

Kern Council of Governments

Triennial Performance Audit, FY 2015/16 – FY 2017/18

Kern Council of Governments as the RTPA

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Chapter 1

Executive Summary

The Triennial Performance Audit of the Kern Council of Governments (Kern COG) covers a three-year period ending June 30, 2018. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2018, Kern COG selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit of Kern COG for the period defined as:

- Fiscal Year 2015/16,
- Fiscal Year 2016/17, and
- Fiscal Year 2017/18.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The review was also conducted in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA's functions and activities, and
5. Findings and recommendations.

Test of Compliance

With three exceptions, Kern COG adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Several operator annual TDA fiscal audits were submitted well beyond the 180-day deadline and allowable 90-day extension.

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2. Kern COG did not certify in writing to Caltrans that performance audits of operators were completed following the prior triennial performance audit.
3. Kern COG does not include rules and regulations regarding revenue ratios for transit services operating in portions of urbanized and non-urbanized areas.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in March 2016 by Moore & Associates, Inc., for the three fiscal years ending June 30, 2015 – included three recommendations:

1. Work with Kern COG management and the TDA fiscal auditor to ensure individual operator TDA fiscal audits can be completed within the TDA-stipulated timeframe.

Status: Partially implemented.

2. Kern COG should ensure it certifies to Caltrans in writing that performance audits of operators located in the area under its jurisdiction have been completed.

Status: Not implemented.

3. Continue to work with local operators to disburse unclaimed TDA funds.

Status: Implemented.

Goal Setting and Strategic Planning

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The Plan, which was adopted on August 16, 2018, was built on the 2014 Plan. The 2018 focuses on transportation planning policies, defines planning assumptions, identifies strategic investments and funding sources, and reviews monitoring processes. The Sustainable Communities Strategy (SCS) element, required under SB 375, incorporates community engagement, sustainable development patterns, people and goods movement, greenhouse gas reduction, and adaptive planning for climate change.

Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. Several operator annual TDA fiscal audits were submitted beyond the 180-day deadline and allowable 90-day extension.
2. Kern COG did not certify in writing to Caltrans that performance audits of operators were completed following the prior triennial performance audit.
3. Kern COG does not include rules and regulations regarding revenue ratios for transit services operating in portions of urbanized and non-urbanized areas.

We also identified three additional functional findings. While these findings are not TDA compliance related, we believe they warrant inclusion within this review:



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1. Several transit operators have significant challenges in meeting the farebox recovery ratio.
2. Kern COG does not verify STA eligibility as part of its TDA claim process.
3. Kern COG does not require claimants to submit performance data or progress toward implementation of triennial performance audit recommendations as part of its TDA claim process.

In completing this Triennial Performance Audit, we submit the following recommendations for the Kern Council of Governments as the RTPA. They have been divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	Work with Kern COG management and the TDA fiscal auditor to ensure individual operator TDA fiscal audits can be completed within the TDA-stipulated timeframe.	High	FY 2018/19
2	Kern COG should ensure it certifies to Caltrans in writing that performance audits of operators located in the area under its jurisdiction have been completed.	High	At end of current audit cycle
3	Kern COG should add a provision for determining a blended farebox recovery ratio for a transit operator serving both urbanized and rural areas to its TDA Claims Manual.	Low	FY 2020/21
Functional Recommendations		Importance	Timeline
1	Explore alternatives to the TDA-stipulated farebox recovery ratio.	High	As soon as is feasible
2	Update TDA claim forms and the TDA Rules and Regulations to include STA eligibility determination.	Medium	FY 2019/20
3	Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.	Medium	FY 2019/20



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Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit of the Kern Council of Governments (Kern COG) covers a three-year period ending June 30, 2018. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2018, the Kern Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Kern COG as the designated RTPA for Kern County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to whom it allocates funds.

We conducted this performance review in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

The review was also conducted in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

Objectives

The Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.

Scope

The Triennial Performance Audit is intended to be a high-level review of performance evaluating the efficiency and effectiveness of the RTPA. The review of Kern COG included five related tasks:



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1. Review of compliance with the TDA requirements and regulations.
2. Assess the implementation of recommendations presented in prior performance audits.
3. Analysis of Kern COG's internal goal setting and strategic planning functions.
4. Examination of the following functions:
 - Administration and Management,
 - Transportation Planning and Regional Coordination,
 - Claimant Relationships and Oversight,
 - Marketing and Transportation Alternatives, and
 - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA's core functions.

Methodology

The methodology for the Triennial Performance Audit of Kern COG as the RTPA included extensive review of documents relevant to the scope of the review, as well as information contained on Kern COG's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas; and
- TDA and transit funding allocations to operators.

The methodology for this review also included interviews with key Kern COG staff at its administrative offices located at 1401 19th Street, Suite 300, in Bakersfield. Staff interviewed during the site visit included Peter Smith, Regional Planner; Bob Snoddy, Regional Planner; and Greg Palomo, Financial Services Director.

The report is comprised of seven chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. Scope and Methodology: Discussion of the review methodology and pertinent background information.
3. Audit Results: In-depth discussion of findings surrounding each of the subsequent elements of the review:
 - Compliance with statutory and regulatory requirements,
 - Progress in implementing prior recommendations,
 - Goal setting and strategic planning,
 - Functional review, and
 - Findings and recommendations.



Chapter 3

Program Compliance

This section examines the Kern Council of Governments' compliance with the State of California's Transportation Development Act as well as relevant sections of California's Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The RTPA considers full use of funds under CCR Section 6754(a) to refer to operating funds but not capital funds. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with Kern COG staff as well as a physical inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

With three exceptions, Kern COG adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. The majority of operator annual TDA fiscal audits were submitted well beyond the 180-day deadline and allowable 90-day extension.
2. Kern COG did not certify in writing to Caltrans that performance audits of operators were completed following the prior triennial performance audit.
3. Kern COG does not include rules and regulations regarding revenue ratios for transit services operating in portions of urbanized and non-urbanized areas.



