



TDA Triennial Performance Audit FY 2018/19 - FY 2020/21

Kern Transit/ County of Kern

Kern Council of Governments
Final Report
September 2023



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Chapter 1 | Executive Summary

In Spring 2023, the Kern Council of Governments (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.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the County of Kern (Kern Transit) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the County of Kern's public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

The County of Kern operates Kern Transit (KT), a transit service consisting of intercity fixed-route, local demand-response, and weekly lifeline services. KT serves most population centers in the county, providing inter-regional transportation in the form of 13 bus routes that connect distant areas of Kern County with each other. In addition, inter-city service is provided in Arvin, Bakersfield, Boron, Buttonwillow, California City, Delano, Edwards, Frazier Park, Inyokern, Keene, Kernville, Lake Isabella, Lamont, Lebec, Lost Hills, McFarland, Mojave, Onyx, Ridgecrest, Rosamond, Shafter, Taft, Tehachapi, Wasco, Weldon, and Wofford Heights. Two routes (Route 100 Bakersfield-Lancaster and Route 250 California City-Lancaster) offer inter-county service to Lancaster in neighboring Los Angeles County.

Kern Transit also provides demand-response service within the following service areas:

- East Kern (Mojave Dial-A-Ride, Rosamond Dial-A-Ride, and Tehachapi Dial-A-Ride);
- Frazier Park (Frazier Park Area Dial-A-Ride);
- Kern River Valley (Kern River Valley Dial-A-Ride);
- Lamont Area (Lamont Dial-A-Ride).

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit

objectives. The audit team concludes the evidence obtained provides a reasonable basis for its findings and conclusions.

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

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with Kern County staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. TDA fiscal audits for FY 2018/19 and FY 2020/21 were submitted after the extended deadline.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The County is at risk of falling below the 10 percent farebox recovery ratio threshold when the penalty waivers end in FY 2023/24.

Status of Prior Recommendations

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included two recommendations:

1. Continue to work with the County's TDA fiscal auditor to ensure operating cost for the purpose of calculating farebox recovery ratio is accurately calculated.
Status: Implemented.
2. Ensure data is reported consistently to all external entities.
Status: Implementation in progress.

Findings and Recommendations

Based on discussions with County staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the County of Kern:

1. TDA fiscal audits for FY 2018/19 and FY 2020/21 were submitted after the extended deadline.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The County is at risk of falling below the 10 percent farebox recovery ratio threshold when the penalty waivers end in FY 2023/24.

In completing this Triennial Performance Audit, we submit the following recommendations for the County of Kern's public transit program. 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 operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with County and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.	Medium	FY 2023/24
Functional Recommendations		Importance	Timeline
1	Ensure in future years the farebox recovery ratio is at least 10 percent, even if use of supplemental funds is necessary.	High	FY 2023/24

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the County of Kern’s public transit program covers the three-year period ending June 30, 2021. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In Spring 2023, the Kern Council of Governments (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, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the County of Kern as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its 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 Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the County of Kern included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

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

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;
- Fleet inventory;

- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with County representatives on June 29, 2023. The audit team met with Alexa Kolosky (Public Works Manager), Hanh Dong Ly (Public Works Program Manager), and Angela Willis (Public Works Program Manager), and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Status of prior recommendations,
 - Consistency among reported data,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the County of Kern’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The County of Kern considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with County staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

One compliance issue was identified for the County of Kern:

1. TDA fiscal audits for FY 2018/19 and FY 2020/21 were submitted after the extended deadline.

Developments Occurring During the Audit Period

The FY 2018/19 – FY 2020/21 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how COVID-19 impacted the organization, but how it responded to the crisis.

In the 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8. Only AB 90 was in effect during this audit period, though both assembly bills are detailed below.

AB 90 includes the following provisions specific to transit operator funding through the TDA:

1. It prohibits the imposition of the TDA revenue penalty on an operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It requires the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and would authorize the Controller to revise that transmittal memo, as specified. It requires the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller will publish the amount of funding allocated to each operator.
3. It exempts an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorizes the operator to use those funds for operating or capital purposes during that period.
4. It requires the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It requires the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021 (and therefore not in effect during the audit period), provides additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extends the provisions of AB 90 through FY 2022/23 as well as provides additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also calls for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2018/19: January 31, 2020 FY 2019/20: February 1, 2021 FY 2020/21: January 18, 2022
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	Finding	FY 2018/19: May 8, 2020 FY 2019/20: March 29, 2021 FY 2020/21: August 18, 2022
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	January 23, 2018 January 25, 2019 January 31, 2020 June 25, 2020 January 29, 2021
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2018/19: +9.98% FY 2019/20: +14.94% FY 2020/21: +6.66% <i>Source: TDA Claims, FY 2019 – FY 2021.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Per TDA claims.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2018/19: 9.94%* FY 2019/20: 9.57% (waived) FY 2020/21: 4.41% (waived) <i>Source: TDA Fiscal Audits, FY 2019 – FY 2021.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	County staff's retirement is funded through the Kern County Employees' Retirement Association (KCERA).
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	

**The TDA auditor for FY 2018/19 determined Kern Transit to be in compliance, as it rounded 9.94 percent up to 10 percent. However, the TDA audit does not include allowable revenues such as interest income or lease revenue. When these revenues are added to the calculation, the farebox recovery ratio is 10.76 percent, which is clearly in compliance.*

Compliance Element	Reference	Compliance	Comments
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the County of Kern has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included two recommendations:

1. [Continue to work with the County’s TDA fiscal auditor to ensure operating cost for the purpose of calculating farebox recovery ratio is accurately calculated.](#)

Discussion: Per the recommendation from the prior audit, the County demonstrated it is no longer excluding insurance costs from its State Controller Report. However, the County’s TDA auditor continues to incorrectly exclude both insurance and non-vehicle lease costs in its farebox recovery ratio compliance evaluation. The amount excluded is the full amount of insurance expenditures for the fiscal year, rather than the change beyond CPI as specified in PUC 99268.17. Lease amounts are specifically identified in the TDA fiscal audits as “building lease” and in the annual budget as “rents and leases, structures.” In FY 2017/18, the farebox recovery ratio was calculated correctly, utilizing fare revenue plus revenue from local support, and excluding only depreciation.

The prior auditor recommended the County continue to work with the County’s TDA fiscal auditor to ensure neither insurance nor non-vehicle lease costs are incorrectly excluded from operating cost for the purpose of calculating farebox recovery ratio. The TDA fiscal audits should be provided with a copy of this recommendation as part of each audit of the next audit period.

Progress: The farebox recovery ratio in the TDA fiscal audits reflected these corrections during all three years of the audit period. However, the auditors failed to include allowable local revenues (such as interest income and lease revenues) as local supplementation for the purpose of calculating the farebox recovery ratio. This is discussed further in Chapter 8.

Status: Implemented.

2. [Ensure data is reported consistently to all external entities.](#)

Discussion: While the auditor did not determine the County to be using an improper definition for any performance measure, the data reported internally, to the State Controller, and to the NTD tended to vary. In some cases, the variances were largely due to variations in demand-response data. In others, both fixed-route and demand-response data were inconsistent. The reason for discrepancies in the fiscal data is unclear.

The prior auditor recommended the County use a single database for documenting performance data, and then use that data for completing required reports. A simple Excel database is sufficient for this purpose. Any time data is changed, it should be marked with a note in the cell or a new tab should be created (labeled “revised” with the date). Any variances between the data as recorded in monthly performance reports and end-of-year summaries should be addressed and the cause identified. If monthly performance data does not match what is reported to external entities, the reason for this should be noted. The prior audit noted documentation should be provided to the triennial performance auditors in 2021.

Progress: Data reporting improved significantly from the prior audit. Fixed-route performance data provided as part of this audit was consistently reported to the National Transit Database and State Controller, as was fare revenue (which was also consistent with the TDA fiscal audit). However, there were still some minor variances with respect to Dial-A-Ride data. Dial-A-Ride passengers reported to the NTD in FY 2019/20 and FY 2020/21 was lower than that reported elsewhere. In FY 2020/21, Dial-A-Ride Vehicle Service Hours was also lower on the NTD reported than reported elsewhere. Operating cost was less consistent, with the cost reported to the NTD typically higher than that reported elsewhere.

All staff participating in the site visit were not assigned to transit during the audit period, and could not shed further light on what changes might have been made.

Status: Implementation in progress.

Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the County of Kern both internally as well as to outside entities during the audit period.

Most of the performance metrics were largely consistently reported in both internal and external reports. The exceptions are detailed below.

