



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

## Kern Council of Governments (RTPA)

Final Report  
September 2023





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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, 2021. 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 2023, the 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 (TPA) of the Kern COG's programs for the period:

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

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

1. Kern COG did not assess the appropriate penalties for not meeting farebox recovery ratio requirements in FY 2018/19.

2. Kern COG paid out TDA claims for the City of McFarland despite the operator not having completed its fiscal audits.
3. Several operators within Kern COG's jurisdiction were delinquent in their TDA fiscal audits or submitted the audits late.
4. Kern COG continued to allocate TDA funding to operators despite triennial performance audits not being completed by June 30, 2022.

#### Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included the following 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:** No longer relevant.
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:** Implemented.
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.  
**Status:** Not implemented.
4. Explore alternatives to the TDA-stipulated farebox recovery ratio.  
**Status:** No longer relevant.
5. Update TDA claim forms and the TDA Rules and Regulations to include STA eligibility determination.  
**Status:** Implemented.
6. Incorporate a form that assesses the implementation status of productivity and/or TDA triennial performance audit recommendations as part of the TDA claims process.  
**Status:** Implemented.

#### Goal Setting and Strategic Planning

The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The most recent update, which was completed in 2022, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Kern County meet regional greenhouse gas reduction targets. In addition, Kern COG is responsible for the preparation of other planning documents with regional relevance.



### Findings and Recommendations

Based on the current review, the audit team submits the aforementioned four TDA compliance findings.

1. Kern COG did not assess the appropriate penalties for not meeting farebox recovery ratio requirements in FY 2018/19.
2. Kern COG paid out TDA claims for the City of McFarland despite the operator not having completed its fiscal audits.
3. Several operators within Kern COG's jurisdiction were delinquent in their TDA fiscal audits or submitted the audits late.
4. Kern COG continued to allocate TDA funding to operators despite triennial performance audits not being completed by June 30, 2022.

We also identified one functional finding. While this finding is not a compliance finding, the auditors believe it is significant enough to be addressed within this review:

1. Kern COG should ensure claimants have a solid understanding of how to complete the STA eligibility form and how to reflect the results of the efficiency tests within the claim forms.

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 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future penalties for failure to comply with farebox recovery ratio requirements are appropriately applied to LTF allocations.	High	Ongoing
2	Ensure any penalties identified in the City of McFarland's delayed TDA fiscal audits are appropriately applied to subsequent TDA allocations.	High	FY 2023/24
3	Work with transit operators to ensure TDA fiscal audits are completed by the extended deadline.	Medium	Ongoing
4	Ensure any penalties identified in the delayed triennial performance audits are appropriately applied to subsequent TDA allocations.	High	FY 2023/24
Functional Recommendations		Importance	Timeline
1	Kern COG should provide more comprehensive feedback to the operators regarding STA eligibility and provide more effective oversight over the claims process.	High	Ongoing

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Kern COG covers the three-year period ending June 30, 2021. 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 2023, 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 funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of Moore & Associates 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 TDA funding.

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. We 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 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 TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of Kern COG included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
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 the Kern Council of Governments as the RTPA included thorough 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;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with Kern COG representatives on June 19, 2023. The audit team met with Bob Snoddy (Regional Planner), Irene Enriquez (Regional Planner), Angelica Banuelos (Administrative Assistant - Finance), and reviewed materials germane to the triennial audit.

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. TPA Scope and Methodology: Methodology of the audit 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,
  - Progress in implementing prior recommendations,
  - Goal setting and strategic planning,
  - Functional review, and
  - Findings and recommendations.

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## Chapter 3 | Overview of Kern COG

The Kern Council of Governments (Kern COG) is the state-designated Regional Transportation Planning Agency (RTPA) for Kern County. Originally formed in 1967 as the Kern Regional Planning Advisory Commission, Kern COG was formed in 1970 under a joint powers agreement (JPA). It 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 11 incorporated cities in Kern County (Arvin, Bakersfield, California City, Delano, Maricopa, McFarland, Ridgecrest, Shafter, Taft, Tehachapi, and Wasco).

### Roles

As the [Regional Transportation Planning Agency \(RTPA\)](#), Kern COG is responsible for developing and adopting transportation planning documents such as the Regional Transportation Plan and Regional Transportation Improvement Plan; coordinating regional transportation planning with the Air Quality Maintenance Plan/Nonattainment Area Plan; determining unmet transit needs, and administering the Transportation Development Act within the Kern region.

Kern COG also serves as the federally designated [Metropolitan Planning Organization \(MPO\)](#) for the urban Bakersfield area. As the MPO, it is responsible for implementing the comprehensive transportation planning process and adopting the annual Overall Work Program (OWP) for the urbanized area. Kern COG works closely with GET regarding urban transportation planning in the Bakersfield area. It also is responsible for the development of Transportation Development Plans under its role as the MPO.

Kern COG is a signatory to a [Memorandum of Understanding \(MOU\)](#) between the San Joaquin Valley Air Pollution Control District and seven other San Joaquin Valley counties regarding interregional issues involving mobile source emission reduction, coordination with Caltrans on transportation systems planning, transportation and traffic data modeling, and preparation of interregional technical and transportation systems studies.

Partnering with the Kern County Air Pollution Control District, Kern COG shares responsibility for [air quality maintenance planning and implementation](#) in Eastern Kern County. Kern COG is primarily responsible for fiscal accountability.

Other roles and responsibilities of Kern COG include:

- Areawide Planning Organization (APO) for the Kern region;
- Local Clearinghouse for the Kern region;
- Affiliate Data Center for Kern County;
- Home Mortgage Disclosure Depository;
- Kern County Transportation Authority;
- Kern Motorist Aid Authority (KMAA);
- Kern Congestion Management Agency;
- Kern Commuter Connection (regional rideshare program); and
- Regional Housing Allocation Plan (RHAP).

### Board Subcommittees

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

*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.

### Advisory Committees

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 Transportation 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.

### Regional Collaboration

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 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.

### Organization

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 19<sup>th</sup> 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.

At the time of the site visit, Board meetings featured a hybrid model, being held both in-person and through internet/telephone links. All meetings follow Brown Act guidance, and meeting locations other than the Kern COG offices are listed on the agenda. Any Board member may participate virtually provided the location is listed on the agenda and the public is allowed at that location to address the board. Most Board members attend most meetings, and staff typically contact Board members prior to the meetings to ensure their attendance or attendance by an alternate.

