



Kings County Association of Governments

Triennial Performance Audit of the Kings County Association of Governments FY 2018/19 - FY 2020/21

FINAL REPORT
APRIL 2022





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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Kings County Association of Governments (KCAG) covers a three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies to conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

In 2021, the Kings County Association of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and of the two transit operators to which it allocates TDA funding. Moore & Associates, Inc. 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 Kings County Association of Governments for the period:

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

The audit team conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on its review objectives. The audit team believes the evidence obtained provides a reasonable basis for its findings and conclusions based on its 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 one exception, Kings County Association of Governments (KCAG) adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. The City of Corcoran has not submitted its TDA fiscal audit within the established time period during any year of the audit period.



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 the City of Corcoran’s Finance Department regarding the timetable for its annual audit so that the TDA fiscal audit can be completed on time.
Status: Implemented.
2. KCAG should develop formal guidance regarding the eligibility of LCTOP funds as local farebox supplementation.
Status: No longer relevant.

Goal Setting and Strategic Planning

The Regional Transportation Plan and Sustainable Communities Strategy is KCAG’s primary transportation planning and goal-setting document. The current RTP, adopted in 2018, represents a continuation of regional transportation planning efforts in Kings County and was designed to ensure consistency with 67 other plans impacting Kings County and the region. Its overall goal is “to develop a transportation system that encourages and promotes the safe and efficient development, management, and operation of surface transportation systems to serve the mobility needs of people and freight (including meeting the Americans with Disabilities Act requirements, accessible pedestrian walkways, and bicycle transportation facilities) and foster economic growth and development, while minimizing transportation-related fuel consumption and air pollution.” KCAG is currently in the process of updating its Regional Transportation Plan and Sustainable Communities Strategy for 2022. The updated RTP/SCS is slated for completion in July 2022.

Goal-setting for the two transit operators, especially with respect to performance, is included in the Kings County Transit Development Plan, which was most recently updated in 2021. State of Good Repair performance goals are identified in the Regional Transit Asset Management (TAM) Plan, which includes an individual TAM plan for each operator.

Findings and Recommendations

Based on the current review, the auditors submit the aforementioned TDA compliance finding.

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

1. KCAG does not include the STA efficiency tests as part of its TDA claims process.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Kings County Association 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 Recommendation		Importance	Timeline
1	Continue to work with the City of Corcoran to complete its TDA fiscal audits within the designated timeframe.	High	Ongoing
Functional Recommendation		Importance	Timeline
1	KCAG should include the STA efficiency tests as part of the annual TDA claims process.	Medium	FY 2023/24



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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Kings County Association of Governments 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 2021, the Kings County Association of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of Kings County Association of Governments as the designated RTPA for Kings 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. The audit team believes the evidence obtained provides a reasonable basis for its 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 Kings County Association of Governments 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 KCAG'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 Kings County Association of Governments as the RTPA included thorough review of documents relevant to the scope of the review, as well as information contained on KCAG's website. The documents reviewed included the following (spanning the full three-year audit 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 Kings County Association of Governments representatives on October 27, 2021. The audit team met with Terri King (Executive Director) and Teresa Nickell (Regional Planner), 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 | Program Compliance

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

Compliance was determined through discussions with Kings County Association of Governments' 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 one exception, Kings County Association of Governments adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. The City of Corcoran has not submitted its TDA fiscal audit within the time period specified during any year of the audit period.

Developments Occurring During the Audit Period

The last half of FY 2019/20 is markedly different from the rest of the audit period. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. 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, most transit programs have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment of how COVID-19 impacted each organization, as well as how it responded to the crisis.

In addition to the COVID-19 pandemic, recent and proposed changes to the TDA will result in audit reports that look somewhat different than in prior years. In the nearly 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.

Assembly Bill 90, signed into law on June 29, 2020, provides 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. While the ability to maintain state mandates and performance measures is important, AB 90 offers much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.

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, 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 microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

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



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA’s jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	In compliance	In addition to KCAG reviewing productivity during the annual claims process, the SSTAC also periodically reviews each transit provider’s operation and makes recommendations for improvement as warranted.
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	Finding	Corcoran did not submit any of its audits on time. KCAG correctly withheld TDA funds until audits were completed.
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: March 12, 2020 FY 2019/20: February 16, 2021 FY 2020/21: March 1, 2022
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 31, 2020 FY 2019/20: February 16, 2021 FY 2020/21: November 22, 2021

**Technically, the FY 2019/20 State Controller Report was submitted two weeks late. However, given the impact of the COVID-19 pandemic on staff (with many working from home), and the fact that the FY 2020/21 was submitted on-time, the auditor is waiving any finding regarding this compliance item.*



Compliance Element	Reference	Compliance	Comments
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	In compliance	KCAG retained Moore & Associates, Inc. to prepare its FY 2016-2018 Triennial Performance Audits, which were completed in May 2019. Moore & Associates, Inc. was retained to prepare the FY 2019-2021 Triennial Performance Audits.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	All performance audit reports for FY 2016-2018 were submitted to Caltrans via a letter dated June 28, 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	
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	



Compliance Element	Reference	Compliance	Comments
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	
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator's total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator's allocation shall be used only for capital purposes.	PUC 99314.6	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	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of "unmet transit needs" and "reasonable to meet"; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	<p>Unmet transit needs hearings held on:</p> <p>April 25 and May 23, 2018 April 24 and May 22, 2019 May 27, 2020 (virtual) April 28, 2021 (virtual)</p>



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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 Kings County Association of Governments has made quantifiable progress toward improving both the efficiency and effectiveness of its programs.