- **Operating cost:** In each year, the operating cost reported to the National Transit Database (NTD) was higher than that reported elsewhere. While the figures in the TDA fiscal audit and the State Controller Report were not exactly the same, they were very close. The NTD figure was between approximately 16 percent and 26 percent during the audit period.
- **Passengers:** Dial-A-Ride passengers reported to the NTD in FY 2019/20 and FY 2020/21 was lower than that reported elsewhere. In FY 2019/20 the variance was just 1.0 percent, though in FY 2020/21 it was 4.2 percent.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$9,219,439	\$10,278,776	\$8,873,057
<i>National Transit Database</i>	\$10,635,021	\$11,989,817	\$11,162,503
<i>State Controller Report</i>	\$9,135,765	\$10,267,964	\$8,834,110
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$862,572	\$860,707	\$391,312
<i>National Transit Database</i>	\$862,572	\$860,707	\$391,312
<i>State Controller Report</i>	\$862,572	\$860,707	\$391,312
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	96,218	93,845	76,830
<i>National Transit Database</i>	96,218	93,845	76,542
<i>State Controller Report</i>	96,219	93,845	76,832
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	2,582,545	2,284,113	1,695,842
<i>National Transit Database</i>	2,582,545	2,284,113	1,695,842
<i>State Controller Report</i>	2,582,545	2,284,113	1,695,842
Passengers			
<i>Monthly Performance Reports</i>	411,656	360,559	176,776
<i>National Transit Database</i>	411,656	359,766	174,129
<i>State Controller Report</i>	411,656	360,559	176,776
Full-Time Equivalent Employees			
<i>State Controller Report</i>	107	115	104
<i>Per County methodology</i>	107.3	115.3	104.6

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period²:

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for the County of Kern, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the County's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The County calculates VSH by documenting the time scheduled service begins and ends and through Zonar. The County's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. The County calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. The County's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

System-wide, operating cost experienced a net 3.3 percent decrease during the audit period and a 5.0 percent net increase across the six-year period. Fare revenue decreased every year of the six-year period, with a significant decrease in FY 2020/21 due to the COVID-19 pandemic. This resulted in a net decrease of 54.6 percent during the audit period.

Vehicle Service Hours (VSH) decreased every year with the exception of a slight increase in FY 2016/17. VSH saw a net 23.8 percent decrease over the six-year period, with most of that occurring in FY 2020/21. Vehicle Service Miles (VSM) increased between FY 2016/17 and FY 2019/20, resulting in a net 34.3 percent decrease during the audit period and a net 25.1 percent decrease across the six-year period. Ridership decreased every year with the exception of FY 2018/19. Overall, ridership experienced a net decrease of 57.1 percent during the audit period, and 64.7 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour, vehicle service mile, and passenger all increased significantly during the audit period, reflective of a decline in efficiency. Productivity also declined significantly, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the COVID-19 pandemic on transit operations and ridership.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$8,414,599	\$9,244,625	\$9,090,456	\$9,135,765	\$10,267,964	\$8,834,110
<i>Annual Change</i>		9.9%	-1.7%	0.5%	12.4%	-14.0%
Fare Revenue (Actual \$)	\$987,639	\$965,550	\$867,923	\$862,572	\$860,707	\$391,312
<i>Annual Change</i>		-2.2%	-10.1%	-0.6%	-0.2%	-54.5%
Vehicle Service Hours (VSH)	100,797	102,303	98,990	96,219	93,845	76,832
<i>Annual Change</i>		1.5%	-3.2%	-2.8%	-2.5%	-18.1%
Vehicle Service Miles (VSM)	2,264,744	2,263,732	2,549,718	2,582,545	2,284,113	1,695,842
<i>Annual Change</i>		0.0%	12.6%	1.3%	-11.6%	-25.8%
Passengers	501,174	418,708	392,572	411,656	360,559	176,776
<i>Annual Change</i>		-16.5%	-6.2%	4.9%	-12.4%	-51.0%
Employees	85	77	96	107	115	104
<i>Annual Change</i>		-9.4%	24.7%	11.5%	7.5%	-9.6%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$83.48	\$90.37	\$91.83	\$94.95	\$109.41	\$114.98
<i>Annual Change</i>		8.2%	1.6%	3.4%	15.2%	5.1%
Operating Cost/Passenger (Actual \$)	\$16.79	\$22.08	\$23.16	\$22.19	\$28.48	\$49.97
<i>Annual Change</i>		31.5%	4.9%	-4.2%	28.3%	75.5%
Passengers/VSH	4.97	4.09	3.97	4.28	3.84	2.30
<i>Annual Change</i>		-17.7%	-3.1%	7.9%	-10.2%	-40.1%
Passengers/VSM	0.22	0.18	0.15	0.16	0.16	0.10
<i>Annual Change</i>		-16.4%	-16.8%	3.5%	-1.0%	-34.0%
Farebox Recovery	11.7%	10.4%	9.5%	9.4%	8.4%	4.4%
<i>Annual Change</i>		-11.0%	-8.6%	-1.1%	-11.2%	-47.2%
Hours/Employee	1,185.8	1,328.6	1,031.1	899.2	816.0	738.8
<i>Annual Change</i>		12.0%	-22.4%	-12.8%	-9.3%	-9.5%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.72	\$4.08	\$3.57	\$3.54	\$4.50	\$5.21
<i>Annual Change</i>		9.9%	-12.7%	-0.8%	27.1%	15.9%
VSM/VSH	22.47	22.13	25.76	26.84	24.34	22.07
<i>Annual Change</i>		-1.5%	16.4%	4.2%	-9.3%	-9.3%
Fare/Passenger	\$1.97	\$2.31	\$2.21	\$2.10	\$2.39	\$2.21
<i>Annual Change</i>		17.0%	-4.1%	-5.2%	13.9%	-7.3%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.
FY 2018/19 – FY 2020/21 data from State Controller Reports.*

