certify in writing to the Director that the performance audits of the operators located in the area under its jurisdiction have been completed.</p>	<p>Public Utilities Code, Section 99246(c)</p>	<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 November 26, 2019.</p> <p>Conclusion: Complied.</p>
<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 performance audit shall include, but not be limited to,</p>	<p>Public Utilities Code, Section 99346(d)</p>	<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>Conclusion: Complied.</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
<p>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 shall establish 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 recovery ratios that range from 10 to 20 percent. Rural systems are subject to a 10 percent farebox recovery ratio while urban systems are generally subject to a 20 percent farebox recovery ratio. Farebox recovery 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>Conclusion: Complied.</p>
<p>The RTPA shall adopt 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 CTSAs under Article 4.5. These include several requirements:</p> <ol style="list-style-type: none"> 1. No more than 50 percent of

SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>the CTSA’s operating budget for the year may come from LTF.</p> <ol style="list-style-type: none"> 2. The claim includes an operations plan and budget describing existing and proposed service, and a report on progress of coordination and consolidation. 3. Conformance to TDA requirements and farebox ratios. 4. Other administrative requirements. <p>Conclusion: Complied.</p>
<p>State transit assistance funds received by the RTPA shall be 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 adopting STA allocations specifies that STA funds are restricted to transit and transportation planning purposes.</p> <p>Conclusion: Complied.</p>
<p>The amount received pursuant to Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance shall be 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 Section 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 Section 99314 funds are apportioned directly by the</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
		<p>State Controller to transit operators based on fare and other revenues.</p> <p>Conclusion: Complied.</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 shall annually:</p> <ul style="list-style-type: none"> • Consult with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code, Section 99238; • Identify transit needs, including: <ul style="list-style-type: none"> ○ Groups that are transit-dependent or transit-disadvantaged, ○ Adequacy of existing transit services to meet the needs of groups identified, and ○ Analysis of potential alternatives to provide transportation services; • Adopt or re-affirm definitions of “unmet transit needs” and “reasonable to meet”; • Identify the unmet transit needs or there are no unmet transit needs, or that there are unmet transit needs that are reasonable to meet. 	<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 from 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> <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</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
<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>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>Conclusion: Complied.</p>
<p>The RTPA shall cause 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 resulting audit report to the State Controller within 12 months of the end of each fiscal year, and it 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</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, & Hartzheim LLP was retained and completed the fiscal audits.</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 2019: December 20, 2019 FY 2020: November 14, 2020 FY 2021: December 1, 2021</p> <p>Conclusion: Complied.</p>

SBCAG Compliance Requirements	Reference	Compliance Efforts
four years following the fiscal year close.		

Findings and Observations from RTPA Compliance Requirements Matrix

SBCAG has satisfactorily complied with state legislative mandates for RTPAs. 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 to 20 percent for fixed-route, 10 percent for 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 (Resolution 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 TDA LTF claim manual (FY 2020-21) 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).

Section III

Prior Triennial Performance Audit Recommendations

This section 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, and concluding with the extent to which the agency has adopted the recommendations.

Prior Recommendation 1

Implement prior performance audit recommendations. (Auditor Suggestion)

Background: Two prior performance audit recommendations remain to be fully implemented: one to update the Coordinated Public Transit-Human Services Transportation Plan titled *Transportation Connections*, and the second to review the agency strategic plan. SBCAG sought state grant funding for updating the coordinated plan in FY 2017-18 but was not successful in obtaining the grant. No other action has been taken to date. SBCAG will continue to explore funding opportunities to update the plan. Projects selected under FTA Section 5310 funds are to be included in a locally developed, coordinated public transit-human services transportation plan. An updated plan will reflect the changing role of CTSA's (Easy Lift and SMOOTH) in an evolving transit environment.

Also, SBCAG management continues to discuss and refine strategic objectives and implementation. With new management in place during this audit period, the agency has opportunity to revisit its mission, vision, values, goals, and strategies for the organization to guide priority setting, decisions about work programs and staffing, and other decisions by staff and board over the next several years. As an example, multimodal transportation planning and transit innovation have an emphasis under new leadership which can be reflected in updated goals and strategies. SBCAG should assume a leadership role in transit innovation for the region that accounts for disruptive trends, technological changes, and population inclusion. A review of the existing strategic plan by leadership and adjustments that further align to current values 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.

Actions taken by SBCAG

SBCAG recognizes the importance of updating the coordinated public transit-human services transportation plan and continues to make securing funding to update the plan a priority. Funds to update the plan were sought through the State's Sustainable Transportation Planning Grants' Program in two of the three past cycles. SBCAG will also be applying for funds in the

coming funding cycle utilizing methods and lessons learned through a successful application for a similar project submitted by San Luis Obispo Council of Governments.

SBCAG incorporates the agency's strategic plan in annual employee performance evaluations and in the preparation of the annual overall work program and budget, linking the agency's strategic goals and objectives with project outcomes and employee performance. Promoting transit and alternative modes continues to be an agency priority, and associated tasks and outcomes are included in the agency's planning, programming, Clean Air Express, and Traffic Solution work elements. Management of the Clean Air Express service, including purchasing property for a regional transit facility and implementation of the touchless fare collection system, demonstrates SBCAG efforts in promoting innovative and forward thinking to address the transit needs facing the region.

Conclusion

This recommendation is in progress and is being carried forward for full implementation.

Prior Recommendation 2

Require transit operator substantiation for budget increases over 15 percent in the TDA claim. (Statutory Requirement)

Background: A specific standard assurance item in the transit claim that is signed off by the claimant relates to an operator providing justification for operating budget increases of more than 15 percent from the prior year (Document H, item 10). A few operators fell under this situation during the audit period from the auditor's review of the claims where their operating budgets exceeded 15 percent from the prior year. While the standard assurance check was made in the claim by the operators, there was no substantiation of descriptive justification made in the claim despite the claim requesting such description. A new section in the claim, or space provided in the standard assurance form, should be available for the operator to describe the reason for the increase above this threshold. SBCAG should verify during the claim review process that the operator provides description of a significant budget increase from the prior year.

