

Council of San Benito County Governments

Triennial Performance Audit of
the San Benito County Local
Transportation Authority
for FY 2022 - FY 2024

Final Report | September 2025



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Chapter 1 | Executive Summary

In 2025, the Council of San Benito County Governments (SBCOG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding.

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

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

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

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

The San Benito Local Transportation Authority (LTA), operating as County Express, provides a range of public transit services in San Benito County, including local fixed-route service in Hollister, intercounty shuttles to Gilroy and San Juan Bautista, ADA complementary paratransit, general public Dial-A-Ride for areas outside Hollister, and on-demand service within Hollister.

During the audit period, LTA also contracted with the local nonprofit Jovenes de Antaño (JDA) to offer specialized transportation for seniors and individuals with disabilities, including medical shopping assistance, out-of-county medical trips, and transportation to senior lunch programs.

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. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

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

The Triennial Performance Audit includes five elements:

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

Test of Compliance

Based on discussions with San Benito LTA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one potential compliance finding:

1. Compliance with CCR 6634, which pertains to the amount of LTF funding an operator is eligible to receive, could not be determined as part of this audit.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included the following recommendations:

1. Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.
Status: Implemented.
2. Include a comprehensive farebox recovery ratio calculation (with the allowed revenue inclusions and cost exclusions detailed in AB 149) in the LTA's annual TDA fiscal audit.
Status: Implemented.
3. Consider adding a full-time planning position to provide additional support for planning, program administration, and reporting activities.
Status: Implemented.

Findings and Recommendations

Based on discussions with San Benito LTA staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the San Benito LTA.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the San Benito LTA's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Amend the new audit fiscal contract to include an eligibility assessment under CCR 6634 as part of the compliance component for LTA.	High	ASAP

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the San Benito Local Transportation Authority's public transit program covers the three-year period ending June 30, 2024. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2025, the Council of San Benito County Governments (SBCOG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

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

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

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

Objectives

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

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

Scope

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

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

Methodology

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

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;

- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports; and
- Organizational chart.

The methodology for this audit included a virtual site visit with San Benito LTA representatives on July 30, 2025. The audit team met with Norma Aceves (Administrative Services Specialist), Samuel Borick (Transportation Planner), Myranda Arreola (Transportation Planner), and Greshawn Miles (TransDev General Manager), and reviewed materials germane to the triennial audit.

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

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

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Chapter 3 | Program Compliance

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

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

One potential compliance issue was identified for the San Benito Local Transportation Authority:

1. Compliance with CCR 6634, which pertains to the amount of LTF funding an operator is eligible to receive, could not be determined as part of this audit.

Developments Occurring During the Audit Period

For many operators, the FY 2022/23 – FY 2024/25 audit period reflected continued recovery from the COVID-19 pandemic. Some operators have successfully achieved a return to or exceeded pre-pandemic ridership. Many operators, however, even more than five years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels as well as ongoing industry-wide driver shortages. Penalties for non-compliance with farebox recovery ratios continued to be waived during the audit period as the state focused on TDA reform.

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. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enabled transit operators to address the impacts of the pandemic on transit operations while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 also called for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus 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.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted within seven months of the end of the fiscal year.	PUC 99243	In compliance	FY 2021/22: January 31, 2023 FY 2022/23: January 30, 2024 FY 2023/24: January 31, 2025
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2021/22: March 22, 2023 FY 2022/23: December 18, 2023 FY 2023/24: December 11, 2024
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	11/6/2024 7/25/2024 - Unsatisfactory 7/20/2023 3/23/2023 – Unsatisfactory 3/23/2022 3/24/2021
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2021/22: +15.32% FY 2022/23: -29.57% FY 2023/24: +0.08% Increase greater than 15 percent in FY 2022 due to pilot programs introduced that year.

Compliance Element	Reference	Compliance	Comments
The expenditure of funds received under Article 4 may not exceed 50 percent of the amount required to meet operating, maintenance, and capital and debt service requirements after the deduction of federal funds and amounts allocated under PUC 99314.5 (STA).	PUC 99268	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2021/22: 7.78% FY 2022/23: 5.06% FY 2023/24: 10.95% <i>This requirement was waived during the audit period under AB 90 and AB 149.</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2021/22: 0.20% FY 2022/23: 1.01% FY 2023/24: 0.81% <i>This requirement was waived during the audit period under AB 90 and AB 149.</i>
If the operator has utilized the exemption from the farebox recovery requirement for extension of services, it shall submit a report on the service to the RTPA within 90 days of the end of the first year of implementation.	PUC 99268.8, CCR 6633.8	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	
An operator claiming funds under Article 4.5 (CTSA) is in compliance with PUC 99268.3, 99268.4, 99268.5, or 99268.9, or regional, countywide, or county subarea performance criteria, local match requirements, or fare recovery ratios adopted by the RTPA.	PUC 99275.5	In compliance	
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	

Compliance Element	Reference	Compliance	Comments
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	
For an operator qualifying under PUC 99268.1, the funds received from the local transportation fund under Article 4 shall not exceed 50 percent of the amount that is the sum of the operator's operating cost, capital requirements, and debt service requirements less the sum of the operator's revenues from federal grants and the state transit assistance fund. The operator may receive from the local transportation fund up to 100 percent, rather than 50 percent, of the amount representing the operating cost of an extension of its public transportation system if the extension is within the definition of Section 6619.1 and if all the conditions of Section 6633.8 are met.	CCR 6633.1	Not applicable	
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	Undetermined	It is unclear as to whether LTA received more LTF funds that it was eligible to receive in FY 2023/24 based on operating cost and the amount of fare revenues and federal funding received.

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Chapter 4 | Prior Recommendations

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

The prior audit – completed in June 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included three recommendations:

1. [Ensure the TDA definition of full-time equivalent \(FTE\) employee is used for reporting to the State Controller.](#)

Discussion: The prior auditor wanted to ensure both the LTA and the contractors document all hours worked related to public transit beginning with FY 2021/22. It noted administrative hours may need to be allocated between fixed-route (general operations) and demand-response (specialized services) based on either actual work performed or a formula based on vehicle service hours by mode. Ensure the individual(s) completing the reports are aware of how to calculate this data using the TDA definition.

Progress: During the data review for the current audit, it was determined that while hours were being allocated properly between modes, administrative staff hours for dedicated positions were still being based on 2,080 hours. Staff corrected the calculations following the site visit and demonstrated proper use of the TDA definition of full-time equivalent by using 2,000 as the basis for allocating work hours. The change was modest enough that it did not change the values previously reported, which were rounded. As a result, the original data was consistent with the corrected FTE figures.

Status: Implemented.

2. [Include a comprehensive farebox recovery ratio calculation \(with the allowed revenue inclusions and cost exclusions detailed in AB 149\) in the LTA's annual TDA fiscal audit.](#)

Discussion: PUC 99268.4 requires a transit operator serving a non-urbanized (rural) area to achieve a farebox recovery ratio of 10 percent in order to be eligible for its full allocation of TDA funding. In FY 2018/19, the LTA's system-wide farebox recovery ratio was shown to be below the 10 percent requirement. However, because the farebox recovery ratio calculation was not included in the TDA fiscal audit, there was no formal mechanism for evaluating penalties prior to the waivers resulting from legislation arising from the COVID-19 pandemic.

While several changes to the TDA legislation as a result of AB 149 limit the likelihood that an operator will fail to meet its farebox recovery ratio requirement in future years, it is important to have a formal assessment of compliance to ensure any penalties that may be assessed in the

future are properly identified. Given farebox recovery ratio remains the primary metric by which compliance with the TDA is assessed, including this calculation in the TDA fiscal audit is recommended.

Progress: SBCOG included this requirement in its new fiscal audit contract that went into effect for FY 2024/25. The new contract requires the auditor to include the farebox recovery ratio calculation in the annual fiscal audit.¹ While this is considered implemented, given inclusion of the calculation in the audit will not occur until FY 2024/25 is audited, verification of implementation should take place at the time of the next TDA Triennial Performance Audit.

Status: Implemented.

3. Consider adding a full-time planning position to provide additional support for planning, program administration, and reporting activities.

Discussion: During the prior audit, the LTA expressed a need to expand transit staffing by at least one full-time position as the community and the agency grow in order to be considered “effective” and “efficient.” Reporting and compliance requirements related to procurement, grants, and project management, especially those that are FTA-funded, have been steadily increasing over the past few years. In addition, anticipated future growth of the program is expected to require additional planning and support beyond what is currently being provided.

The prior auditor recommended the LTA examine the cost of the new position as well as how it would be funded. Given the challenges the LTA had encountered meeting the farebox recovery ratio requirement, it was important that the new position did not have a negative impact on the farebox recovery ratio.

Progress: The LTA Board approved of adding a third Transportation Planner position effective FY 2023/24. There has been some difficulty in retaining staff for this position. LTA plans to reopen the application process in early FY 2025/26.

Status: Implemented.

¹ The fiscal audit contract includes the following language: “CONTRACTOR will incorporate the farebox recovery ratio calculation into the annual fiscal audit, STA Eligibility calculation, and format the audit for State Controller Financial Transactions Reporting and FTA’s National Transit Database.”

Chapter 5 | Data Reporting Analysis

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

Operating cost, ridership, and full-time equivalent employees were generally reported consistently across all three years.

- **Fare Revenue:** With the exception of fare revenue reported on the NTD report in FY 2021/22, this metric is generally reported consistently.
- **Vehicle Service Hours (VSH):** In FY 2023/24, the vehicle service hours reported to the State Controller were the same as the prior year. This resulted in the reported data being lower than that reported in the monthly reports and to the NTD.
- **Vehicle Service Miles (VSM):** In FY 2022/23, vehicle service miles reported in monthly performance reports were higher than reported elsewhere. This led to a discrepancy between the monthly reports and the NTD and State Controller Reports during that year.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$2,382,640	\$2,183,783	\$2,658,169
<i>National Transit Database</i>	\$2,381,457	\$2,183,048	\$2,658,170
<i>State Controller Report</i>	\$2,382,641	\$2,183,783	\$2,658,169
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$114,725	\$92,737	\$119,720
<i>National Transit Database</i>	\$70,792	\$92,737	\$119,719
<i>State Controller Report</i>	\$114,725	\$92,737	\$119,720
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	25,453	24,283	30,230
<i>National Transit Database</i>	25,454	24,075	30,230
<i>State Controller Report</i>	25,454	24,338	24,338
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	393,423	390,937	471,509
<i>National Transit Database</i>	393,423	379,756	471,508
<i>State Controller Report</i>	393,423	379,756	471,508
Passengers			
<i>Monthly Performance Reports</i>	53,226	63,227	81,285
<i>National Transit Database</i>	53,326	63,114	81,284
<i>State Controller Report</i>	53,326	64,114	81,284
Full-Time Equivalent Employees			
<i>State Controller Report</i>	16	16	16
<i>Per operator methodology</i>	16	16	16

Chapter 6 | Performance Analysis

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

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

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

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

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

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

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667². The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period³:

² CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

³ Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

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

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.⁴ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

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

Employees

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

Fare Revenue

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

⁴ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for San Benito Local Transportation Authority, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data was obtained via San Benito LTA's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via TDA fiscal audits reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. VSH are based on the time of first pick up and time of last drop off, while subtracting breaks. San Benito LTA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. VSM are calculated based on odometer readings of their first and last stops. San Benito LTA's calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. San Benito LTA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from the operator for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

System-wide, operating cost experienced a net increase of 26.6 percent between FY 2018/19 and FY 2023/24. During the audit period, operating cost increased a net 11.6 percent from its peak in FY 2021/22. Fare revenue declined across the six-year period, with the most significant decrease occurring in FY 2020/21. This is not surprising, given the impact of the COVID-19 pandemic. This resulted in a 20.7 percent net decrease in fare revenue across the six-year period; however, there was a 69.1 percent increase during the audit period.