Exhibit 6.2 System Ridership

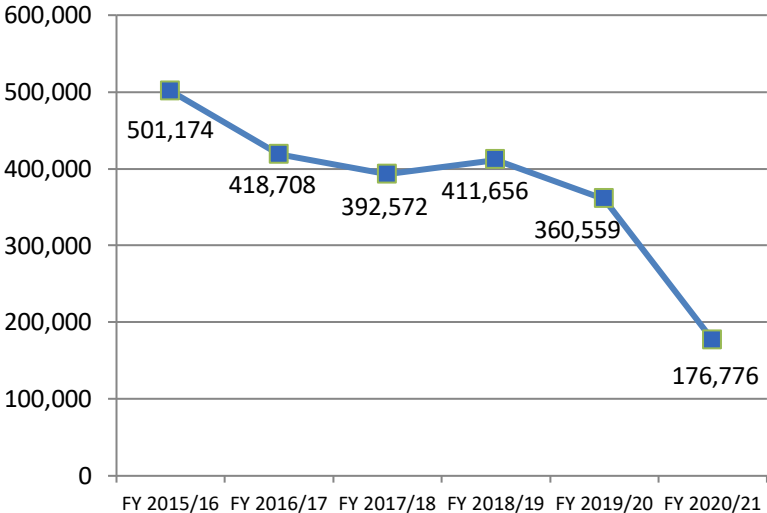


Exhibit 6.3 System Operating Cost/VSH

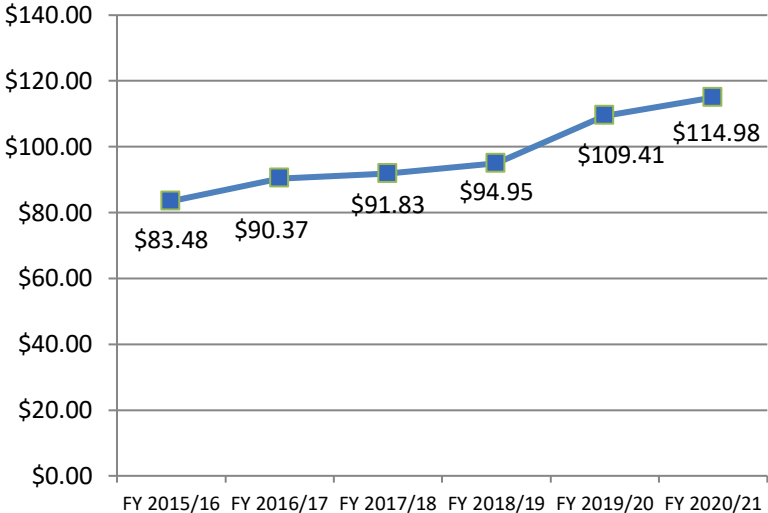


Exhibit 6.4 System Operating Cost/VSM

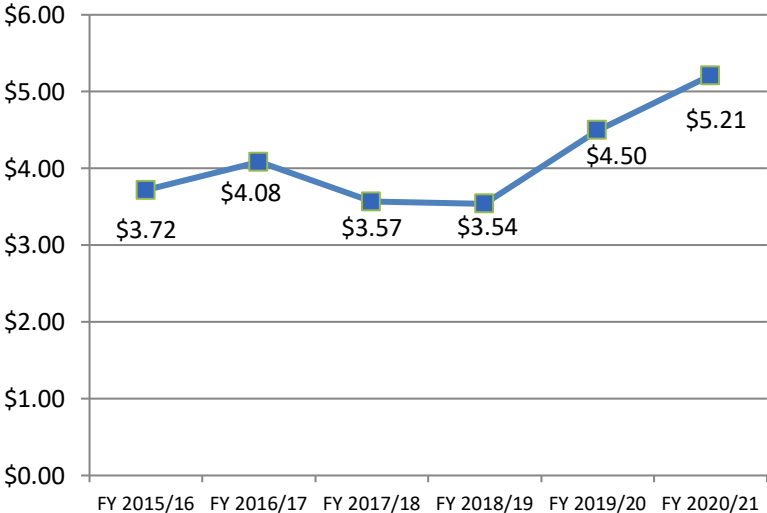


Exhibit 6.5 System VSM/VSH

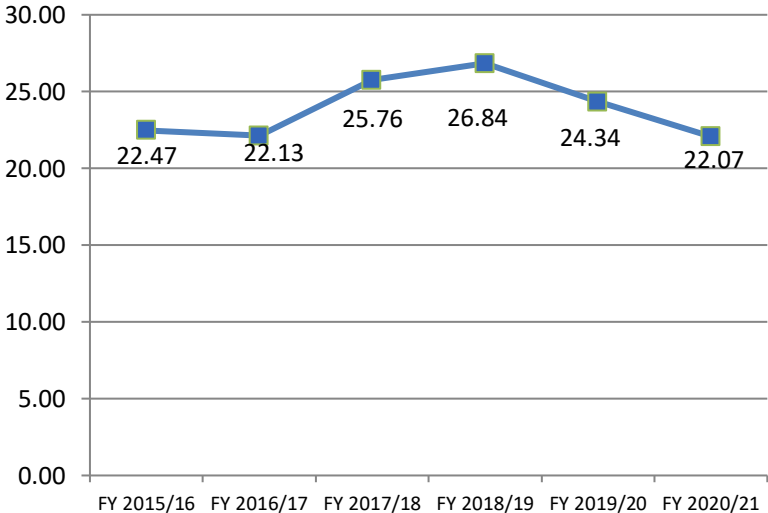


Exhibit 6.6 System Operating Cost/Passenger

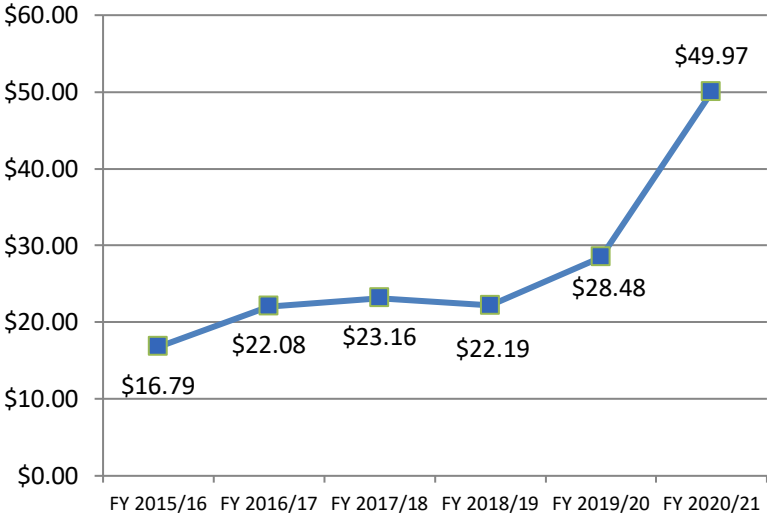


Exhibit 6.7 System Passengers/VSH

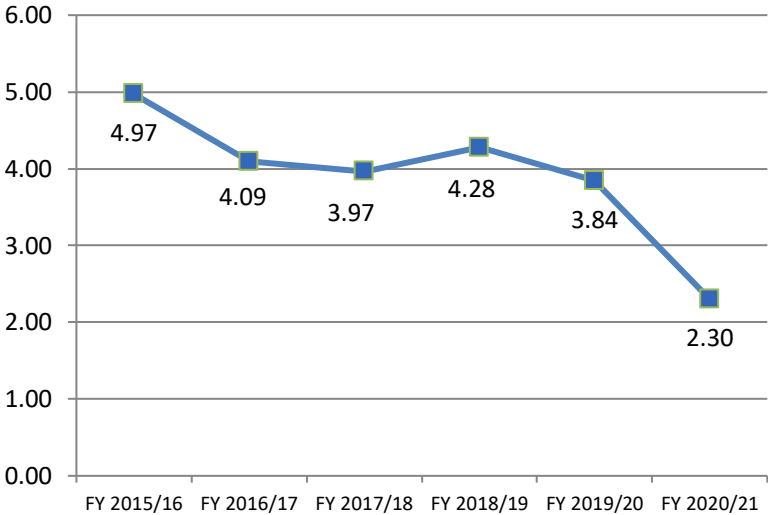


Exhibit 6.8 System Passengers/VSM

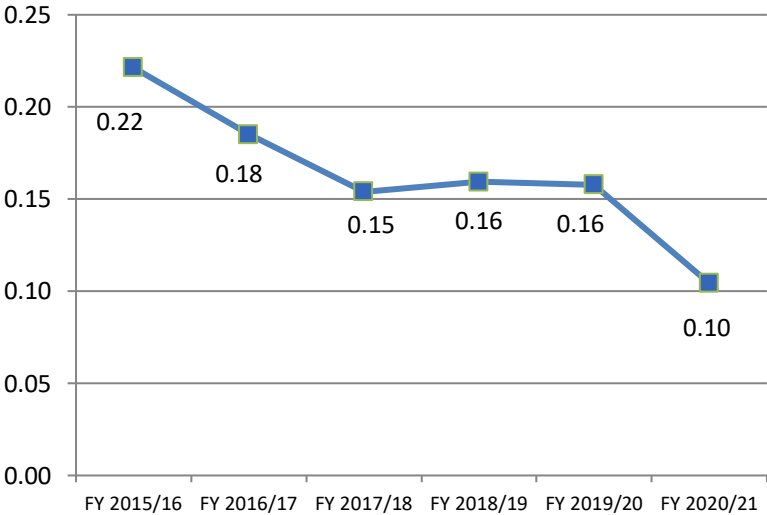


Exhibit 6.9 System VSH/FTE

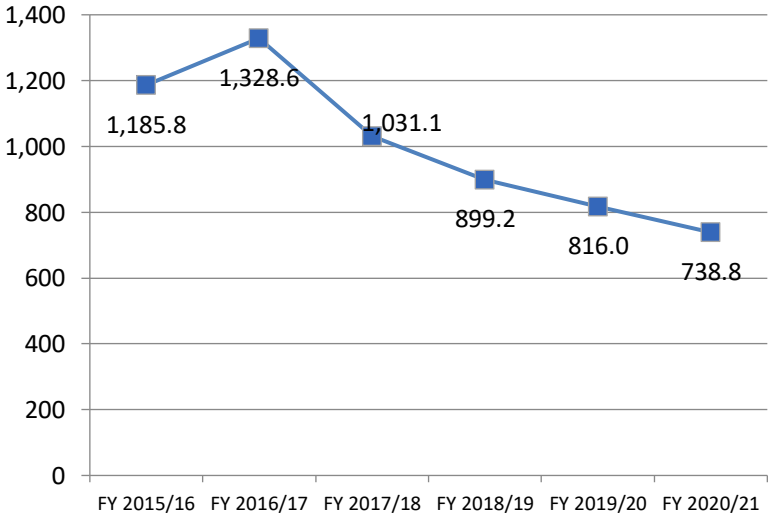


Exhibit 6.10 System Farebox Recovery

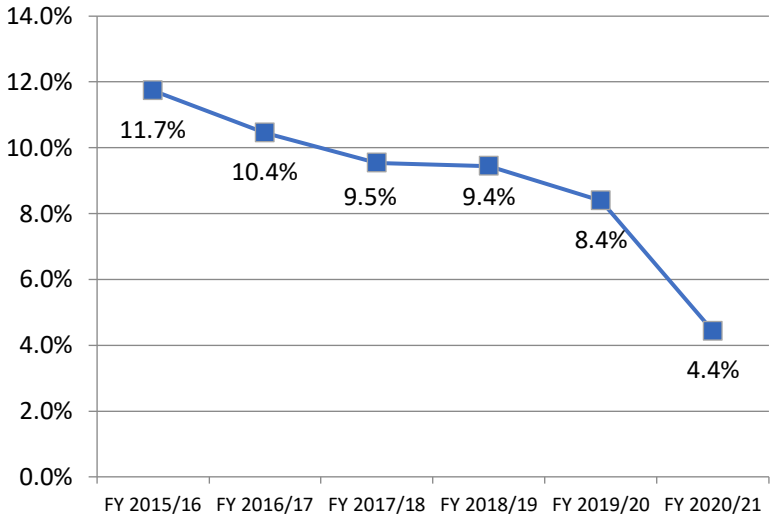
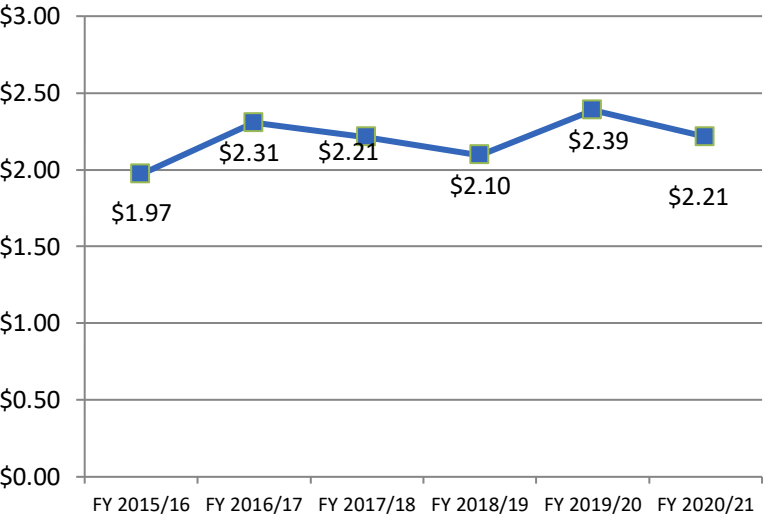


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

Fixed-route vehicle service hours (VSH) decreased every year, resulting in a net 29.5 percent decrease during the audit period and a net 38 percent decrease during the six-year period. Vehicle service miles (VSM) declined four years of the six-year period. This resulted in a net 38.1 percent decrease during the audit period and a net 27.7 percent decrease during the six-year period. Ridership declined every year with the exception of FY 2018/19. This led to a 66.1 percent net decrease during the audit period and a 72.8 percent net decrease across the six-year period.