Actions taken by SBCAG

In response to this recommendation, SBCAG added a narrative field to the TDA claim form in the FY 2021-22 allowing operators to explain any increase above the allowable 15 percent threshold.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Modify TDA triennial performance audit schedule for additional transit recipients of TDA.
(Statutory Requirement)

Background: SBCAG commissions TDA triennial performance audits of all public transit systems that receive TDA funding according to the statute. A significant change for the Clean Air Express in the previous audit period was the administrative transition of the service from City of Lompoc to SBCAG in January 2018. The service is administered by the SBCAG Director of Rail and Transit Programs, including oversight and monitoring of the contract operator. In FY 2020-21, SBCAG was to begin receiving TDA-State Transit Assistance (99314 local revenue apportionment) to supplement revenue from the Measure A North County Interregional Transit Program, and from TDA releases by the County and City of Solvang. About \$850,000 in Measure A is dedicated to the Clean Air Express annually, and another \$220,000 per year from TDA pass-throughs by the local jurisdictions. The amount of annual Measure A funding will fall to around \$720,000 when bonds are issued for the US 101 HOV project. As a result of directly receiving TDA 99314 formula funds in the future, SBCAG/Clean Air Express is currently in compliance with TDA requirements, including submitting a State Controller Office Transit Operator Report and a financial compliance audit. A full TDA performance audit of Clean Air Express should be scheduled during the next cycle covering FYs 2021-22 through 2023-24 upon becoming a direct recipient of TDA funds.

Actions taken by SBCAG

Preceding the last triennial performance audit cycle, SBCAG entered into a five-year contract for auditing services which encompassed two performance audit cycles in addition to annual financial audits. The current performance audit cycle represents the last SBCAG audit under the contract. In the RFP for audit services for the next cycle, SBCAG will update the number of transit providers to be audited to reflect the current status of TDA transit recipients in the region.

Conclusion

This recommendation is in the process and carried forward for full implementation.

Section IV

Detailed Review of RTPA Functions

This section is a detailed assessment of SBCAG's functions and performance as an RTPA during this audit period. Adapted from Caltrans' *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, SBCAG's activities are 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 with its work efforts on various projects. Changes in staff occurred from retirements, attrition, and new hires, while promotions were made from within in building a stronger, team-oriented structure. Starting in the last audit period under the new management team, SBCAG has been taking incremental steps in strengthening its communications with stakeholders and maintaining trust in the community. This is leading to greater collaboration in the region to plan, fund, and implement projects across all transportation modes. Creating and communicating effective messages through public information is an emphasis at the agency which is accomplished through the Government Affairs/Public Information Manager position.

In addition, alternative transportation and public transit options are receiving increased visibility by SBCAG. This is demonstrated by the coordination efforts by the Director of Rail and Transit Programs for inter-regional travel and connectivity among rail and transit modes. This improved coordination resulted from SBCAG's work with Amtrak Surfliner to re-time train service and also with Santa Barbara MTD for shuttle pick-up and drop-off at the train station. Clean Air Express, the regional commuter bus service in Santa Barbara County, has also been managed directly by SBCAG since January 2018. SBCAG continues to coordinate the Coastal Express intercity bus service with the Ventura County Transportation Commission and contributes funding. Further, SBCAG's alternative transportation arm, Traffic Solutions, has been better integrated into SBCAG's transportation program to promote and market

alternative transportation solutions to break down existing barriers in removing single-occupancy vehicles.

Changes on the SBCAG Board provide opportunity for SBCAG to educate local officials on SBCAG goals and objectives, including completion of a financial memo on the funding process for its transportation projects. Greater education on the funding process and sources helps board members better advocate on SBCAG's behalf for more funding for on-going critical, large infrastructure projects such as US Highway 101. Management also individually meets with board members to provide more detailed information and be a resource to respond to their questions and issues.

Executive management indicated that SBCAG subcommittees formed to specifically address either north or south county issues have been beneficial to vetting out transportation solutions. These subcommittees (South Coast and North County Sub-regional Planning Committees) offer uninterrupted discussions with key stakeholders representing affected agencies and populations and focus on the issues and impacts on the local communities.

Personnel Management

SBCAG experienced some staffing changes during the triennial audit period. While the number of authorized full-time positions increased by only one position, there were two separations, two retirements, and five new hires. In 2018, a significant staff change occurred with the retirement of the existing Chief Financial Officer/Human Resources (CFO/HR) Director and the subsequent filling of the position. Under the direction of the new CFO/HR Director, in 2020 a new Finance and Procurement Coordinator position was created. In 2018, two planner staff members were hired to fill vacant positions. Another significant staff change in 2019 was the departure of the Government Affairs/Public Information Manager and the hiring of a new individual to fill this position. In 2021, an administrative assistant position was made vacant through retirement.

New planners are typically recruited from colleges to develop their careers. In part as a result of recruiting younger staff and incentivizing more collaboration internally, SBCAG uses an open floor plan in its office for staff to communicate more effectively and engage in social activities with each other. Given the small budget for recruitment, colleges are target locations. Other recruitment resources used include on-line portals (e.g., Indeed), Capitol Daybook (government job want ads), and the SBCAG website. These recruitment strategies generally produce healthy numbers of applications for open positions; however, the area's cost of living remains an issue. SBCAG conducted a salary survey in November 2021 to be informed of possible gaps in cost of living and including its alliance with Coastal Housing Partnership. The COVID-19 pandemic also impacted staff's office use and SBCAG has been adjusting work schedules to a new working environment like other businesses such as employing hybrid office and remote work options.

The organizational structure of SBCAG is generally horizontal; however, for a relatively small agency, 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.

Personnel Handbook

The SBCAG Personnel Handbook, detailing personnel policies and procedures, was updated in 2019 with assistance from agency counsel, about eight years since the previous handbook (January 2010). As a condition of employment, all employees are required to read the policies and sign a statement of receipt acknowledging receipt of a copy and responsibility to become familiar with the contents. Changes to the handbook were made to incorporate more recent federal and state regulations, and create a category of an at-will employee who serves at the pleasure of SBCAG. All employees hired on or after January 18, 2018 are at-will employees. A new purchasing policy placing limits on approval was also developed to be legally compliant.

The SBCAG Personnel Handbook includes personnel measures guiding the human resource benefits (similar to County benefits), employment classifications, and personnel behavior policies. The handbook also describes the method and process for performance evaluations. From a change in policy, Employee Performance Reports are provided on-time each June rather than on anniversary dates or at the end of probationary periods. Performance evaluations account for staff goals entered into the report and are signed by three individuals (the employee, immediate supervisor, and executive director) prior to placement of the evaluation in the employee's official personnel file.