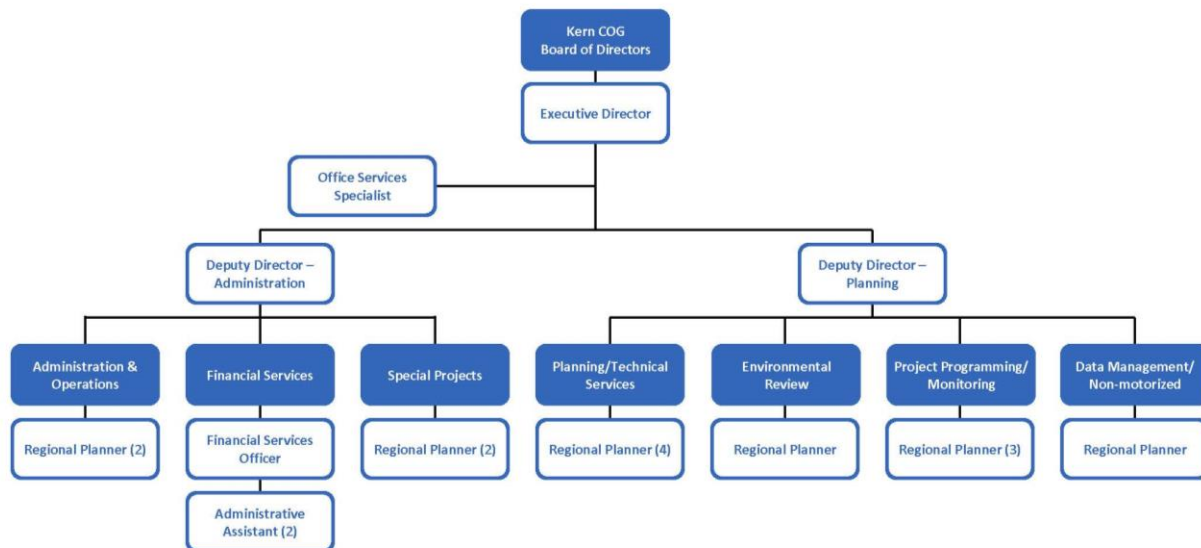
Kern COG Board members during the audit period included the following:

- Jose Gurrola, City of Arvin (2018-2020)
- Olivia Trujillo, City of Arvin (2020-2021)
- Bob Smith, City of Bakersfield (2018-2021)
- Jennifer Wood, City of California City (2018-2019)
- Nick Lessenevitch, City of California City (2018-2021)
- Grace Vallejo, City of Delano (2018-2021)
- Veronica Vasquez, City of Delano (2020-2021)
- John Crump, City of Maricopa (2018-2021)
- Michael R. Mower, City of Ridgecrest (2018-2021)
- Manuel Cantu, City of McFarland (2018-2021)
- Sally Gonzalez, City of McFarland (2020-2021)
- Cathy Prout, City of Shafter (2018-2019)

- Gilbert Alvarado, City of Shafter (2018-2021)
- Orchel Krier, City of Taft (2018-2021)
- Philip A. Smith, City of Tehachapi (2018-2021)
- Chery Wegman, City of Wasco (2018-2019)
- Gilberto Reyna, City of Wasco (2018-2021)
- David Couch, County of Kern (2018-2021)
- Zack Scrivner, County of Kern (2018-2021)
- Scott Kiernan, Military Joint Planning Policy Board (ex officio 2018-2021)
- Cindy Parra, Golden Empire Transit District (ex officio 2018-2021)
- Gail Miller, Caltrans District 6 (ex officio 2018-2020)
- Michael Navarro, Caltrans District 6 (ex officio 2019-2021)

Reporting directly to the Kern COG board is the Executive Director. The Executive Director is supported by two Deputy Directors overseeing seven departments: Administration and Operations, Financial Services, Special Projects, Planning/Technical Services, Environmental Review, Project Programming/Monitoring, and Data Management/Non-motorized. All departments are appropriately staffed. An organizational chart is presented as Exhibit 3.1.

Exhibit 3.1 Organizational Chart (FY 2023/24)



## Regional Planning and Goal-Setting

The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The most recent update, which was completed in 2022, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of

land use, transportation strategies, and transportation investments that will help Kern County meet regional greenhouse gas reduction targets.

The 2022 RTP-SCS included extensive public participation at all stages of the planning process. The community engagement process spanned from January 2019 to February 2022. It included more than 50 opportunities for engagement through online, phone, or text surveys; public workshops; interactive booths at community events; a project website; meetings; and presentations to clubs and community groups throughout the county. Ultimately, the public participation effort resulted in input from more than 6,900 county residents. This input contributed to Kern COG's RTP-SCS vision of "Maintain, Fix, and Finish What We Have."

The RTP-SCS identified seven core goals, which were derived from other Kern COG transportation plans and studies. While all are inter-related, mobility is the Plan's highest goal. The RTP goals were also related to the nine adopted principles for growth developed as part of the 2008 Kern Regional Blueprint. The 2008 Blueprint and 2022 RTP look ahead toward the same planning horizon (2046). How the principles for growth relate to the RTP goals are shown in italics below.

1. **Mobility:** Improve the mobility of people and freight.
  - *Improving mobility can include the addition of alternative fuels and modes that would help conserve energy and natural resources.*
2. **Accessibility:** Improve accessibility to, and the economic well-being of, major employment and other regional activity centers.
  - *Improving accessibility to major employment centers can make it more efficient to access and provide public services to these areas.*
3. **Reliability/Safety:** Improve the reliability and safety of the transportation system.
  - *Improving reliability and safety of the transportation system during peak periods can make it more convenient to do business in Kern County, enhancing the region's economic vitality.*
4. **Efficiency:** Maximize the efficiency and cost-effectiveness of the existing and future transportation system.
  - *Maximizing efficiency of the transportation system can be improved by providing a variety of housing types and densities that are distributed to take optimum advantage of transit and highway infrastructure.*
5. **Livability/Quality of Life:** Promote livable communities and satisfaction of consumers with the transportation system.
  - *Promoting livability can be assisted by building on a community's historic assets.*
6. **Sustainability:** Provide for the enhancement and expansion of the system while minimizing effects on the environment.
  - *Promoting sustainability can reduce long-term operating costs, enhancing the economic viability of a region.*
7. **Equity:** Ensure an equitable distribution of the benefits among various demographic and user groups.
  - *Ensuring equity can be assisted by providing affordable transportation options such as biking, walking, and transit.*

The policies outlines in the 2022 RTP were all created to address one or more of these goals. Each policy was accompanied by one or more specific action. A summary of the 2022 RTP policies and the goal(s) each supports is provided in Exhibit 3.2.