Fixed-route passenger-related metrics fell during the audit period, with passengers per VSH decreasing by 51.9 percent and passengers per VSM decreasing by 45.3 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Vehicle Service Hours (VSH)	69,034	65,571	62,007	60,737	58,042	42,793
<i>Annual Change</i>		-5.0%	-5.4%	-2.0%	-4.4%	-26.3%
Vehicle Service Miles (VSM)	1,927,520	1,893,297	2,200,016	2,250,730	1,993,706	1,393,534
<i>Annual Change</i>		-1.8%	16.2%	2.3%	-11.4%	-30.1%
Passengers	406,528	336,076	302,178	326,399	278,139	110,636
<i>Annual Change</i>		-17.3%	-10.1%	8.0%	-14.8%	-60.2%
Employees	58	49	60	68	71	58
<i>Annual Change</i>		-15.5%	22.4%	13.3%	4.4%	-18.3%
Performance Indicators						
Passengers/VSH	5.89	5.13	4.87	5.37	4.79	2.59
<i>Annual Change</i>		-13.0%	-4.9%	10.3%	-10.8%	-46.0%
Passengers/VSM	0.21	0.18	0.14	0.15	0.14	0.08
<i>Annual Change</i>		-15.8%	-22.6%	5.6%	-3.8%	-43.1%
Hours/Employee	1,190.2	1,338.2	1,033.5	893.2	817.5	737.8
<i>Annual Change</i>		12.4%	-22.8%	-13.6%	-8.5%	-9.7%
TDA Non-Required Indicators						
VSM/VSH	27.92	28.87	35.48	37.06	34.35	32.56
<i>Annual Change</i>		3.4%	22.9%	4.4%	-7.3%	-5.2%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.
FY 2018/19 – FY 2020/21 data from State Controller Reports.*

Exhibit 6.13 Fixed-Route Ridership

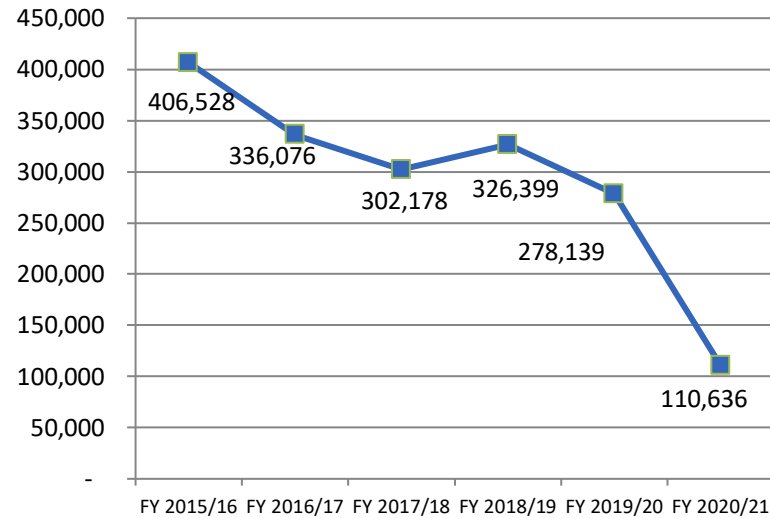


Exhibit 6.14 Fixed-Route VSM/VSH

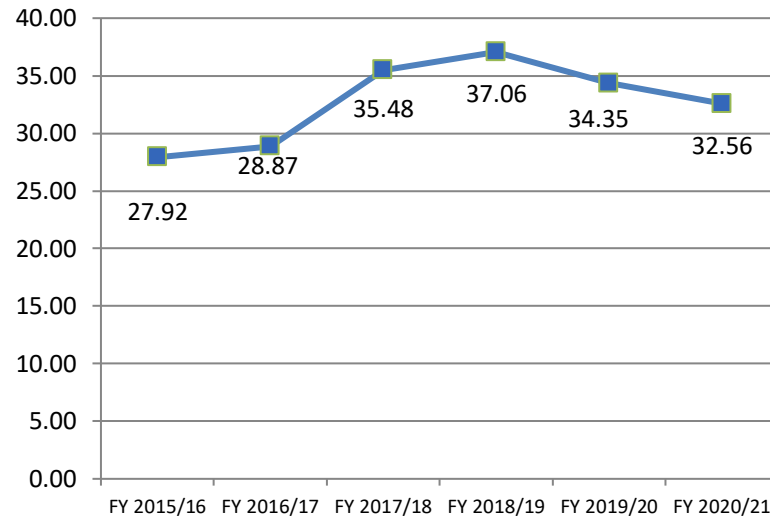


Exhibit 6.15 Fixed-Route Passengers/VSH

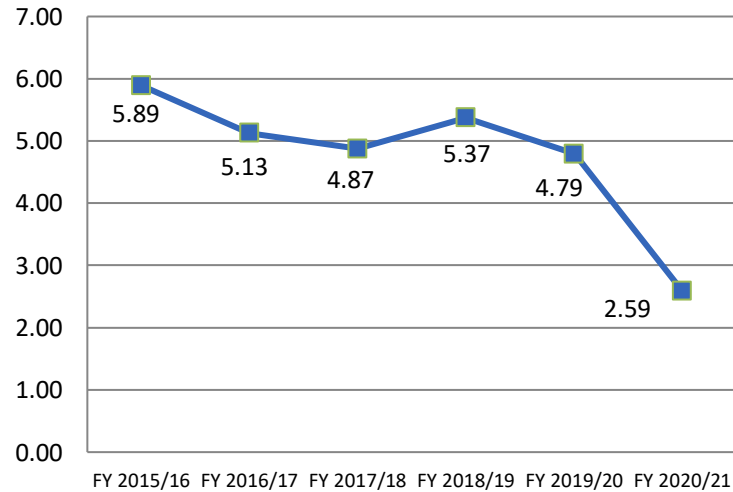


Exhibit 6.16 Fixed-Route Passengers/VSM

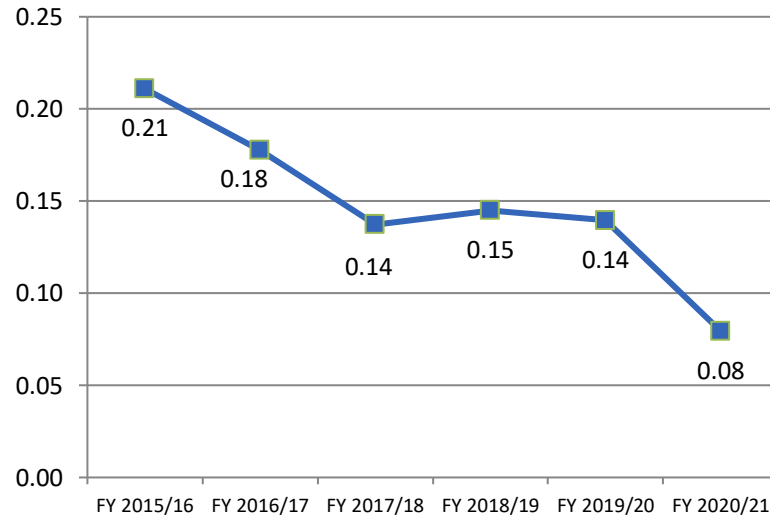
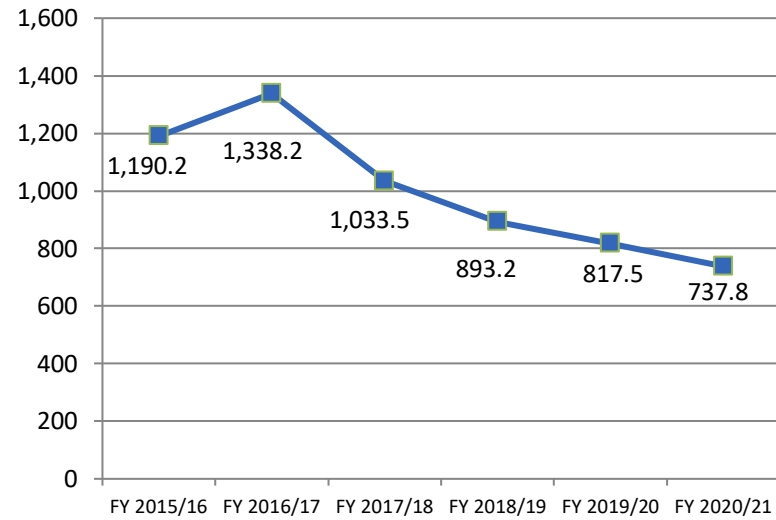


Exhibit 6.17 Fixed-Route VSH/FTE



Demand-Response Performance Trends

Demand-response vehicle service hours (VSH) increased each year of the six-year period with the exception of FY 2018/19 and FY 2020/21. This resulted in a net 4.1 percent decrease during the audit period, but a net 7.2 percent increase during the six-year period. By contrast, vehicle service miles (VSM) decreased each year except for slight increases in FY 2016/17 and FY 2020/21. This resulted in a net 8.9 percent decrease during the audit period and a net 10.4 percent decrease during the six-year period. Ridership declined during five years of the six-year period, though the most significant decline did not occur until FY 2020/21 in response to the COVID-19 pandemic. This led to a 22.4 percent net decrease during the audit period and a net 30.1 percent net decrease across the six-year period.