Wage increases are not automatically given when an employee receives a performance evaluation. 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 five 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.

In response to the COVID-19 pandemic and shelter-in-place orders, SBCAG updated its telework policies that allowed for all employees to work remotely. The agency purchased laptops for all employees to connect via virtual private network (VPN) away from the office. The IT department worked through the process and permissions to allow for VPN connectivity. SBCAG found that staff were more productive working remotely. The agency eventually eliminated its telecommuting benefit, which was provided to employees who commuted two hours from the office.

With regard to other COVID-19 protocols, SBCAG followed the County of Santa Barbara's lead. The agency implemented a vaccination and testing policy although SBCAG did not mandate that employees be vaccinated. The office undergoes cleaning three times weekly.

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 Overall Work Program (OWP) that address these regional issues. As new requirements are imposed on SBCAG by statute or regulation, the OWP acknowledges the increasing importance, and difficulty, to ensure all planning products are coordinated and consistent with each other. SBCAG endeavors to ensure all plans and programs are consistent with each other and that the linkages between and among the documents are explicit and well documented. SBCAG also strives to attain consistency between the RTP and the local general plans, Caltrans' California Transportation Plan, Interregional Transportation Strategic Plan and Transportation Concept Reports.

The OWPs prepared during the audit period reflect SBCAG's efforts to integrate the ten planning principles and strategies in federal 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;
8. Emphasize the preservation of the existing transportation system;
9. Improve the resiliency and reliability of the transportation system and reduce or mitigate storm water impacts of surface transportation; and
10. Enhance travel and tourism.

SBCAG projects that support the planning principles 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. Federal Planning Emphasis Areas through the audit period included: 1.) Core Planning Functions; 2.) Performance Management;

and 3.) State of Good Repair.⁶ The SBCAG OWP identifies specific work elements to address the emphasis areas.

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 during the audit period follows the functions of the agency, and is designed to comply with federal planning regulations and guidance as well as metropolitan planning guidelines issued by Caltrans. The four subcategories include:

- Program Administration,
- Comprehensive Planning and Analysis,
- Transportation Planning and Programming,
- Program and Project Delivery Services.

These are further subdivided into individual work elements. The OWP provides a funding source table showing how each work element is funded, whether through federal, state, and/or local sources. Another summary table shows the assignment of staff resources by FTEs in months 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.

In August 2021, the SBCAG Board adopted Connect 2050, the updated Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS). This plan updates the last RTP-SCS, Fast

⁶ In January 2022, new federal planning emphasis was released by USDOT to include 1. Tackling the Climate Crisis – Transition to a Clean Energy, Resilient Future; 2. Equity and Justice40 in Transportation Planning; 3. Complete Streets; 4. Public Involvement; 5. Strategic Highway Network (STRAHNET)/U.S. Department of Defense (DOD) Coordination; 6. Federal Land Management Agency (FLMA) Coordination; 7. Planning and Environment Linkages (PEL); and 8. Data In Transportation Planning.

Forward 2040, approved in August 2017. Connect 2050 continues the vision laid out in the previous RTP-SCS, relies on the same core strategies and planning assumptions, and strives to achieve the same broad goals as the prior plan in a condensed version. The updated plan does take into consideration several new factors in its development including an updated regional growth forecast, an updated regional housing need allocation, the region's first region-specific analysis of environmental justice indicators, and updated forecasted transportation revenues in reflection to Senate Bill 1. Additionally, this plan considers the lasting impacts of the COVID-19 pandemic when analyzing and forecasting years.

Since the plan's adoption in August 2021, SBCAG has continued to work diligently to advance programmed transportation projects and seek funding for near-term planned transportation projects. SBCAG performs its work in an internally consistent manner (e.g., all work is aimed at implementing an aspect of the RTP-SCS).

At the same time that it meets the requirements of SB 375, Connect 2050 builds on past efforts to move the region forward toward achievement of a broader range of goals related to the environment, mobility, equity, health and safety, and prosperous economic vitality. The plan was shaped using a performance-based approach as required by federal transportation law that measures progress toward these plan goals. From the range of integrated land use and transportation planning options studied, Connect 2050 designates a preferred future land use and transportation scenario that, applying quantifiable performance measures, best achieves the plan goals and meets the region's transportation needs. Fiscal constraints were applied to the project 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 2020 to 2050, inclusive of a timeline five years longer than the Fast Forward 2040 plan horizon. The RTP-SCS plans for and programs the approximately \$8.3 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.

As required by MAP-21 and the FAST Act, SBCAG follows a performance-based approach to transportation decision-making in support of the national and regional goals. SBCAG has organized Connect 2050 to fit the RTP-SCS goal framework and crafted objective, quantifiable performance measures keyed to the five plan goals: (1) the environment, (2) mobility and system reliability, (3) equity, (4) health and safety, and (5) a prosperous economy. The goal framework and the performance measures are based on Caltrans' Smart Mobility framework and in synchrony with the performance-based approach required by federal law. The preferred future scenario in the Sustainable Communities Strategy was developed and selected based on

how well the scenario is expected to achieve the five plan goals and meet the region's transportation needs, applying the performance measures.

SBCAG worked with a number of stakeholders including 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 provided 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.

SBCAG adopted a public participation plan specific to the RTP-SCS process in September 2015. The SBCAG public participation process for development of Connect 2050 was structured around five planning phases: (1) Outreach Planning and Design, (2) Community Foundation Building, (3) Broad Community Engagement, (4) Participatory Planning Phase, and (5) Public Hearing Phase. The first two phases focused on designing specific outreach plans, developing resources, building key relationships, and building team capacity for effective community engagement. The last two phases focused on board community engagement activities, including an awareness marketing campaign, listening sessions, workshops, and information sharing for public hearings required under federal code.

Based on lessons learned from previous RTP-SCS cycles, SBCAG procured the services of the Community Environmental Council, a local non-profit organization, to assist in carrying out the public process. In this update cycle, the COVID-19 public health emergency made it impossible to conduct in-person public workshops. As a result, SBCAG moved to a virtual format for the two workshops. Plus, a GIS-based Story Map was created to complement the workshop process.

