

**SANTA BARBARA COUNTY**

**AGRICULTURAL WORKER**

**TRANSPORTATION PROGRAM**

**PROGRAM CLOSURE REPORT**

**Submitted by Santa Barbara County,**

**Department of Public Works**

**April 12, 2011**

## **BACKGROUND**

On September 28, 2010, the County of Santa Barbara Board of Supervisors received and filed a progress report on the County's Agricultural Worker Transportation Program (AWTP). The progress report summarized over two and a half years of performance data on this Caltrans-funded farmworker vanpool pilot program. During its operation, the AWTP provided a useful transportation option for farmworkers in the north county. It improved air quality, reduced congestion, and provided affordable transportation for farmworkers in the region. However, the data accumulated over these two and a half years indicates that the program could not provide these services in a self-sustaining, cost-effective manner.

The Board of Supervisors directed Public Works staff to return in the spring of 2011 with a report from Caltrans on procedures for concluding the AWTP in an orderly manner, including directions on how to surplus or transfer assets and vans by June 30, 2011. This Program Closure Report contains the evidence that the Board considered during their Sept. 28, 2010 hearing that led to the decision to direct staff to terminate AWTP in an orderly manner.

The performance data has been updated to include the period of September 2010 through March 2011. For additional information about the background and sources of grant funding for the ATWP, please see the Board Letter to the County Board of Supervisors dated September 28, 2010, Clerk of the Board File No. 10-00819.

## **PROGRAM STATISTICS**

This section describes AWTP program efforts and statistics for the period of January 2008 through March 2011 in the following areas:

- Recruitment of Qualified Volunteer Drivers
- Marketing & Outreach
- Number of Vans on the Road
- Passengers Per Van
- Farebox Recovery Ratio (FRR)
- Evaluation of Factors Affecting Program Development

In this last item, staff will summarize key differences with operating a farmworker vanpool program in the Central Valley of California versus our north Santa Barbara County region. These differences have affected the program's growth, and would affect its potential for financial self-sufficiency when the State AWTP grant funding ends.

### 1. Recruitment of Qualified Volunteer Drivers

The County partnered with the Santa Maria Organization of Transportation Helpers (SMOOTH) to operate a fleet of 16 vans. In early 2008, the program began marketing efforts to attract volunteer drivers who could oversee a vanpool and qualify to operate the 15-passenger vans. The driver screening process included a review of a driver's history through the Department of Motor Vehicle's Motor Vehicle Report, a medical exam to determine driver fitness to operate the van, a criminal background check, as requested by the Board of Supervisors, and program training and vehicle orientation. To date, staff has screened 46 drivers who qualified to operate a vanpool. As of the writing of this report, eleven drivers are currently active in the program.

### 2. Marketing & Outreach

In an attempt to educate the target audience about the benefits of the AWTP, staff conducted marketing and outreach in a variety of areas. SMOOTH staff worked with television and radio to produce paid advertising, public service announcements, and interviews. Staff used Spanish speaking radio and television stations operating in the north county region to generate program awareness. Presentations to community groups, churches, chamber organizations, grower/shipper organizations and others were key to the marketing strategy. Staff conducted over 50 presentations to these groups over the last two and a half year period. Staff also made over 50 presentations to farms and vineyard operations throughout the region to provide owners and staff with an overview of program details and benefits, and to coordinate the distribution of information brochures to their workers.

### 3. Number of Vans on the Road

Based on the experience of Kings County, the Public Works Department anticipated that van usage would grow slowly until the potential target audience became familiar with the program and its benefits. In 2008, the year began with three vans being utilized by program participants. The year peaked with eight vans on the road in August and September, and then declined as the agricultural growing season tapered off in the fall. For comparison purposes, Kings County (the program from which the County modeled its effort and the basis for the State's AWTP grant funding) had identified one driver following its first six months of community outreach efforts.

In 2009, the year began with six to seven vans on the road, and grew to a maximum of nine vans on the road during the months of June, July, and August. As with 2008, program utilization declined as agricultural production slowed with the onset of fall. In 2010, the year began with five vans on the road, declined to four vans on the road during spring, and then increased to eleven by July. Eleven vans on the road marks the maximum program utilization to date for the fleet of 16 vans. As of March 2011, ten vans were on the road.

It is important to note that due to the careful screening and training efforts by SMOOTH staff, there have been no accidents or traffic tickets associated with operating the program to date.

#### 4. Passengers per Van

A key factor in determining the financial viability of the County's AWTP was the ability of the volunteer driver to reliably maintain eight or more passengers in the vanpool. When a van has a high passenger load, more of its expenses can be covered by passenger fare revenue. When a van has a lower passenger load, the van requires more outside funding to cover its total expenses. At the recommendation of Kings County, staff set a program goal for drivers to try to attain a passenger load of eight or more. This proved to be a difficult threshold to meet for many of the vanpool drivers participating in the County's pilot program.