Demand-response passenger-related metrics fell during the audit period, with passengers per VSH decreasing by 19.1 percent and passengers per VSM decreasing by 14.9 percent.

Exhibit 6.18 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Vehicle Service Hours (VSH)	31,763	36,732	36,983	35,482	35,803	34,039
<i>Annual Change</i>		15.6%	0.7%	-4.1%	0.9%	-4.9%
Vehicle Service Miles (VSM)	337,224	370,435	349,702	331,815	290,407	302,308
<i>Annual Change</i>		9.8%	-5.6%	-5.1%	-12.5%	4.1%
Passengers	94,646	82,632	90,394	85,257	82,420	66,140
<i>Annual Change</i>		-12.7%	9.4%	-5.7%	-3.3%	-19.8%
Employees	27	28	36	39	44	46
<i>Annual Change</i>		3.7%	28.6%	8.3%	12.8%	4.5%
Performance Indicators						
Passengers/VSH	2.98	2.25	2.44	2.40	2.30	1.94
<i>Annual Change</i>		-24.5%	8.7%	-1.7%	-4.2%	-15.6%
Passengers/VSM	0.28	0.22	0.26	0.26	0.28	0.22
<i>Annual Change</i>		-20.5%	15.9%	-0.6%	10.5%	-22.9%
Hours/Employee	1,176.4	1,311.9	1,027.3	909.8	813.7	740.0
<i>Annual Change</i>		11.5%	-21.7%	-11.4%	-10.6%	-9.1%
TDA Non-Required Indicators						
VSM/VSH	10.62	10.08	9.46	9.35	8.11	8.88
<i>Annual Change</i>		-5.0%	-6.2%	-1.1%	-13.3%	9.5%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.
FY 2018/19 – FY 2020/21 data from State Controller Reports.*

Exhibit 6.19 Demand-Response Ridership

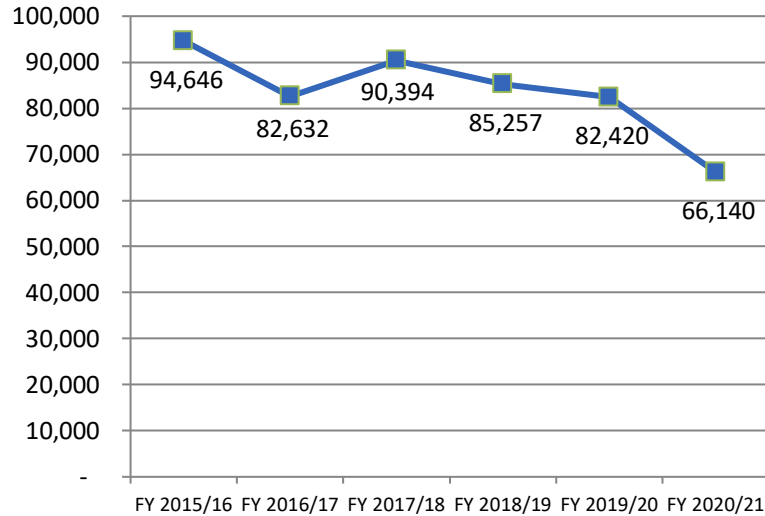


Exhibit 6.20 Demand-Response VSM/VSH

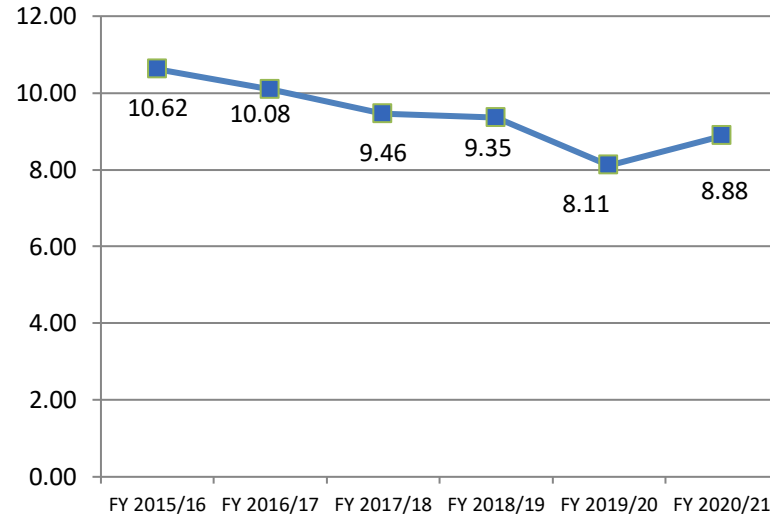


Exhibit 6.21 Demand-Response Passengers/VSH

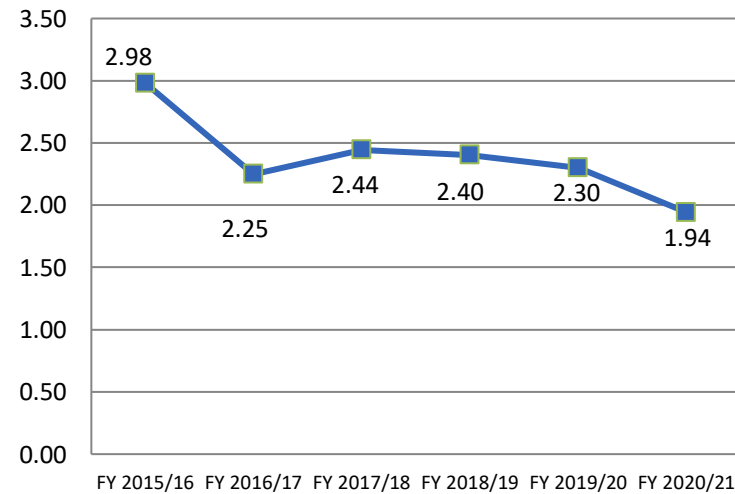


Exhibit 6.22 Demand-Response Passengers/VSM

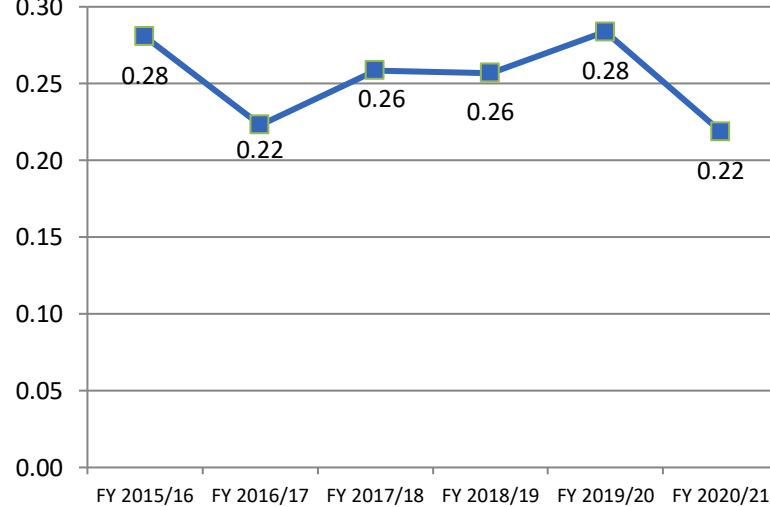
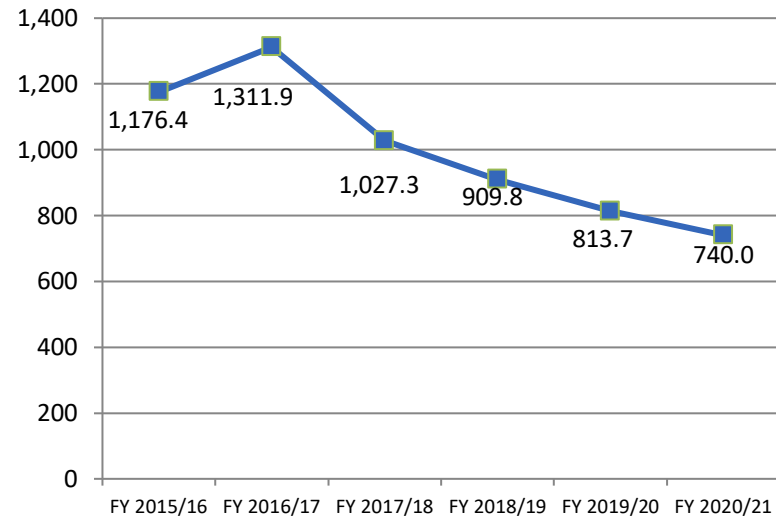


Exhibit 6.23 Demand-Response VSH/FTE



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Chapter 7 | Functional Review

A functional review of the County of Kern’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the County’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the County through its transit program:

- General management and organization;
- Service planning;
- Administration;
- Marketing and public information;
- Scheduling, dispatch, and operations;
- Personnel management and training; and
- Fleet maintenance.