According to the RTP, Connected 2050 was developed during the same timeframe as the brunt of impact resulting from the COVID-19 global pandemic. Among many other impacts, COVID-19 forced an analysis of how people work and their relationships with what has traditionally been defined as their workplaces, leading Connected 2050 to make an assumption that remote work will be more significant post pandemic than it was prior to the pandemic.

The RTP-SCS and other planning projects undertaken by SBCAG are increasing the agency's visibility as a leader of regional transportation planning. SBCAG is cognizant of the rapidly changing environment of emerging technology shaping how transportation is delivered. SBCAG's planning for multimodal systems includes concepts of electric vehicle readiness, autonomous vehicles, and active transportation modes. Planning funds are allotted for the study of emerging technologies in which SBCAG should serve in a leadership role as an innovator for the region.

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.

SBCAG approved the 2019 and 2021 FTIPs in September 2018 and February 2021, 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 project sponsor including Caltrans, local jurisdiction, transit agency, academic institution, and SBCAG itself. Approximately \$1 billion in federal, state and local funding was identified in the 2019 FTIP to support local roadway and state highway maintenance projects, and transit operations and maintenance. For the 2021 FTIP, approximately \$787 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 FTIP projects also emerge from other transportation plans and programs, including the State Transportation Improvement Program (STIP), State Highway Operation and Protection Program (SHOPP), 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 CTIPS online software (a Caltrans-provided tool) 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 member jurisdictions. Programming staff serve in a customer service role to the member jurisdictions and provide responses that help agencies consider trading off projects with funding and taking a holistic approach to the strategic application of limited revenues. The online software enables agencies to submit changes online directly to the 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 2020 RTIP was adopted in November 2019 and the 2022 RTIP was adopted in November 2021.

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 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 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. 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. Measure A local project delivery is provided by the Director of Project Delivery & Construction in the Project Delivery Division.

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 Divisions. 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. The FTIP shows the number of projects and federal funding amounts obligated each fiscal year in Santa Barbara County. The amounts for transit capital and operations are for Federal Transit Administration funds.

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.

An SRTP was completed during the audit period for the City of Guadalupe (December 2020), Santa Maria (November 2020), and SBCAG's first SRTP for the Clean Air Express (October 2019). At the time of this audit, SBMTD was in the procurement process to retain consultant assistance for the update of the agency's SRTP. Also, while a SRTP was not formally adopted,

COLT retained outside consultant assistance to assess and implement route revisions upon completion of the new transit center in 2018.

Intercity transit issues and countywide transit studies are conducted through SBCAG. Regional transit studies that have been commissioned by SBCAG 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, and among different transit modes, that have traditionally operated their own local transit systems, or that did not have one. Most of these intercommunity services are operated on separate MOUs between the affected agencies and paid for by these parties. Examples include the Breeze 100 and 200 bus service and the Wine Country Express.

With regard to social service transportation coordination, the available coordinated public transit-human services transportation plan is titled *Transportation Connections*. SBCAG had intentions to update this coordinated study following completion of the North County Transit Plan update, but has not been successful in obtaining a grant for the update. 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. As described in the prior performance audit recommendation section, the coordinated public transit-human services transportation plan is recommended for update as projects selected under federal section 5310 funds be included in a locally developed, coordinated public transit-human services transportation plan. An updated plan will reflect the changing role of CTSAs in an evolving transit environment.

The Transit Resource Guide by Traffic Solutions is a 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 has been transformed onto the Traffic Solutions website and expanded in a format for the community at large and provides a comprehensive transportation resource for planning trips without use of the private automobile. A SmartRide Trip Planner tool enables commuters to determine their most efficient way to travel by offering a one-stop-shop for commuters and offering tools and incentives to improve their travel. A variety of travel options are listed and described along with transit schedules and connections. The tool is managed through a commuter's dashboard customized to compare transportation options, log commute trips, and track travel savings.

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 requirement applies only to unincorporated north county as all other local jurisdiction TDA claimants are using their TDA for transit.

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 Pacific Surfliner rail service operating in the coastal rail corridor between San Diego and San Luis Obispo. The SBCAG Director of Rail and Transit Programs is directly involved with overseeing regional commuter transit services, coordinating grant applications for corridor rail infrastructure improvements, and interfacing with Caltrans Division of Rail, LOSSAN, Coastal Rail Coordinating Council staff, and acts as project manager for the statewide Intercity Rail Leadership Group. The passage of Measure A included \$25 million for improving passenger/commuter rail, thus providing seed capital for leveraging additional funding for rail improvements. To meet first- and last-mile connectivity, SBCAG contracted with Santa Barbara MTD to operate three shuttle routes free to rail pass holders, and worked with the Ventura County Transportation Commission (VCTC) to allow rail passes to be valid on all Coastal Express trips.

Clean Air Express

A significant change for the Clean Air Express that occurred just prior to the audit period was the administrative transition of the service from City of Lompoc to SBCAG in January 2018. The service is administered by the Rail and Transit Division, including oversight and monitoring of the contract operator. An operations contract was entered into between SBCAG and private operator AmericanStar Trailways for a two-and-a-half-year period commencing December 2017 through June 2020, with an optional one-year extension. In March 2020, SBCAG enacted the service extension through December 2020, utilizing six months of the possible one-year contract extension.⁷ Payment is made on a per revenue vehicle hour basis. Changes in SBCAG executive management during the audit period has elevated the importance of regional transit mobility in Santa Barbara County, including the Clean Air Express, which serves passenger demand generated in part by the jobs/housing imbalance between north and south county.

In FY 2021-22, SBCAG will begin receiving TDA-State Transit Assistance (99314 farebox revenue) to supplement the Measure A North County Interregional Transit Program, which is currently the only dedicated source of funding for the Clean Air Express. About \$850,000 from Measure A is dedicated to the Clean Air Express annually, but Measure A funds alone cannot sustain current service levels through the end of Measure A in 2040. The amount of annual funding will fall to around \$720,000 when bonds are issued for the US 101 HOV project. Beginning in FY 2018-19, the County of Santa Barbara and City of Solvang released portions of their share of TDA-LTF to Clean Air Express totaling about \$220,000.

As a result of directly receiving TDA 99314 formula funds, SBCAG is currently in compliance with TDA requirements, including submitting a State Controller Office Transit Operator Report, a financial compliance audit, and triennial transit performance audit. The transit system complied

⁷ Given evidence of the CHP inspection reports dated in April 2021, it is presumed the contract with AmericanStar was extended.

with annual CHP safety compliance and terminal inspections at the contractor's locations dated January 2019, January 2020, and April 2021.