Exhibit 3.2 RTP policies and goals supported

		Mobility	Accessibility	Reliability/Safety	Efficiency	Livability/Quality of Life	Equity	Sustainability
Policy No.	Policy	Goals Supported						
1	Enhance connectivity to Meadows Field and Inyokern Airport to accommodate future regional growth.	■	■					
2	Assist Kern County airports in expanding facilities to meet growing aviation demands.	■	■					
3	Work with privately owned airports and local jurisdictions to support their operation and to maintain compatible uses within the airport area of influence.	■	■					
4	Enhance and connect existing and future bikeways and pedestrian walkways in the Kern Region including disadvantaged communities.	■	■					■
5	Encourage Kern COG member jurisdictions to update and implement their adopted local bicycle plans and to incorporate bicycle facilities into local and/or regional plans.	■	■					
6	Identify appropriate funding sources, update and fund regional and local plans that promote bicycle/pedestrian travel.	■	■					
7	Encourage using appropriate funding sources to promote and fund sustainable community design that supports transit use and increases active transportation (AT) while still meeting the mobility needs of residents and employees in all communities and particularly in disadvantaged communities.					■		
8	Identify additions and alternatives that would improve the overall quality of transit service in Kern County.	■	■					
9	Identify, explore, and assist jurisdictions to apply for funding alternatives to traditional transit that addresses Kern Transit's rural mobility needs in all communities.	■	■					
10	Develop coordination alternatives that would realize improvements over current Golden Empire Transit and other transit operations.	■	■					
11	Review, identify, and discuss alternative administrative and oversight models for transit services in Kern County. Support transit operators' replacement of fossil fueled vehicles to zero emission vehicles.	■	■					
12	Create strategies to increase the visibility and importance of transit in Kern County.	■	■					
13	Create partnerships between transit and social service agencies in addressing Kern County's transit needs.	■	■					
14	Improve intercity connections and provide new services to expand the transportation alternatives in the Eastern Sierra region.	■	■					
15	Investigate new federal, state, and local funding opportunities to maintain the current transportation system and promote future transportation development.	■	■					

		Mobility	Accessibility	Reliability/Safety	Efficiency	Liveability/Quality of Life	Equity	Sustainability
Policy No.	Policy	Goals Supported						
16	Work with Caltrans, COG member agencies, and other interested parties to prepare environmental studies and design engineering plans, reducing impacts to all communities.	■	■					■
17	Provide input to neighboring counties conducting corridor studies for routes significant to the Kern region.	■	■					■
18	Review countywide transportation impact fees and encourage member agencies to invest in active transportation, public transit, and maintenance of local streets and roads.	■	■				■	
19	Delay the need for future increases in highway capacity and congestion through the implementation of measures that reduce transportation-related air emissions.	■	■			■		
20	Prepare a systems-level planning analysis of various transportation system alternatives using multimodal performance measures.	■	■		■	■		
21	Coordinate planning efforts to ensure efficient, economical, and environmentally sound movement of goods mitigating impacts to all communities.	■	■		■	■		
22	Advocate programs and projects for the intermodal linkage of all freight transportation.	■	■		■			
23	Construct new SR 58 freeway through Metropolitan Bakersfield from existing freeway segments	■			■			
24	Explore rail intermodal, transfer facility, and alternative transfer options for the region. Develop the rural trucking network, avoiding populated areas to minimize impacts to both disadvantaged and all communities.	■		■	■			
25	Maintain liaison with Southern California Association of Governments and all San Joaquin Valley Councils of Governments for efficient coordination of freight movement between regions and counties.	■	■				■	
26	Provide heavy truck access planning guidance, including a review of the current surface transportation act route system, review of geometric issues, and signaling for all routes identified as major local access routes, as well as the development of performance standards.	■	■	■			■	
27	As planning funds are available, continue the technical and planning assistance grant program to assist and allow local jurisdictions to receive funding for coordinated land use, air quality, and transportation planning.		■	■		■		■
28	Encourage land use planning by Kern COG local government member agencies that recognizes Kern's large area, dispersed centers, and unique geographic features of the region.		■		■	■		■
29	Promote land use patterns that support current and future investments in public transit and active transportation in all communities particularly in disadvantaged communities that score high in many state and federal grant programs.		■		■	■		■
30	Promote increased communication with neighboring jurisdictions on interregional land use issues, including the coordination of land use decisions and transportation systems.		■		■	■		■

		Mobility	Accessibility	Reliability/Safety	Efficiency	Liveability/Quality of Life	Equity	Sustainability
Policy No.	Policy	Goals Supported						
31	Support more efficient use of the transportation system through the implementation of Intelligent Transportation Systems (ITS) technology.	■		■	■			
32	Achieve national and state air quality standards for healthy air by the mandated deadlines for all communities and especially disadvantaged communities.					■		
33	Proactively implement Federal Title VI and Environmental Justice requirements to ensure equity.						■	
34	Encourage utility companies, California Air Resources Board, and other state agencies to select locations within Kern County to site electric charging stations.						■	
35	Work with the County to explore the development of a countywide VMT mitigation bank to retire potential future VMT from rural properties with conservation potential, and transfer that VMT savings as credit to other properties providing an incentive for rural conservation property owners to monetize their land.						■	
36	In consultation with local tribes, create signage and/or roadside kiosks to demarcate and educate the public [regarding] places of culture, historic, spiritual, and environmental tribal importance along and within transportation corridors, as cultural mitigation for new projects and to promote tourism around our region's extensive cultural heritage						■	

The RTP-SCS also identified near- and long-term public transportation actions to guide development of public transit within Kern County through 2046. Actions are groups as near-term (2022 through 2026) and long-term (2027 through 2046). They are summarized in Exhibit 3.3.