Exhibit 2 shows average ridership per van over the last two and a half year period. In 2008, the average ridership was seven passengers per van. In 2009, the average fell to five passengers per van, and in 2010, the average ridership was again five passengers per van. For the first three months of 2011, average ridership was between four and five passengers per van.

#### 5. Farebox Recovery Ratio

Another measurement of transit self-sufficiency is the Farebox Recovery Ratio (FRR) – the amount of passenger fare revenue collected that covers operational costs (but not capital replacement) of a bus service. Most successful urban bus services cover 20% of their operational costs with passenger fares, with rural services covering 10% of their operational costs with passenger fares. Long haul regional commuter bus services can cover 80% or more of their operational costs with passenger fares. Vans leased by the private sector, such as the vanpools County employees use daily to get to their jobs with the County of Santa Barbara, cover 100% of their operational costs. Services with a large number of vans in operation have a higher FRR, because they can disperse the overall operating cost throughout the fleet.

Since the County began implementing the AWTP, the region was challenged to grow a year-round van fleet large enough to develop and maintain a FRR that would sustain the program when the State's AWTP grant expires. This is because our agricultural operations are at a much smaller scale than in Kings County. Program utilization rates remained low, and passenger fare revenue could not cover enough of the total operational costs.

Exhibit 3 shows the program's FRR performance over the past two and a half year period. In 2008, the program averaged a 9% FRR; in 2009, the program averaged a 10% FRR; and in 2010, the program again averaged a 9% FRR. For the first three months of 2011, the program averaged an 8.3% FRR. Exhibit 3 shows a spike in the FRR during the month of September 2008. The following factors are responsible for this: a) the fleet

size was small enough to be managed by one full time staff member; b) eight vans were on the road; c) the vans were averaging an 8-person passenger load; and d) many of the vans were driving unusually long distances each week, which temporarily increased the FRR to 23%. Unfortunately, this business model was not sustainable or feasible for this program in the County of Santa Barbara.

## 6. Evaluation of Factors Affecting Program Development

As noted above, SMOOTH program staff consulted with numerous community groups, organizations, farm owners and operators, and growing/shipping organizations to learn about the agricultural industry of Santa Barbara County. The following discussion summarizes staff's observations of the factors that influenced the development of the County's AWTP over the last two and a half years.

### January 2008 – Summer 2009

Beginning in January of 2008, and continuing through summer of 2009, staff realized a number of unique and dynamic factors that were affecting our region's program efforts differently than Kings County. These factors include:

- Close proximity of agricultural field locations and related unsuitability for larger vanpools

Kings County agricultural destinations are typically 30 minutes to an hour away, and can be as much as two hours away, which creates a very favorable environment for vanpools. For example, Kings County vanpools were operating in northern San Luis Obispo County. Agricultural fields in the Santa Maria Valley are concentrated within a 12 to 15-mile radius from the City of Santa Maria. For many of these prospective vanpool drivers, the idea of waking up 30 to 40 minutes earlier to pick up 8-10 vanpool passengers at various locations did not motivate participation. The County's program was most successful with distant fields located in the Santa Ynez Valley and Lompoc.

- Santa Maria area crop types and growing seasons lend themselves to a more "transient" work force

Kings County has a far larger agricultural base and more diverse types of crops and produce. This diversity affords the ability for vanpool crews to stay together and if needed, migrate as a working unit to new fields or newly developed production locations. The largest Santa Maria Valley area crops are strawberry, broccoli/cauliflower, and lettuce. While these crops are grown almost year-round, the actual worker production schedules are quite segmented. In several instances, staff observed field workers on the job for two months, get laid off, move to another production area and work for a few weeks, get laid off, then move from

the area to find work elsewhere. Wine grape vineyards proved to be one of the most stable year round employers of field workers, in some cases employing the same crews for years.

#### Fiscal Year 2009 - 2010

- Weather

The winter of 2008 provided program staff an early indication of the degree in which nature could affect program development. The cold weather emergency in 2008 caused a number of crop failures and adversely affected the seasonal growing schedule. A large segment of the farm worker population moved from the area seeking work in other areas. The winter of 2009 proved to be another challenge to vanpool recruitment. The volume of rain affected planting and harvesting schedules, in some cases moving schedules out by one to two months longer than normal.

- Economy

As with all industries in the nation, the economic downturn severely affected the agricultural industry. A Santa Maria wine grape grower and winery owner stated that as many as 20% of winery owners were going out of business due to the economy alone. As for row crops, the economy has forced owners to reduce their production and fieldwork budgets.