The current Clean Air Express bus schedule is 13 roundtrips per weekday. Ridership reports from SBCAG shows annual ridership at 179,026 in FY 2019, 140,034 in FY 2020, and 67,825 in FY 2021. The farebox recovery ratio was 51.4 percent in FY 2019, 40.0 percent in FY 2020, and 18.0 percent in FY 2021, which is a drastic reduction percent-wise from prior years when the farebox recovery ratio hovered around 80 percent. The COVID-19 pandemic was the primary reason for the decline during this audit period. A guaranteed-ride-home program supported by Traffic Solutions is available for emergencies for passengers to get back home, which also provides incentive to ride the bus.

The Clean Air Express bus fleet of 17 active revenue vehicles range in year from 2003 to 2017.⁸ The new bus facility is located on Hollister Avenue in the City of Goleta that serves as an interregional transit facility for Clean Air Express and the VCTC Coastal Express.

The focus by the Rail and Transit Division is on customer service in developing a robust transit system. In October 2019, SBCAG published the first short range transit plan for the Clean Air Express service. The plan reviews the history of the Clean Air Express service, the population served, customer and non-customer engagement, ridership trends, financial evaluation, and recommendations for improvements. Also, SBCAG launched a completely redesigned website and logo for the Clean Air Express commuter bus service with modern, easy-to-read information on service schedules, fares, and simple options to contact customer service.

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 representative positions. At the time of this audit, two positions are currently vacant. Representatives are 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, non-profit groups providing social

⁸ CAE fleet inventory dated February 2018, provided by the SBCAG Rail and Transit Division for this audit. According to the CAE SRTP, in Fiscal Year 2019-20, SBCAG will obtain 17 coaches from the Antelope Valley Transit Authority (AVTA) via a federal asset transfer. Combined with the three 2017 buses, the total fleet size will be 20 vehicles, lowering the average fleet age to 8 years, with no vehicles older than 12 years. Also noted is a new battery-electric bus for Clean Air Express that made its debut in Santa Barbara County in January 2022. Additional electric buses are on order for the service.

services, and transit users. SBCAG provides support for service and planning coordination among the region’s transit operators through the SBCTAC. The monthly scheduled meetings are held at the Buellton City Council Chambers and 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. As the Public Utilities Code 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, which SBCAG has also elected to do. 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. A review of the SBCTAC membership during the audit period shows primarily the same members for the full three-year period.

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 Planning and Programming 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 claims TDA revenues for planning and programming purposes. This amounts to 3 percent of total Local Transportation Funds (LTF) during the audit period after deduction for County administration of the fund. The three percent is an increase from two percent in prior years and remains within statutory levels.

According to the annual TDA apportionments, the agency received the following for transportation planning and programming (Table IV-1):

**Table IV-1
Local Transportation Fund Allocations for
SBCAG Planning & Programming**

Fiscal Year	Total LTF ⁽¹⁾	SBCAG LTF Planning & Programming	Percentage of LTF
2019	\$18,332,000	\$538,961	3%
2020	\$18,832,000	\$553,660	3%
2021	\$19,494,900	\$573,150	3%

(1) Total annual LTF receipts. Excludes STAF.

Source: SBCAG Annual TDA-LTF Apportionments, FYs 2019 - 2021.

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 annually reviews 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. They also serve as technical reference documents 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. Senate Bill (SB) 508 modifies a number of areas including the calculation of farebox recovery, claims for non-motorized projects, and STA fund eligibility. The updated claim manuals incorporate these latest changes. 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 filled out by the claimant summarizes compliance with specific TDA measures. Each submitting claimant certifies all conformance requirements are satisfied to receive both Local Transportation Funds and State Transit Assistance funds.

The claims manuals also provide 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 system-wide farebox recovery ratio or separate farebox recovery ratios for each service (e.g., 20 percent for fixed-route, 10 percent for demand-response).

The claims forms are made available in Excel to create efficiencies in completing the forms. If requested, SBCAG will prefill the Excel spreadsheet with known financial 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 managed on the front end by the Programming Division in close association with the 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. Programming staff work with the transit operators and local jurisdictions to confirm and verify the TDA process is functioning and address any STA or LTF funding issues.

Programming staff review 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.

The separate guidance document for State Transit Assistance Funds (STA) shows a timeline 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.

A specific standard assurance item in the transit claim that is signed off by the claimant relates to an operator providing justification for operating budget increases of more than 15 percent from the prior year. In implementing a past prior audit recommendation, SBCAG added a component to the claim for the operator to provide a narrative justification of why the increase was above the 15 percent threshold.

Unmet Transit Needs

The unmet transit needs process conducted by SBCAG Planning staff involves review and input from the advisory committees (TTAC and SBCTAC), the Board of Directors, and the community. The SBCTAC dedicated a significant portion of its meetings on the unmet transit needs process which generally occurred from October through April each year. However, based on direction from the SBCAG Board of Directors, all TDA funds starting in the 2020 cycle were to be used for

transit purposes. As a result, the 2020 and 2021 Transit Needs Assessment process did not require a reasonableness to meet analysis for any unmet transit needs comments. The 2019 cycle was the last to undergo a full transit unmet needs analysis and findings.

A public hearing is still required under TDA law to obtain public feedback on public transportation needs. Public hearings 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. These workshops are held independently of the SBCAG public hearings.

Unmet transit needs hearings are also scheduled in Santa Barbara; all of which are advertised at least 30 days in advance of the hearing as required by the TDA statute. Advertisements and flyers are produced in both English and Spanish. Due to the pandemic, the SBCAG public hearings in December 2020 were held remotely via Zoom. Although SBCTAC members are not required to attend the public hearings in Lompoc or Santa Maria, a staff representative attends to gather information from requests and testimony. A staff member representing the County also attends, as do Lompoc and Santa Maria transit staff. Other public comments are received via email, letter, phone, or by completing an online survey available in both English and Spanish.

The Transit Needs Assessment memorandum prepared by SBCAG staff documents the public hearings. The memorandum includes a table listing the specific request, the source of the request (survey, workshop, email, phone, etc.), region, and type of request. Comments received are not screened against the reasonable to meet criteria as no finding is required as of 2020. All requests and comments are sent to the transit operators for review and consideration.