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

1. [Work with the City of Corcoran’s Finance Department regarding the timetable for its annual audit so that the TDA fiscal audit can be completed on time.](#)

Discussion: During the audit period, KCAG contracted with Hudson, Henderson & Company, Inc., a certified public accounting firm to prepare TDA fiscal audits of KCAG and its claimants. The City of Corcoran has historically had problems completing its TDA fiscal audit on time, even with KCAG managing the overall contract. Despite utilizing the 90-day extension, the City’s audits were not completed on time in FY 2015/16 or FY 2016/17. In August 2018, in response to a recommendation in KCAG’s prior Triennial Performance Audit, KCAG prepared a schedule that was provided to each claimant and the auditor setting forth an audit schedule that would ensure completion of the audits prior to 180 days following the end of the fiscal year. This would enable the RTPA to use the 90-day extension as a contingency, rather than assuming it would be needed. However, despite these actions by the RTPA, in FY 2017/18 Corcoran was once again unable to meet the 180 days plus 90 days deadline.

KCAG has already taken actions to ensure its claimants meet this compliance requirement by submitting their audits on time. In addition, KCAG correctly withholds TDA allocations until the audits are submitted. There is little more action KCAG can reasonably be expected to take to ensure all audits are submitted on time. Therefore, the auditors continue to recommend KCAG work with the City of Corcoran’s Finance Department to work on establishing an appropriate timetable for the City’s audit that can facilitate on-time completion of the TDA fiscal audit.

Progress: KCAG continues to provide Corcoran with a timetable to ensure on-time completion of its TDA audit, along with trying to improve communication between the auditor and City staff. It also regularly instructs the County Auditor to withhold TDA funds for Corcoran until its annual audit has been completed.

Status: Implemented.

2. KCAG should develop formal guidance regarding the eligibility of LCTOP funds as local farebox supplementation.

Discussion: As part of its functional review, KCAG staff inquired about the use of Low Carbon Transit Operations Program (LCTOP) funds for local farebox supplementation. LCTOP was designed to provide operating and capital assistance to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The LCTOP guidelines state an eligible project must provide a benefit to priority populations, which can include the following: “Transit incentives to residents of a disadvantaged or low-income community or low-income household (e.g., transit vouchers, reduced transit fares, transit passes).” However, per PUC 99268.19, local funds specify “non-federal and non-state grant funds or other revenues,” which could exclude LCTOP.

As part of the prior audit, the auditor contacted the Department of Transportation (Caltrans headquarters) to determine whether it had official guidance regarding the use of LCTOP as local farebox supplementation. Josh Pulverman of Caltrans advised there was no “official ruling” he was aware of. He stated that if an RTPA wanted to allow an operator to use LCTOP funds to supplement farebox revenue, it must be able to distinguish those funds that are eligible.

At the time of the prior audit, KCAG provided Kings County operators with eligible defined revenue sources based on the TDA, which do not include any State grant funds such as LCTOP or PTMISEA. Unless the TDA legislation were amended to allow state-generated funds to support farebox recovery, LCTOP funds may only be applied to fare revenue at the discretion of KCAG.

Should KCAG determine certain state-generated funds such as LCTOP are eligible to be applied to farebox recovery, its guidance should specify what project types may be counted toward farebox revenue, as well as how those funds will be distinguished. The auditor recommended limiting only projects that directly subsidize fare revenue (such as free-fare days and fare subsidies) as eligible for farebox supplementation. In such cases, LCTOP funds for these purposes should be clearly identified separately from any other LCTOP funds received. The TDA fiscal audits of the transit operators should include these separate revenues under non-operating revenues in the Statement of Revenue, Expenses, and Changes in Net Position as well as in the farebox ratio calculation.

Progress: KCAG sent a letter to KCAPTA noting LCTOP funds were eligible to be used as fare revenue. The new legislation (AB 149) expands the definition of local funds under PUC 99268.19 so as to include LCTOP, rendering this recommendation moot.

Status: No longer relevant.

Chapter 5 | Goal Setting and Strategic Planning

This chapter analyzes the Kings County Association of Governments' goal setting and strategic planning process.

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

- Council of Governments,
- Abandoned Vehicle Abatement Service Authority,
- Regional Data Center, and
- Local Areawide Clearinghouse.

KCAG's FY 2021/22 Overall Work Program for Transportation Planning incorporates the ten planning factors identified in Federal MAP-21 and FAST Act legislation. It also reflects Planning Emphasis Areas consistent with the FTA and FHWA specific to Core Planning Functions for transportation planning and air quality programs. These include:

1. Overall Work Program,
2. Public Participation and Education,
3. Regional Transportation Plan,
4. Federal Transportation Improvement Program, and
5. Annual Listing of Projects.

In 2018, KCAG updated its Regional Transportation Plan (RTP) inclusive of the Sustainable Communities Strategy (SCS) component. The Plan was developed in coordination with a stakeholder group comprised of representatives from the cities of Avenal, Corcoran, Hanford, and Lemoore; the County of Kings; Caltrans; Kings Local Agency Formation Commission; Naval Air Station Lemoore; Tulare Basin Wildlife Partners; Kings County Economic Development Corporation; Kings County Public Health; Kings County Farm Bureau; J.G. Boswell Company; Reef-Sunset Unified School District; Building Industry Association of Tulare/Kings Counties; Kings County Area Public Transit Agency; Kings Bicyclists; Adventist Health; and Self-Help Enterprises. The Santa Rosa Tachi-Yokut Tribe was also consulted during the process, and information and support was provided by the San Joaquin Valley Air Pollution Control District.