Exhibit 3.3 RTP Public Transportation Actions

Proposed Public Transportation Actions	Timeline
Promote vanpools by creating community vanpool programs that target workers at major job centers including farmworker vanpools, employer-sponsored shuttles, and rural vanpool programs.	Near-term (2022-2026)
Create partnerships with ridesharing and taxi companies with wheelchair accessible vehicles including introducing a pilot program involving subsidized/discounted rideshare or taxi trips to/from key transit hubs to close First and Last Mile gaps, including consideration of partnerships between healthcare providers, ridesharing companies, and taxi companies with wheelchair accessible vehicles.	Near-term (2022-2026)
Introduce/expand electric vehicle carshare program including service anchored at low-income populations.	Near-term (2022-2026)
Consider partnering with door-through-door service providers.	Near-term (2022-2026)
Create an inter-network transit subsidy program with regional transit providers.	Near-term (2022-2026)
Create a commute shuttle partnership with colleges and other higher-education or technical campuses.	Near-term (2022-2026)
GET should decrease emphasis on timed connections at transit centers by providing greater frequency.	Near-term (2022-2026)
Promote use of new GET transit centers at CSU Bakersfield and Bakersfield College.	Near-term (2022-2026)
Promote faster crosstown trips through new express routes, new "Rapid" routes, or direct routes.	Near-term (2022-2026)
Continue fine-tuning Kern Transit scheduling, stop placement, and route reconfiguration.	Near-term (2022-2026)
Kern Transit should consider supplementing or replacing low-volume fixed routes with shared mobility options such as Miocar.	Near-term (2022-2026)
GET should consider supplementing or replacing low-volume/low-frequency routes with their new On-Demand shared mobility service.	Near-term (2022-2026)
Continue discussions with the Southern California Regional Rail Authority regarding the extension of Metrolink from Lancaster to Rosamond.	Near-term (2022-2026)
Initiate discussions with the State regarding replacement of Amtrak <i>San Joaquins</i> service between Bakersfield and Wasco with a local commuter rail service.	Near-term (2022-2026)
Monitor advancement of the California High-Speed Rail (HSR) project.	Near-term (2022-2026)
Provide education on federally authorized pre-tax deductions for transit passes, vanpools, and bicycle commuting costs.	Near-term (2022-2026)
Promote subsidized transit passes for employees.	Near-term (2022-2026)
Promote "parking cash-out" program in which employees would be paid to avoid use of on-site parking.	Near-term (2022-2026)
Promote a "guaranteed ride home" program in which employees who took transit or other alternative modes to work would be offered a limited number of fully subsidized taxi rides home after hours.	Near-term (2022-2026)
Promote HSR funding of improvements to nearby transit stops/centers/mobility hubs.	Long-term (2027-2046)
Continue phased improvements to the GET Bus Rapid Transit and express routes.	Long-term (2027-2046)
Improve GET Crosstown service connecting one side of Bakersfield to the other.	Long-term (2027-2046)
Improve GET Circulator services within neighborhoods or around outlying areas of Bakersfield.	Long-term (2027-2046)
Continuation of GET Express routes and connecting outlying strategic employment centers.	Long-term (2027-2046)
Truck climbing lane along eastbound SR 58 to provide safer inter-city transit service.	Long-term (2027-2046)
Continue ramp metering/diamond lane program at urban freeway ramps.	Long-term (2027-2046)



Proposed Public Transportation Actions	Timeline
Research peak period-only Business Access Transit (BAT) or High-Occupancy Vehicle (HOV) lanes on congested arterials.	Long-term (2027-2046)
Consider converting BRT corridors to light rail transit when ridership warrants.	Long-term (2027-2046)
Consider additional peak period HOV/transit lanes on freeways.	Long-term (2027-2046)
Continue pursuing an extension of Metrolink from Lancaster to Rosamond and commuter rail service in to replace Amtrak in the SJV portion of Kern.	Long-term (2027-2046)
As HSR proceeds to construction: <ul style="list-style-type: none"> <li>Identify preferred corridor to connect Bakersfield and Delano with commuter rail/HSR feeder service;</li> <li>Identify potential funding for commuter rail operations;</li> <li>Work with local transit providers to connect riders to commuter rail/HSR; Reassess feasibility of commuter rail in various corridors.</li> </ul>	Long-term (2027-2046)

In addition to the RTP-SCS, Kern COG is responsible for the preparation of other planning documents with regional relevance. During the audit period, these included the following:

- Federal Transportation Improvement Plan (FTIP) (2019 and 2021);
- Federal Transportation Performance Measures (2018, 2019, 2020, and 2021);
- Kern Area Regional Goods-Movement Operations (KARGO) Phase I (2021);
- Regional Transportation Improvement Program (RTIP) (2020);
- Air Quality Conformity Analysis (2018 and 2020);
- Downtown Bakersfield Pedestrian Access to Downtown Plan (2020);
- Kern County Rural Alternative Transportation Plan (2020);
- Kern County Electric Vehicle Charging Station Blueprint (2019);
- Coordinated Human Services Transportation Plan Update (2019); and
- Kern Region Active Transportation Plan (2018).

Historically, Kern COG has been responsible for the development of Transit Development Plans for rural communities in Kern County. The most recent of these documents were completed in 2016, prior to the onset of this triennial period, while the oldest were completed in 2008. Kern COG is actively seeking grants to fund these planning projects. It anticipates combining TDPs for the cities of McFarland, Shafter, and Wasco into a Caltrans Sustainable Communities Grant in 2024, with the east side of the county following the next year.

In Chapter 6, the auditors further evaluate Kern COG's effectiveness and efficiency as the RPTA.

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## Chapter 4 | Program Compliance

This section examines the Kern Council of Government's 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 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 an 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 four exceptions, Kern COG adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Kern COG did not assess the appropriate penalties for not meeting farebox recovery ratio requirements in FY 2018/19.
2. Kern COG paid out TDA claims for the City of McFarland despite the operator not having completed its fiscal audits.
3. Several operators within Kern COG's jurisdiction were delinquent in their TDA fiscal audits or submitted the audits late.
4. Kern COG continued to allocate TDA funding to operators despite triennial performance audits not being completed by June 30, 2022.

### 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 4.1 Transit 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 Kern COG Master Manual, pages 312-318, includes evaluation criteria.
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 approximately 5-6 times per year, including at least one public hearing.  Unmet Transit Needs hearings held: October 17, 2019 October 15, 2020 September 16, 2021
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"> <li>A committee for the purpose of providing advice on productivity improvements may be formed.</li> <li>The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation.</li> </ul>	PC 99244	In compliance	

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September Report  
September 2023

Compliance Element	Reference	Compliance	Comments
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. No allocation should be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report.	PUC 99245, CCR 6664	Finding	Several operators are delinquent in their TDA fiscal audits or submitted audits late. See Exhibit 4.2.  Claims by the City of McFarland were paid despite no fiscal audits having been submitted.
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	FY 2018/19: December 30, 2019 FY 2019/20: December 29, 2020 FY 2020/21: December 30, 2021
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	In compliance*	FY 2018/19: January 24, 2020 FY 2019/20: February 4, 2021 FY 2020/21: February 2, 2022
The RFPA shall not authorize the payment of moneys from the local transportation fund or state transit assistance fund in excess of the amount that a claimant was eligible to receive during the fiscal year for which an allocation is made, as evidenced by the claim filed, the budgets and financial statements of the claimant, the audits of the claimant, and any other information available.	CCR 6649	Finding	Several operators should have had their LTF allocations reduced in FY 2018/19 for failure to meet farebox recovery ratio requirements. The Kern COG did not assess the appropriate penalties for that year, which was not included in the penalty waivers of AB 90 and AB 149.
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 operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	Finding	Moore & Associates, Inc. was selected to prepare the current and prior triennial performance audits of the Kern COG and its operators. The current audits should have been completed by June 30, 2022. They are scheduled for completion by September 2023. No funding was withheld for operator audits not being completed within 12 months of the end of the triennium (which ended June 30, 2021).
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)	In compliance	Letter to Caltrans dated April 19, 2019.
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	Kern COG has no Article 8(c) claimants.