Vehicle service hours (VSH) experienced a net decrease of 6.4 percent between FY 2018/19 and FY 2023/24. However, VSH experienced an 18.8 percent increase during the current audit period. Vehicle service miles (VSM) experienced a similar pattern, with a 19.8 percent increase during the audit period and a net decrease of 1.5 percent during the six-year period. This is not surprising as County Express suspended multiple services due to COVID-19. While ridership decreased significantly during the previous audit period, ridership has increased year over year in the current audit period. This resulted in a net 52.4 percent increase during the last three years, but a net 32.4 percent decrease across the past six years.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour, operating cost per passenger, and operating cost per vehicle service mile all saw net decreases during the audit period (6.0 percent, 26.8 percent, and 6.9 percent, respectively). These decreasing costs reflect an

improvement in efficiency. Productivity also improved as indicated by increases in passenger per VSH and passenger per VSM during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$2,099,899	\$2,036,098	\$1,821,612	\$2,381,457	\$2,183,048	\$2,658,170
Annual Change		-3.0%	-10.5%	30.7%	-8.3%	21.8%
Fare Revenue (Actual \$)	\$151,036	\$125,672	\$55,895	\$70,792	\$92,737	\$119,719
Annual Change		-16.8%	-55.5%	26.7%	31.0%	29.1%
Vehicle Service Hours (VSH)	32,285	26,921	18,096	25,454	24,075	30,230
Annual Change		-16.6%	-32.8%	40.7%	-5.4%	25.6%
Vehicle Service Miles (VSM)	478,522	422,555	300,028	393,423	379,756	471,508
Annual Change		-11.7%	-29.0%	31.1%	-3.5%	24.2%
Passengers	120,244	101,926	31,487	53,326	63,114	81,284
Annual Change		-15.2%	-69.1%	69.4%	18.4%	28.8%
Employees	21	21	16	16	16	16
Annual Change		0.0%	-23.8%	0.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$65.04	\$75.63	\$100.66	\$93.56	\$90.68	\$87.93
Annual Change		16.3%	33.1%	-7.1%	-3.1%	-3.0%
Operating Cost/Passenger (Actual \$)	\$17.46	\$19.98	\$57.85	\$44.66	\$34.59	\$32.70
Annual Change		14.4%	189.6%	-22.8%	-22.5%	-5.5%
Passengers/VSH	3.72	3.79	1.74	2.09	2.62	2.69
Annual Change		1.7%	-54.0%	20.4%	25.1%	2.6%
Passengers/VSM	0.25	0.24	0.10	0.14	0.17	0.17
Annual Change		-4.0%	-56.5%	29.2%	22.6%	3.7%
Farebox Recovery	7.2%	6.2%	3.1%	3.0%	4.2%	4.5%
Annual Change		-14.2%	-50.3%	-3.1%	42.9%	6.0%
Hours/Employee	1,537.4	1,282.0	1,131.0	1,590.9	1,504.7	1,889.4
Annual Change		-16.6%	-11.8%	40.7%	-5.4%	25.6%
TDA Non-Required Indicators						
Operating Cost/VSM	\$4.39	\$4.82	\$6.07	\$6.05	\$5.75	\$5.64
Annual Change		9.8%	26.0%	-0.3%	-5.0%	-1.9%
VSM/VSH	14.82	15.70	16.58	15.46	15.77	15.60
Annual Change		5.9%	5.6%	-6.8%	2.1%	-1.1%
Fare/Passenger	\$1.26	\$1.23	\$1.78	\$1.33	\$1.47	\$1.47
Annual Change		-1.8%	44.0%	-25.2%	10.7%	0.2%

Sources: FY 2018/19 – FY 2020/21 data taken from prior audit.

FY 2021/22 – FY 2023/24 data from NTD reports.

FY 2021/22 – FY 2023/24 FTE data from State Controller reports.