The 2018 RTP covers the period from 2018 to 2042 and was adopted in August 2018. This plan represents a continuation of regional transportation planning efforts in Kings County and was designed to ensure consistency with 67 other plans impacting Kings County and the region. The RTP complies with the 2017 Regional Transportation Plan Guidelines for Metropolitan Planning Organizations adopted by the California Transportation Commission.

The overall goal of KCAG's RTP is "to develop a transportation system that encourages and promotes the safe and efficient development, management, and operation of surface transportation systems to serve the mobility needs of people and freight (including meeting the Americans with Disabilities Act



requirements, accessible pedestrian walkways, and bicycle transportation facilities) and foster economic growth and development, while minimizing transportation-related fuel consumption and air pollution.” Individual modal goals, policies, and objectives are detailed within Chapter 3 of the RTP and summarized in Exhibit 5.1.

KCAG is currently in the process of updating its Regional Transportation Plan for 2022. A public information and environmental impact report (EIR) scoping meeting for the RTP/SCS Update was held in November 2021. The draft Supplemental Public Participation Plan was also released for public review in November 2021, intended to complement the 2011 KCAG Public Participation Plan. It includes accommodations for virtual participation and reflects state and local guidance arising from the COVID-19 pandemic. The updated RTP is slated for completion in July 2022.

Goal-setting for the two transit operators, especially with respect to performance, is included in the Kings County Transit Development Plan, which was most recently updated in 2021. State of Good Repair performance goals are identified in the Regional Transit Asset Management (TAM) Plan, which includes an individual TAM plan for each operator.



Exhibit 5.1 RTP Policies and Objectives

Policy	Objectives
Program	
<p>Continue making full use of KCAG's decision-making forums, including their regular meetings, to examine alternative solutions to transportation needs and problems.</p>	Transportation decisions shall be made on the basis of the broadest range of Kings County area public interests.
	KCAG shall provide clear and firm guidance to the California Transportation Commission, Caltrans, and local agencies on all transportation matters affecting Kings County.
	Consider the California Transportation Plan (CTP) 2040 long-range policy framework to meet our future mobility needs and reduce greenhouse gas emissions and foster continued collaboration between local and statewide level planning.
	Transportation decisions shall include Transportation Systems Management (TSM) evaluations.
	Public safety, retention and maintenance of the existing system, and system efficiency shall be used as criteria in evaluating projects.
	Total route or system development shall be considered when selecting projects.
	Funding sources for all transportation modes shall be identified, evaluated and developed. With these, a complete system that is accessible, safe, and efficient shall be built.
	Public and private transportation facilities shall be planned and developed consistent with overall growth and development policies contained in city and county general plans.
Environmental	
<p>The environmental consequences of transportation projects shall be taken into account. Of particular importance are impacts relating to air quality, energy use, noise, and changes in land use.</p>	Using Transportation System Management (TSM) evaluations, consider those alternative solutions that lessen environmental problems, yet serve transportation needs.
	Seek to mitigate unavoidable adverse impacts associated with selected alternatives.
	Use environmental documents such as Initial Studies and EIRs as decision-making tools.
	Coordinate transportation control measures with the San Joaquin Valley Air Pollution Control District and the latest air quality attainment plan for the San Joaquin Valley.
	Consult with lead agencies on projects having environmental effects, of statewide, regional, or areawide significance on transportation facilities.
	Maintain modeling capability that will respond to state and federal reporting requirements and the need for accurately projecting travel demand in future years.
	Conduct meaningful consultation with California Native American tribes for the protection of cultural resources in accordance with AB 52.



Policy	Objectives
Public Participation	
<p>Transportation facilities and services should meet the needs of all segments of the population. KCAG employs an environmental justice approach to its public participation policy and procedures and welcomes community comment and guidance in its transportation planning and decision-making process.</p>	Continue building an active citizen participation forum.
	Seek representation from the entire community, including the elderly, low income, persons with disabilities, and the census-identified environmental justice areas and disadvantaged communities of Kings County.
	Hold citizen meetings at convenient times and places.
	Seek citizen comments early in the planning process, preferably in the problem-identification stage of project preparation.
	Work to create an atmosphere that encourages the expression of all viewpoints, allowing both obvious and latent issues to be brought into the open.
	Explore alternative methods of obtaining the public's views. Use surveys, make presentations to special interest groups, etc.
	Keep local media informed of transportation issues and encourage their attendance at public meetings held by KCAG.
Regional Highway System	
<p>Goal: Maintain, upgrade and complete a regional system of roadways which is convenient, safe, and efficient, and which serves the needs of all users. Policy: Maintenance shall be continuous to keep the regional highway system from falling further into disrepair. The system shall be upgraded and completed as revenues allow.</p>	Maintain and rehabilitate the regional system; reconstruct deteriorated road sections.
	Provide safety improvements to reduce the number, severity, and probability of accidents.
	Undertake new construction projects to upgrade and complete the regional system, and to close gaps in local and state highway systems.
	Implement operational improvements (such as road widening, relief of parking congestion, traffic signals, passing lanes, and turn lanes) to maximize service and efficiency.
	Carry out landscaping and maintenance projects to help make highways compatible with their surroundings.
	Enforce local ordinances regulating oversize truck terminal access.
	Work with Caltrans and local agencies to obtain right-of-way dedications at designated future interchanges and along mainline portions of state highways within the regional transportation system.
	Petition the California State Legislature and the California Transportation Commission to adopt equitable laws and policies for apportioning fuel taxes and funding highway projects. Ensure that Kings County receives its fair share of available transportation dollars.
Work more closely with other Regional Transportation Planning Agencies in the area to foster coordinated highway facilities planning.	