\* While State Controller Reports were submitted three days and one day late, respectively, for FY 2019/20 and FY 2020/21, the audit team has elected not to consider this a finding. However, the Kern COG should be cognizant of the January 31 deadline and ensure the reports are submitted on time in future years.

Compliance Element	Reference	Compliance	Comments
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 urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	In compliance	
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	The Kern COG Master Manual, pages 318 – 319 (CTSA), includes evaluation criteria
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	

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"> <li>Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238;</li> <li>Identified transit needs, including: <ul style="list-style-type: none"> <li>Groups that are transit-dependent or transit-disadvantaged;</li> <li>Adequacy of existing transit services to meet the needs of groups identified; and</li> <li>Analysis of potential alternatives to provide transportation alternatives;</li> </ul> </li> <li>Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”;</li> <li>Identified the unmet transit needs and those needs that are reasonable to meet; and</li> <li>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.</li> </ul> <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	

Exhibit 4.2 Operator TDA fiscal audit submittals

Operator	Date Submitted		
	FY 2018/19	FY 2019/20	FY 2020/21
City of Arvin	March 31, 2020	March 30, 2021	August 18, 2022
City of California City	October 20, 2022	Draft dated June 2023	Pending
City of Delano	February 19, 2020	March 29, 2021	March 24, 2022
City of McFarland	Pending	Pending	Pending
City of Ridgecrest	March 9, 2020	March 15, 2021	December 31, 2021
City of Shafter	November 14, 2019	October 8, 2021	March 13, 2023
City of Taft	Pending	Pending	Pending
City of Tehachapi	February 5, 2020	March 15, 2021	December 31, 2021
City of Wasco	March 31, 2020	December 30, 2020	December 31, 2021
County of Kern/Kern Transit	May 8, 2020	March 29, 2021	August 18, 2022
Golden Empire Transit District	November 5, 2019	October 30, 2020	October 29, 2021
North of the River CTSA*	February 24, 2020	March 15, 2021	January 31, 2022

\* NOR CTSA's FY 2021/22 audit (for its final year of operation) was completed on March 31, 2023.

Red cells indicate a late or pending submittal. Green cells indicate audits that did not require a 30-day extension.



## Chapter 5 | Prior Recommendations

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

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included six 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.](#)

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

While the prior audit saw improvement over its predecessor, 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.

The prior auditor recommended Kern COG management work with its TDA fiscal auditor to ensure appropriate deadlines were built into the contract and that those deadlines were being met. The auditor noted that if an audit could not be completed within the 90-day extension, the reason for the delay should be documented so that the next triennial performance auditor could determine where the cause of the late submittal lay (i.e., delay on the part of the auditor or delay on the part of the entity being audited).

**Progress:** During the audit period, several audit reports were still submitted late, or had not been submitted at the time of data collection. This resulted in some TDA fiscal audits being several years late. In most cases, this was the result of delays caused by City audits not being completed, as the TDA fiscal auditors must receive the City's audited financial statements before they can prepare the TDA fiscal audit. While ensuring claimants submit their TDA fiscal audits is a responsibility of the RTPA, this specific recommendation is no longer relevant as the Kern COG has no control over the ability of the individual cities to prepare their financial audits. This issue will be addressed further in Chapter 7.

**Status:** No longer relevant.

2. Identify 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:** 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. During the prior audit, it was found Kern COG did not fulfill either of these requirements following multiple prior audit cycles. The prior auditor recommended Kern COG submit in writing following completion of the prior Triennial Performance Audits confirmation that performance audits of operators located in the area under its jurisdiction had been completed, as well as submit its own Triennial Performance Audit to Caltrans. A sample letter written on behalf of Kern COG was provided as part of the prior audit.

**Progress:** Kern COG provided a copy of its letter to Caltrans dated April 19, 2019, confirming completion of the operator audits and submittal of the RTPA audit following the prior audit cycle.

**Status:** Implemented.

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.

**Discussion:** 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.

When reviewed during the prior audit cycle, the auditor found the Kern COG's Policy and Procedures Manual (which includes TDA Rules and Regulations as Chapter VI) did 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. Even if there are no current transit operators serving both urban and rural areas, the prior auditor recommended such a provision be included in Kern COG's TDA Claims Manual should such a circumstance arise in the future.

**Progress:** While a review of Kern COG's TDA Rules and Regulations showed that this provision was not added following the prior audit, the declassification of the city of Delano from urban to rural means that Bakersfield is the only urbanized area in the county. No other transit operator is close to the 50,000 threshold. Should Kern COG look toward rural consolidation, it should include updating this provision as part of any movement in that direction. However, since this is not an urgent issue at this time, this recommendation will not be carried over into this audit despite its lack of implementation.

**Status:** Not implemented.

4. Explore alternatives to the TDA-stipulated farebox recovery ratio.

**Discussion:** 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.

Some operators, while below their TDA farebox recovery ratio threshold during part of the prior 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 were not able to achieve a farebox recovery ratio of 10 percent. These included California City and Delano. Delano was 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.

The prior auditor identified 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).

The prior auditor noted 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.

**Progress:** This has been an ongoing concern. Kern COG has discussed alternatives with elected officials and local operators, but the consensus has been to leave the policy as it is. There have also been changes in operating conditions (such as the CTSA designation being assumed by GET) and local supplementation rules (which now allow federal funding to be counted toward the farebox recovery ratio) which reduce the RTPA's role in addressing this issue. With waivers from penalties for not meeting the farebox recovery ratio in effect from FY 2019/20 through FY 2022/23, and new local supplementation and cost exclusion rules in place due to AB 149, this recommendation is deemed no longer relevant for Kern COG and compliance with the farebox ratio is placed back with each individual operator as warranted.