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Exhibit 3.1 Transportation Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	The SSTAC meets monthly and is comprised of residents of Kern County who are seniors, social service providers, transit users, and the disabled. The SSTAC participates in the annual Unmet Transit Needs process, which includes public workshops and a public hearing.
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <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 that exceeds its prior year allocation. 	PUC 99244	In compliance	Kern COG has a Transportation Technical Advisory Committee as well as a Transportation Planning Policy Committee. Both committees meet on a monthly basis.
The RTPA has ensured that all claimants to whom it allocated 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.	PUC 99245	Finding	Many operators' annual TDA fiscal and compliance audits have been submitted after the 180 day deadline and the allowable 90-day extension.



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Compliance Element	Reference	Compliance	Comments
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance <i>(pending FY 2018)</i>	FY 2015/16: December 30, 2016 FY 2016/17: December 31, 2017 FY 2017/18:
The RTPA has submitted within seven months after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	In compliance <i>(pending FY 2018)</i>	FY 2015/16: January 17, 2017 FY 2016/17: January 9, 2018 FY 2017/18: Effective January 1, 2016, the deadline for submittal of the RTPA's financial report to the State Controller was extended to seven months following the end of the fiscal year (January 31). This change was made for transit operators beginning with FY 2017 reporting.
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operators audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	Kern COG retained Moore & Associates to prepare its FY 2013-2015 Triennial Performance Audits. Moore & Associates was retained to prepare the FY 2016-2018 Triennial Performance Audits.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	Finding	Kern COG does not currently certify to Caltrans in writing that performance audits have been completed.



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Compliance Element	Reference	Compliance	Comments
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include 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.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in both urbanized and non-urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	Finding	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	In compliance	
State Transit Assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller's Office.	PUC 99314.3	In compliance	



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Compliance Element	Reference	Compliance	Comments
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified 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 alternatives; • Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <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>PUC 99401.5</p>	<p>In compliance</p>	<p>Kern COG implemented its annual Unmet Transit Needs (UTN) process each of the three years included in the Triennial Performance Audit. This process included the reaffirmation of UTN definitions, a description of the criteria used to determine “reasonable to meet,” included consultation with the SSTAC, identified potential transit needs through public outreach and hearings, and determined whether there were unmet transit needs that were reasonable to meet.</p>



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Chapter 4

Prior Recommendations

This section reviews and evaluates the implementation of the prior Triennial Performance Audit recommendations and determines degree of implementation. This objective assessment is to provide assurance Kern Council of Governments has made quantifiable progress toward improving both the efficiency and effectiveness of its functions.

The prior Triennial Performance Audit – completed in March 2016 by Moore & Associates, Inc., for the three fiscal years ending June 30, 2015 – included three recommendations for Kern COG:

1. [Work with Kern COG management and the TDA fiscal auditor to ensure individual operator TDA fiscal audits can be completed within the TDA-stipulated timeframe.](#)

Discussion: During the prior audit period, several of the public transit operators to which the KCOG allocates TDA funding failed to submit annual fiscal audits within the TDA-mandated 180-day window. PUC Section 99245 requires the RTPA ensure all claimants to which it allocated 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 (or 270 days if a 90-day extension is granted). The prior audit recommended Kern COG management work with its TDA fiscal auditor to ensure appropriate deadlines are built into the contract and that those deadlines are being met. The TDA auditor should be well aware of the requirements of the TDA with respect to fiscal audit submittal, and should be held accountable should those deadlines not be met. If necessary, a new TDA fiscal audit contract should be undertaken so as to ensure the timely submittal of the fiscal audits. Kern COG should also ensure requests for 90-day extensions are submitted to the State Controller when applicable.

Progress: Kern COG has continued to work with its TDA fiscal auditor toward improving on-time delivery of TDA fiscal audits. Each year the number of audits completed after March 31 declines. However, this is still an issue, and the goal across the next triennium is to determine why some audits are still being completed so late.

Status: Partially implemented.

2. [Kern COG should ensure it certifies to Caltrans in writing that performance audits of operators located in the area under its jurisdiction have been completed.](#)

Discussion: Upon completion of the 2013 Triennial Performance Audit, Kern COG failed to certify to the director of Caltrans in writing that performance audits of operators located in the area under its jurisdiction had been completed. PUC 99246(c) requires the RTPA to submit a copy of its own Triennial Performance Audit to the director of Caltrans, as well as certify in writing that performance audits of operators to which it allocates TDA funding have been completed. The prior audit recommended that upon completion of the Triennial Performance Audits, Kern COG should submit in writing confirmation that performance audits of operators



located in the area under its jurisdiction have been completed, as well as submit its own Triennial Performance Audit to Caltrans.

Progress: Kern COG did not submit the required letter following the prior audit cycle. This recommendation is being carried forward in this audit and a letter template provided to Kern COG to help ensure its compliance following this audit cycle.

Status: Not implemented.

3. Continue to work with local operators to disburse unclaimed TDA funds.

Discussion: At the time of the prior audit, some local operators still had unclaimed TDA funds. As the RTPA, Kern COG is responsible for Claimant Relationships and Oversight. This is a functional area reviewed as part of the Triennial Performance Audit. The audit noted Kern COG continued to retain unclaimed TDA funds on behalf of some local operators. Those funds should be disbursed as soon as possible so that the money can be used for its intended purpose in those communities. The prior audit recommended Kern COG work with operators who have unclaimed funds to ensure those funds can be disbursed in a timely manner. This could include providing assistance with claim forms or other required submittals.

Progress: Kern COG now reports to the Transportation Technical Advisory Committee twice annually regarding the TDA apportionment status of member agencies. This helps to make Kern COG member agencies aware of what TDA funds they have yet to claim as well as when their last TDA claim was filed.

Status: Implemented.



Chapter 5

Goal Setting and Strategic Planning

This chapter analyzes Kern Council of Governments’ goal setting and strategic planning process.