Policy	Objectives
Highway Safety	
<p>Improve routes of regional significance to promote the safe operation of vehicular traffic, especially during high accident probability times such as times of heavy winter fog, night, etc.</p>	Assist night and especially fog driving by providing and maintaining highly reflective "fog" or edge striping, and center divider lines on routes of regional significance.
	Provide adequate shoulder areas on all state highways and rural regional routes.
	Install traffic control measures on roads and at intersections when such measures are deemed necessary in accordance with the California Uniform Traffic Control Device Manual.
	Improve and maintain regional route road surfaces and drainage.
	Widen or rehabilitate bridges where needed.
	Provide adequate railroad grade protection devices.
	Encourage the enforcement of posted speed limits.
Goods Movement	
<p>Support the efforts of the trucking and rail industries to transport commodities safely and efficiently.</p>	Designate and maintain regional and local truck routes to prevent major pavement deterioration on local streets and roads that are not designed for heavy truck traffic.
	Where needed, widen regional highways to accommodate them to heavy truck traffic.
	Support enforcement of local truck route ordinances.
	Develop plans to mitigate congestion on local streets and at intersections where heavy truck traffic occurs.
	Support efforts to require all trucks carrying hazardous materials to have a manifest, including identification and instructions for handling materials in case of spills. Also support efforts to improve hazardous waste containers so that spillage or leakage does not occur.
	Support truck weight fees that equitably provide for the highway maintenance costs resulting from heavy trucking.
	Encourage the improvement of railways with the end purpose of increasing the efficiency of goods movements.
	Support the installation of automatic grade protection devices at all grade crossings.
	Improve rail grade crossings as needed to improve traffic flows.
Encourage the efficient movement of goods through California ports.	
In concert with Caltrans, the California Highway Patrol, and local jurisdictions, restrict roads available for hazardous waste trucking to mitigate potential adverse effects associated with transportation.	



Policy	Objectives
Public Transportation	
<p>Public Transit: Provide public transit services for those needs defined as "Unmet Transit Needs" which are Reasonable to Meet."</p>	<p>Continue operating the Kings Area Rural Transit and Corcoran Area Transit Dial-a-Ride systems to provide dependable services for those living in Kings County's urbanized areas who have "unmet transit needs" which can be met at a cost KCAG determines to be reasonable.</p> <p>Provide assistance to social service agencies to improve the efficiency and effectiveness of coordinated transportation services for their clients.</p> <p>Encourage transit operators to minimize transit system operating costs by increasing ridership through the following examples. a) Implement route and schedule modifications. b) Implement equipment and maintenance improvements. c) Implement an aggressive marketing program to improve the image of public transit. d) Follow up on comments of the Social Services Transportation Advisory Council.</p> <p>Follow recommendations included in the KCAG Kings County Transit Development Plan.</p> <p>Assist eligible claimants, both public and private, in applying for federal transportation grants.</p> <p>Encourage the practice of ridesharing/vanpooling as an alternative to single occupant vehicle commuting.</p> <p>Utilize the Social Services Transportation Advisory Council to identify unmet transit needs of the transit dependent.</p> <p>Promote the coordination of transit with other transportation modes.</p> <p>Encourage and support the enhancement of transit services as a transportation control measure to improve air quality.</p> <p>Support the coordination and consolidation of transit services where appropriate through the development and implementation of the Human Services Transportation Coordination Plan.</p>
<p>Intercity Rail and Bus: Preserve an effective and convenient intercity public transportation system of regularly scheduled bus and rail services.</p>	<p>Monitor and respond to all legislation that could impact bus or rail services in Kings County. Continue the use of KCAG as the forum through which public discussion on bus and rail matters is formalized into public policy recommendations.</p> <p>Work with adjacent RTPA's and Caltrans to unify regional support for keeping and upgrading intercity bus and rail services through membership in the San Joaquin Joint Powers Authority.</p> <p>Continue Federal and State support of the Amtrak San Joaquins trains.</p> <p>Support aggressive marketing programs for Amtrak trains and intercity buses.</p> <p>Seek to coordinate local transit service schedules with those of intercity modes.</p> <p>Support the programming of grade crossing improvements to increase the speed and safety of intercity rail services.</p>
Aviation	
<p>Work with local agencies to ensure compatible land uses around existing airports to reduce noise and structure conflicts.</p>	<p>Support the Kings County's Airport Land Use Compatibility Plan and the local airports in their efforts to ensure compatible land uses around airports.</p> <p>Support the local airports in their attempts to acquire the land surrounding the airports.</p> <p>Support noise abatement procedures around the local airports.</p>