For the 2019 cycle, SBCAG made findings that there were no unmet transit needs that were reasonable to meet. A formal resolution was approved by the SBCAG Board of Directors with findings from the unmet needs process. For the 2020 cycle, 54 comments were received; in 2021, 16 comments were received.

This change in the unmet needs process the past few years to essentially collecting public comment and distributing to the transit operators could be enhanced through maintaining a running list of the public comments. While a full unmet transit needs process and evaluation are no longer required, as a best practice, past and current public hearing comments can be compartmentalized and documented by type such as operational, capital, and/or customer service oriented, and prioritized for implementation in coordination with the transit operators. As a recommendation for consideration, the appendix to this audit includes a sample from another RTPA of unmet transit needs prioritization from past public hearings without the formal unmet needs process.

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. SBCAG is revisiting the public participation strategies in its update of the plan.

The SBCAG website (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 updated website 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 information for projects such as Santa Barbara U.S. 101 Comprehensive Multimodal Corridor Plan, while another project site by SBCAG/Caltrans (<http://www.sbroads.com>) provides project information and travel options during construction for the Mussel Shoals to Santa Barbara 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

SBCAG last 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

Since development of the Regional Active Transportation Plan, multiple small area plans and studies related to active transportation have been completed within SBCAG's district boundaries including the Coastal Trail Alignment Study (November 2020), the Santa Ynez River Trail Alignment Study (September 2020), and the Santa Ynez Valley Bicycle Master Plan (2019). SBCAG's documents webpage provides links to each of these plans.

In regards to the Coastal Trail Alignment Study, the Santa Barbara County Trails Council was contracted by SBCAG to prepare the *Northern Santa Barbara County Interim California Coastal Trail Alignment and Improvement Study*. The purpose of the study was to identify an interim alignment of the multi-use trail through an analysis of constraints and opportunities. The limits of the study extended from the San Luis Obispo County Line to Gaviota State Park and include spur alignments to coastal accesses including Jalama Beach, Ocean Beach, Point Sal and Guadalupe Dunes. Alignments were generally proposed on publicly owned land predominantly along roadway shoulders. The study provided a more efficient, focused, and coordinated approach to future trail alignments and parallel infrastructure projects linking completed segments of the California Coastal Trail to the north and south of the study area and beyond.

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. Staff work is driven by project issues (e.g. Highway 101 construction), and by emphasis and timing of events such as CycleMAYnia. 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 and mobility information agency for Santa Barbara County.

The website contains information for the following programs and services:

- SmartRide

- CycleMAYnia
- The EZ Bike Project
- Love Your Ride
- Open Streets
- Commuter Program Consulting
- Try Transit
- Vanpool incentives
- Emergency Ridehome

Traffic Solutions' interactive website, SmartRide.org, 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 powered by Ride Amigos platform. 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. The site is designed for daily commuter trips within Santa Barbara County or into Santa Barbara County from neighboring counties. A tutorial is available on the website to learn to navigate and use the site.

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. Customer relationship software is used in attempts to build direct relations with commuters through text notifications.

The Open Streets *Calles Vivas* program promotes public health, active transportation, and community by transforming streets into public parks for a day. Such events were organized and held around different communities including in Santa Maria (2018 & 2019) during the audit

period to push alternative transportation measures where residents and employers have expressed interest through surveys in the Traffic Solutions programs.

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 has been 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 continues its work 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. CycleMaynia was suspended in 2020 from the pandemic but resumed in 2021 with 25 online and smaller in-person rides and activities. Traffic Solutions issues mini-grants for \$50 to \$500 through Measure A revenue to volunteer organizations that host 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 third 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. Previously, customers had to pay a \$2.95 fee for a printed map, which can be purchased in many local bike shops as well as the Santa Barbara Visitor Center. At the time of this audit the fee was being waved. 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.

Traffic Solutions offers free e-bike test rides to individuals working or residing in Santa Barbara County through its EZ Bike Project. The website allows individuals to compare different e-bike options, make a reservation, and sign a waiver. Once reserved, the e-bike can be picked up at a designated City of Santa Barbara facility. Reservations can be made for multiple days in a row. At the end of the reservation period, riders return the bike to the City facility. The program aims to help perspective e-bike owners experience the benefits of e-bikes through a demonstration.

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 funding from grants and has had success in obtaining grants to fund many of its programs. SB1 created the State of Good Repair (SOGR) Program, funded from a portion of a new Transportation Improvement Fee on vehicles registered on or after January 1, 2018. SBCAG receives approximately \$668,000 annually based on population. Eligible transit operators in Santa Barbara also receive fare box based revenue apportionments of approximately \$154,000. Eligible projects under the State of Good Repair Program include transit capital projects to maintain or repair existing transit fleets or facilities, the design, acquisition and construction of new vehicles or facilities and transit services that complement local efforts for repair and improvement of local transportation infrastructure. SBCAG announced a call for projects in November 2020 for four years of SOGR funding. This four-year program funds approximately \$2.6 million from FYs 2021-22 through 2024-25. The scoring committee reached consensus and fully funded the City of Guadalupe's transit vehicle replacement project and projects to the Clean Air Express, Santa Maria Area Transit, Santa Ynez Valley Transit and Santa Barbara MTD.

In June 2021, SBCAG closed escrow on a \$4.4 million parcel located at 6416 Hollister Avenue in the City of Goleta, former site of Student Transportation of America that will serve as an interregional transit facility for Clean Air Express and the VCTC Coastal Express and will accommodate maintenance, operations, storage of equipment, and zero-emission technology and infrastructure . The \$4.4 million purchase was made possible by a \$3.8 million competitive grant from the State Transit and Intercity Rail Capital Program, and funding from the State of Good Repair program and local Measure A. The transit services had planned to move into the facility later that year.

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 is required by federal regulation to adopt procedures that will be used to select projects for FTA 5307 funding. FTA 5307 Project Selection Procedures, including a scoring system, were adopted by SBCAG in November 2020 in consultation with City of Lompoc Transit (COLT), Santa Barbara MTD, and Santa Maria Area Transit (SMAT), the designated grantees of 5307 funds in their respective urbanized areas. The procedures require each designated grantee to screen, score and recommend to SBCAG which projects in their urbanized area should be funded for the next three year funding cycle.