In the past, a typical row crop field-crew might work continuously for two months. The economy forced owners to segment their field schedules into smaller increments. Some vanpool passengers, including grape workers, worked for four to five days, off for a week, back to work for a couple weeks, and then back off work for a week. This segmented schedule continued during the early spring and subsided during the peak season (late June to late October/early November.)

#### **ANALYSIS OF PROGRAM SCALE FOR FINANCIAL FEASIBILITY:**

As the Santa Barbara County program rolled out in 2008, it was the general assumption that the program would not grow to the size of the Kings County operation, which depending on the season, can have over 100 farmworker vans in operation. It also benefits from economies of scale due to its operation of 200-300 vanpools for the local prison guard population. This large operation has meant that baseline staffing, operational, vehicle, and driver expenses of the program can be spread out over a very large number of vans, resulting in the programs financial self-sufficiency.

For Santa Barbara County's AWTP to operate beyond the period of State AWTP grant funds in June 30, 2011, the program would have had to obtain additional outside funding, and passenger fares would have had to cover at least 50% of program operating expenses.

This threshold was identified in light of the funding requirements of the Jobs Access Reverse Commute (JARC) Federal grant program. Staff identified this grant program as the only potentially viable source of funding to assist local efforts. The program would have provide up to 80% of the funding needed for capital expenses, and up to 50% of the costs associated with operating a transit or vanpool system. Staff inquiries to the Air Pollution Control District did not reveal any other feasible sources. In addition, the level of pollutants in air basin is not high enough for our region to qualify for Congestion Mitigation Air Quality (CMAQ) funding.

Total program costs and revenues for fiscal year 2009/2010 were approximately \$254,000. Total revenues (passenger fares) for fiscal year 2009/2010 were approximately \$20,000. If the JARC program were to award a grant to the County of Santa Barbara to assist with operating this local farmworker vanpool program, it would have covered approximately \$127,000, or 50% of total operational costs. Apply revenues (passenger fares) to the remaining 50% of operational costs, which must be covered by local sources, a deficit of \$107,000 would remain. If we did not receive a JARC grant award, local sources would have needed to fund \$234,000 of program costs.

In previous briefings to the Board of Supervisors, staff noted that allocating local discretionary transit funds such as Transportation Development Act (TDA) funds for addressing a program deficit was not likely a feasible option. Board members stated that higher priorities exist for limited TDA dollars. These priorities included transit for the general population and road maintenance when allowed under TDA law. This would leave two potential, but unrealistic options to cover this \$100,000 minimum, \$234,000 maximum annual operating deficit:

1. Considerably increase passenger fares: staff believed that this was not a viable option. A key aspect of this program was setting passenger fares at an affordable level for a farmworker. For a farmworker to choose a vanpool as a more reliable, safe, licensed and insured transportation option, it must be the same cost or less when compared with the informal paid carpool system (i.e. raitero system) in use today. The farmworker population typically has very low incomes and is very price sensitive.
2. Substantially increase the fleet size to spread baseline staffing, operational, vehicle and driver expenses of the program over a larger number of vehicles: staff estimated that program needed a fleet size of 40-45 vans to cover 50% of operating costs with passenger fare levels remaining at an affordable rate. Based on program performance to date and the size of our region, staff believes it is unlikely that the program could have sustained a fleet size of this scale.

## **CONCLUSION**

The County is grateful for the hard work and dedicated efforts by the staff at SMOOTH. They were always responsive to requests for assistance and were constantly innovative

with adjustments to the program and their approach to marketing and outreach. It is notable that after operating the program for over three years there have been no accidents and no traffic tickets by vanpool drivers. This is directly attributed to the careful driver screening and training efforts by SMOOTH staff. In addition, Public Works and SMOOTH were the only organizations in the State that launched a farmworker vanpool program wholly independent of Kings County. SMOOTH's partnership on this effort with the County was critical to the execution of this pilot program.

The County is also grateful for the mentoring and training provided by Ron Hughes, Executive Director of Kings County Area Public Transit. He has been generous with his time and resources assisting Santa Barbara County and many others to engage and test vanpooling across the State.

This Program Closure Report contains the evidence considered by the Board during their hearings of Sept. 28, 2010 and April 12, 2011 that led to the decision to direct staff to conclude the AWTP in an orderly manner. Farmworker-only vanpooling in our region has proven not to be cost-effective as a stand-alone program. However, the Santa Barbara County Association of Governments Board of Directors authorized joining a Joint Powers Agreement with ten other Counties in California to form Cal Vans. Participation in Cal Vans will provide Santa Barbara County with valuable vanpooling resources for commuters in general as well as farmworkers. Cal Van may provide this region with economies of scale that could lead to cost-effective vanpooling for the citizens of this County. Cal Vans effectiveness will be tested in our region beginning on July 1, 2011.