Policy	Objectives
Maintain alternative modes of transportation to and from the Hanford Municipal Airport.	Support local transit service to and from the Hanford Municipal Airport.
Promote the development and maximum utilization of public and private airports to provide for county and regional general air transportation needs.	See that the existing countywide airport system is maintained and upgraded. Where warranted, use federal, state, local, or private funds to carry out improvements.
	Ensure that public expenditures for airport development are consistent with demonstrated public demand.
	Support the retention of scheduled passenger air service at Fresno and Visalia to provide convenient and dependable links to major commercial airports.
	Airport improvements, in particular at the Lemoore Naval Air Station, shall be protected by coordinated city or county land-use regulations in aviation easements. Such easements should be used to minimize the nuisance effect of airports on their surroundings, and to prevent the encroachment of uses that are incompatible with air operations.
	Follow the recommendations of the Kings County Airport Land Use Compatibility Plan and the Hanford Municipal Airport Master Plan.
	Recognize and allow airstrips necessary for servicing agricultural needs. Support increases in aviation capital improvement funds and sources for rural general aviation public use airports.
Active Transportation	
Improve the existing transportation system to better accommodate bicycles and pedestrians as well as automobiles and trucks; improve public awareness of and competence in bicycle use; and improve public and private sector responsiveness to bicycle and pedestrian transportation.	Provide a well-developed, safe, and convenient intermodally connected system of bikeways complete with support facilities.
	Ensure that future development supports and facilitates the expansion, improvement, and maintenance of the bikeway system.
	Provide ongoing bicycle safety education and information programs.
	Implement bikeways that will connect major employers, educational facilities, and recreational areas.
	Encourage partnerships between private, non-profit, governmental, and citizens groups to implement bicycle and pedestrian improvements.
	Fund road maintenance that will also provide better roads for bicycles.
	Correct roadway surface and hazards on bikeways.
	Provide theft-resistant parking facilities as high-use destinations.
	Eliminate all physical barriers to bicycle travel.
	Encourage enforcement of bicycle traffic laws.
	Keep the freeway section of State Route 198 closed to bicycles to prevent children from playing on the freeway.
	Start public awareness programs to increase acceptance of the bicycle.
	Integrate bicycle and pedestrian considerations into local planning areas.
	Encourage local jurisdictions to implement complete streets and other multi-modal concepts as outlined by the California Complete Streets Act of 2008 (AB 1358), as well as Caltrans Deputy Directive 64-R1 (DD-64-R1).
Encourage the use of bicycle and pedestrian modes of transportation to enhance air quality and improve human health.	
Implement the projects identified in the current Kings County Regional Active Transportation Plan.	
Utilize the Bicycle Advisory Committee in the prioritization and programming of bicycle improvements.	



Policy	Objectives
Transportation System Management	
Maintain and improve the quality of the existing transportation system.	Shorten the travel time required to move people and goods on the existing system.
	Lower travel costs required to move people and goods on the existing system.
	Increase the safety of the existing system.
	Improve the personal security of persons using the existing system.
	Improve the comfort and convenience of the existing system.
	Enhance the reliability of the existing system.
Increase the efficiency of the existing transportation system.	Seek to reduce dependency upon the automobile for single occupant vehicle commuting by encouraging carpooling.
	Encourage use of Kings County's transit system.
	Facilitate pedestrian and bicycle travel.
Minimize the costs to improve the quality and efficiency of the existing transportation system.	Find cost-effective ways to upgrade the existing system.
	Minimize the operating costs of the existing system.
Minimize the undesirable environmental impacts of existing transportation facilities and services.	Reduce noise and vibration caused by the existing system.
	Reduce air quality impacts caused by the existing system.
	Reduce the amount of energy consumed by users of the existing system.
Promote desirable and minimize undesirable social and economic impacts of the existing transportation system.	Provide adequate transportation services to the disadvantaged and transit dependent at a reasonable cost.
	Provide reasonably priced public transit.
	Minimize neighborhood impacts caused by transportation improvements.
	Complement the long-range land-use policies of local general plans.

Chapter 6 | Functional Review

A functional review of the Kings County Association of Governments determines the extent and efficiency of the following functional activities:

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

Administration and Management

The Kings County Association of Governments serves as the Regional Transportation Planning Agency (RTPA) for Kings County and its five member agencies (Avenal, Corcoran, Hanford, Lemoore, and the County of Kings). These member agencies provide their communities with a combination of demand-response, paratransit, fixed-route, intra-city, and inter-city transit services. As the RTPA, KCAG assists local governments with transportation issues and allocating federal and state transportation funds.

Situated in the central San Joaquin Valley, Kings County is home to more than 152,000 residents with a variety of socio-economic backgrounds, cultural histories, and mobility needs. Two transit operators, Kings County Area Public Transit Agency (KCAPTA), which operates the Kings Area Rural Transit (KART) system, and Corcoran Area Transit (CAT), operated by the City of Corcoran, provide public transit services. Inter-county transit service is also provided to destinations in neighboring Fresno and Tulare counties.

KCAG is governed by a six-member Board of Commissioners comprised of two County Supervisors and one city council representative from each of the four incorporated cities. A representative of Caltrans serves in an advisory capacity. Board meetings, which are open to the public, are held at 4:30 p.m. on the fourth Wednesday of each month at the Kings County Board of Supervisors Chambers in Hanford. Most of the members attend most meetings. The meeting location is served by KART Routes 6, 7, and 9.

KCAG board members serving during the audit period include the following:

- David Ayers, City of Hanford (2018-2019)
- Sharri Bender-Ehlert, Caltrans District 6 (2018-2020)
- David Brown, City of Lemoore (2019-2020)
- Martin Devine, City of Hanford (2020-2021) (Vice Chair 2020)
- Diana Gomez, Caltrans District 6 (2020-2021)
- Ray Madrigal, City of Lemoore (2018-2019) (Vice Chair 2018)
- Joe Neves, County of Kings (2018-2021) (Chair 2018-2021)
- Sid Palmerin, City of Corcoran (2018-2021)
- John Plourde, City of Lemoore (2020-2021)
- Alvaro Preciado, City of Avenal (2020-2021)
- Francisco Ramirez, City of Hanford (2019-2020) (Vice Chair 2019)



- Doug Verboon, County of Kings (2018-2021)
- Glenda Woolley, City of Avenal (2018-2020)

KCAG receives direction from its Transportation Policy Committee, its Technical Advisory Committee, and its Social Services Transportation Advisory Council. A Bicycle Advisory Council (BAC) may also be formed during Regional Bike Plan development.