Service Overview

The County of Kern operates Kern Transit (KT), a transit service consisting of intercity fixed-route, local demand-response, and weekly lifeline services. KT serves most population centers in the county, providing inter-regional transportation in the form of 13 bus routes that connect distant areas of Kern County with each other. In addition, inter-city service is provided in Arvin, Bakersfield, Boron, Buttonwillow, California City, Delano, Edwards, Frazier Park, Inyokern, Keene, Kernville, Lake Isabella, Lamont, Lebec, Lost Hills, McFarland, Mojave, Onyx, Ridgecrest, Rosamond, Shafter, Taft, Tehachapi, Wasco, Weldon, and Wofford Heights. Two routes (Route 100 Bakersfield-Lancaster and Route 250 California City-Lancaster) offer inter-county service to Lancaster in neighboring Los Angeles County.

Route frequency varies, with most routes operating five or six days per week and few operating only one or two days per week. KT does not operate on designated holidays. Certain routes operate on Sunday and during special service hours on Christmas Eve and New Year’s Eve.

Kern Transit also provides demand-response service within the following service areas:

- East Kern (Mojave Dial-A-Ride, Rosamond Dial-A-Ride, and Tehachapi Dial-A-Ride);
- Frazier Park (Frazier Park Area Dial-A-Ride);
- Kern River Valley (Kern River Valley Dial-A-Ride);
- Lamont Area (Lamont Dial-A-Ride).

Reservations are required for Dial-a-Ride services at least one day in advance. Same day service is provided as available on a first-come, first-served basis. DAR service is provided on paved and maintained roads only.

Exhibit 7.1 Kern Transit service details (FY 2023/24)

Fixed Routes				
Route	Service Area	Route Category	Service Days	Service Times
Route 100	Bakersfield – Lancaster	Intercommunity/ Cross-county	Monday – Friday Saturday - Sunday	3:25 AM – 11:13 PM 3:55 AM – 10:01 PM
Route 110	Delano – Bakersfield	Intercommunity	Monday – Friday Saturday – Sunday	4:20 AM – 9:48 PM 9:45 AM – 7:15 PM
Route 115	Lost Hills – Bakersfield	Intercommunity	Thursday	On request
Route 120	Taft – Bakersfield	Intercommunity	Monday – Friday Saturday	6:10 AM – 9:02 PM 7:50 AM – 6:57 PM
Route 130	Santa Clarita – Bakersfield	Intercommunity/ Cross-County	Monday – Friday Saturday	5:40 AM – 8:25 PM 7:00 AM – 3:55 PM
Route 140	Lamont – Bakersfield North	Local	Monday – Thursday Friday	5:50 AM – 10:05 PM 5:50 AM – 7:45 PM
Route 145	Lamont – Bakersfield South	Local	Monday – Friday Saturday – Sunday	7:45 AM – 7:20 PM 8:30 AM – 7:20 PM
Route 150	Lake Isabella – Bakersfield	Intercommunity	Monday – Saturday Sunday	6:00 AM – 7:23 PM 6:45 AM – 7:11 PM
Route 220	Lake Isabella – Kernville	Local	Monday – Saturday	5:32 AM – 7:52 PM
Route 227	Lake Isabella – Ridgecrest	Intercommunity	Monday, Wednesday, Friday	6:00 AM – 7:25 PM
Route 230	Ridgecrest – Mojave	Intercommunity	Monday, Wednesday, Friday	4:40 AM – 8:50 PM
Route 240	Boron – Mojave	Intercommunity	Monday, Wednesday, Friday	9:20 AM – 4:57 PM
Route 250	California City - Lancaster	Intercommunity	Monday – Friday Saturday - Sunday	6:11 AM – 9:06 PM 8:36 AM – 8:31 PM
Route 20MT	Tehachapi - Boron	Intercommunity	Monday – Friday	6:00 AM – 8:30 AM 6:00 PM – 8:30 PM
Dial-A-Ride Services				
Service		Eligibility	Service Days	Service Times
Bakersfield Medical Dial-A-Ride		General public; medical appts. only	Monday – Friday	8:00 AM – 12:00 PM 1:00 PM – 5:00 PM
Frazier Park Dial-A-Ride		General public	Monday – Saturday	7:30 AM – 5:15 PM
Kern River Valley Dial-A-Ride		General public	Monday – Friday Saturday	5:10 AM – 6:30 PM 7:45 AM – 6:30 PM
Lamont Dial-A-Ride		General public	Monday – Friday Saturday Sunday	4:30 AM – 7:00 PM 5:30 AM – 7:00 PM 7:00 AM – 7:00 PM
Mojave Dial-A-Ride		General public	Monday – Saturday	6:30 AM – 6:00 PM
Rosamond Dial-A-Ride		General public	Monday – Saturday	6:45 AM – 5:30 PM
Tehachapi Dial-A-Ride		General public	Monday – Friday Saturday	6:00 AM – 7:00 PM 7:30 AM – 5:30 PM

Fixed-route fares are based on the route’s fare category and base fares range from two dollars to five dollars. The Dial-A-Ride base fare is two dollars. Reduced fares are available for seniors age 62 and older and persons with disabilities who have obtained a Reduced Fare Card. Youth ages 5-15 are also eligible for reduced fares with proper identification. Children ages four and under ride free with a fare-paying adult.

Riders may purchase a 31-Day Pass that provides access to all routes and all Dial-A-Ride services, or a lower-cost pass that is valid only on local routes and all Dial-A-Ride services. These passes are not sold onboard the buses. Kern Transit does offer mobile ticketing and the Token Transit app may be used to purchase single-ride or monthly passes at any time.

Exhibit 7.2 Fare Structure

Route	General Fare	Reduced Fare
Local Routes	\$2.00	\$1.00
Intercommunity Routes	\$3.00	\$1.50
Cross-County Routes	\$5.00	\$2.50
Dial-A-Ride	\$2.00	\$1.00
31-Day Pass (All routes + Dial-A-Ride)	\$65.00	\$32.50
31-Day Pass (Local routes + Dial-A-Ride)	\$45.00	\$22.50

Response to COVID-19 pandemic

Mandatory masking and updated cleaning procedures were implemented, and temporary barriers between drivers and passengers were installed. In response to the COVID-19 pandemic, Kern Transit suspended service on three routes and has had difficulty acquiring parts and buses due to the resulting supply chain issue. Service on three of the routes (one route serving Frazier Park, and two serving the Kern River Valley) has not resumed. One of the Kern River Valley routes (Route 220) was fully restored in July 2023.

The largest takeaway from the pandemic has been the challenge of predicting when ridership will return. With the prevalence of remote work, coupled with several Kern Transit routes catering to commuters, ridership had only returned to approximately 50 percent pre-pandemic levels by the end of FY 2021/22, though there were some additional increases in FY 2022/23.

General Management and Organization

Transit is overseen by the County’s Public Works Manager. The Public Works Manager reports to the Public Works Assistant Director, who reports to the Public Works Director. The Public Works Manager meets with the operations contractor at least every two weeks. The monthly report (MoRep) is used to compare operating cost and other metrics to the previous month and ensure there are no unusual outliers. Completed MoReps are compared with the prior year as well.

The County would like to reclassify its mechanics to give them more pay and allow them to work on more complex buses and technology. The Public Works Manager feels the County’s transit program is appropriately structured and staffed.

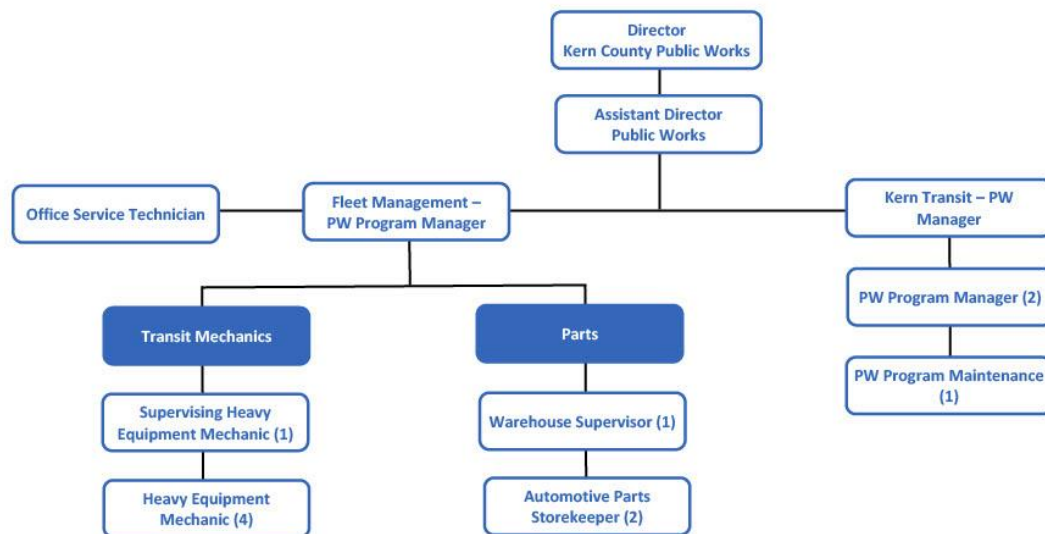
Public Works Managers are the County's representative on Kern COG's Transportation Technical Advisory Committee (TTAC) and Social Services Technical Advisory Committee (SSTAC). The County is a member of the California Association for Coordinated Transportation (CalACT) as well as the Central Valley Transit Operators group.