SBCAG and the designated grantees initiated a call for projects on November 19, 2020 in coordination with the approval of the scoring system with applications due to the grantees by January 15, 2021. COLT, SBMTD and SMAT performed the initial screening and scoring of submitted project applications according to the scoring system approved by the SBCAG Board and submitted their final, approved funding recommendations to SBCAG for approval. FTA 5307 apportionments are approximately \$8.7 million annually over a three-year cycle, with SBMTD receiving about \$4.1 million per year, Santa Maria about \$3.3 million, and Lompoc \$1.3 million, based on the SBCAG FTA 5307 Program of Projects.

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 is divided by the population served by the transit systems. SBCAG also administers the application process for FTA Section 5310 - Enhanced Mobility of Seniors and Individuals with Disabilities. 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. During this audit period, the FY 2019 SBCAG FTIP showed \$265,000 in revenue programmed from FTA 5311. This was the only available or programmed revenue for both 5311 and 5310 funding sources throughout the audit period. Operators are able to spend down available 5311 or 5310 balances from earlier funding cycles.

Section V

Results

The following material summarizes the information obtained from the triennial audit covering fiscal years 2019 through 2021. 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. One of the three prior performance audit recommendations have been fully implemented, while two have not been fully implemented. The recommendation implemented pertains to updating the SBCAG TDA claim form to allow operators to justify budget increases of greater than 15 percent. The two recommendations that have not been implemented pertain to updating the Coordinated Public Transit-Human Services Transportation Plan and reviewing the agency's strategic objectives and modifying the TDA audit schedule; these two recommendations are being carried forward for full implementation.
4. SBCAG experienced some staffing changes during the triennial audit period. While the number of authorized full-time positions increased by only one position, there were two separations, two retirements, and five new hires. The former Chief Financial Officer/Human Resources (CFO/HR) Director retired, and under direction of the new CFO/HR Director, a new Finance and Procurement Coordinator position was created in 2020. Two vacant Planner positions were also filled. Another significant staff change was the departure of the Government Affairs/Public Information Manager and the filling of this position. Further, an administrative assistant position was made vacant through retirement in 2021.
5. In August 2021, the SBCAG Board adopted Connect 2050, the updated Regional Transportation Plan & Sustainable Communities Strategy (RTP-SCS). Connect 2050 continues the vision laid out in the previous RTP-SCS, relies on the same core strategies and planning assumptions, and strives to achieve the same, broad goals as the prior plan in a condensed version.
6. An SRTP was completed during the audit period for the City of Guadalupe (December 2020), Santa Maria (November 2020), and SBCAG's first SRTP for the Clean Air Express (October 2019). At the time of this audit SBMTD was in the procurement process to retain consultant assistance for the update of the agency's SRTP. Also, while a SRTP was not formally

adopted, City of Lompoc (COLT) retained outside consultant assistance to assess and implement route revisions upon completion of the new transit center in 2018.

7. SBCAG reviews and updates its two reference documents *Local Transportation Fund Claim Manual* and *State Transit Assistance Fund Claim Manual* annually. 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. Public information and outreach has played a significant role in SBCAG's ability to achieve many of its milestones over the last three years, including adoption of the RTP-SCS, project development and delivery, and the Traffic Solutions' interactive website which provides a one-stop-shop for dynamic real time commuter rideshare and trip-planning tools.

Recommendations

1. Implement remaining performance audit recommendations from prior cycles. (Auditor Suggestion)

Two prior performance audit recommendations remain to be fully implemented, one being to update the Coordinated Public Transit-Human Services Transportation Plan titled *Transportation Connections*, and the second being to review the agency strategic plan. SBCAG sought state grant funding for updating the coordinated plan in FY 2017-18, but was not successful in obtaining the grant. Subsequently, SBCAG applied for a Caltrans planning grant and was recently successful with a grant award. An RFP is being issued and the project is slated for development in FY 2022-23. Projects selected under Federal Transit Administration Section 5310 funds are to be included in a locally developed, coordinated public transit-human services transportation plan. An updated plan will reflect the changing role of CTSAs (Easy Lift and SMOOTH) in an evolving transit environment.

Also, SBCAG management continues to discuss and refine strategic objectives and implementation. With new management in place during this audit period, the agency has opportunity to revisit its mission, vision, values, goals and strategies for the organization to guide priority setting, decisions about work programs and staffing, and other decisions by staff and board over the next several years. As an example, multimodal transportation planning and transit innovation have an emphasis under new leadership which can be reflected in updated goals and strategies. SBCAG should assume a leadership role in transit innovation for the region that accounts for disruptive trends, technological changes, and population inclusion. A review of the existing strategic plan by leadership and adjustments that further align to current values 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.

2. Modify TDA triennial performance audit schedule for additional transit recipients of TDA. (Compliance Requirement)

This prior performance audit recommendation is being carried forward for full implementation. SBCAG commissions TDA triennial performance audits of all public transit systems that receive TDA funding according to the statute. A significant change for the Clean Air Express was the administrative transition of the service from City of Lompoc to SBCAG. SBCAG will begin receiving TDA-State Transit Assistance (99314 farebox revenue) directly to supplement the existing amounts from Measure A North County Interregional Transit Program and releases of additional TDA from the County and City of Solvang. About \$850,000 in Measure A is dedicated to CAE annually, and another \$220,000 per year from TDA pass-throughs by the local jurisdictions since FY 2018-19. This Measure A funding support will decline to about \$720,000 annually when bond debt payments begin for the US

101 HOV project, which is currently projected to take effect in 2024. As a result of directly receiving TDA 99314 formula funds in the future, SBCAG/Clean Air Express is currently in compliance with several TDA requirements, including submitting a State Controller Office Transit Operator Report and a financial compliance audit. A full TDA performance audit of Clean Air Express should be scheduled during the next cycle covering FYs 2021-22 through 2023-24 upon becoming a direct recipient of TDA funds. The current triennial performance audit schedule was set based on a five-year contract for auditing services. In the next audit cycle, SBCAG will conduct an RFP process which will allow for changes.