In addition to serving as the Regional Transportation Planning Agency (RTPA) for Kern County, Kern COG is also the designated Metropolitan Planning Organization (MPO). Kern COG’s role in the community and region is diverse, providing leadership and/or support for the following activities:

- Transportation Management Agency,
- Area-wide Planning Organization,
- Local Clearinghouse,
- Home Mortgage Disclosure Depository,
- Affiliate State Census Data Center,
- Kern GeoNet,
- Kern Motorist Aid Authority,
- Kern County Transportation Authority,
- Kern Congestion Management Agency, and
- Transportation Demand Management (Rideshare) Program.

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The Plan, which was adopted on August 16, 2018, was built on the 2014 Plan. The 2018 focuses on transportation planning policies, defines planning assumptions, identifies strategic investments and funding sources, and reviews monitoring processes. The Sustainable Communities Strategy (SCS) element, required under SB 375, incorporates community engagement, sustainable development patterns, people and goods movement, greenhouse gas reduction, and adaptive planning for climate change.

The vision for the 2018 RTP is “fix and finish what we have,” which is supported by input from the public. The 2018 RTP includes the following seven goals, each of which is supported by policies/actions and performance measures:

1. Mobility – Improve the mobility of people and freight;
2. Accessibility – Improve accessibility to, and the economic well-being of, major employment and other regional activity centers;
3. Reliability – Improve the reliability and safety of the transportation system;
4. Efficiency – Maximize the efficiency and cost effectiveness of the existing and future transportation system;
5. Livability – Promote livable communities and satisfaction of consumers with the transportation system;
6. Sustainability – Provide for the enhancement and expansion of the system while minimizing effects on the environment; and



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7. Equity – Ensure an equitable distribution of the benefits among various demographic and user groups.

The RTP also compares its seven goals to the nine goals included in the Directions to 2050 Principles for Growth, which builds on the Kern Regional Blueprint program.

LINKS BETWEEN DIRECTIONS TO 2050 PRINCIPLES FOR GROWTH AND RTP GOALS	RTP Goals						
	1. Mobility – Improve the mobility of people and freight.	2. Accessibility – Improve accessibility to, and the economic wellbeing of major employment and other regional activity centers.	3. Reliability – Improve the reliability and safety of the transportation system.	4. Efficiency – Maximize the efficiency and cost effectiveness of the existing and future transportation system.	5. Livability – Promote livable communities and satisfaction of consumers with the transportation system.	6. Sustainability – Provide for preservation and expansion of the system while minimizing effects on the environment.	7. Equity – Ensure an equitable distribution of the benefits among various demographic and user groups.
<i>Directions to 2050 Growth Principles</i>							
A. Conserve energy and natural resources, and develop alternatives	◆	◆	◆	◆	◆	◆	◆
B. Provide adequate and equitable public services	◆	◆	◆	◆	◆	◆	◆
C. Enhance economic vitality	◆	◆	◆	◆	◆	◆	◆
D. Provide a variety of housing choices				◆	◆	◆	◆
E. Use and improve existing community assets and infrastructure	◆	◆	◆	◆	◆	◆	◆
F. Use compact, efficient development and/or mixed land uses where appropriate	◆	◆	◆	◆	◆	◆	◆
G. Provide a variety of transportation choices	◆	◆	◆	◆	◆	◆	◆
H. Preserve undeveloped land and spaces				◆	◆	◆	◆
I. Increase civic and public engagement					◆		◆



SUMMARY OF BENEFITS

2018 Regional Transportation Plan

The region represented by the Kern Council of Governments is projected to grow by more than 50% by 2042. To protect the quality of life for future generations, the 2018 RTP is presented as an economic development strategy as well as a transportation, infrastructure and sustainability investment.

MOBILITY BENEFITS

- ✓ The plan improves overall mobility and provides needed congestion relief by maintaining, fixing and finishing what we have.
- ✓ This plan fully funds maintenance of the transportation system while increasing funding for bike, pedestrian, and transit facilities.
- ✓ Implementation of the plan will nearly double the number of homes within walking distance to quality transit. By integrating land use and transportation, 72% of homes will be near quality transit compared to 57% under the prior plans.

ECONOMIC BENEFITS

- ✓ The Federal Highway Administration estimates that every \$1 billion spent on transportation infrastructure creates 10,870 job years of which up to 4,000 can persist long after construction, generated by increased labor from better mobility and more efficient goods movement.
- ✓ This 24-year investment plan is projected to add over 75,000 job years (3,100 26-year jobs) from construction, maintenance, and better mobility, and saves an additional 21,000 existing jobs that would have been lost because of poor road conditions.
- ✓ The plan could ultimately add 26,000 permanent non-transportation sector jobs to the region, increasing Kern's economic base, adding capacity to re-invest in an ever more efficient transportation system, triggering an upward economic spiral for future generations.

HEALTH BENEFITS

- ✓ Improve air quality and public health by reducing all criteria pollutants, emissions and their precursors to meet national standards – oxides of nitrogen (NOx), reactive organic gasses (ROG), particulate matter (PM10), fine particulate matter (PM2.5) and carbon monoxide (CO).
- ✓ 5% or more reduction in health expenditures because of improved air quality.
- ✓ Promotes more active transportation by fully funding the Kern Active Transportation Plan and increasing funding for bike and pedestrian facilities 700% over Pre-SCS RTPs.

SUSTAINABILITY BENEFITS

- ✓ 12% or more reduction in household water use by providing a full range housing choices.
- ✓ 12% or more reduction in infrastructure costs by revitalizing existing communities.
- ✓ 90% reduction in farmland conversion to urban uses outside city spheres of influence



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According to its FY 2018/19 Overall Work Program, Kern COG's area-wide planning program is a continuous, comprehensive, and coordinated process involving Kern COG member agencies as well as tribal governments and various state and federal agencies. The program is designed to address regional planning concerns, state and federal funding priorities and state and local comprehensive planning requirements.

Kern COG's Joint Powers Agreement states that Kern COG was established to:

- Provide a forum to discuss and study regional problems of mutual concern to governmental agencies in Kern County;
- Provide for efficiency and economy in governmental operations through the cooperation of member governments and the pooling of common resources;
- Establish an agency responsible for identifying, clarifying and planning for solutions to regional problems;
- Establish an agency capable of developing regional plans and policies and performing area wide planning duties; and
- Facilitate cooperation and agreement among local government bodies for specific projects, interrelated developmental action and the adoption of common policies with respect to issues and problems that are shared by its members.