- The [Transportation Policy Committee \(TPC\)](#) is made up of members of KCAG’s Board of Commissioners. It meets concurrent with the KCAG Board on the fourth Wednesday of the month at 4:30 p.m.
- The [Technical Advisory Committee \(TAC\)](#) is comprised of city managers, administrative officers, planning directors, community development directors, and public works directors from member cities and the County; as well as representatives from KCAPTA, Caltrans District 6, San Joaquin Valley Air Pollution Control District, Santa Rosa Rancheria, Naval Air Station Lemoore, and Kings County Environmental Health. The TAC meets at 1:30 p.m. on the second Wednesday of the month at the KCAG offices.
- The [Social Services Transportation Advisory Council \(SSTAC\)](#) is made up of social service providers for persons with disabilities, persons of limited means, and seniors; public transit providers; transit users who are seniors, persons with disabilities, and persons with limited means; and Caltrans District 6. The SSTAC meets three times each year (January, April, and June) at the Kings County Government Center in Hanford, with a call-in option available. Meetings typically focus on the unmet transit needs process and review of testimony and recommendations.

In the last year, the TAC held two meetings in a row without a quorum, impacting its ability to provide effective direction regarding agenda items. There has been recent turnover with representatives from each member city, resulting in a steeper learning curve.

As the Council of Governments, KCAG addresses inter-jurisdictional public policy matters, including transportation. KCAG also serves as the following for Kings County:

- Metropolitan Planning Organization (MPO),
- Census Data Affiliate, and
- Kings County Abandoned Vehicle Abatement Service Authority.

As the MPO, KCAG is responsible for coordinating land-use and transportation planning efforts within its jurisdiction. Among its core efforts are the Regional Transportation Plan and Sustainable Communities Strategy, Overall Work Program, and Federal Transportation Improvement Program.

As the Board of Directors for the Kings County Abandoned Vehicle Abatement Service Authority (KCAVASA), a joint powers agreement agreed upon by the cities of Avenal, Corcoran, Lemoore, Hanford, and the County of Kings, KCAG manages the financial affairs of the Authority, reviews and approves quarterly claims for reimbursement, submits annual reports to the California State Controller’s Office, and disburses funds to claimants. The KCAVASA Board meets quarterly. Funding for this program comes from a one-dollar DMV vehicle registration fee.



KCAG also coordinates with the seven other San Joaquin Valley MPOs on regional projects. Members of each of the eight MPOs' policy boards serve on the San Joaquin Valley Regional Policy Council, which provides guidance on Valley-wide issues. In addition, KCAG coordinates air quality planning efforts for on-road mobile source emissions in Kings County.

KCAG works with federal, state, regional, and local agencies to plan, fund, implement, and maintain transportation programs and services throughout Kings County. It is responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF), working with and allocating those funds to eligible claimants, and handling grant applications and managing approved grants. KCAG sets programming policies for federal, state, and local funding sources for eligible transit, highway, pedestrian, bicycle and other transportation projects and administers Calls for Projects to allocate funds to local agencies for projects that are consistent with public mobility needs and regulatory guidelines.

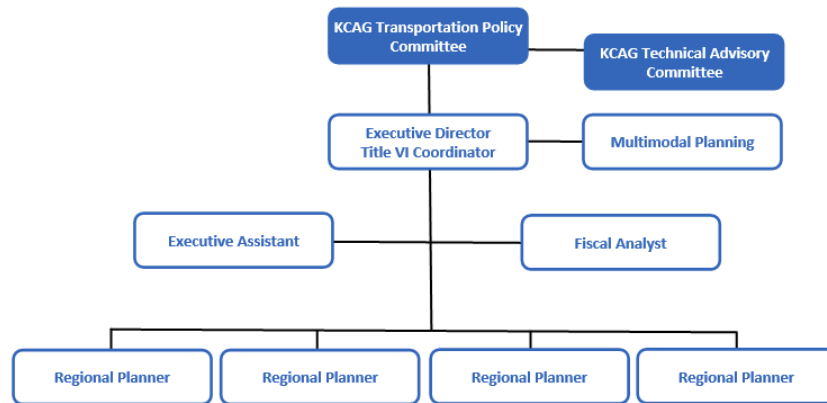
KCAG is also a partner in two regional transportation entities: the California Vanpool Authority and San Joaquin Joint Powers Authority.

- KCAG entered into a Joint Powers Agreement with other area MPOs to form the [California Vanpool Authority \(CalVans\)](#) to operate the vanpool programs previously operated by KCAPTA. CalVans, which began operations in January 2012, offers vanpool services and administers and operates the Agricultural Industries Transportation Service (AITS) for safe agricultural worker transportation and a general purpose vanpool program for commuters. One member of the Kings County Board of Supervisors (currently also the KCAG Board Chair) serves on the CalVans Board.
- The railroad system within Kings County is comprised primarily of the Amtrak San Joaquins passenger rail line and a freight rail system utilized by many industrial, manufacturing, and agricultural businesses throughout the Valley. KCAG is a member of the [San Joaquin Joint Powers Authority \(SJPPA\)](#), which is responsible for the governance/management of the San Joaquins intercity passenger rail service. Passenger rail stations are located in Hanford and Corcoran. KCAG participates in SJPPA activities to help ensure that Amtrak service within Kings County is maintained and improved. Potential improvements include increased service and upgraded equipment.