County staff communicate with the Kern COG on a weekly basis. The Kern COG assists the County in applying for grants. The County works with nearly all of the transit operators in Kern County. It also works closely with Caltrans, especially with respect to grant purchases.

The County of Kern is governed by a five-member Board of Supervisors, which serves as an administrative and legislative body. The Board approves the County's annual budget, including operational expenses for the Kern County Public Works Department. The Public Works Department oversees Kern Transit, whose primary focus is administration of the county public transit system.

Board meetings are held at Kern County Administrative Center (1115 Truxtun Avenue, Bakersfield) on Tuesdays at 9:00 a.m. and 2:00 p.m. This location is served by Kern Transit Routes 100, 120, and 130 as well as GET Route 45. There is no citizen's advisory group. The Board has raised questions about when the suspended routes will be brought back. Due to supply chain issues and using spares on regular routes, the County cannot bring back the suspended routes until more vehicles are available.

Exhibit 7.3 Organizational Chart



Several changes to multiple Kern Transit routes occurred during the audit period. These included:

- Route 100: Service decreased July 2020 – December 2020, then increased January – June 2021.
- Route 110: Service increased during weekdays and decreased on weekends July 2019 – December 2019. Resumed previous service levels January – June 2020. Service decreased due to COVID-19 pandemic July – December 2020. Service increased January – June 2021.

- Route 115: Service levels increased on all service days January – June 2021.
- Route 120: One run removed from westbound weekday service January – June 2021.
- Route 130: Service increased during weekdays January 2019 – December 2020. Reverted to original (2018) service level January – June 2021.
- Route 140: Service reduced on all runs January 2019 – June 2021.
- Route 210: Service suspended July 2020 – June 2021.
- Route 220: Service suspended July – December 2020. Service restored at reduced levels January – June 2021.
- Route 223: Service suspended July 2020 – June 2021.
- Route 225: Service suspended July 2020 – June 2021.

There were no changes to Routes 145, 150, 227, 230, 240, or 250.

Service Planning

Planning in Kern Transit's service area is covered through multiple Transit Development Plans (TDPs) conducted by the Kern County Council of Governments (Kern COG). In 2015, plans completed included the Kern River Valley TDP and TDPs for the cities of Taft and McFarland. In 2016, TDPs for Shafter and Wasco were completed. A plan assessing Kern Transit service in Bakersfield (arising out of changes to Golden Empire Transit service) was completed in 2012. Internal short-range planning is conducted annually in-house; staff submit goals and performance measures to the Board as part of the budget process.

Bakersfield College is building a satellite campus in Arvin. Kern Transit plans to add a route to serve the campus. Ideally, the County would like GET to run the cross-town service between the two Bakersfield College campuses.

Operational planning is conducted in-house. National Express creates runcuts for Kern Transit. There is no complementary Dial-A-Ride service requirement for inter-city routes, though Kern Transit does provide demand-response service to unincorporated areas of the Bakersfield metropolitan area for medical reasons.

The County uses the annual Unmet Transit Needs hearing process to plan for service needs and changes. Public meetings are held in outlying areas every other year and in the alternate years the County solicits public comments. To publicize the meetings, a public notice is published in the *Bakersfield Californian* and bilingual postcards and flyers are distributed. Kern Transit provides free rides to the meetings to facilitate participation. An annual Unmet Transit Needs Report is compiled following the meetings and addressing the various unmet needs as well as assessments of what needs might be reasonably met. Public comments are also included in the report.

No surveys were conducted during the audit period, though an ongoing online survey was available from January through May 2023.

Administration

The Public Works Manager and County Finance staff prepare the county's transit budget by reviewing the prior year's budget versus actual expenses, then anticipating expenditures and revenues for the upcoming

year. The budget is submitted to the Finance Director, where it is reviewed by Finance and depreciation is added. The process ensures a balanced budget. If there is any variance more than five percent of the prior year, an explanation must be provided. Staff feel this is a very good process. The budget is incorporated into the rest of the Public Works budget, sent to the Finance Director, and then presented to the Board of Supervisors for approval.

Budgeted amounts are compared to actuals every six months. An unofficial review takes place every quarter. Accounting review the cash flow for transit on a monthly basis. The finances are reported to the Board of Supervisors annually, unless there is anything out of the ordinary or funds need to be moved between line items. Financial data is tracked using CAMS (Cost Accounting and Management) software.

When deciding on which grants to apply for, staff review the period of performance to make sure there is sufficient time to accomplish all of the processes needed and the County can provide the required local match. Recently the County was interested in applying for CMAQ funds for bus purchases, but the period for performance was two years and that was too tight a timeline. Grants management is the responsibility of the Public Works Manager and Public Works Program Manager. The County has never lost grant funding due to noncompliance with reporting compliance.

The County Counsel has a risk management position that processes all claims. National Express (NEXT) also provides insurance. When there is an accident or injury claim, the County and contractor work together. Most claims get forwarded directly to NEXT's insurer, though the County remains involved. The County is part of the California State Association of Counties self-insurance pool. Safety practices are reviewed annually. The County has an emergency operations plan that was prepared in 2022. Whenever the Emergency Operations Center (EOC) is activated, it evaluates what resources are needed. The EOC will activate Kern Transit if evacuations are needed.

County employees submit timesheets for payroll every two weeks. Timesheets are approved by a supervisor, then reviewed and approved by Human Resources. They are then sent to the Auditor-Controller for approval. All County employees are required to use direct deposit.

Purchasing guidance is set forth in the Kern County Purchasing Handbook. It is the County's policy that goods and services must be satisfactorily received before an invoice is paid. Accounts payable will reach out to the division responsible for work if the invoice is not sent to the division first.

Procurement is governed by the Kern County Procurement Handbook. Purchases of \$5,000 or greater require a competitive bid unless the purchaser is already tied to a price agreement. The competitive process for purchases between \$5,000 and \$50,000 uses the Fast Track bidding process conducted by the requesting department. The competitive process for purchases over \$50,000 is managed by Purchasing. All purchases over \$200,000 require approval by the Board of Supervisors. The County competitively procures fuel, vehicles, and other items of major expense.

The County's Audit and Special Accounting Division is located within the Auditor-Controller department. An internal audit plan is developed annually. An audit of Kern Transit for FY 2017 through FY 2020 was completed in April 2021. It had no findings, recommendations, or suggested improvements.

Marketing and Public Information

The County utilizes both printed and digital service information. The Kern Transit website (www.kerntransit.org) provides information on transit services including interactive route maps, fare information, links to connecting transit services, discount fare applications, and news updates. Additionally, the site provides a customer feedback form, a link to the Kern Transit Lost and Found, and Title VI documentation. The website default language is English but a Google Translate widget provides access in multiple languages. Printed brochures are distributed on the buses and at various pass sales locations.

The County utilizes Facebook and Twitter in addition to its website and brochures. The County posts Kern Transit promotions on Facebook and many riders share with community groups. The County has started marketing with the colleges regarding a free fares for students promotion. It has put up some billboards around the county advertising free fare events. It also attends various community events throughout the year.

The County does not have a current marketing plan. It uses input from surveys to identify opportunities for community engagement. It has also conducted promotional campaigns to promote free-fare periods, most recently free fares for students. The County attended many back to school events and reached out to the schools. It also conducted outreach to social service agencies, libraries, and other agencies to connect with clients that might need their services.

Only complaint and compliment calls are logged. Kern Transit receives a lot of “when’s the next bus” calls, which are not logged. For calls that are documented, Kern Transit logs the date of the call, complainant’s name, contact information, the date of the incident, route number, and other relevant information. The timeframe to resolve complaints is 72 business hours.

Overall, the public is appreciative that the service exists and can provide transportation throughout the county. Most people are happy there is service in the outlying areas.

Scheduling, Dispatch, and Operations

National Express has been Kern Transit’s operations contractor since November 2016. Prior to that time, contracted services were provided by First Transit.

Kern Transit is staffed by 43 full- and two part-time drivers. This is considered fully staffed. Part-time drivers are part-time because that is all they want to work. They generally provide the Dial-A-Ride service in the communities where they live. Planned absences (such as vacation) are posted for other drivers to cover. Unplanned absences require two hours’ notice to the road supervisor. If another driver cannot cover the shift, the road supervisor will provide coverage.