Exhibit 6.2 System Ridership

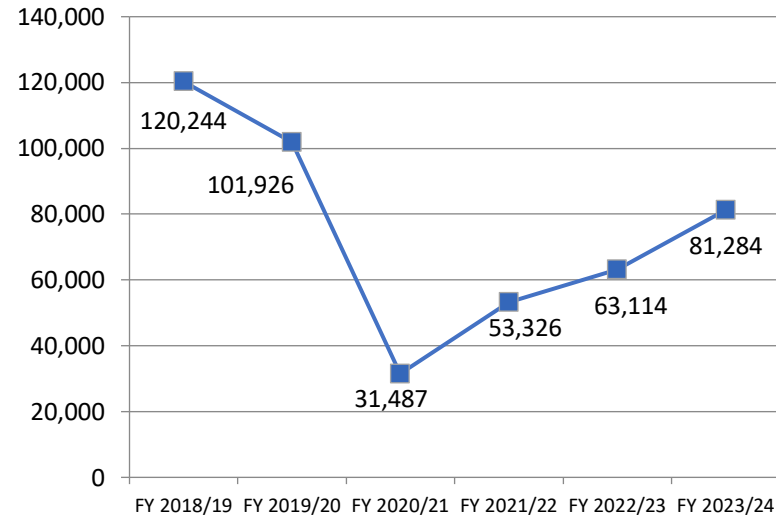


Exhibit 6.3 System Operating Cost/VSH

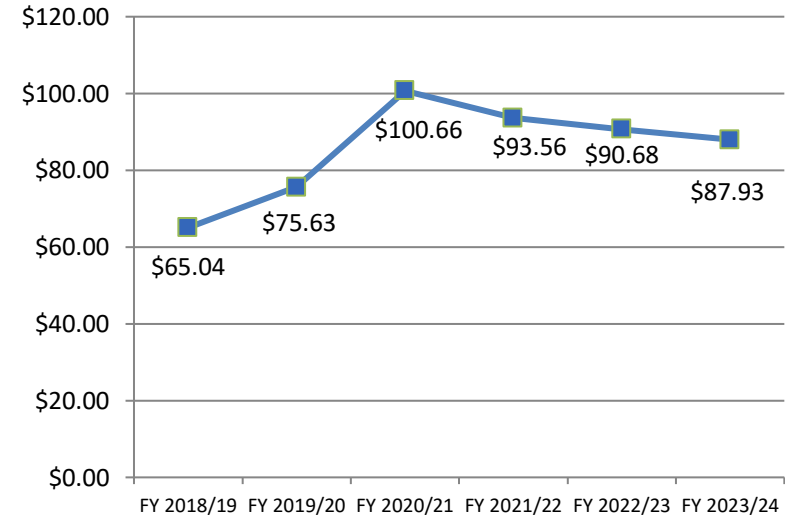


Exhibit 6.4 System Operating Cost/VSM

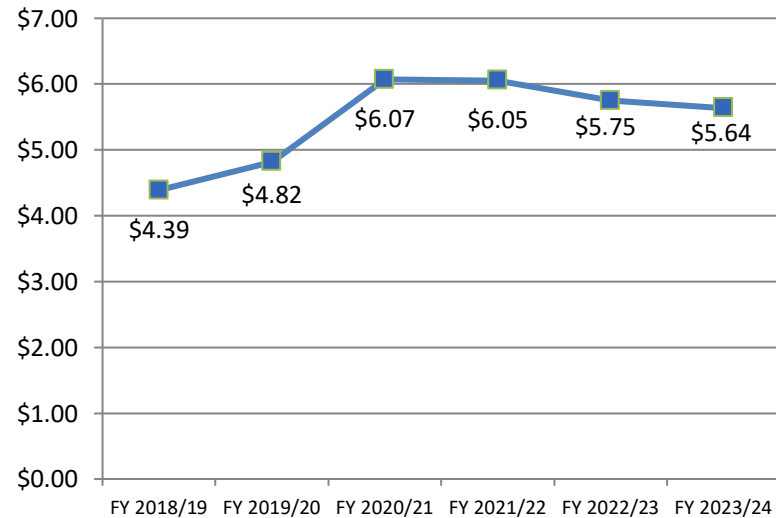


Exhibit 6.5 System VSM/VSH

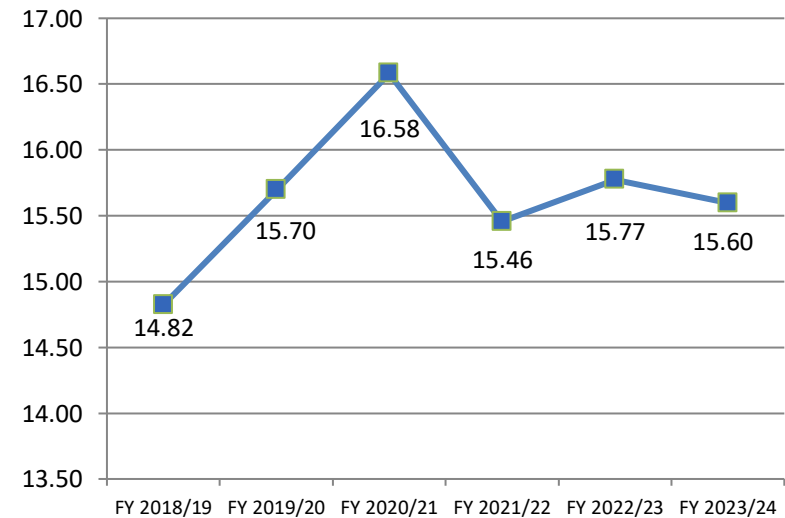


Exhibit 6.6 System Operating Cost/Passenger

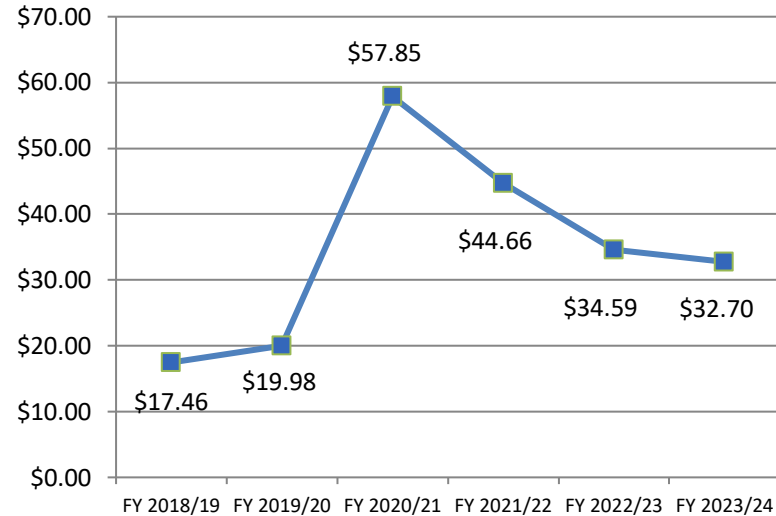


Exhibit 6.7 System Passengers/VSH

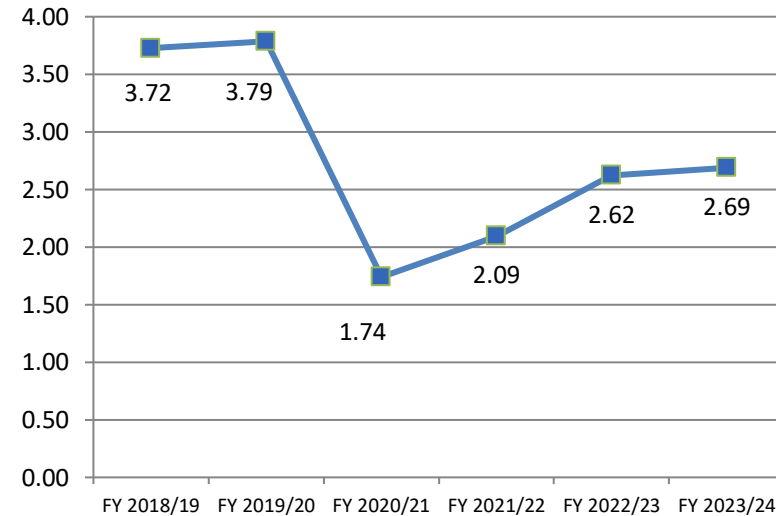


Exhibit 6.8 System Passengers/VSM

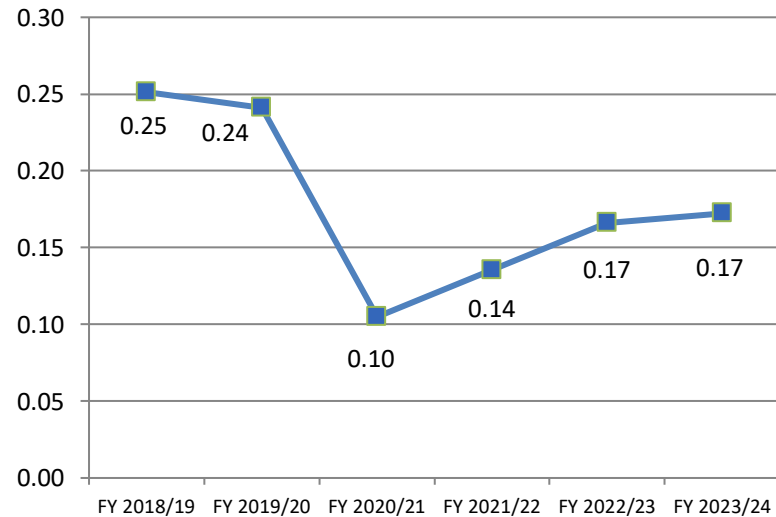


Exhibit 6.9 System VSH/FTE

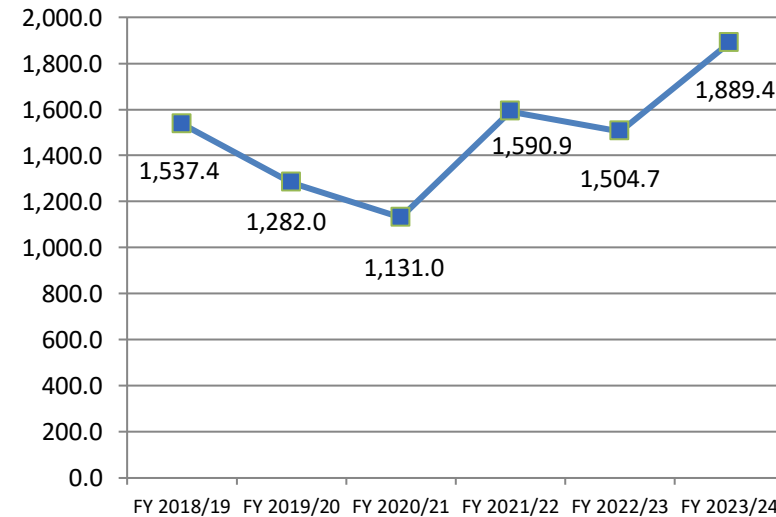


Exhibit 6.10 System Farebox Recovery

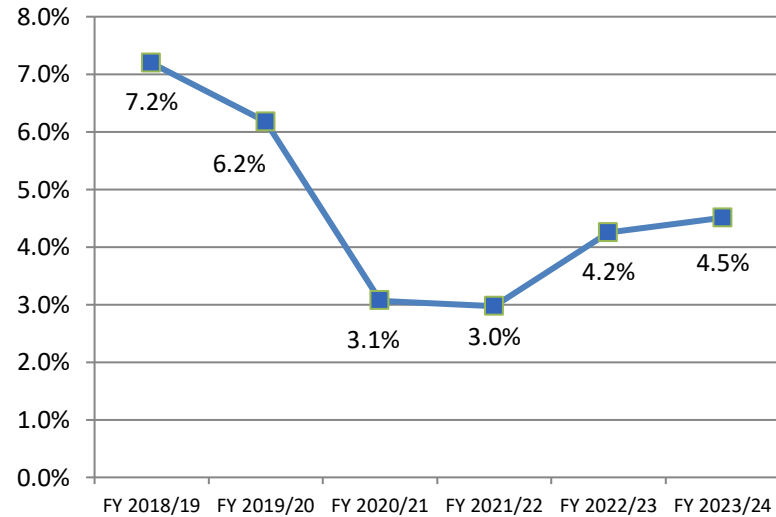
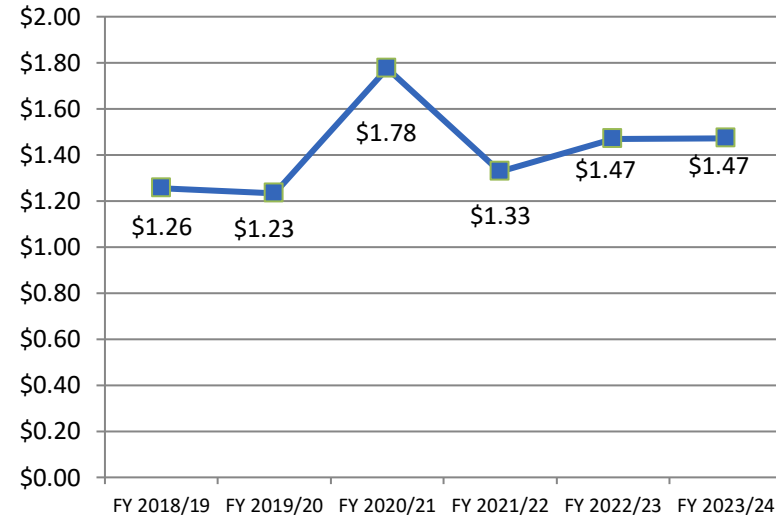


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

For the purpose of this analysis, “fixed-route” refers to both the fixed-route service and all Intercounty (commuter) services.

Fixed-route operating cost experienced a net 18.5 percent increase during the audit period. The prior audit period saw decreases every year, which resulted in a net increase of only 12.5 percent over the six-year period. Fare revenue increased significantly during the current audit period. This resulted in a 101.6 percent increase during the audit period, but a net 34.8 percent decrease across the six-year period.

Vehicle Service Hours (VSH) decreased during the prior audit period before increasing 24.9 percent during the current audit period. This resulted in net 14.8 percent decrease across the six-year period. Vehicle Service Miles (VSM) fluctuated throughout the six-year period. VSM experienced a 26.4 percent increase during the audit period and a net 4.5 percent increase across the six-year period.

Ridership increased every year of the audit period. Overall, ridership experienced a net increase of 87.7 percent during the audit period, but a net decrease of 41.9 percent across the six-year period.

Operating cost per vehicle service hour, vehicle service mile, and passenger all decreased during the audit period, reflective of an improvement in efficiency. Productivity also rose significantly, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$827,007	\$766,648	\$653,372	\$784,946	\$691,798	\$930,359
<i>Annual Change</i>		-7.3%	-14.8%	20.1%	-11.9%	34.5%
Fare Revenue (Actual \$)	\$87,076	\$72,240	\$3,077	\$28,171	\$42,738	\$56,801
<i>Annual Change</i>		-17.0%	-95.7%	815.5%	51.7%	32.9%
Vehicle Service Hours (VSH)	12,275	9,777	5,461	8,372	7,488	10,454
<i>Annual Change</i>		-20.4%	-44.1%	53.3%	-10.6%	39.6%
Vehicle Service Miles (VSM)	221,937	182,333	128,060	183,572	174,311	232,017
<i>Annual Change</i>		-17.8%	-29.8%	43.3%	-5.0%	33.1%
Passengers	63,330	52,216	8,884	19,597	28,042	36,778
<i>Annual Change</i>		-17.5%	-83.0%	120.6%	43.1%	31.2%
Employees	9	9	5	5	5	5
<i>Annual Change</i>		0.0%	-44.4%	0.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$67.37	\$78.41	\$119.64	\$93.76	\$92.39	\$89.00
<i>Annual Change</i>		16.4%	52.6%	-21.6%	-1.5%	-3.7%
Operating Cost/Passenger (Actual \$)	\$13.06	\$14.68	\$73.54	\$40.05	\$24.67	\$25.30
<i>Annual Change</i>		12.4%	400.9%	-45.5%	-38.4%	2.5%
Passengers/VSH	5.16	5.34	1.63	2.34	3.74	3.52
<i>Annual Change</i>		3.5%	-69.5%	43.9%	60.0%	-6.1%
Passengers/VSM	0.29	0.29	0.07	0.11	0.16	0.16
<i>Annual Change</i>		0.4%	-75.8%	53.9%	50.7%	-1.5%
Farebox Recovery	10.53%	9.42%	0.47%	3.59%	6.18%	6.11%
<i>Annual Change</i>		-10.5%	-95.0%	662.1%	72.1%	-1.2%
Hours/Employee	1,363.9	1,086.3	1,092.2	1,674.4	1,497.6	2,090.8
<i>Annual Change</i>		-20.4%	0.5%	53.3%	-10.6%	39.6%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.73	\$4.20	\$5.10	\$4.28	\$3.97	\$4.01
<i>Annual Change</i>		12.8%	21.3%	-16.2%	-7.2%	1.0%
VSM/VSH	18.08	18.65	23.45	21.93	23.28	22.19
<i>Annual Change</i>		3.1%	25.7%	-6.5%	6.2%	-4.7%
Fare/Passenger	\$1.37	\$1.38	\$0.35	\$1.44	\$1.52	\$1.54
<i>Annual Change</i>		0.6%	-75.0%	315.0%	6.0%	1.3%

Sources: FY 2018/19 – FY 2020/21 data taken from prior audit.

FY 2021/22 – FY 2023/24 data from NTD reports.

FY 2021/22 – FY 2023/24 FTE data from State Controller reports.