KCAG's Executive Director oversees a management staff that includes an Executive Assistant, Fiscal Analyst, and four Regional Planners. All personnel are full-time. A new Fiscal Analyst started September 2021, while one new Regional Planner started October 2021. At present, there is currently one vacant management position, but KCAG is not actively recruiting. Exhibit 6.1 reflects KCAG's current organizational structure.

RTPA staff receive regular performance evaluations and training, attend conferences and workshops sponsored by Caltrans as well as meet with other staff within the Valley. All RTPA employees are eligible for full benefits.

Exhibit 6.1 Organizational Chart (FY 2021/22)



Impact of COVID-19 pandemic

KCAG partially closed its office due to the COVID-19 pandemic, with everyone except two administration staff working from home. Other staff came into the office approximately once per week. Board and committee meetings were conducted virtually, which saved time and resulted in greater participation. All staff had returned to the office by October 2021. As of February 2022, all Board and committee meetings were still being held via phone.

Transportation Planning and Regional Coordination

KCAG’s primary regional planning document is its Regional Transportation Plan (RTP), which includes the Sustainable Communities Strategy (SCS) component. The 2018 RTP covers the period from 2018 to 2042 and was adopted in August 2018. This plan represents a continuation of regional transportation planning efforts in Kings County and was designed to ensure consistency with 67 other plans impacting Kings County and the region. While the RTP clearly identifies priorities, it is a financially constrained plan, so there is little money to implement these priorities. All road projects are for maintenance. The 2018 RTP was later amended to include the new KART station in Hanford so it could qualify for FTA funding.

The 2022 RTP update is currently underway. KCAG has engaged a consultant for the Environmental Impact Report for only the second time due to the availability of funding and additional grants. A public information and environmental impact report (EIR) scoping meeting for the RTP/SCS Update was held in November 2021. The draft Supplemental Public Participation Plan was also released for public review in November 2021, intended to complement the 2011 KCAG Public Participation Plan. It includes accommodations for virtual participation and reflects state and local guidance arising from the COVID-19 pandemic. The updated RTP is slated for completion in July 2022.

During the audit period, KCAG completed its Kings County 2021 Transit Development Plan and Kings County Coordinated Public Transit – Human Services Transportation Plan (2021). In 2019, it also developed a Regional Transit Asset Management Plan which updated the individual operator plans and prepared a regional group plan to inform funding decisions. KCAG also funded the City of Corcoran’s Fixed-Route Transit Study, which was completed in 2020.



Claimant Relationships and Oversight

The SSTAC serves as a productivity committee for the two transit operators and provides recommendations for unmet transit needs to the KCAG Board annually. The committee generally focuses on needs in Hanford, Lemoore, and Avenal. It meets regularly (three times per year) and makes efforts to identify potential efficiency improvements. The SSTAC is provided with the opportunity to review the same transit operator performance information as the KCAG Board. The SSTAC offers feedback on the priorities of riders who are elderly, disabled, and/or have limited means and looks at potential coordination opportunities, as well as advises regarding proposed service and fare changes. Performance audit findings and planning studies are typically presented to the SSTAC at the time of completion.

KCAG has not found it necessary to withhold allocated TDA funds due to lack of a reasonable effort to implement suggestions and recommendations. However, it has withheld funds due to the late submittal of TDA fiscal audits.

KCAG provides significant technical assistance to operators, including funding and coordination for most planning efforts. The operators are aware of such assistance and regularly take advantage of it. During the audit period, KCAG had federal planning funds to expend, and was able to fund some of the operators' planning projects, including KCAPTA's Fixed-Route Study. KCAG also provides letters of support and concurrence letters, advises regarding grant eligibility and availability, and provides overall support. KCAG acts as the liaison between operators and Caltrans.

KCAG contracts with an independent auditor to prepare TDA fiscal audits for each claimant. The RTPA regularly grants a 90-day extension for submittal of the audit reports, extending the deadline from 180 days following the end of the fiscal year to 270 days following the end of the fiscal year. KCAG correctly withholds further allocation of TDA funding until the audits have been completed. However, the City of Corcoran continues to have difficulty in adhering to this schedule due to the schedule for completion of the City's fiscal audit.

Marketing and Transportation Alternatives

The transit operators are primarily responsible for preparing their own marketing materials, press releases, etc., either in-house or through a third-party marketing contract. KCAG may post information on its website, and typically keeps KART rider guides in its office.

KCAG does not participate in ridesharing activities other than its role as a member of the JPA for CalVans.

Grant Applications and Management

KCAG administers and monitors federal, state, and regional funds, including:

- Federal Transit Administration (FTA) for transit planning, operations, and capital improvements (Sections 5303 and 5311);
- Federal Highway Administration (FHWA) planning funds (PL);
- Federal Regional Surface Transportation Program (RSTP) funds;
- Federal Congestion Mitigation and Air Quality (CMAQ) funds;
- FTA Section 5310 funds for elderly and disabled transportation;
- State Planning, Programming, and Monitoring (PPM) funds;



- State Transportation Development Act (TDA) funds (LTF and STA);
- State Transportation Improvement Program (STIP);
- State of Good Repair (SB1) funds and Low Carbon Transit Operations Program funds; and
- Abandoned Vehicle Abatement Service Authority funds.