3. Consider prioritizing and ranking unmet transit needs public comments in coordination with the transit operators and SBCTAC. (Auditor Suggestion)

While SBCAG no longer undertakes the full unmet transit needs process, but continues under law to collect input from public hearings, a more prescribed method of prioritizing and ranking the public comments should be considered and developed in concert with the transit operators and SBCTAC. Rather than simply passing on the comments to the operators, this proposed exercise will help identify those unmet needs that are high priority and should remain on the unmet transit needs list so that the operators can factor them into their service planning and demonstrate accountability for their eventual implementation. For example, and contained in the Appendix, another transportation commission (also not subject to the TDA unmet transit needs process) updates its unmet needs list annually through prioritization (High-Medium-Low) combined with an enumerated graduated scale (1-2-3) to help narrow the focus of the comments. High-priority items are those needs that fill a gap or absence of ongoing service. Medium-priority items supplement existing service. Low-priority items should be more specific and then be planned for, as funds become more available.

The graduated scale, for example, indicates to what extent the need, if addressed, would achieve the following outcomes: increase the number of individuals who are within a 30-minute transit trip to key destinations; improve safety; support economic vitality by way of decreasing transportation costs; or improve cost-effectiveness of transportation services. Each unmet need is labeled such as H1 (high priority & graduated scale 1), M3 (medium priority & graduated scale 3), or L2 (low priority & graduated scale 2), as examples. The unmet needs list is substantiated with a series of strategies containing proposals and suggestions to address the need, including programs and projects.

The unmet needs list helps determine projects for funding when funding becomes available. The list could be organized as well under general needs, paratransit needs, and transit needs, or alternatively under operational, capital, and customer service, and would be prioritized within those categories.⁹ The informal unmet needs process could be addressed by the SBCTAC through development and review of a draft and final list prior to delivery to the transit operators for their planning and implementation.

⁹ See appendix for example of unmet transit needs prioritization.

Appendix A

Example Unmet Transit Needs Prioritization and Ranking

(when formal unmet transit needs process under TDA statute is not required)

2021 Final Draft
Unmet Paratransit and Transit Needs

Prioritization of Need:

H – High-priority items are those items that fill a gap or absence of ongoing of service.

M – Medium-priority items that supplement existing service.

L – Low-priority items should become more specific and then be planned for, as funds are available.

1-3 Graduated scale indicates to what extent the need, if addressed, would: increase the number of individuals who are within a 30-minute transit trip to key destinations; improve safety; support economic vitality by way of decreasing transportation costs; or improve cost-effectiveness of transportation services.

Strategies:

Proposals and suggestions to address need, including programs and projects.

General

1. H1 - Safe travel paths between senior and/or disabled living areas, medical facilities, educational facilities, employment locations, retail centers, entertainment venues, bus stops, and/or railroad crossings.
 - Improve accessibility at and to bus stops - such as, but not limited to, sidewalk and crosswalk improvements connecting destinations frequented by senior and disabled individuals and transit stops such as, but not limited to, those identified in the RTC Safe Paths of Travel Final Report.
 - Secure funding assistance to make Safe Paths of Travel improvements.
 - Expand publicity regarding sidewalk maintenance.

2. H1 - Transportation services to areas with high concentrations of seniors, disabled and low income individuals.
 - Support alternative transportation programs, such as vanpool programs, serving low income and senior housing areas outside of the transit service area in south county.
 - Explore pilot projects, such as regularly scheduled paratransit trips two-three times per week, to serve residents.
 - Secure funding for taxi voucher programs for senior and low income individuals.
 - Provide affordable and desirable housing for seniors and low income individuals within the existing transit service area.
 - Provide incentives for senior and social services and medical and social services providers to be located in existing transit service areas.
 - Support programs that encourage ridesharing to destinations popular with

- seniors or high concentrations of seniors.
 - Seek volunteer drivers to provide transportation services.
 - Evaluate on-demand transit services.
- 3. H3 - Transportation services for low-income families with children, including transportation for people transitioning from welfare to work.
 - Support welfare to work programs and training programs.
 - Support transportation programs dedicated to serving low-income families with children.
 - Seek volunteer drivers for transportation family members to visits at detention facilities.
 - Provide taxi vouchers to low income families.
 - Reinstate ride to work programs.
 - Provide youth bus passes to low income households
- 4. H1 - Transportation services for caregivers of senior and disabled clients.
 - Support programs providing transportation for caregivers to clients.
 - Provide taxi voucher to caregivers.
 - Reinstate ride to work programs.

Paratransit/Specialized Transportation Services

1. H1 - Coordinated and seamless-to-the-public system of specialized transportation with a Mobility Management Center (central information point, one stop shop).
 - Assess feasibility and seek funds for development/start-up of the center, and assess entities already providing information and referral services).
 - Utilize information technology solutions to provide transit information that is accessible to all users.
2. H1 - Wheel chair accessible vehicles for taxis and transportation network company services
 - Monitor the Transportation Network Company (TNC) Access for All program.
 - Evaluate other comparable options to provide services (i.e. new companies, subcontract with services equipped with wheelchair vehicles).
 - Provide on demand paratransit service.

Transit Services

1. H1 – Greater frequency and span of transit service in densely populated areas with a mix of land uses.
 - Increase service level between downtown Santa Cruz and Capitola Mall Transit Center through the Live Oak corridor.

- Enhance service on Mission Street.
 - Extend transit service hours later in the evening and early in the morning serving Cabrillo College and commercial centers of Santa Cruz/Live Oak/ Watsonville.
 - Enhance service to employment entities.
 - Enhance service on Scotts Valley Drive.
2. H1 – Greater evening frequency and span of transit service in coverage- oriented areas, in keeping with METRO service standards.
 - San Lorenzo Valley Route 35 variants (Mt. Store and CountryClub)
 - Local Watsonville services
 - La Selva Beach
 3. M1 – More transit service to UCSC.
 - Increase weekend and weekday UCSC service.
 - Increase service to UCSC campus.
 - Increase service to the University of Santa Cruz employment center in Scotts Valley.
 4. M1–Freeandlow-costtransportationoptions,includingfixed-route transit services.
 - Support programs that provide transportation services, including, but not limited to bus services, for a reduced or no fee.
 - Seek volunteer drivers to provide transportation services.
 - Support programs that allow seniors and disabled individuals to ride free during designated time periods.
 5. M2 - Faster run times on transit routes.
 - Investigate opportunities for transit priority lanes and signal priority.
 - Pursue right turn pockets for bypass lanes for buses service and transit priority on Soquel Ave/Drive and Freedom consistent with the Unified Corridor Investment Study.
 - Consider direct services between more locations, reducing need for transfers.