Exhibit 6.13 Fixed-Route Ridership

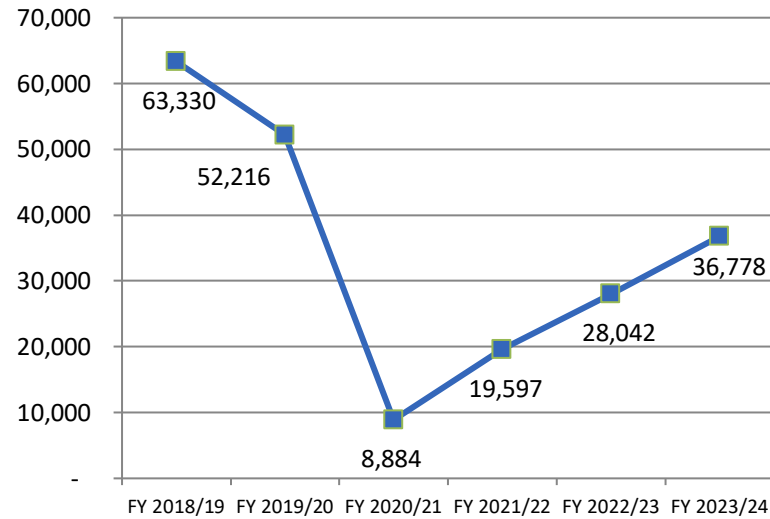


Exhibit 6.14 Fixed-Route Operating Cost/VSH

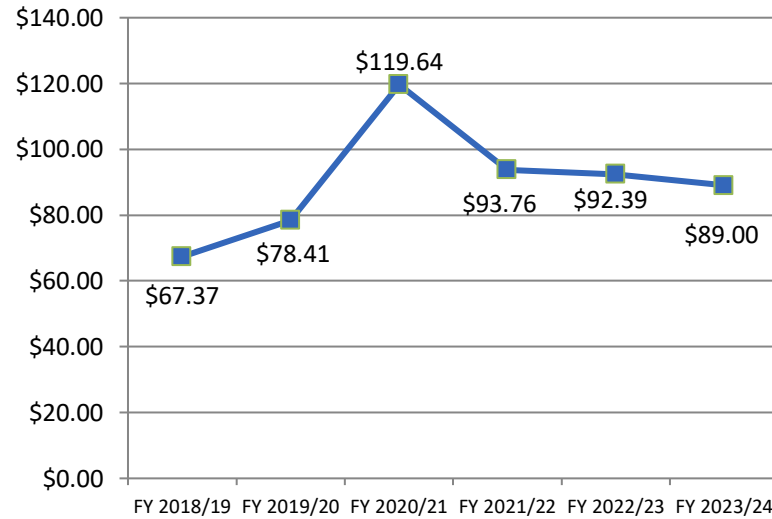


Exhibit 6.15 Fixed-Route Operating Cost/VSM

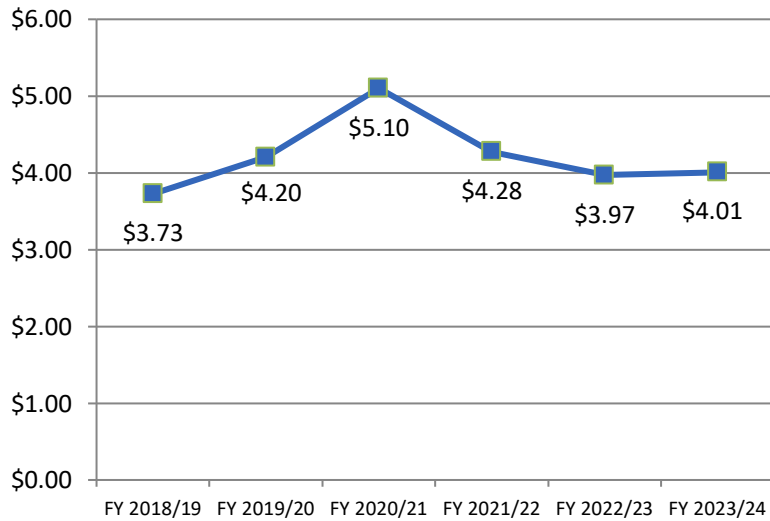


Exhibit 6.16 Fixed-Route VSM/VSH

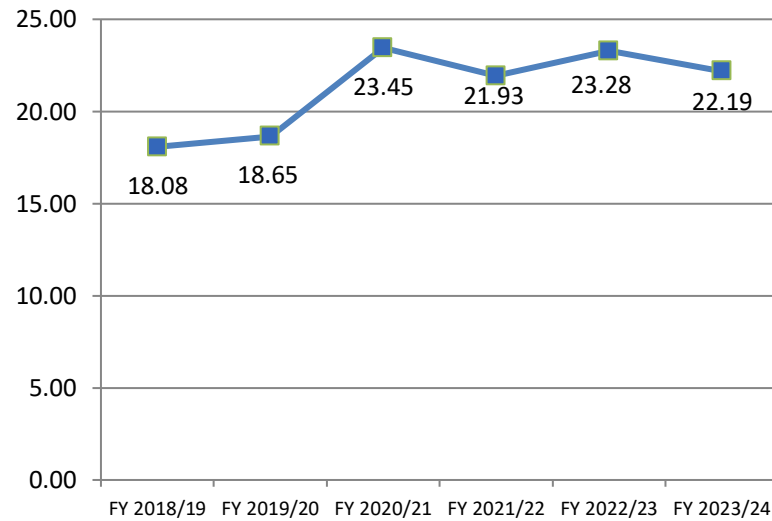


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

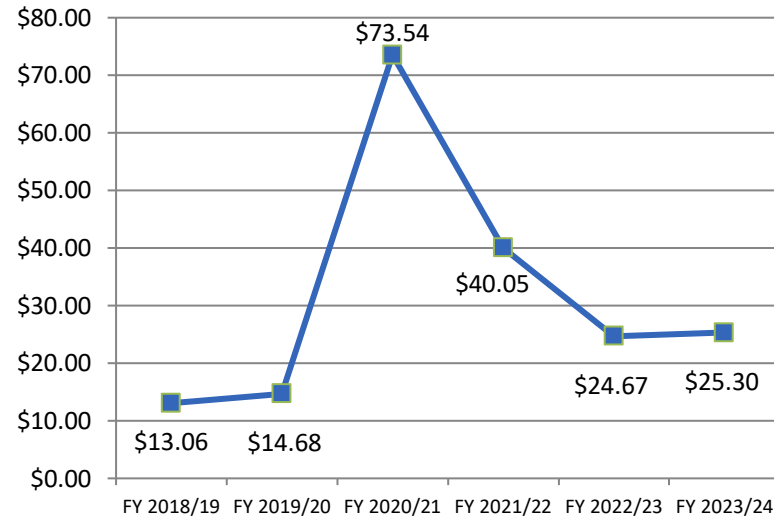


Exhibit 6.18 Fixed-Route Passengers/VSH

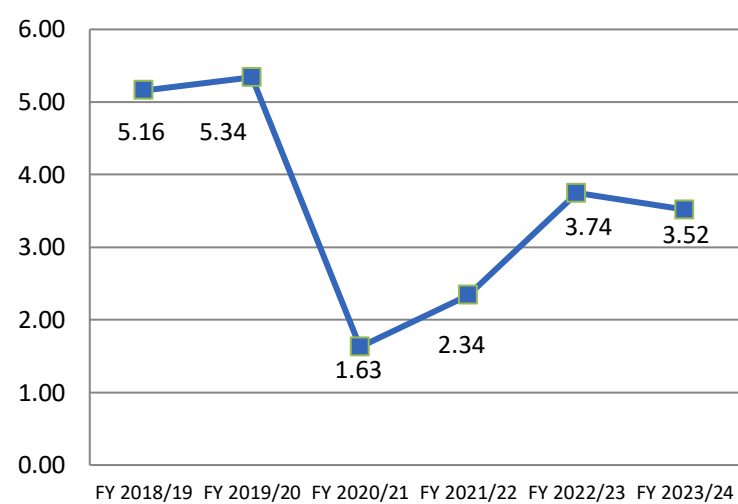


Exhibit 6.19 Fixed-Route Passengers/VSM

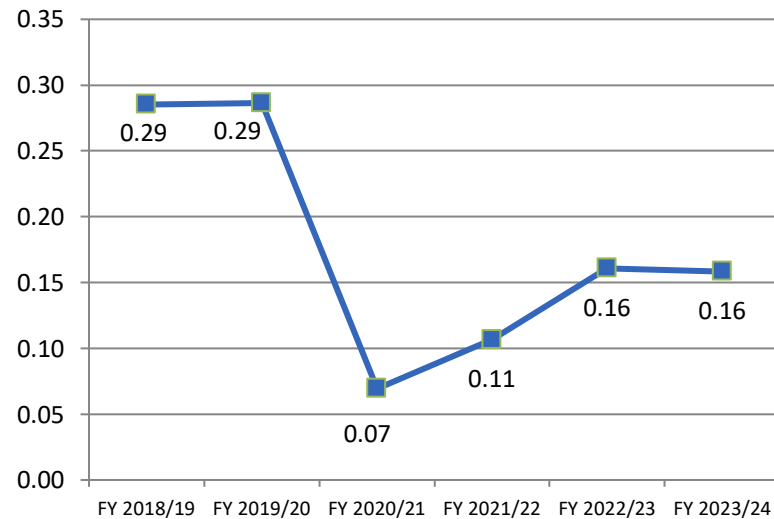


Exhibit 6.20 Fixed-Route VSH/FTE

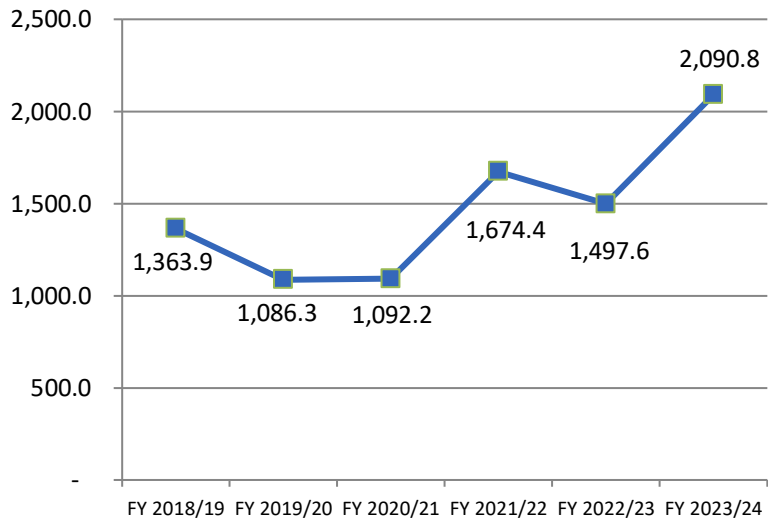


Exhibit 6.21 Fixed-Route Farebox Recovery

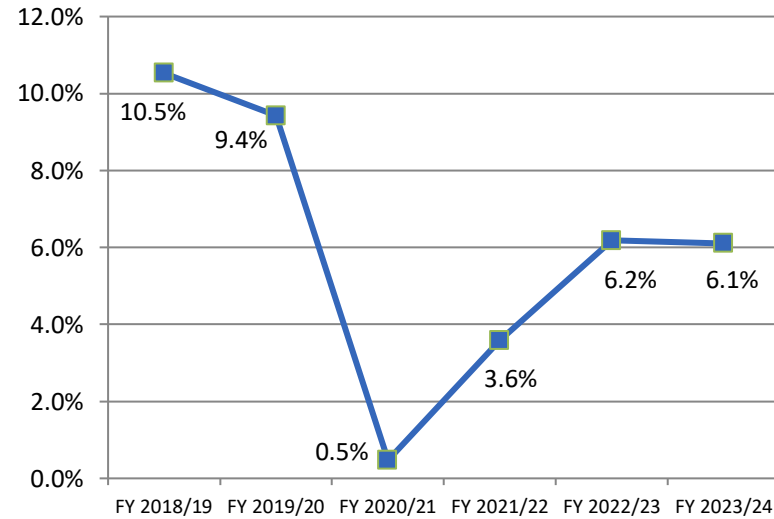
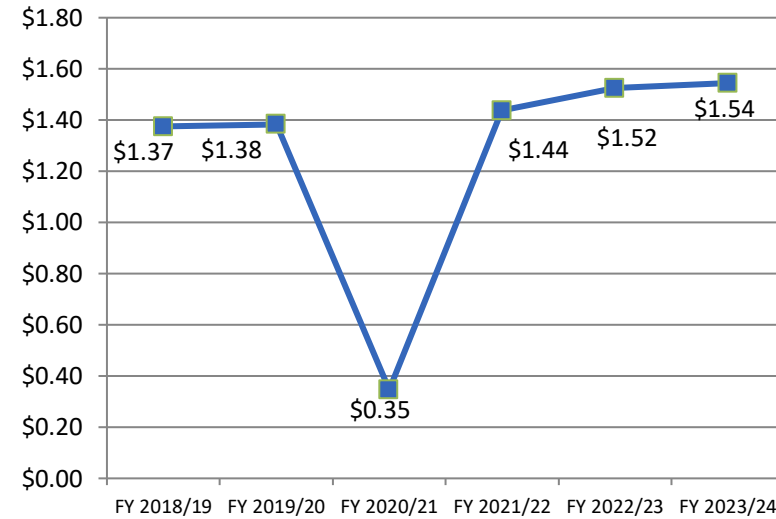


Exhibit 6.22 Fixed-Route Fare/Passenger



Demand-Response Performance Trends

For the purpose of this analysis, “demand-response” refers to both general public Dial-A-Ride service and Specialized Services.