Kern COG's role in transportation planning in the Kern region is a cooperative process designed to meet state and federal planning guidelines.



Chapter 6

Functional Review

The Kern Council of Governments (Kern COG) is the Regional Transportation Planning Agency (RTPA) for San Joaquin County. Kern COG is an association of city and county governments created to address regional transportation issues. Member agencies include the County of Kern as well as the cities of Arvin, Bakersfield, California City, Delano, Maricopa, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, and Wasco.

Kern COG's Joint Powers Agreement states that Kern COG was established to:

- Provide a forum to discuss and study regional problems of mutual concern to governmental agencies in Kern County;
- Provide for efficiency and economy in governmental operations through the cooperation of member governments and the pooling of common resources;
- Establish an agency responsible for identifying, clarifying, and planning for solutions to regional problems;
- Establish an agency capable of developing regional plans and policies and performing area-wide planning duties; and
- Facilitate cooperation and agreement among local government bodies for specific projects, interrelated developmental action, and the adoption of common policies with respect to issues and problems that are shared by its members.

A functional review of the Kern Council of Governments determines the extent and efficiency of the following functional activities:

- Administration and Management,
- Transportation Planning and Regional Coordination,
- Claimant Relationships and Oversight,
- Marketing and Transportation Alternatives, and
- Grant Applications and Management.

Administration and Management

Kern COG is governed by a Board of Directors comprised of one elected official from each of the 11 incorporated cities in Kern County, two Kern County supervisors, and two *ex officio* members representing Caltrans and the Golden Empire Transit District. The Board meets on the third Thursday of each month at 6:30 p.m. Regular meetings are held in the conference room at Kern COG's administrative offices, located at 1401 19th Street in Bakersfield. All meetings are open to the public and are rebroadcast on Kern Government Television (K-GOV) every Monday at 7:00 p.m. The Kern COG offices are accessible via several Golden Empire Transit (GET) routes on Chester Avenue and Kern Transit's Route 100 and are located just a quarter mile from Bakersfield's Downtown Transit Center.

The Kern COG Board has two subcommittees: the Transportation Planning and Policy Committee and the COG Executive Committee.



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Transportation Planning and Policy Committee (TPPC). The TPPC makes technical funding decisions about how Kern COG transportation dollars are spent. The committee is made up of one representative from each of Kern’s 11 incorporated cities, two county supervisors, and one representative each from Caltrans, Golden Empire Transit District and the Military Joint Planning Policy Board. Meetings are held on the third Thursday of each month, immediately preceding the Kern COG board meeting.

COG Executive Committee. The Executive Committee reviews the annual operating budget, future agenda items, and provides guidance to the Executive Director on financial and personnel matters. The committee consists of a board member from the County of Kern, a member from the City of Bakersfield, and a member from one of the ten smaller cities.

Kern COG has four additional committees that advise the Kern COG Board.

Transportation Technical Advisory Committee (TTAC). The TTAC is a committee of local agency representatives who provide technical review and recommendation to the Kern Council of Governments Board of Directors. Meetings are held on Wednesdays at 10:00 a.m., two weeks prior to the Kern COG/TPPC Meetings.

Regional Planners Advisory Committee (RPAC). The RPAC is a committee of local agency planning representatives who provide technical review and recommendation to the Kern Council of Governments Board of Directors. Meetings are held on Wednesdays at 1:30 p.m., two weeks prior to the Kern COG/TPPC Meetings.

Social Service Technical Advisory Committee (SSTAC). The SSTAC addresses the needs of the transit-dependent, including the elderly and handicapped. The committee works with private transportation providers regarding proposed service and transportation planning opportunities; informs private sector transportation providers of the criteria used in making service decisions; and offers private-sector transportation advisors opportunities to present their ideas on transit plan development.

Public Transit Operators Committee (PTOC). Representatives of transit providers throughout Kern County make up the PTOC, which provides a forum for any transit-related issue, including performance measures, performance audits, short-range transit plans, productivity-enhancing strategies and new regulations. Fundamentally, the committee works to establish a seamless transit system in the county.

Kern COG also participates in two regional intergovernmental collaboratives: San Joaquin Valley Transportation Planning Agencies and Eastern California Transportation Planning Partnership.

San Joaquin Valley Transportation Planning Agencies. The San Joaquin Valley TPA is comprised of eight Metropolitan Planning Agencies and two Rural Transportation Planning Agencies to address transportation and air quality issues impacting the San Joaquin Valley. A MOU between the eight transportation planning agencies serves to coordinate transportation planning activities. A



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separate MOU between the eight transportation planning agencies and the Air District to coordinate transportation and air quality planning issues.

Eastern California Transportation Planning Partnership. The Eastern California Transportation Planning Partnership comprises representatives from Kern, Inyo, Mono and San Bernardino counties and Southern California Association of Governments. It is intended to address transportation corridors of mutual concern, such as State Routes 14 and 58 and US 395.

Kern COG Board members during the audit period included the following:

- Jose Flores, City of Arvin (2015-2016)
- Jose Gurrola, City of Arvin (2017-2018)
- Jennifer Wood, City of California City (Chair 2015-2017, 2018)
- John Wilke, City of Maricopa (2015-2017)
- John Crump, City of Maricopa (2018)
- Peggy Breeden, City of Ridgecrest (2015)
- Michael R. Mower, City of Ridgecrest (2016-2018)
- Orchel Krier, City of Taft (2015-2018)
- Chery Wegman, City of Wasco (Vice Chair 2015-2017, Chair 2018)
- David Couch, County of Kern (2015-2018)
- Bob Smith, City of Bakersfield (2015-2017, Vice Chair 2018)
- Ruby Hill, City of Delano (2015)
- Rueben Pascual, City of Delano (2016-2017)
- Grace Vallejo, City of Delano (2018)
- Manuel Cantu, City of McFarland (2015-2018)
- Cathy Prout, City of Shafter (2015-2018)
- Philip A. Smith, City of Tehachapi (2015-2018)
- Zack Scrivner, County of Kern (2015-2018)
- Scott Kiernan, Military Joint Planning Policy Board (ex officio 2015-2018)
- Cindy Parra, Golden Empire Transit District (ex officio 2015-2018)
- Gail Miller, Caltrans District 6 (ex officio 2015-2018)