**Status:** No longer relevant.

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

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

The prior auditor recommended Kern COG add a section to the TDA claim form wherein operators could calculate their STA eligibility. Not only would it aid the RTPA and operator in ensuring funds are allocated and used properly, but it would more effectively document the process. A sample worksheet form was provided as part of the prior audit.

**Progress:** Kern COG begin including the STA eligibility form as part of its FY 2019/20 TDA claim packet. However, there is still some confusion among operators about what it means to not pass either efficiency test, as well as how to fill out the forms completely. This issue will be addressed further in Chapter 7.

**Status:** Implemented.

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

**Discussion:** PUC 99244 requires the RTPA to annually recommend potential productivity improvements for transit operators, either via a productivity committee or another means. At the time of the prior audit, Kern COG indicated its Regional Planner assesses productivity. However, neither productivity nor the implementation status of performance audit or other recommendations were assessed annually as part of the TDA claims process.

The prior auditor recommended Kern COG include additional pages in its TDA claim packet 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 were provided within the prior audit.

**Progress:** Kern COG has added these forms to its TDA claims packet.

**Status:** Implemented.

## Chapter 6 | Functional Review

A functional review of the Kern Council of Government 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. Kern COG staff monitor the progress and financial status of ongoing programs and projects through the Transportation Technical Advisory Committee's (TTAC) Project Delivery Committee. This committee reports on progress toward project or program goals based on discussions with project managers. Reporting may occur biannually or more frequently, as required.

Goals for transit operator performance are developed as part of short- and long-range transit development plans. Short-range planning covers a three- to five-year planning horizon, while long-range planning may cover up to 20 years. The RTPA also develops goals for transportation alternatives, such as active transportation and rideshare programs.

The RTPA's budget is sufficient to accomplish its various established goals and objectives, and staffing is sufficient in number and qualifications to accomplish its functions. Reporting directly to the Kern COG board is the Executive Director, who is supported by two Deputy Directors overseeing seven departments. There has been very little turnover in staff at the RTPA. An organizational chart is provided in Chapter 3.

All staff receive an annual employee 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. Incentive programs include longevity pay, bilingual pay, catastrophic illness pay (volunteer donation of colleagues' sick leave), and commute pay. Employees may receive an Air Quality stipend of \$100 per month for using alternative transportation. Staff also receive appropriate training for individual positions.

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.

#### *Impact of COVID-19 pandemic*

Kern COG adhered to all COVID-19 pandemic-related change initiated by the Governor’s office. It also implemented changes to its meeting and agenda preparation to meet the requirements of the Brown Act. This primarily affects virtual participation in Board meetings, which require the remote location to be listed on the agenda and that location be available to the public. This has enabled Board and committee members to attend meetings from their respective offices around the county.

#### *Transportation Planning and Regional Coordination*

The primary regional planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS). The RTP-SCS is discussed in greater detail in Chapter 3.

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.

Development of Kern County’s RTP-SCS is continuous. Data and policies are currently being prepared for the 2026 update.

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

Kern COG’s Transportation Technical Advisory Committee (TTAC), Social Services Transportation Advisory Committee (SSTAC), and the Transit Operators Committee meet regularly to discuss the RTPA and operators’ productivity. Transit operators’ financial and operational data has been provided to the TTAC for review and evaluation. Every TTAC discussion is forwarded to the Kern COG Board.

Transit operators are required to address their progress in meeting deficiencies identified in the Triennial Performance Audit as well as follow up on operational complaints received from the public by Kern COG staff. The Kern COG uses short and long range transit development plans, the TDA fiscal audits, State Controller Reports, and other direct contacts with operators to evaluate the implementation of recommendations. These results are communicated to operators within published plans, in TTAC discussions, and through direct discussion with operators.

Kern COG typically funds planning studies for the majority of operators, and provides in-house or in-the-field technical assistance to all of its member agencies upon request. Several of the smaller agencies have experienced a high turnover rate requiring Kern COG staff to hold TDA training sessions both at Kern COG and in the field. Kern COG has also used month TTAC meetings to communicate technical information to operators. While several agencies have requested assistance from the COG, it has been challenging to assess how comfortable the new staff are.

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. This is due in large part to delays in completing City annual fiscal audits, which in turn delay TDA fiscal audits. The audits must be completed before operator claims can be submitted and paid. While the Kern COG may have control over the contract with the TDA auditor, it has little control over the individual city audits.

### Marketing and Transportation Alternatives

Kern COG does not provide marketing on behalf of the transit operators. All operators prepare their own service information, which is available online and, in many cases, in print as well. Changes to service are promoted at the Kern COG TTAC and TPPC meetings to ensure regional promotion. Kern COG also provides a regional Active Transportation Plan which is updated every five years to ensure regional active transportation projects are supported and prioritized.

Kern COG also promotes alternative transportation as a “last mile” solution to public transit operators. Kern COG’s rideshare program is marketed under the name CommuteKern. The program includes a ridematching service (using the RideAmigos platform), eTRIP assistance, company presentations, a guaranteed ride home program, a bi-monthly e-newsletter, events (such as Rideshare Week), and quarterly meetings for eTRIP coordinators. Kern COG has a staff position that coordinates with active transportation, rideshare, etc. projects and providers.

The Kern COG also coordinates with member agencies and offers input into local and regional planning, zoning, and development projects where applicable.

#### Grant Applications and Management

Kern COG staff hold workshops and provide a six-week notice to claimants regarding all federal and state funding opportunities. Claimants also have direct access to Kern COG staff charged with administering specific funding programs. Kern COG also provides specific policies to address applications for competitive funding programs to ensure each potential claimant has an equal opportunity to apply. Kern COG's funding program policies are transparent as discussions and final decisions are approved by the TTAC and the TPPC. Kern COG also consults with transit operators and seeks to identify regional funding to address common issues. Some of the funding sources used are the Caltrans Sustainable Communities Program, Alternative Transportation Program funds, and other applicable and state programs. Operators regularly claim FTA Section 5307 and 5311 formula funds as well.

Kern COG provides technical assistance to grant claimants through information provided at the beginning of a call for projects that includes the legislative intent of the program, eligible projects, application deadlines, etc. Any problems with grant applications are resolved with Kern COG staff before completion.

Kern COG does not administer or monitor any grant programs besides the TDA. Operators are responsible for administering their own federal formula grants either directly through the FTA or via Caltrans.