The LTA’s demand-response service experienced decreases in operating cost each year until FY 2021/22. This resulted in a net 8.2 percent increase during the audit period, but a net 35.7 percent increase across the six-year period. Fare revenue decreased until FY 2021/22, increasing 47.6 percent during the audit period and decreasing a net 1.6 percent across the six-year period.

Demand-response vehicle service hours experienced a 15.8 percent net increase during the audit period, and a 1.2 percent net decrease across the six-year period. Vehicle service miles saw a net increase of 14.1 percent during the audit period and a decrease of 6.7 percent across the six-year period. Ridership also increased significantly, rising 32 percent during the audit period.

Operating cost per vehicle service hour, operating cost per vehicle service mile, and operating cost per passenger all decreased during the audit period, demonstrating improved efficiency. Passenger-related productivity metrics also increased; passengers per vehicle service hour increased 14 percent during the audit period, and passengers per vehicle service mile had a net increase of 15.6 percent.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$1,272,892	\$1,269,450	\$1,168,240	\$1,596,511	\$1,491,250	\$1,727,811
Annual Change		-0.3%	-8.0%	36.7%	-6.6%	15.9%
Fare Revenue (Actual \$)	\$63,960	\$53,432	\$52,818	\$42,621	\$49,999	\$62,918
Annual Change		-16.5%	-1.1%	-19.3%	17.3%	25.8%
Vehicle Service Hours (VSH)	20,010	17,144	12,635	17,082	16,587	19,776
Annual Change		-14.3%	-26.3%	35.2%	-2.9%	19.2%
Vehicle Service Miles (VSM)	256,585	240,222	171,968	209,851	205,445	239,491
Annual Change		-6.4%	-28.4%	22.0%	-2.1%	16.6%
Passengers	56,914	49,710	22,603	33,729	35,072	44,506
Annual Change		-12.7%	-54.5%	49.2%	4.0%	26.9%
Employees	12	12	11	11	11	11
Annual Change		0.0%	-8.3%	0.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$63.61	\$74.05	\$92.46	\$93.46	\$89.90	\$87.37
Annual Change		16.4%	24.9%	1.1%	-3.8%	-2.8%
Operating Cost/Passenger (Actual \$)	\$22.37	\$25.54	\$51.69	\$47.33	\$42.52	\$38.82
Annual Change		14.2%	102.4%	-8.4%	-10.2%	-8.7%
Passengers/VSH	2.84	2.90	1.79	1.97	2.11	2.25
Annual Change		1.9%	-38.3%	10.4%	7.1%	6.4%
Passengers/VSM	0.22	0.21	0.13	0.16	0.17	0.19
Annual Change		-6.7%	-36.5%	22.3%	6.2%	8.9%
Farebox Recovery	5.0%	4.2%	4.5%	2.7%	3.4%	3.6%
Annual Change		-16.2%	7.4%	-41.0%	25.6%	8.6%
Hours/Employee	1667.5	1428.7	1148.6	1552.9	1507.9	1797.8
Annual Change		-14.3%	-19.6%	35.2%	-2.9%	19.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$4.96	\$5.28	\$6.79	\$7.61	\$7.26	\$7.21
Annual Change		6.5%	28.6%	12.0%	-4.6%	-0.6%
VSM/VSH	12.82	14.01	13.61	12.28	12.39	12.11
Annual Change		9.3%	-2.9%	-9.7%	0.8%	-2.2%
Fare/Passenger	\$1.12	\$1.07	\$2.34	\$1.26	\$1.43	\$1.41
Annual Change		-4.4%	117.4%	-45.9%	12.8%	-0.8%

Sources: FY 2018/19 – FY 2020/21 data taken from prior audit.

FY 2021/22 – FY 2023/24 data from NTD reports.

FY 2021/22 – FY 2023/24 FTE data from State Controller reports.