Reporting directly to the Kern COG board is the Executive Director, who oversees a staff of 20. This staffing level is adequate to meet all responsibilities. Staff turnover is modest, and all staff receive an annual evaluation. Full-time employees receive a benefits package inclusive of life, health, dental, and vision insurance; retirement contributions; and disability benefits. Part-time employees receive health insurance, time off, and retirement contributions. Employees may also receive an Air Quality stipend of \$100 per month for using alternative transportation. Staff also receive appropriate training for individual positions.

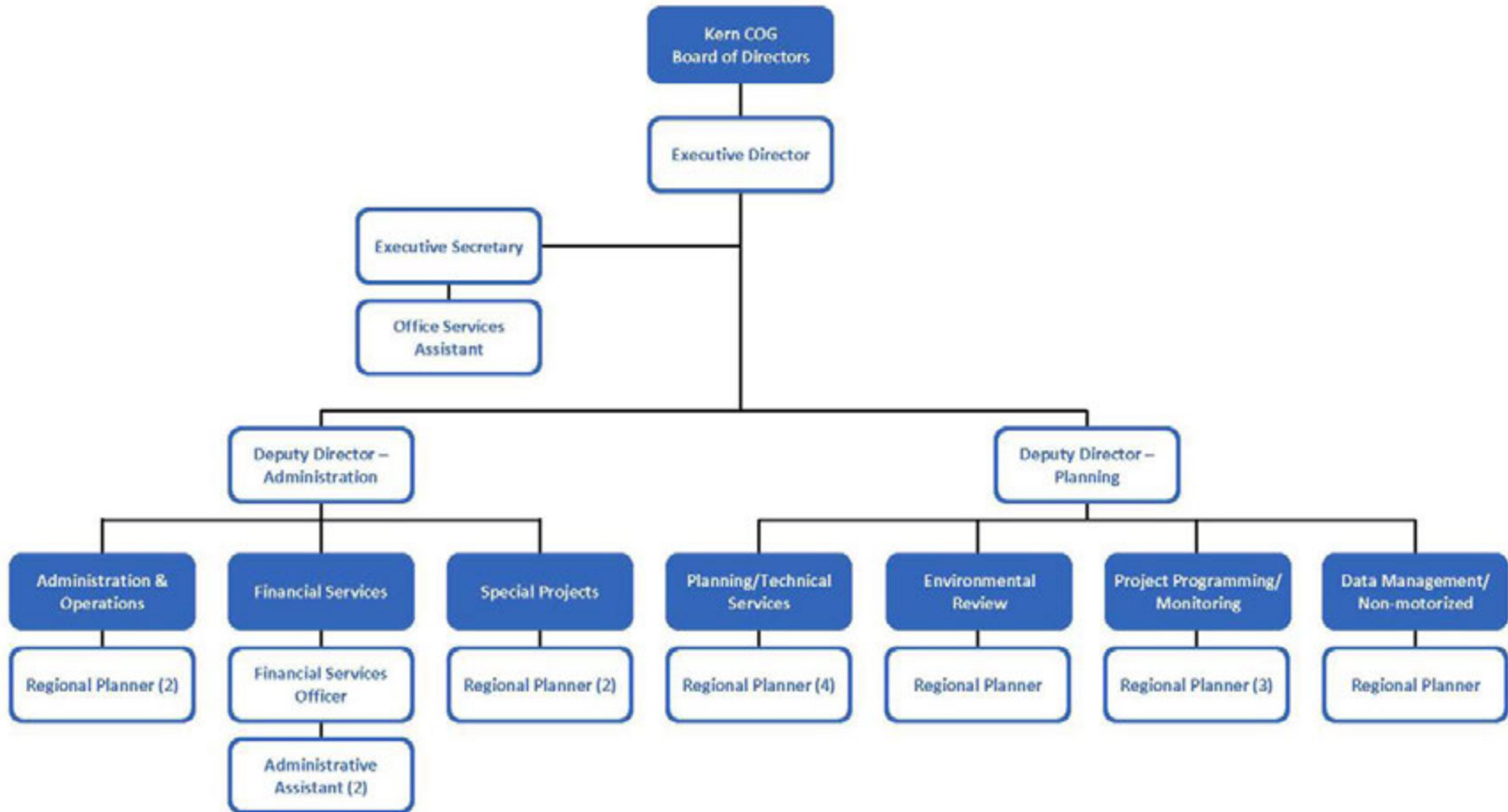
An organizational chart is presented as Exhibit 6.1.



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Exhibit 6.1 Organizational Chart (FY 2018/19)



Source: Kern Council of Governments.



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As the RTPA, Kern COG processes TDA claims in an accurate and timely manner. The Regional Planner communicates with transit operators regarding quarterly reporting, but generally allows the operators to manage their own relationships with Caltrans. Operators are generally satisfied with Kern COG's efficiency and effectiveness, but have expressed a desire for additional mentoring from the RTPA.

Transportation Planning and Regional Controls

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range transportation plan providing a vision for regional transportation investments. The Plan, which was adopted on August 16, 2018, was built on the 2014 Plan. The 2018 focuses on transportation planning policies, defines planning assumptions, identifies strategic investments and funding sources, and reviews monitoring processes. The Sustainable Communities Strategy (SCS) element, required under SB 375, incorporates community engagement, sustainable development patterns, people and goods movement, greenhouse gas reduction, and adaptive planning for climate change.