## Chapter 7 | Findings and Recommendations

### Conclusions

With four exceptions, Moore & Associates, Inc. finds the 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 finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

### Findings and Recommendations

Based on the current review, the audit team submits the following TDA compliance findings:

1. Kern COG did not assess the appropriate penalties for not meeting farebox recovery ratio requirements in FY 2018/19.
2. Kern COG paid out TDA claims for the City of McFarland despite the operator not having completed its fiscal audits.
3. Several operators within Kern COG's jurisdiction were delinquent in their TDA fiscal audits or submitted the audits late.
4. Kern COG continued to allocate TDA funding to operators despite triennial performance audits not being completed by June 30, 2022.

The audit team has identified one functional finding. While this finding is not a compliance finding, the auditors believe it is significant enough to be addressed within this review:

1. Kern COG should ensure claimants have a solid understanding of how to complete the STA eligibility form and how to reflect the results of the efficiency tests within the claim forms.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Kern COG 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: Kern COG did not assess the appropriate penalties for not meeting farebox recovery ratio requirements in FY 2018/19.

**Criteria:** Farebox recovery requirements for various types of services are detailed in PUC 99268 and its sections. Most of the operators within Kern COG's jurisdiction qualify for a 10 percent farebox recovery ratio threshold for non-urbanized (rural) operations. GET and the City of Delano were required to meet a 20 percent farebox recovery ratio during the audit period (though Delano has since been reclassified as

non-urbanized as a result of the 2020 census). The penalty for not meeting the farebox recovery ratio is detailed in CCR 6633.9.

**Condition:** During the audit site visit, Kern COG staff indicated applying penalties for non-compliance with farebox recovery ratios to STA claims rather than LTF claims.

**Cause:** The language under CCR 6633.9 is somewhat ambiguous as it refers to TDA/STA eligibility in concert with penalties for non-compliance.

**Effect:** Kern COG appears to have incorrectly interpreted this and assesses penalties to STA claims rather than LTF claims.

**Recommendation:** Ensure future penalties for failure to comply with farebox recovery ratio requirements are appropriately applied to LTF allocations.

**Recommended Action:** CCR 6633.9 appears to indicate that failure to meet the farebox requirement impacts eligibility for LTF and STA funding. However, under PUC 99268, compliance with the farebox recovery ratio is specific to Article 4 LTF funding, not STA funding. As such, the audit team believes penalties should be applied to LTF allocations, not STA funding.

When an operator is determined to be out of compliance with the farebox recovery requirement, Kern COG should follow the procedure described in CCR 6633.9 to correctly withhold the required funding from a subsequent LTF allocation. This procedure is as follows, using FY 2018/19 as an example year for non-compliance:

- FY 2018/19 (non-compliance year) – The operator does not meet its farebox recovery ratio requirement.
- FY 2019/20 (determination year) – There is no change in eligibility, as the allocations are made prior to the completion of the TDA fiscal audit for FY 2018/19.
- FY 2020/21 (penalty year) – The farebox recovery ratio calculated in the FY 2018/19 fiscal audit is used as the official measure of compliance. (It is important that this calculation reflect all appropriate exclusions and exemptions under 99268.17, or as amended in AB 149 for FY 2021/22 and beyond.) The LTF allocation for this year is reduced by the amount of the difference between the required fare revenues and the actual fare revenues for the non-compliance year (in this case, FY 2018/19).

If FY 2018/19 was the first year the operator had not met the requirement, it would be considered a one-time grace year and no penalty would be assessed.

When simplified, the application of the penalty for non-compliance would look like this:

	FY 2018/19 (Non-compliance Year)	FY 2019/20 (Determination Year)	FY 2020/21 (Penalty Year)
Operating cost	\$100,000	\$100,000	\$100,000
Required fares at 10%	\$10,000	\$10,000	\$10,000
Actual fares	\$8,000	\$12,000	\$13,000
Reduced eligibility	\$0	\$0	-\$2,000
LTF funds the claimant is eligible to claim:*	\$92,000	\$88,000	\$85,000

\* Operating cost less actual fares less reduced eligibility.

The penalty waivers introduced in AB 90 and AB 149 remain in effect through FY 2022/23. Beginning in FY 2023/24, each operator will be responsible for meeting its required farebox recovery ratio. Any operator that does not meet its required ratio in FY 2023/24 would be assessed a penalty in FY 2025/26 (unless FY 2023/24 was that operator's one-time grace year).

The audit team met with Kern COG staff following completion of the draft audit report. Staff asked for clarification regarding the disposition of funds withheld from an operator as a penalty. CCR 6655.1 states:

*The transportation planning agency may allocate to claimants in an area an amount less than the apportionment of the area. However, the amount of the apportionment which is not allocated shall be retained in the local transportation fund for later allocation only to claimants in the same area on such terms and conditions as the transportation planning agency may determine.*

While CCR 6655.1 does not specifically refer to farebox recovery ratio penalties, it does give RTPAs the flexibility to allocate to claimants less than the full apportionment. Under this section, operator allocations withheld as penalties for non-compliance with farebox recovery ratio requirements could be retained as unallocated funds. They can then be allocated at a later time under terms and conditions determined by the Kern COG. The Kern COG may also wish to follow up with Caltrans for further guidance regarding the disposition of penalty funds.

**Timeline:** Ongoing.

**Anticipated Cost:** Modest.

**Compliance Finding 2: Kern COG paid out TDA claims for the City of McFarland despite the operator not having completed its fiscal audits.**

**Criteria:** Under CCR 6664, no allocation should be made to any claimant that is delinquent in its submission of a fiscal and compliance audit report.

**Condition:** The City of McFarland has yet to complete its TDA fiscal audits for any year of the audit period. However, the City submitted its TDA claims and the Kern COG paid them despite the delinquent audits. (Note: This was also a finding within the City of McFarland's TDA Triennial Performance Audit.)

**Cause:** Kern COG staff indicated they were led to believe that the City of McFarland had completed its audit based on the TDA claim form, which does not require the submission of the actual audit report. However, the TDA claim form does not require operators to attest to the completion of the annual compliance and fiscal audit, only the Annual Report of Financial Transactions of Transit Operators (which is the State Controller Report). The form also requires operators to provide the date of their most recent completed annual TDA audit; it is unclear as to whether McFarland provided any response to this under the supplemental information.

**Effect:** Both Kern COG and the City of McFarland are out of compliance with the TDA.

**Recommendation:** Ensure any penalties identified in the City of McFarland's delayed TDA fiscal audits are appropriately applied to subsequent TDA allocations.