Exhibit 6.24 Demand-Response Ridership

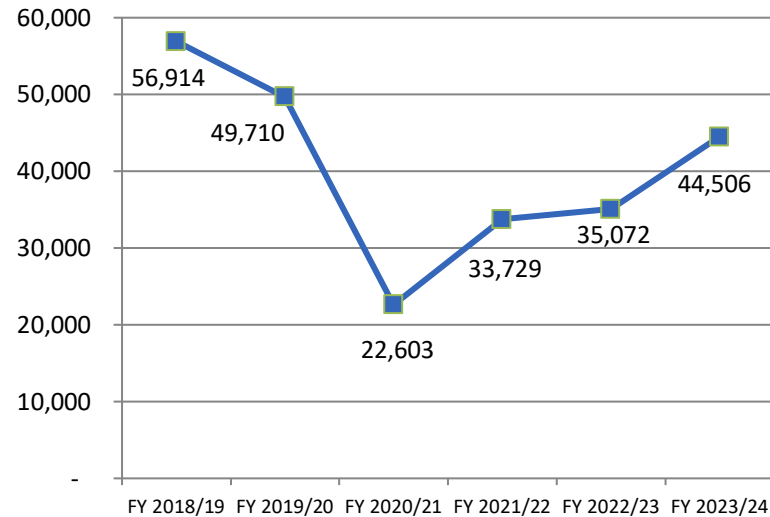


Exhibit 6.25 Demand-Response Operating Cost/VSH

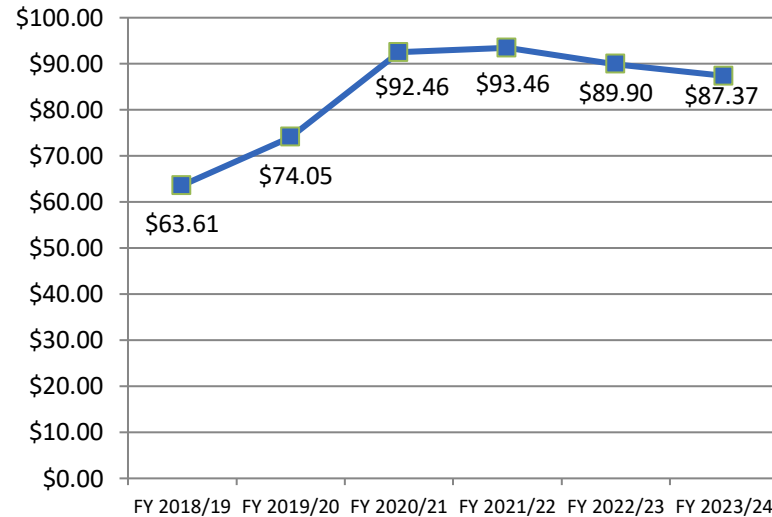


Exhibit 6.26 Demand-Response Operating Cost/VSM

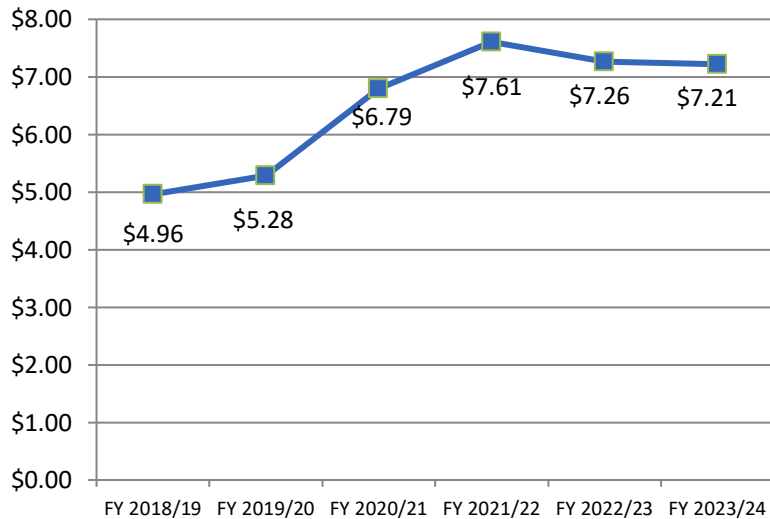


Exhibit 6.27 Demand-Response VSM/VSH

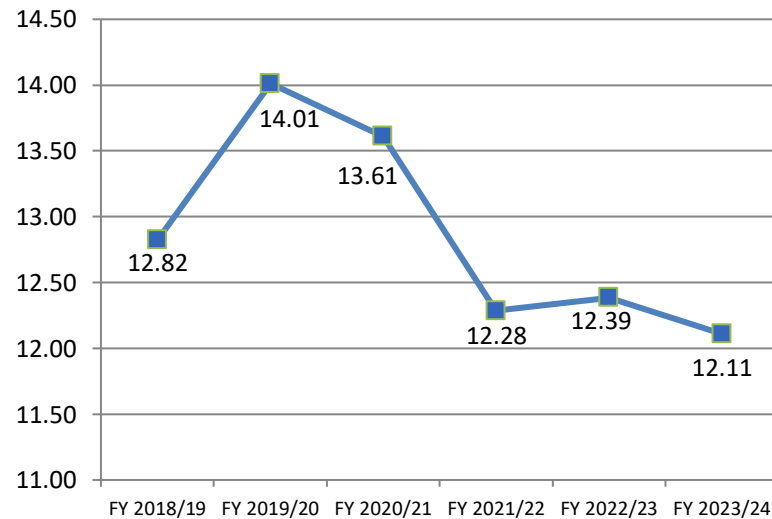


Exhibit 6.28 Demand-Response Operating Cost/Passenger

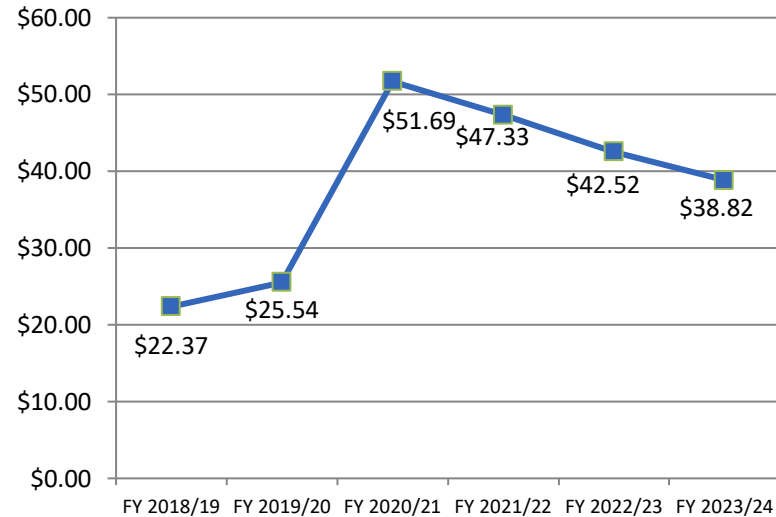


Exhibit 6.29 Demand-Response Passengers/VSH

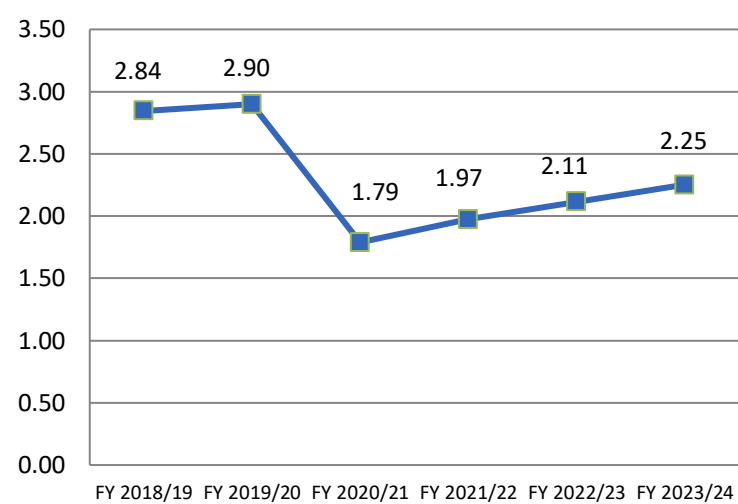


Exhibit 6.30 Demand-Response Passengers/VSM

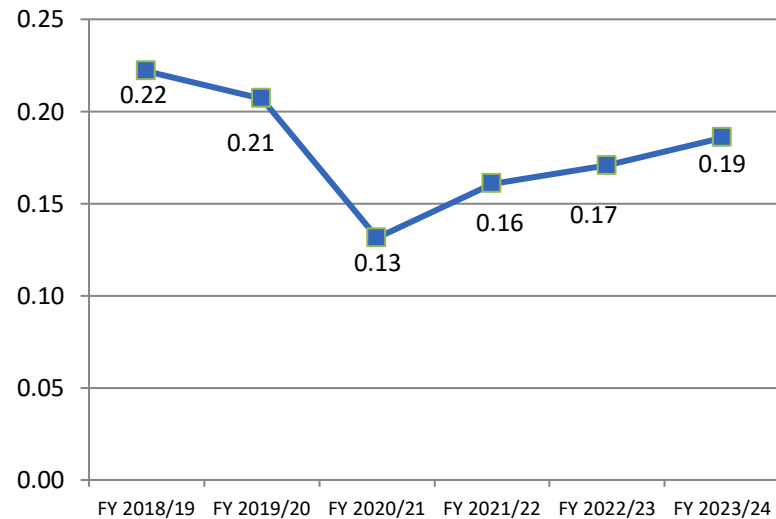


Exhibit 6.31 Demand-Response VSH/FTE

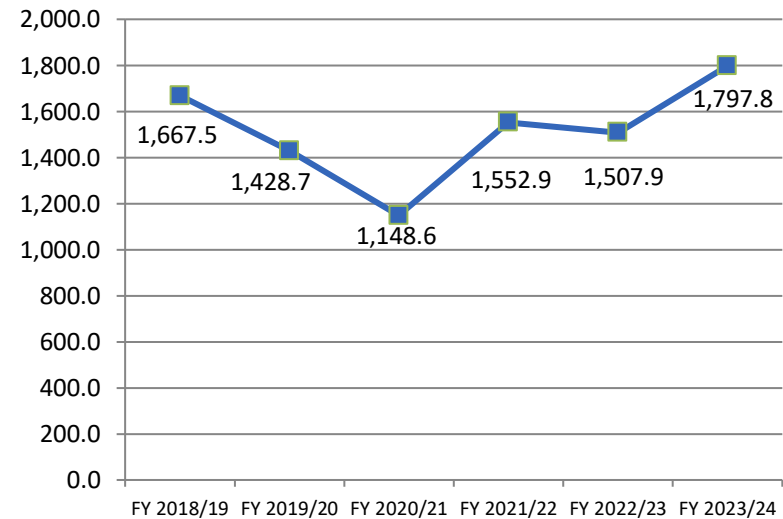


Exhibit 6.32 Demand-Response Farebox Recovery

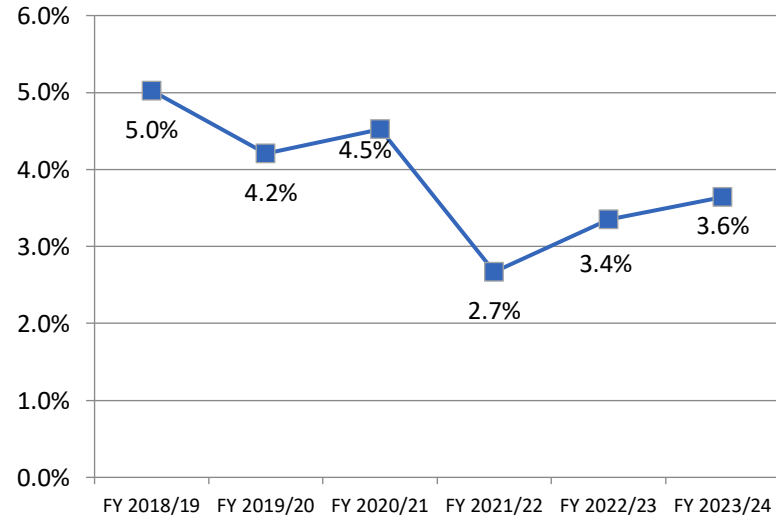
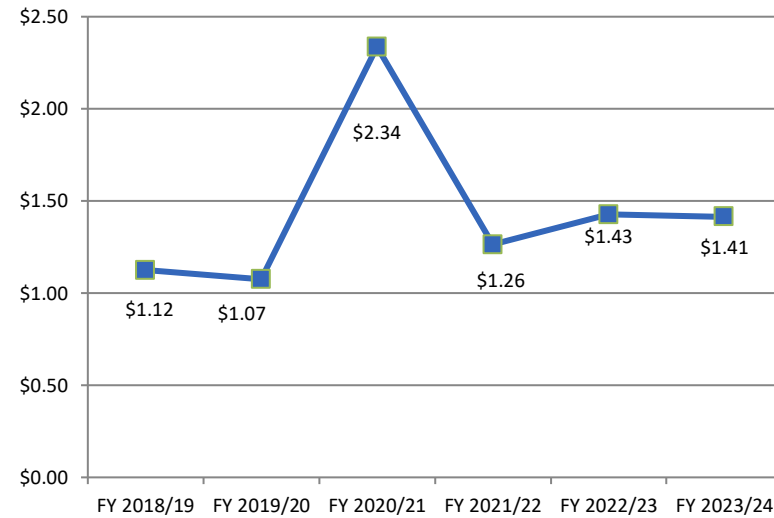


Exhibit 6.33 Demand-Response Fare/Passenger



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Chapter 7 | Functional Review

A functional review of San Benito Local Transportation Authority's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the San Benito LTA's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by San Benito LTA:

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

Service Overview

The San Benito Local Transportation Authority, as County Express, operates a number of transit services in San Benito County:



- Local fixed-route service in Hollister;
- Intercounty route shuttle service serving Hollister, Gilroy, and San Juan Bautista that provides service to Gavilan College and the Gilroy Caltrain station on weekdays and the Gilroy Greyhound station on Saturday and Sunday;
- ADA complementary Paratransit service providing trips in Hollister within ¾ mile of the local fixed-route service;
- General public Dial-A-Ride serving San Juan Bautista, Tres Pinos, and Hollister (for trips originating outside Hollister); and
- On-Demand service within the Hollister city limits.

During the audit period, the LTA contracted with Jovenes de Antaño (JDA), a non-profit organization in San Benito County, to provide additional specialized transportation services for seniors and persons with disabilities. Services provided by JDA include:

- Local and Assisted Transportation, called Medical Shopping Assistance Program
- Out-of-County Medical Transportation, and
- Senior Lunch Transportation.

Most services operate Monday through Friday. A summary of the services available during the audit period is provided in Exhibit 7.1. Subsequent to the audit period, County Express services operated by Jovenes de Antaño were transitioned to the LTA's contracted operator, Transdev. JDA has continued to operate its own programs for seniors and persons with disabilities, including local and assisted

transportation and out-of-county medical transportation, though not as part of the LTA's County Express transit program.

Exhibit 7.1 San Benito LTA and JDA Transit Services

Service Name	Service Type	Service Days	Hours of Service	Areas Served
County Express Tripper	General public, fixed-route	Monday – Friday	6:35 a.m. – 8:34 a.m.; 3:10 p.m. – 5:22 p.m.	Hollister
County Express Tripper	General public, fixed-route	Thursdays Only	2:05 p.m. – 5:32 p.m.	Hollister
Intercounty Shuttle – Caltrain/Gavilan College	General public, fixed-schedule	Monday – Friday	4:45 a.m. – 10:23 p.m.	Hollister, San Juan Bautista, Gilroy
Intercounty Shuttle – Greyhound Station	General public, fixed-schedule	Saturday – Sunday	7:30 a.m. – 6:45 p.m.	Hollister, San Juan Bautista, Gilroy
Paratransit	ADA only, demand-response	Monday - Friday	6:35 a.m. – 8:34 a.m.; 3:10 p.m. – 5:22 p.m.	Hollister
Dial-A-Ride	General public, demand-response	Monday – Sunday	M-F: 6 a.m. - 6 p.m.; S-S: 9 a.m. – 3 p.m.	Hollister, San Juan Bautista, Tres Pinos
County Express On-Demand	General public, demand-response	Monday – Friday	6 a.m. – 6 p.m.	Hollister
JDA Medical Shopping Assistance Program	Senior/disabled; demand-response	Monday - Friday	8 a.m. – 4:30 p.m.	JDA service area
JDA Out-of-County Medical Transportation	Senior/disabled; demand-response	Monday - Saturday		San Benito County to Palo Alto, San Jose, Salinas, Santa Cruz, Monterey, Watsonville, & Gilroy
JDA Senior Lunch Transportation	Senior; demand-response	Monday - Friday	Lunch served at 12 p.m.	Hollister and San Juan Bautista

Transfers are free between local fixed routes and are valid for two hours. Riders may obtain transfers from the driver as they are exiting their first bus. The County Express Courtesy Card entitles cardholders to receive a discount on County Express bus passes and tokens. The card indicates only the cardholder for the discount based on age and/or disability.

Exhibit 7.2 Fixed-Route Fare Structure

Routes	Regular Cash Fares	Youth (5-17)	Seniors (65+)	Persons with Disabilities	Children 4 and under
One-Way					
Tripper Service	\$1.00	\$0.50	\$0.50	\$0.50	Free
Intercounty Service	\$2.00	\$1.25	\$1.25	\$1.25	Free
Monthly Passes					
Tripper Service	-	\$20.00	-	-	-
Intercounty Service	\$60.00	\$40.00	\$40.00	\$40.00	Free
10 tokens (Pks)					
Intercounty Service	\$18.00	\$11.00	\$11.00	\$11.00	Free

Monthly passes for County Express services may be purchased in-person or by mail from the LTA office located at 650 San Benito St. Suite 120 in Hollister, CA 95023. Mobile ticketing is available through the Token Transit app.