The RTP is a 24-year blueprint that establishes a set of regional transportation goals, policies, and actions designed to guide development of Kern County's multimodal transportation systems. It effectively identifies, documents, and assesses transportation needs, including identifying anticipated air quality, economic, and financial challenges. Public outreach for the RTP was conducted under the guise of *Directions to 2050*, which built upon the Kern Regional Blueprint branding. Community engagement included the following:

- Presentations to community-based organizations,
- Stakeholder roundtable meetings,
- Community workshops,
- Community events,
- Farmer's Market booths,
- Walk audits,
- Outreach to the Tejon Indian Tribe,
- Project website,
- Survey,
- Social media,
- Targeted outreach to key populations (LEP, minority, senior, and low-income),
- Written and visual materials, and
- Media outreach.

The RTP also recorded input from elected officials, stakeholders, and community, agency, commission, committee, and state agency members.

Kern COG has maintained a regional travel demand model for more than two decades. Data is drawn from local, state, and federal surveys; a regional traffic county program; and a regional land-use model. The transportation modeling program is guided by an MOU among Kern COG's member agencies.

Claimant Relationships and Oversight

While Kern COG does not have a productivity committee, one of Kern COG's Regional Planners assumes that role by reviewing operator performance on a regular basis. The Regional Planner has a keen



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understanding of the productivity challenges faced by operators; while he understands rising operating costs, he would like to find a solution to enable all operators to achieve their farebox recovery goals.

Kern COG typically funds planning studies for the majority of operators. During the most recent triennium, the cities of Shafter and Wasco completed Transportation Development Plans. In 2018, Kern COG engaged a consultant to prepare a transit study for the county's rural operators, which is filling the role of a Short Range Transit Plan. In addition, GET conducted a Long Range Transit Plan and Delano prepared a Short Range Transit Plan.

TDA claims are processed consistently and in a timely manner, though there is a history of operator claims not being made in a timely manner. Kern COG has yet to withhold TDA monies due to a farebox shortfall, though Delano and GET came close.

Several operators have challenges with effective and consistent reporting and grant applications, due in part to changes in staffing.

Marketing and Transportation Alternatives

Kern COG does not provide marketing on behalf of the transit operators, but does conduct surveys through its public outreach activities. The most recent was a Quality of Life telephone and online survey conducted by a consultant between February 5 and March 9, 2018. The survey resulted in feedback from more than 1,400 Kern County adult residents. The objectives of the survey were to:

- Gauge residents' overall opinion of current and future quality of life in their city or town;
- Survey the importance of specific issues related to future quality of life in the County;
- Understand the daily commute behavior of the average resident;
- Determine housing preferences; and
- Identify any differences in opinion due to demographic and/or behavioral characteristics.

Kern COG's rideshare program is marketed under the name CommuteKern. The program includes a ridematching service, eTRIP assistance, company presentations, a guaranteed ride home program, a bi-monthly e-newsletter, and quarterly meetings for eTRIP coordinators. Kern COG's rideshare program coordinator takes transit brochures for relevant operators as part of this ongoing outreach.

Grant Applications and Management

As the Local Clearinghouse, Kern COG's primary responsibility is to review and comment on local applications for state and federal funding assistance. The local clearinghouse process is designed to provide an opportunity for interjurisdictional coordination of federal and federally assisted activities within state and regional localities. This includes applications for federal grants, which are reviewed to ensure there is no duplication of effort or conflict with local plans or policies.

Kern COG also assists operators with the preparation of grant applications, submits the Section 5311 Program of Projects to the State, reviews Section 5311 applications and submits them to Caltrans. Kern COG feels that Caltrans does not provide sufficient time to prepare grant applications. Kern COG distributes monies and provides reminders to operators regarding reporting and compliance. Kern COG also conducts a bi-annual review of the status of TDA funds to assist operators with claiming funds apportioned to them.

Chapter 7

Findings and Recommendations

Conclusions

With three exceptions, we find Kern Council of Governments, functioning as the RTPA, to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner. The compliance findings and the recommendations for their resolution are detailed below.

Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. Several operator annual TDA fiscal audits were submitted beyond the 180-day deadline and allowable 90-day extension.
2. Kern COG did not certify in writing to Caltrans that performance audits of operators were completed following the prior triennial performance audit.
3. Kern COG does not include rules and regulations regarding revenue ratios for transit services operating in portions of urbanized and non-urbanized areas.

We also identified three additional functional findings. While these findings are not TDA compliance related, we believe they warrant inclusion within this review:

1. Several transit operators have significant challenges in meeting the farebox recovery ratio.
2. Kern COG does not verify STA eligibility as part of its TDA claim process.
3. Kern COG does not require claimants to submit performance data or progress toward implementation of triennial performance audit recommendations as part of its TDA claim process.

In completing this Triennial Performance Audit, we submit the following findings and recommendations for the Kern Council of Governments. They have been divided into two categories: TDA Program Compliance Findings and Recommendations and Functional Findings and Recommendations. TDA Program Compliance Findings and Recommendations are intended to assist in bringing the agency into compliance with the requirements and standards of the TDA, while Functional Findings and Recommendations address issues identified during the TPA that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: Several operators' annual TDA fiscal audits were submitted well beyond the 180-day deadline and allowable 90-day extension.

Criteria: PUC Section 99245 requires the RTPA ensure all claimants to which 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 (or 270 days if a 90-day extension is granted).



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Condition: Throughout the triennium, operators have faced challenges regarding completion of their TDA fiscal audits. With the exception of the City of Shafter, which contracts individually for its TDA fiscal audits, all TDA fiscal audits are prepared under a single contract with Kern COG. The fiscal auditor's failure to complete these audits within the timeframe established by the TDA has resulted in a compliance finding.¹ This finding is also carried forward from the prior audit.

While there has been improvement since the prior audit, in FY 2016/17, there were still four audits that could not be completed prior to March 31 of the year following the end of the fiscal year.

Cause: The TDA (CCR 6662) requires that an RTPA submit its fiscal audit within 12 months of the end of the fiscal year. However, the deadline for transit operators is considerably sooner (180 days following the end of the fiscal year, or 270 days if a 90-day extension is granted). This is an issue that should be addressed via the TDA auditor's professional contract.

Effect: When TDA fiscal audits are submitted beyond the established deadline, entities are out of compliance with the TDA.