Route assignments are bid by seniority every six months in conjunction with the regular schedule change. All drivers are air brake-certified. Vehicle assignments are based on vehicle type. Some routes can only be operated by certain vehicles due to grade, temperature, ridership trends (capacity), size, etc. Some routes pick up students at schools, which requires cutaway buses and GPPV certification. Only these vehicles can be used on those routes.

Kern Transit introduced Genfare electronic fareboxes on its vehicles. For Bakersfield routes, the driver pulls up to the vault and the Dispatcher pulls the farebox and dumps it into the larger stationary vault. Fares are picked up by the Brinks armored car service. In outlying areas such as Mojave, Frazier Park, and Lake Isabella, fareboxes are exchanged with an empty vault. The cash vault is then brought back to Bakersfield and unloaded into the stationary vault. Brinks brings all fares to the accounting office at the County, where they are kept in the safe until they are counted. Two people are required for counting, which takes place in a location equipped with cameras. Brinks then takes the counted fares to the bank for deposit.

Non-cash fare media is sold in several locations, including the GET downtown transit center and the County office. GET deposits fare revenues monthly, while the County deposits revenues immediately. Token Transit has also become popular. Fares are deposited weekly. Token Transit takes a 10 percent share.

Personnel Management and Training

Operations personnel are hired and recruited by National Express (NEXT). Drivers are represented by Teamsters Local #87. NEXT is recruiting a sufficient number of drivers to meet its needs.

National Express' general manager oversees driver recruitment. Driver is a high-turnover position, but National Express has done a good job of bringing in and training drivers. Recruits are a mixture of new and experienced; the contractor can provide any level of training needed.

NEXT sometimes offers referral bonuses to existing employees, but the new employee must remain for six months. Turnover is higher among new drivers that have never driven before. Drivers that have some driving experience already tend to remain longer. New operations staff receive performance evaluations at 90 days, six months, and one year, then annually thereafter.

NEXT's training team includes the Safety Manager and Road Supervisor. Both are Class B passenger rated and safety certified through NEXT's corporate office. NEXT uses the DMV for commercial license testing, but it is trying to get its Safety Manager certified as a tester. NEXT conducts monthly safety meetings and provides appropriate ongoing training and retraining, driver evaluations, and safety memos.

Maintenance

The County owns all the Kern Transit vehicles. It leases office space at the County Roads Department facility to National Express for a nominal amount.

Vehicle maintenance is the responsibility of the County; vehicles are maintained at County Roads Department facility on Victor Street in Bakersfield, which also serves as the main storage area for vehicles. Some vehicles are stored at remote locations in Lake Isabella, Lebec, Mojave, and Tehachapi for more efficient service. Vehicles in these locations are rotated at the time of scheduled maintenance.

Kern Transit vehicles are subject to a 45-day or 3,000-mile preventative maintenance inspection in compliance with California Highway Patrol (CHP) protocols. Roads Department mechanics perform all preventative maintenance duties such as oil and filter changes and belt and hose checks for wear. In addition to scheduled preventative maintenance, vehicles undergo a daily pre-trip inspection prior to

operation. Records are kept using the CAMS platform, which tracks inventory and capital assets as well as financial information. Preventive maintenance data is input into CAMS when maintenance is conducted, as well as handwritten in the physical vehicle file.

Maintenance does conflict with regular vehicle use, and the County relies on its spares to provide coverage. Maintenance staff determine when a bus will need maintenance and arranges for a spare to cover.

All warranty work is identified and sent out. Other work that is sent out includes engine or transmission overhauls, certain frame and suspension work, bodywork (including paint work), and alignments. These repairs typically require specialized equipment, tools, or knowledge.

The maintenance facility is shared with other County fleets. Transit has five dedicated mechanics and a dedicated maintenance bay. This is sufficient for the current fleet. The facility includes a total of seven bays and appropriate lifts. It includes sufficient space for administrative personnel. The County will need a larger maintenance facility to accommodate zero-emission vehicles, both in terms of charging infrastructure and storage for additional vehicles.

The County has a secured parts room with two dedicated parts staff. They have access along with the supervising mechanic and one clerical person. Parts are inventoried through CAMS. It is updated weekly with what is on hand compared against the ideal stock. Parts are reordered as needed. Parts are not barcoded but do have a part number. Annually, accounting does a full physical inventory to make sure the CAMS inventory matches what is on the shelf. Normally, the County Auditor sends two people to observe and they spot-check items. It also sends an accountant to do an unannounced visit to the shop in November and March to identify any discrepancies. Over the last couple of years, there have been no findings.

Over the past few years, repairs have been prioritized based on the availability of parts. The COVID-19 pandemic has impacted the supply chain for vehicles. Some of the Kern Transit vehicles have been waiting six months for parts that are not being made or have a very long wait list. Some of these parts include windshields, transmissions, new engines, and tensioners. The County has exhausted every supplier it can find. Some of the spares are being used to cover regular routes. Purchasing new buses has a similarly extended timeframe.

The fleet size consists of 68 revenue vehicles of varying fuel types, including compressed natural gas (CNG), diesel, and gasoline. All Kern Transit vehicles are wheelchair accessible and all are equipped with bike racks, fire extinguishers, and first-aid kits.

Exhibit 7.4 Kern Transit's Fleet

Quantity	Year	Make	Model	PAX
6	2003	El Dorado	Aerotech	18/2
5	2007	El Dorado	Trans Mark	23/2
4	2009	Chevrolet	CC5V042	32
2	2009	Ford	E350	8
6	2011	El Dorado	Aerotech	16/2
5	2011	Chevrolet	4500	16/2
4	2012	Ford	E450 Super Duty	14/2
2	2012	El Dorado	Aerotech	16/2
3	2013	El Dorado	Axess	41
2	2014	El Dorado	Axess	33/2
5	2015	El Dorado	Aerotech	12/2
7	2015	El Dorado	Axess	33/2
4	2015	El Dorado	XHF	25/2
2	2017	Ford	Econoline E450	18
4	2017	El Dorado	Axess	41
1	2017	BYD	K9M	-
2	2020	StarTrans	President S2	24/2
2	2019	Ford	Senator II	14/2
2	2021	Ford	E450	14/2

Chapter 8 | Findings and Recommendations

Conclusions

With one exception, Moore & Associates finds Kern County 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.

Findings

Based on discussions with Kern County staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. TDA fiscal audits for FY 2018/19 and FY 2020/21 were submitted after the extended deadline.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The County is at risk of falling below the 10 percent farebox recovery ratio threshold when the penalty waivers end in FY 2023/24.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Kern Transit public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit 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: TDA fiscal audits for FY 2018/19 and FY 2020/21 were submitted after the extended deadline.

Criteria: PUC 99245 requires all Article 4 recipients to submit an annual fiscal audit to the State Controller within 180 days of the end of the fiscal year. The RTPA has the authority to extend the deadline for another 90 days, typically to March 31.

Condition: In FY 2018/19 the County's TDA fiscal audit was not submitted until May 8, 2020. In FY 2020/21, the County's TDA fiscal audit was not submitted until August 18, 2022.

Cause: The most likely cause of the delay was that the Kern County Auditor was still working on the County's comprehensive annual financial report (CAFR). The TDA auditor was waiting on this document.

Effect: The TDA fiscal audits were submitted after the established deadlines.

Recommendation: Work with County and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.

Recommended Action: The County should work with its staff and the TDA auditors to ensure on-time completion.

Timeline: Beginning with the TDA fiscal audit for FY 2022/23.

Anticipated Cost: None.

Functional Finding 1: The County is at risk of falling below the 10 percent farebox recovery ratio threshold when the penalty waivers end in FY 2023/24.

Criteria: PUC 99268.4 requires a transit operator serving a non-urbanized (rural) area to achieve a farebox recovery ratio of 10 percent in order to be eligible for its full allocation of TDA funding. AB 90 offered a waiver from penalties for FY 2019/20 and FY 2020/21, and AB 149 extended these waivers through FY 2022/23.

Condition: In FY 2020/21, the County's farebox recovery ratio (as calculated by the TDA auditor) was 4.41 percent, below the 10 percent requirement. In prior years, the County was in compliance with the 10 percent requirement.

Cause: There was no need to add local supplementation in FY 2020/21 given the penalty waiver was in effect.

Effect: The farebox recovery ratio would have been out of compliance except for the penalty waiver.

Recommendation: Ensure in future years the farebox recovery ratio is at least 10 percent, even if use of supplemental funds is necessary.

Recommended Action: The County should ensure it has sufficient local supplementation in order to remain in compliance with the 10 percent farebox recovery ratio requirement. This could be through applying a sufficient amount of federal operating funds to the farebox revenue plus local supplementation calculation (as allowed under AB 149), through a fare increase, or through other local revenue sources.

Timeline: Beginning in FY 2023/24 (following the expiration of penalty waivers resulting from AB 149).

Anticipated Cost: Unknown.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with County and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.	Medium	FY 2023/24
Functional Recommendations		Importance	Timeline
1	Ensure in future years the farebox recovery ratio is at least 10 percent, even if use of supplemental funds is necessary.	High	FY 2023/24

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