Exhibit 7.3 Demand-Response Fare Structure

Fare Category	Cost
Jovenes de Antaño Medical Shopping Assistance Program	
One-Way	\$1.25
Jovenes de Antaño Out-of-County NEMT Service	
Zone 1 (0-15 miles from Hollister; Gilroy) (one-way)	\$2.00
Zone 2 (16-30 miles from Hollister; Watsonville; Salinas, & Morgan Hill) (one-way)	\$3.00
Zone 3 (31-45 miles from Hollister; Monterey, Santa Cruz, & San Jose) (one-way)	\$4.00
Zone 4 (45-65 miles from Hollister; Palo Alto) (one-way)	\$5.00
Dial-A-Ride Service	
One-Way (Adult)	\$2.00
One-Way (Youth 5-17, Senior 65+, Disabled)	\$1.25
10 Tokens (Adult)	\$18.00
10 Tokens (Youth 5-17, Senior 65+, Disabled)	\$11.00
On-Demand Service	
One-Way (Adult)	\$1.00
One-Way (Youth 5-17, Senior 65+, Disabled)	\$0.75
10 Tokens (Adult)	\$10.00
10 Tokens (Youth 5-17, Senior 65+, Disabled)	\$7.50
ADA Paratransit Service	
One-Way (Regular and Companion)	\$1.25
One-Way (Personal Care Attendant)	Free
10 Tokens (Regular and Companion)	\$11.00

General Management and Organization

During the audit period, operations of the County Express services and the Specialized Transportation services were contracted to two separate entities (MV Transportation and JDA). In FY 2024, with both contracts expiring soon, the LTA released requests for proposals for new contracts for County Express and its Specialized Transportation. The Board approved the contract with Transdev for County Express and eventually for Specialized Transit as well. The new contract is in effect for three years with two option years. JDA was not considered for a new Specialized Transportation contract due to safety issues and failure to meet the stipulations of the contract.

At the time of the site visit, Transdev had been operating County Express for three months and Specialized Transportation for less than one month. Due to the short time frame, it is too early to assess the full impact of these changes. However, the LTA is optimistic that the new contracts will lead to safer, more reliable transportation services and foster stronger collaboration between its operations and planning divisions.

Program monitoring was developed as part of the LTA's 2022 Short Range Transit Plan (SRTP) update. The LTA utilizes TransTrack Manager to monitor key performance indicators. The software tracks 16 key performance indicators and offers 250 preformatted reports ready for presentation. LTA conducts regular meetings with Transdev's General Manager to monitor transit's progress.

LTA's organizational structure is effective, with lines of reporting and management clearly defined. However, additional planning staff is required as the needs of the agency and community continue to grow. As recommended in the previous audit, the Board approved of an additional Transportation Planner position. The LTA has had difficulty filling the position with an experienced transit planner. While the position is currently vacant, the LTA plans to reopen the application process in early FY 2026.

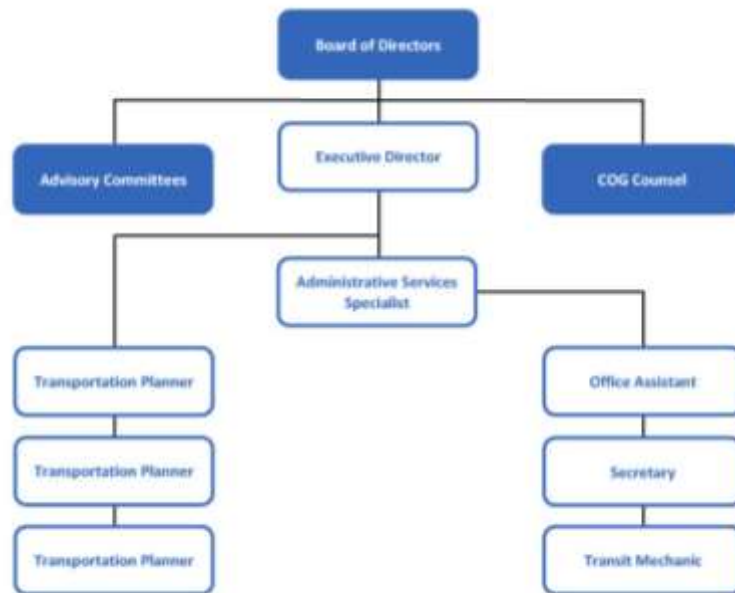
In August 2021, the LTA launched a pilot on-demand service, which operated for one year before being discontinued. During the same month, the LTA also introduced a pilot fixed-route service in Hollister, known as the Tripper Service. The initial version of the Tripper included two fixed routes: Blue 1 and Green 2. In August 2022, these two routes were consolidated into a single line, now referred to simply as the "Tripper." The impact of these changes was assessed through community and rider surveys during the annual Unmet Transit Needs survey.

The LTA's relationship with the San Benito Council of Governments is positive and effective, as the RTPA and LTA share staff and an office. The LTA is a member of CalACT and the informal Central Valley Transit Managers group, and it takes part in the Central Coast Transit Summit when held. The LTA also coordinates with neighboring transit operators within the AMBAG region as needed. Additionally, it receives service change updates from Caltrain and VTA via email, allowing for timely adjustments to Intercounty schedules to maintain effective connections. The Administrative Services Specialist is the primary intergovernmental liaison regarding finances and administration. The Transportation Planner is the primary liaison for transit planning and analytics.

The San Benito County Local Transportation Authority Board, which also serves as the SBCOG Board, is the governing body for the LTA. It meets on the third Thursday of the month at 4:00 p.m. in the Board of Supervisors Chamber (481 4th Street, Hollister). The Board is comprised of two directors from San Benito County, two from the City of Hollister, and one from the City of San Juan Bautista. The LTA's governing board has expressed concern regarding compliance with the Transportation Development Act (TDA) required farebox recovery ratio. In response, the LTA has taken steps to assess and improve farebox performance, including a review of fare structures, advertising strategies, and ridership trends. Through this process, potential solutions have been identified to help address the issue and improve compliance.

An organizational chart for LTA is provided as Exhibit 7.4.

Exhibit 7.4 Organizational Chart



LTA staff are particularly proud of the procurement of the new operations contractor, which took approximately 18 months to complete. They feel the program is improving in every area with Transdev, which has raised expectations.

Service Planning

LTA's Transportation Planners, with the guidance and approval of the Executive Director, are responsible for the transit program's short-range planning. The LTA's last SRTP update was completed in 2022, with the next update process beginning in 2026. The update included planning for financial needs and projects and a review of the LTA's Specialized Transportation services. For specific projects, the LTA submits competitive transportation planning grants to Caltrans to conduct studies, such as the Public Transit Network Expansion Projects for Congestion Relief of the Highway 25 Corridor.

The LTA gathers rider and community feedback through a variety of methods, including on-bus and bus stop interviews, digital surveys, and written questionnaires. To further engage with the public, the LTA also participates in community events such as the Hollister Farmers Market and the Kids at the Park event, where staff promote LTA services and provide information to interested attendees. The LTA's advisory body is the Social Services Transportation Advisory Council (SSTAC).

In 2022, the LTA updated its Transit Asset Management (TAM) Plan to ensure effective monitoring and management of its transit assets. Additionally, the LTA has actively participated in regional planning efforts, including collaboration with SBCOG on the 2050 Regional Transportation Plan and with AMBAG on the 2022 Coordinated Public Transit-Human Services Transportation Plan.

During the audit period, the LTA continued progress on its fleet vehicle replacement project, with new vehicles funded through FTA Section 5310 and 5339 programs. Work also continued on the LTA's Bus Stop Improvement Project during this time.

LTA is looking to conduct a feasibility study on alternative vehicle propulsion technologies. These studies are not yet funded. LTA applied for a Caltrans sustainable planning grant, but was unsuccessful. To date, the LTA has not purchased any zero-emission vehicles nor conducted related staff training.

Administration

Beginning each January, the Administrative Services Specialist holds internal meetings to discuss transit goals and objectives for the upcoming budget year. A wish list is created, and the SRTP is reviewed to see what is feasible. LTA's Administrative Services Specialist develops the budget, which is then presented to the LTA Board of Directors for review before a budget hearing is held. After the hearing, the budget is finalized and sent to the LTA Board for adoption.

Budgeted vs. actual revenues and expenses are reviewed quarterly. If actual expenses exceed the budgeted amount, a budget adjustment will be completed. Any amount exceeding \$50,000 must be approved by the LTA Board and any amount under \$50,000 needs approval from the Executive Director. Financial data is tracked and managed using Microsoft Excel.

Generally, the LTA only applies for federal and state formula grants such as FTA Section 5311 and LCTOP due to limited staffing. The LTA determines which grants to pursue based on both long-term planning documents and current operational needs. Past documents outlining capital needs and identifying potential funding sources serve as a foundation for grant planning. After the award, the Transportation Planner coordinates with the Administrative Services Specialist to ensure funding is included in the budget as well as to prepare required invoicing. The Transportation Planner is responsible for completing the required reporting to be reviewed and signed by the Executive Director for submittal to the grantor. The LTA's Transportation Planner works with SBCOG's Transportation Planner to ensure all grants are identified in required planning documents such as the Overall Work Program and Regional Transportation Plan. Roles are clearly and effectively defined. Most competitive grants are not applied for due to limited staffing. The LTA has a grant writer on call as needed.

While the LTA acknowledges that timely grant reporting is an area for continued improvement, it has not lost any transit funding due to noncompliance. Historically, the LTA has worked proactively with grantors—particularly Caltrans—to meet reporting requirements, request grant extensions when necessary, and ensure compliance through available guidance and support. The LTA has taken steps to strengthen internal processes and bring all reporting fully back on track.

The LTA contracts with San Benito County for risk management services and is self-insured with Public Risk Innovation, Solutions, and Management (PRISM). The LTA follows the COG's Emergency Guidelines and the County's Personnel Policies and Procedures and Injury and Illness Prevention Program. Operations contractors are responsible for their own risk management as outlined in their contract agreements. A safety officer in the administrative office conducts monthly safety training and reviews.

The two main contracts managed by the LTA are for transit operations with Transdev. As outlined in the contracts, the contractor is required to provide various deliverables such as operations reports, to be

submitted with the monthly invoicing to the LTA Transportation Planner. The Transportation Planner reviews the deliverables and invoice for completeness, initials the invoice, then provides the invoice to the Administrative Services Specialist for payment through the process required by the San Benito County Auditor's Office. LTA's Transportation Planner and, pending availability, Executive Director set meetings as needed with the contractors' management to discuss operations issues.

The LTA's administration office is shared with the RTPA and leased from a local property management company. The LTA owns the County Express operations and maintenance building, located at the San Benito County Public Works yard. Service operators are responsible for maintaining bus stops, while buses are maintained jointly between the LTA and service operators.

The LTA contracts with San Benito County for payroll processing. Each LTA employee needs to submit an electronic timesheet biweekly. Once the employee submits the timesheet, the Administrative Services Specialist reviews the timesheets for accuracy and the Executive Director processes the final approval. At that point, the timesheets are passed on to the County payroll department for processing. All employees utilize direct deposit.

Accounts receivable and accounts payable are the responsibility of the LTA's Administrative Services Specialist. Disbursements are authorized by the Executive Director and the Administrative Services Specialist.

For procurements, the LTA sources three quotes to secure the lowest price that is consistent with the quality needed. The LTA follows the LTA/San Benito County Purchasing Policy and the Rural Counties Task Force RTPA Procurement Policies and Procedures. Two bids were received for the County Express RFP and four bids were received for the Specialized Transit RFP.

The LTA does not own its own fueling station, so fuel is provided through the San Benito County Public Works department using the County's Purchasing Policy where LTA reimburses the County for its fuel usage. Vehicles are procured either through the Caltrans procurement office or the CalACT cooperative agreement depending on the funding source. All other large purchases require a competitive procurement through releasing an RFP/RFQ/IFB.