Recommendation: Work with Kern COG management and the TDA fiscal auditor to ensure individual operator TDA fiscal audits can be completed within the TDA-stipulated timeframe.

Recommended Action(s): Kern COG management should work with its TDA fiscal auditor to ensure appropriate deadlines are built into the contract and that those deadlines are being met. A TDA auditor should be well aware of the requirements of the TDA with respect to fiscal audit submittal, and should be held accountable should those deadlines not be met. If necessary, a new TDA fiscal audit contract should be undertaken so as to ensure the timely submittal of the fiscal audits. If an audit cannot be completed within the 90-day extension, the reason for the delay should be documented so that the next triennial performance auditor can determine where the cause of the late submittal lies (i.e., delay on the part of the auditor or delay on the part of the entity being audited).

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

Compliance Finding 2: Kern COG did not certify in writing to Caltrans that performance audits of operators were completed following the prior triennial performance audit.

Criteria: PUC 99246(c) requires the RTPA to submit a copy of its own Triennial Performance Audit to the director of Caltrans, as well as certify in writing that performance audits of operators to which it allocates TDA funding have been completed.

¹ Given the individual operators have no control over this contract, separate compliance findings were not identified for the operators with respect to this compliance issue. The one operator contracting its TDA audits separately (City of Shafter) was found to be fully in compliance with this criterion.

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Condition: Kern COG did not fulfill either of these requirements following the prior audit cycles. This recommendation is carried forward from the prior audit.

Cause: A lack of knowledge regarding this requirement is a possible cause for the finding.

Effect: Failure to fulfill this requirement places the RTPA out of compliance with the TDA.

Recommendation: Kern COG should ensure it certifies to Caltrans in writing that performance audits of operators located in the area under its jurisdiction have been completed.

Recommended Action(s): Upon completion of the Triennial Performance Audits, Kern COG should submit in writing confirmation that performance audits of operators located in the area under its jurisdiction have been completed, as well as submit its own Triennial Performance Audit to Caltrans. A sample letter written on behalf of Kern COG is included as Exhibit 7.2 and provided as an editable document separately.

Timeline: Following completion of the current audit cycle.

Anticipated Cost: None.

Compliance Finding 3: Kern COG does not include rules and regulations regarding revenue ratios for transit services operating in portions of urbanized and non-urbanized areas in its TDA Claims Manual.

Criteria: PUC Section 99270.1 requires an RTPA to adopt rules and regulations to determine what portion of the public transportation services an operator provides serve urbanized and rural areas to determine its required farebox recovery ratio. These rules and regulation should be approved by Caltrans.

Condition: Kern COG's Policy and Procedures Manual (which includes TDA Rules and Regulations as Chapter VI) does not address any provisions for determining farebox recovery ratios for operators serving both rural and urban areas. As the RTPA, Kern COG has a responsibility to define rules and regulations for determining such ratios.

Cause: Given Kern County operators are considered either urban or rural, defining blended farebox recovery ratios for operators serving rural and urbanized areas has not been a priority.

Effect: Lack of such guidance places Kern COG out of compliance with the TDA.

Recommendation: Kern COG should add a provision for determining a blended farebox recovery ratio for a transit operator serving both urbanized and rural areas to its TDA Claims Manual.

Recommended Action(s): Even if there are no current transit operators serving both urban and rural areas, such a provision should be included in Kern COG's TDA Claims Manual should such a circumstance arise in the future.

Timeline: FY 2020/21.



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Anticipated Cost: Negligible.

Functional Finding 1: Several transit operators have significant challenges in meeting the farebox recovery ratio.

Criteria: PUC Section 99268 and its subsections stipulate defined farebox recovery ratios for operators serving urbanized areas, rural areas, and senior/disabled populations. Operators may use locally generated funds to supplement fare revenue. Failure to meet farebox recovery ratio minimums may result in the loss of TDA funding.

Condition: Some operators, while below their TDA farebox recovery ratio threshold during part of the audit cycle, included enough local supplementation in one or more subsequent years to bring them above the threshold. These operators included the City of Arvin and the City of Tehachapi. However, two other operators have not been able to achieve a farebox recovery ratio of 10 percent. These include California City and Delano. Delano is of particular concern, as the City received a five-year exemption (through FY 2017/18) from the 20-percent farebox recovery ratio requirement following its designation as an urbanized area. Despite the extra time to meet the requirement, Delano was unable to meet a 10-percent ratio, let alone the 20-percent ratio.

Cause: Kern County operators have traditionally received Article 4 or (in the case of the CTSA) Article 4.5 funds through the TDA. This has been accompanied by the farebox recovery ratio requirements of Article 4.

Effect: Farebox recovery ratios per the Article 4 requirements may not be achievable for some of Kern County's operators.

Recommendation: Explore alternatives to the TDA-stipulated farebox recovery ratio.

Recommended Action(s): There are two options for RTPAs to use a definition other than farebox recovery ratio in determining compliance.

1. For a CTSA, the RTPA may adopt by resolution performance criteria, local match requirements, or farebox recovery ratios in lieu of those established in Article 4 of the TDA (PUC 99275.5).
2. For operators who receive funding under Article 8(c) (in lieu of Article 4), the RTPA may adopt alternative performance criteria, local match requirements, or farebox recovery ratios (PUC 99405).

If operators are unable to identify sufficient local funds to meet farebox recovery ratio requirements, the RTPA should determine whether it would be appropriate to utilize alternative compliance criteria. This would require a change in the funding process for operators currently receiving funding under Article 4.

Timeline: As soon as is feasible.

Anticipated Cost: Modest.



Functional Finding 2: Kern COG does not verify STA eligibility as part of its TDA claim process.

Criteria: PUC Section 99314.6 sets forth qualifying criteria for operators' use of State Transit Assistance funds for operating purposes. STA funds may only be used for operating funds if the operator meets defined performance criteria. If an operator does not meet the operating criteria, there is a sliding scale for how much of the funds may be used for operating and what must be used for capital. RTPA's commonly include documentation of such eligibility within the TDA claims process.