**Recommended Action:** While it is not practical to reclaim TDA funds allocated to the City of McFarland prior to the completion of its fiscal audits, it is necessary for Kern COG to carefully review the City's audits once they are completed to determine what, if any, adjustments need to be made to future TDA allocations to apply penalties or adjust allocated amounts based on actual revenues and operating costs.

With respect to Kern COG's TDA claims process, it is the responsibility of the RTPA to ensure that all necessary information has been provided before it authorizes a claim for payment. If an operator does not provide the date of its most recent TDA fiscal and compliance audit, or if that audit does not reflect the most recently completed fiscal year, Kern COG staff should follow up with the operator to verify whether the audit has been completed. Kern COG also may wish to add the fiscal audit to the list of supplemental documents that must be provided with the TDA claim.

**Timeline:** FY 2023/24.

**Anticipated Cost:** Modest.

**Compliance Finding 3: Several operators within Kern COG's jurisdiction were delinquent in their TDA fiscal audits or submitted the audits late.**

**Criteria:** PUC 99245 requires recipients of TDA funds to submit an annual fiscal audit within 180 days of the end of the fiscal year, or with a 90-day extension which may be granted by the RTPA. With the extension, fiscal audits are due by March 31 following the end of the fiscal year.

**Condition:** As shown in Exhibit 4.2, six operators submitted at least one TDA fiscal audit after the extended deadline. Some operators have yet to submit audits for some years during the audit period.

**Cause:** For many of the operators, the delay in the TDA fiscal audits was due to a delay in completing city financial audits.

**Effect:** The audits were submitted late, or have yet to be submitted.

**Recommendation:** Work with transit operators to ensure TDA fiscal audits are completed by the extended deadline.

**Recommended Action:** There may be little Kern COG can do as long as the cause of the late audits is delays in completing city audits. Kern COG should continue to remind operators of the March 31 deadline and monitor which operators are experiencing challenges in completing their TDA audits.

**Timeline:** Ongoing.

**Anticipated Cost:** Negligible.

**Compliance Finding 4: Kern COG continued to allocate TDA funding to operators despite triennial performance audits not being completed by June 30, 2022.**

**Criteria:** CCR 6662.5 requires triennial performance audits to be submitted by July 1 of the year following the end of the triennium. For the current Triennial Performance Audit, the three-year period covered by the audit includes fiscal years 2019 through 2021, ending on June 30, 2021. As such, the audit deadline was June 30, 2022. In addition, PUC 99248 states that an operator is not eligible to receive an allocation of funds until the audit has been submitted, since any penalties incurred during the triennium would need to be implemented as part of the funding allocation during the fiscal year after which the audit is prepared.

**Condition:** The current audit was not completed by June 30, 2021. However, the Kern COG continued to pay out TDA claims for subsequent years despite the audits not being completed.

**Cause:** The cause of the delay in conducting the triennial performance audits is unknown.

**Effect:** Kern COG is out of compliance with the TDA.

**Recommendation:** Ensure any penalties identified in the delayed triennial performance audits are appropriately applied to subsequent TDA allocations.

**Recommended Action:** While it is not practical to reclaim TDA funds allocated prior to the completion of this triennial performance audit, it is necessary for Kern COG to carefully review operator performance audits to determine what, if any, adjustments need to be made to future TDA allocations to apply penalties or adjust allocated amounts based on actual revenues and operating costs.

**Timeline:** FY 2023/24.

**Anticipated Cost:** Modest.

**Functional Finding 1: Kern COG should ensure claimants have a solid understanding of how to complete the STA eligibility form and how to reflect the results of the efficiency tests within the claim forms.**

**Criteria:** PUC 99314.6 requires transit operators to meet one of two efficiency criteria in order to use STA funding for operational expenses. The measure of efficiency is based on change in cost per vehicle service

hour. If an operator does not meet either test of efficiency, then the amount of STA funding available for operating expenses is reduced by the lowest percentage it exceeded the amount necessary to meet the standard.

**Condition:** In response to the prior TDA triennial performance audit, the Kern COG began including the STA efficiency test worksheet in its claim forms to assess operators' eligibility to use STA funds for operating purposes. These tests should reflect audited operating cost data as well as eligible exclusions from operating cost. Operators that pass one or both of the efficiency tests are eligible to use all of their STA funds for operating expenses. Operators that do not pass either of the efficiency tests must reduce the amount they claim for operating by the lowest percentage by which they do not pass the test.

During the audit, the audit team noted that some operators did not use audited operating cost data, while others were unclear as to how the efficiency tests impacted their eligibility to use STA. Some were under the impression that if they did not pass either test, they could not claim any STA funds for operating purposes. While this used to be the case, the TDA was amended to the sliding scale in 2017.

Another common error pertained to the exclusion of costs from operating cost. Under PUC 99268.17 and 99314.6, cost increases beyond the change in CPI can be excluded for fuel, alternative fuel, power, insurance premiums and payments, and state and federal mandates. It is important that operators understand that only the change over CPI in these costs can be excluded from the calculation. (This also applies to the farebox recovery ratio calculation.) Beginning in FY 2021/22, AB 149 amended both of these sections to include additional exclusions, which should be taken into account for years beyond those covered in this audit.

**Cause:** The audit team believes the primary cause of this finding is a lack of understanding of how the STA eligibility tests should be used.

**Effect:** There may be some inaccuracies in how STA eligibility is calculated and applied.

**Recommendation:** Kern COG should provide more comprehensive feedback to the operators regarding STA eligibility and provide more effective oversight over the claims process.

**Recommended Action:** As the RTPA, Kern COG should be providing both effective instruction on how to complete the STA eligibility form as well as review the forms upon submittal to ensure they are prepared correctly. A form that contains incorrect data should be returned to the operator to be corrected.

**Timeline:** Ongoing.

**Anticipated Cost:** Modest.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure future penalties for failure to comply with farebox recovery ratio requirements are appropriately applied to LTF allocations.	High	Ongoing
2	Ensure any penalties identified in the City of McFarland's delayed TDA fiscal audits are appropriately applied to subsequent TDA allocations.	High	FY 2023/24
3	Work with transit operators to ensure TDA fiscal audits are completed by the extended deadline.	Medium	Ongoing
4	Ensure any penalties identified in the delayed triennial performance audits are appropriately applied to subsequent TDA allocations.	High	FY 2023/24
Functional Recommendations		Importance	Timeline
1	Kern COG should provide more comprehensive feedback to the operators regarding STA eligibility and provide more effective oversight over the claims process.	High	Ongoing

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