Marketing and Public Information

LTA's marketing activities are guided by the marketing plan outlined in the 2022 SRTP. The primary goals of the plan are to increase public awareness of transit services and boost ridership. It identifies key target audiences, including current riders, seniors, and low-income individuals.

The plan emphasizes the use of clear, jargon-free educational and promotional materials and encourages messaging that highlights the personal and community-wide benefits of using public transit. LTA adheres to these principles when engaging in outreach activities, such as participating in public events and presenting to community organizations and partner agencies. Recognizing the growing importance of digital marketing, the plan also calls for a strong online presence. LTA regularly uses its Instagram, Facebook, and Nextdoor platforms to conduct marketing activities.

LTA publishes service maps, schedules, and informational flyers. Materials are available at bus stops, on board the vehicles, at public events, and at the LTA administrative office. Staff conduct presentations with

local government agencies to inform the public about LTA's services. The LTA regularly communicates with schools to ensure transit services operate cohesively and provide meaningful service.

Should the LTA receive complaints directly, whoever receives the complaint documents important details such as time/date of the incident, service type, driver information, etc. This information is then reported to the contractor who follows up with the complainant with results documented in the database.

LTA riders generally hold a positive view of the services they use. However, the agency does receive occasional rider feedback that includes service-related complaints or suggestions. The LTA makes every effort to address these concerns within its available resources. Funding remains the primary barrier to implementing many of the improvements that would benefit riders.

Among the general public and non-riders, awareness and understanding of LTA's services appear limited. The agency recognizes this challenge and is actively working to improve outreach and increase promotion of its services.

Scheduling, Dispatch, and Operations

All Transdev employees (with the exception of the General Manager and Operations Manager) are represented by Teamsters Local 680. The operator employs 17 full-time drivers and does not utilize part-time drivers. The Operations/Safety Manager and a dispatcher are also licensed to drive.

Drivers bid on routes twice a year, based on seniority. For air brake-equipped vehicles, drivers need to have an air brake endorsement. Drivers picking up school children on school premises are required to have a GPPV certification. All drivers are subject to drug and alcohol testing.

Transdev has developed a set of extra board practices to help prepare for planned absences. Extra board levels are based on historical absence trends and are adjusted as needed. Staffing and attendance are managed through its employee app. The app allows for staff and management to communicate on a series of matters, including planned and unplanned absences. In the event of an unplanned absence, the contractor leans on its extra board to fill the role. Coverage may come from standby drivers, other staff, or drivers from a nearby operation.

Vehicles are assigned based on availability, licensing, and routes/service types. Some vehicle assignments are based on ADA accessibility, while others are assigned according to driver certifications or whether or not the vehicle will be traveling out of the county.

LTA uses drop fareboxes. Drivers bring in the paperwork and farebox to be counted, and dispatch recounts and locks it in a safe. Drivers and managers have access to cash fares. Staff deposits the fares to the San Benito County Treasurer's office every three to four days.

County Express non-cash fare media is only sold at the LTA administrative office and using the Token Transit app. Cash is collected on-site in a locked box, fare sales are detailed by type and value, and at least once a week cash is reconciled by the Administrative Services Specialist to be deposited with the San Benito County Treasurer's office. Token Transit processes the fares using credit and debit cards, collects the fares over a small period of time, then charges the LTA a percentage of the purchases. The fare structure on Token Transit is identical as what can be purchased at the administrative office and onboard.

The fares in excess of the fees are then deposited into the LTA's account through the San Benito County Treasurer's office.

Personnel Management and Training

Transdev retained a majority of the drivers from the previous contract. Transdev is currently recruiting enough drivers to meet its needs. LTA conducts recruitment through a variety of channels, including partnerships with local organizations, on-vehicle advertisements, employee referral programs, veterans outreach efforts, job fairs, published advertisements, flyers, and web-based job postings. All recruits are required to undergo comprehensive training, regardless of whether or not they already possess a commercial license. Transdev has several drivers that have Class B licenses with air brake endorsements, while others have Class C commercial licenses.

Turnover is generally low. Recent turnover is attributed to retirement. Satisfactory job performance is acknowledged and praise provided regularly, while safety incentives, appreciation awards/meals, and words of appreciation are used to motivate employees.

New hires at Transdev are evaluated at their first 30 days, 60 days and 90 days into employment. Operator Trainers are required to hold an internal (Transdev) trainer's certificate. The local Department of Motor Vehicles is used for commercial license testing. The On-site Safety Manager holds monthly safety meetings/trainings. A Perfect Safety Day board (documenting the number of days without an accident or injury) is also posted.

Policies regarding absences, tardiness, and discipline are outlined in the employee handbooks. The operator has drug and alcohol policies that conform to applicable federal and state requirements. Employees receive medical, vision, dental, and 401K to full-time employees.

Maintenance

Preventive maintenance schedules conform with the manufacturer's recommended schedules. Maintenance has at times conflicted with regular vehicle use, but not to a point where service is not provided. While the LTA was without a mechanic, this issue was more pronounced (which is not unexpected). The LTA utilizes Excel to track its maintenance program.

The LTA's maintenance facility can accommodate most repairs. Repairs that are sent out are typically related to transmission, engine, and lifts.

Given the size of the LTA's current operation, the number of bays and lifts is sufficient, although as the agency and community continue to grow this could be an area of concern. The LTA is exploring the purchase of a new facility that can better accommodate its long-term growth. The current facility, located on County-owned property, presents space limitations and occasional operational conflicts between LTA and County activities. Additionally, the existing maintenance facility offers limited capacity for fleet expansion, creating constraints on future service improvements and operational efficiency.

The LTA has an adopted Transit Asset Management Plan as required by the Federal Transit Administration and a place for improvement would be to identify funding for the replacement vehicles. The age of the fleet skews older, which results in challenges related to vehicles running near or past the end of their useful lives. LTA must budget higher maintenance costs for the older vehicles.

Drivers must complete daily vehicle inspections checklists before putting a vehicle into service. Anything that is unsafe and or puts the bus out of service is prioritized. The LTA parts room is locked with access by the mechanic and Transdev management. The LTA's mechanic is responsible for tracking and reordering parts as needed.

The LTA's mechanic is dedicated to County Express and Specialized Transportation. There is no excess maintenance capacity.

Exhibit 7.5 San Benito LTA's Transit Fleet

Vehicle #	Model Year	Make/Model	Pax	WC positions	Mileage
61	2013	Glaval Universal	12	2	N/A
63	2013	Braun Entervan	5	1	3,689
64	2013	Glaval Universal	28	2	N/A
65	2016	Glaval Universal	16	2	194,995
66	2016	Glaval Universal	16	2	207,480
67	2016	Glaval Universal	16	2	199,000
68	2016	Glaval Universal	12	2	204,598
69	2016	Glaval Legacy	32	2	206,822
70	2016	Glaval Legacy	32	2	208,659
71	2018	Starcraft Allstar	12	2	161,819
72	2018	Starcraft Allstar	12	2	165,853
73	2018	Starcraft Allstar	12	2	147,130
74	2020	Glaval Universal	16	2	126,899
75	2020	Glaval Universal	28	2	142,058
76	2020	Glaval Universal	16	2	148,323
77	2020	Glaval Universal	16	2	145,895
78	2020	Glaval Universal	16	2	155,476
79	2021	Glaval Universal	16	2	134,959
80	2021	Glaval Universal	16	2	133,313
81	2022	Glaval Legacy	28	2	79,139
738	2013	Starcraft Allstar	16	2	N/A
735	2010	Glaval	16	2	133,950
736	2010	Braun Entervan	5	1	N/A
737	2013	Eldorado	5	1	N/A
740	2020	Glaval Universal	16	2	43,008
741	2019	Braun Entervan	5	1	103,976
742	2021	Starcraft Allstar	16	2	40,762

Chapter 8 | Findings and Recommendations

Conclusions

With one potential exception, Moore & Associates finds the San Benito Local Transportation Authority to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings

Based on discussions with San Benito LTA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one potential compliance finding:

1. Compliance with CCR 6634, which pertains to the amount of LTF funding an operator is eligible to receive, could not be determined as part of this audit.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the San Benito Local Transportation Authority. TDA Compliance Recommendations are designed to remedy findings of non-compliance with the TDA as identified in Chapter 3. Additional recommendations are based on functional observations and are not considered compliance findings. Each finding or observation reflects elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there are no additional recommendations, only compliance-related recommendations are provided below.

TDA Compliance Finding: Compliance with CCR 6634, which pertains to the amount of LTF funding an operator is eligible to receive, could not be determined as part of this audit.

Criteria: CCR 6634 states no operator shall be eligible to receive LTF and STA funding during the fiscal year for operating costs in an amount that exceeds its actual operating cost less the sum of the following amounts:

- The amount of fare revenues received;
- The amount of local support required to meet the farebox recovery ratio [not applicable during this audit period];
- The amount of federal operating assistance received (e.g., Section 5311 as well as CARES Act and CRRSAA funds);
- The amount received from a city or county to which the operator provides service beyond its boundary; and
- The amount of any reduced eligibility under CCR 6633.9 applied to that fiscal year.

Condition: During this audit, we conducted a preliminary analysis that appears to show LTA claiming more LTF and STA funds than it was eligible to receive in FY 2023/24. However, this is a matter that should be evaluated via a qualified fiscal auditor, rather than as part of the Triennial Performance Audit.

According to LTA staff, in FY 2022/23 and prior, TDA funding was claimed at the end of the year and would cover the amount remaining after all exclusions were subtracted. This was changed in FY 2023/24, and that claim was prepared in September 2023. A review of the eligible funding based on data made available during this audit is shown below.

OPERATING COST	FY 2023/24
Total operating cost	\$2,907,819
Less: Federal formula funds (Section 5311)	\$1,348,700
Less: Fare revenues	\$119,720
Net Operating Cost	\$1,439,399
Amount of TDA funding eligible to receive (LTF & STA combined)	\$1,439,399
CAPITAL COST	
Total capital costs	\$0
Total TDA funding eligible to receive (operating + capital)	\$1,439,399
LTF funds received (operating)	\$520,874
STA funds received (operating)	\$1,211,132
Total TDA funds received (operating + capital)	\$1,743,006
Amount under (over) the eligible amount	(\$292,607)

Cause: Because LTA is the only operator receiving TDA funding, the RTPA may not be mindful of these restrictions, instead allowing LTA to claim all TDA funding requested. In addition, when the claim is prepared prior to incurring the operating costs, it must be reconciled during or after the fiscal year to adjust for actual costs, especially if those costs are lower than anticipated.

Effect: As a result, LTA may be claiming more funds than it is eligible to receive.

Recommendation: Amend the new audit fiscal contract to include an eligibility assessment under CCR 6634 as part of the compliance component for LTA.

Recommended Action: In addition to regularly including this information in the fiscal audit, a retroactive review back to FY 2023/24 should also be conducted. This will provide official guidance regarding whether the LTA has claimed more funding than it was eligible to receive. If an overpayment is identified, the RTPA and LTA should work together to determine how the overpayment should be resolved. Ideally, LTA should also monitor its operating costs versus the adopted budget on an ongoing basis so that potential overpayments can be identified during the fiscal year and adjusted accordingly.

Timeline: As soon as possible.

Anticipated Cost: Unknown.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Amend the new audit fiscal contract to include an eligibility assessment under CCR 6634 as part of the compliance component for LTA.	High	ASAP

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