Condition: Kern COG does not include verification of STA eligibility in its TDA claims process.

Cause: The cause of this omission is unknown.

Effect: Failure to verify STA eligibility may result in an over-allocation of funds for operations.

Recommendation: Update TDA claim forms and the TDA Rules and Regulations to include STA eligibility determination.

Recommended Action(s): Add a section to the TDA claim form wherein operators can calculate their STA eligibility. Not only will it aid the RTPA and operator in ensuring funds are allocated and used properly, but it will more effectively document the process. A sample worksheet form is provided as Exhibit 7.3, and a stand-alone document in Excel format is provided to Kern COG.

Timeline: FY 2019/20.

Anticipated Cost: Negligible.

Functional Finding 3: Kern COG does not require claimants to submit performance data or progress toward implementation of triennial performance audit recommendations as part of its TDA claim process.

Criteria: PUC 99244 requires the RTPA to annually recommend potential productivity improvements for transit operators, either via a productivity committee or another means.

Condition: Kern COG's Regional Planner currently assesses productivity. However, neither productivity nor the implementation status of performance audit or other recommendations are assessed annually as part of the TDA claims process.

Cause: While Kern COG is in compliance with PUC 99244, it can do more to help operators with their productivity and compliance by following up regularly regarding productivity and recommendations.

Effect: Recommendations that remain relevant but have not been implemented by the next triennial performance audit will likely be carried forward as findings in that audit. Decreasing productivity should be documented and addressed before it becomes a significant issue.



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Recommendation: Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.

Recommended Action(s): Include additional pages to the TDA claim for operators to provide performance data and indicate the implementation status of recommendations from the triennial performance audit as well as other reviews. Samples of such forms are provided in Exhibit 7.4 and 7.5. Editable versions will be provided to Kern COG upon request. The TDA Rules and Regulations should also be updated to reflect this addition.

Timeline: FY 2019/20.

Anticipated Cost: Negligible.

Exhibit 7.1 Summary of Recommendations

TDA Program Compliance Recommendations		Importance	Timeline
1	Work with Kern COG management and the TDA fiscal auditor to ensure individual operator TDA fiscal audits can be completed within the TDA-stipulated timeframe.	High	FY 2018/19
2	Kern COG should ensure it certifies to Caltrans in writing that performance audits of operators located in the area under its jurisdiction have been completed.	High	At end of current audit cycle
3	Kern COG should add a provision for determining a blended farebox recovery ratio for a transit operator serving both urbanized and rural areas to its TDA Claims Manual.	Low	FY 2020/21
Functional Recommendations		Importance	Timeline
1	Explore alternatives to the TDA-stipulated farebox recovery ratio.	High	As soon as is feasible
2	Update TDA claim forms and the TDA Rules and Regulations to include STA eligibility determination.	Medium	FY 2019/20
3	Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.	Medium	FY 2019/20



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Exhibit 7.2 Caltrans Audit Certification Letter Template

June 30, 2019

Mr. Joshua Pulverman
Senior Specialist
Department of Transportation
Division of Mass Transportation, MS #39
P.O. Box 942874
Sacramento, CA 94274-0001

Re: Submission of TDA Triennial Performance Audits for FY 2015/16 through FY 2017/18 within the jurisdiction of the Kern Council of Governments.

Dear Mr. Pulverman:

Pursuant to California Public Utilities Code Section 99246, Moore & Associates, Inc. was designated to conduct Triennial Performance Audits of the Kern Council of Governments (Kern COG) (as RTPA) and all recipients of TDA funding within the Kern COG's jurisdiction.

Per California Code of Regulations Section 6663(b), the purpose of this letter is to submit the Triennial Performance Audit of Kern COG (as the RTPA) and certify that performance audits of the operators under its jurisdiction due this fiscal year have been completed. Those performance audits include the following operators:

- City of Arvin,
- City of California City,
- City of Delano,
- City of McFarland,
- City of Ridgecrest,
- City of Shafter,
- City of Taft,
- City of Tehachapi,
- City of Wasco,
- Golden Empire Transit District,
- Kern County, and
- North of the River CTSA.

Per CCR 6663(b)(2), all reports are available to the public pursuant to the California Public Records Act. Should you have any questions, please do not hesitate to contact me at (661) 635-2916 or bsnoddy@kerncog.org.

Sincerely,

Bob Snoddy
Regional Planner

Enclosure: Triennial Performance Audit, Kern Council of Governments as the RTPA.

Operator's STA Qualifying Criteria (99314.6) - Worksheet

FISCAL YEAR (Audited Data)	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
A. Operating Cost	_____	_____	_____	_____
B. Operating Cost Exclusions:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
C. Adjusted Operating Cost (A-B)	_____	_____	_____	_____
D. Revenue Vehicle Hours (RVH)	_____	_____	_____	_____
E. RVH Exclusions: (add sheets if required)				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
F. Adjusted RHV (D-E)	_____	_____	_____	_____
G. Operating Cost per RVH (C/F)	_____	_____	_____	_____
	w	x	y	z

Efficiency Standard 1:
 Z must be less than or equal to $(Y) \cdot (CIP\%)$ [CIP% = average percentage change in the CIP]

Show calculation: _____

Efficiency Standard 2:
 $[(X + Y + Z) / 3]$ must be less than or equal to $[(W + X + Y) / 3] \cdot (CIP\%)$

Show calculation: _____

For RTPA Use Only

Operator qualifies under:

Standard 1:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Difference: _____
Standard 2:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Difference: _____ (Y * CIP%) - Z



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Exhibit 7.4 Sample Form for Recommendation Follow-up

Progress Report on Kern COG / Triennial Performance Audit Productivity Recommendations

Recommendation	Implementation Status



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Exhibit 7.5 Sample Form for Operating Data

OPERATOR PERFORMANCE TABLE	
Performance Indicator	Comments
1 Operating Cost/Passenger Trip	
2 Operating Cost/Service Hour	
3 Passengers/Service Hour	
4 Passengers/Service Mile	
5 Service Hours/Employee	
6 Farebox Ratio	