KCAG’s Regional Planner monitors the use of these funds and also assists KCAG’s member agencies in applying for federal and non-TDA state funds. The Regional Planner provides mentoring as needed. They also review and troubleshoot grant applications for errors.

KCAPTA is not aware of any operator being denied a grant specifically because of errors of omissions in the grant application. Corcoran has had some issues with its LCTOP application in the past; however, Caltrans has worked with the City to get it finalized so that the City does not miss out on the opportunity.

Chapter 7 | Findings and Recommendations

Conclusions

With one exception, the audit team finds the Kings County Association 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.

Findings and Recommendations

Based on the current review, the auditors submit the following TDA compliance finding:

1. The City of Corcoran has not submitted its TDA fiscal audit within the established time period during any year of the audit period.

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

1. KCAG does not include the STA efficiency tests as part of its TDA claims process.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Kings County Association of Governments' 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 RTPA 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: The City of Corcoran has not submitted its TDA fiscal audit within the established time period during any year of the audit period.

Criteria: PUC 99245 requires an RTPA to “ensure that all claimants to whom it directs the allocation of funds pursuant to this chapter shall submit to it an annual certified fiscal audit conducted by an entity other than the claimant.” The section goes on to state that the audit must be submitted to the State Controller within 180 days of the end of the fiscal year, or a 90-day extension may be granted.

Condition: During the audit period, KCAG contracted with Hudson, Henderson & Company, Inc., a certified public accounting firm, to prepare TDA fiscal audits of KCAG and its claimants. The City of Corcoran has historically had problems completing its TDA fiscal audit on time, even with KCAG managing the overall contract. Despite utilizing the 90-day extension, the City's audits were not completed on time in FY 2018/19 or FY 2019/20. Each year, KCAG submits to the City of Corcoran a detailed schedule of completion for the TDA fiscal audit. The letter provides contact information for all audit participants as well as outlines the consequences of not completing the audit on time. KCAG grants a 90-day extension to the City of Corcoran, which extends the completion deadline from December 31 following the end of the fiscal year to March 31 of the following year.



Cause: In prior years, the City of Corcoran has indicated it cannot prepare its TDA fiscal audit until the City’s fiscal audit is complete. This usually results in the fiscal audit being completed in December, and the TDA audit is not started until January. This would still enable the audit to be completed by March 31, though the workload of the auditor may impact completion of the audit.

Effect: When the audit is submitted late, KCAG may be obligated to withhold TDA funds.

Recommendation: Continue to work with the City of Corcoran to complete its TDA fiscal audits within the designated timeframe.

Recommended Action: KCAG has already taken actions to ensure its claimants meet this compliance requirement by submitting their audits on time. In addition, KCAG correctly withholds TDA allocations until the audits are submitted. There is little more action KCAG can reasonably be expected to take to ensure all audits are submitted on time. Therefore, the auditors continue to recommend KCAG work with the City of Corcoran’s Finance Department to establish an appropriate timetable for the City’s audit that can facilitate on-time completion of the TDA fiscal audit.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Functional Finding 1: KCAG does not include the STA efficiency tests as part of its TDA claims process.

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: TDA claim forms used by KCAG for Article 6.5 funds (STA) include a rather vague statement about the purpose STA funds will be used for. “Transit service” (as indicated by the City of Corcoran) could apply to operating or capital purposes, though most likely refers to operating. KCAPTA indicates it will use STA funds to make payments to its operations contractor, which also refers to operating purposes.

In order to use STA funds for operating purposes, a transit operator must meet one of two efficiency tests measuring the increase in operating cost per vehicle service across one year or three years, adjusted for the increase in the Consumer Price Index (CPI). If an operator does not pass either test, then the amount of funding available for operating uses must be reduced by the percentage difference. KCAG does not include these efficiency tests in its annual TDA claim.

STA efficiency tests are included in the City of Corcoran’s annual TDA fiscal audit, but do not appear to be included in KCAPTA’s annual TDA fiscal audit. KCAPTA indicated in its FY 2018/19 fiscal audit that it had used a portion of its STA funds for operations that year, though the bulk of funds were used for capital purposes.



Cause: Failure to conduct the efficiency tests can result in an operator claiming STA funding for operating purposes it is not eligible to claim.

Effect: This may cause a revenue shortfall for the operator, if it had planned to use its full STA funds for operating.

Recommendation: KCAG should include the STA efficiency tests as part of the annual TDA claims process.

Recommended Action: Even if the STA efficiency tests are conducted as part of the TDA fiscal audit, TDA claim forms should reflect the result of those tests. This could be done by including the calculations as a separate form or by having the operator attest to whether or not they meet either test conducted as part of the audit as part of the statements on the Article 6.5 claim form. This would leave clear documentation with respect to claims on STA funds and how much of the allocated amount could be used for operating purposes.

Timeline: FY 2023/24 (STA eligibility for operations use has been waived through FY 2022/23 per AB 149).

Anticipated Cost: None.

Exhibit 7.1 Audit Recommendations

TDA Compliance Recommendation		Importance	Timeline
1	Continue to work with the City of Corcoran to complete its TDA fiscal audits within the designated timeframe.	High	Ongoing
Functional Recommendation		Importance	Timeline
1	KCAG should include the STA efficiency tests as part of the annual TDA claims process.	Medium	FY 2023/24



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