



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: September 21, 2010
Placement: Set Hearing for 9/28/10
Estimated Tme: 1 hour
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director Scott D. McGolpin, Public Works Department, #568-3010
Contact Info: Dacé Morgan, Deputy Director, Transportation, #568-3064
**SUBJECT: Receive a Progress Report on the Agricultural Worker Transportation Program;
Third, Fourth and Fifth Supervisorial Districts.**

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence.

As to form: N/A

Other Concurrence: Risk Management

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Set a hearing for September 28, 2010 to consider recommendations regarding the County of Santa Barbara's Agricultural Worker Transportation Program (AWTP), as follows:

- A) Receive and file progress report from the Public Works Department regarding the County's Agricultural Worker Transportation Program (AWTP);
- B) Receive a presentation from Ron Hughes, Executive Director of Kings County Area Public Transit Agency regarding CalVAN, a State-wide Vanpool Agency;
- C) Approve and authorize the Chair to execute a letter requesting that the SBCAG Board of Directors consider participation in CalVAN as the region's designated ride-share authority;
- D) Direct staff to return to the Board of Supervisors 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; and
- E) Approve and authorize the Chair to execute Amendment No. 2 to the Contract with the Santa Maria Organization of Transportation Helpers (SMOOTH), extending the contract term to June 30, 2011.

Summary Text:

For approximately two and half years, the County has partnered with SMOOTH (the County's contractor for day-to-day administration and management of the AWTP) to provide farmworker vanpool services in the north county region. Funding for this pilot program began with local contributions from the County (\$100,000) and the City of Santa Maria (\$50,000). In 2007, the County received two awards of funding for \$70,000 and approximately \$3.1 million from Caltrans under the State's AWTP. The State's goal was to fund jurisdictions to test the success of replicating a farmworker vanpool program developed by Kings County.

Based on your Board's approval, staff purchased eighteen (18) 15-passenger vans in three phases to operate the County's State funded program. Staff is now returning to your Board for a program update describing the performance of the County's program and recommendations for future action. This includes a presentation from Ron Hughes, Executive Director of Kings County Area Transit regarding CalVAN, a State-wide Vanpool Agency. Overall, staff from SMOOTH has done exemplary work in marketing and managing the program on the County's behalf. However, based on the last two and half years of operating statistics, it is unlikely that the program can financially sustain itself once State grant funding expires on June 30, 2011. While van utilization has grown over time, the number of vans on the road and the passenger fares generated by those vans are not sufficient to cover operating costs. A more detailed discussion of this issue is included below. With your Board's concurrence, staff will return in the spring of 2011 to discuss program options and van utilization, including the option of concluding the pilot program by June 30, 2011.

This action also includes an amendment to SMOOTH's contract with the County for the operations of the AWTP. The amendment extends SMOOTH's contract to align with the expiration date of the State grant funding, and reduces the amount of overhead charges to the program due to the reduction of the number of vans on the road. The County is adding no additional funding to SMOOTH's contract as part of this action.

Background:

On February 6, 2007, your Board approved an application to Caltrans for funding from the State's new Agricultural Worker Transportation Program (AWTP). The purpose of this program is to replicate farmworker vanpool programs across the State based on a successful model utilizing volunteer drivers developed by Kings County. In March of 2007, the County received notice that the State had awarded \$70,000 in planning funds from this program.

On July 10, 2007, your Board approved an agreement between Caltrans and the County regarding the award of \$70,000 in funding for the pilot program. Your Board also approved a contract with the Santa Maria Organization of Transportation Helpers (SMOOTH) to provide a full range of services related to day-to-day operations and oversight of implementing the program in the Santa Maria Valley.

On Oct. 23, 2007, your Board approved the purchase of nine used vans from Kings County and authorized submittal of a grant to Caltrans to purchase and operate an additional fleet of vans for three (3) years.

On December 13, 2007, the County received notice from Caltrans that it had received an award of funding for nearly \$3.1 million from the State's AWTP. The County used this funding to expand the vehicle fleet and pay for program operations for three years consistent with the terms of the grant. Staff

is currently working with Caltrans on the issue of what to do with any remaining funds and assets once the State grant funding expires. Public Works will include a full report on these issues when we return to your Board in the spring of 2011.

On March 25, 2008, your Board authorized the purchase of nine additional vans, which the Department purchased in two phases in August and October of 2008. In 2010, two of the used Kings County vans purchased in the first phase had chronic and severe mechanical problems. The Department deemed these vans as surplus and sold them through the standard County General Services process. This reduced the total number of vans from 18 to 16 that are available to the program.

PROGRAM STATISTICS

This section describes program efforts and statistics compiled for the period of January 2008 through August 2010 in the areas of:

- Recruitment of Qualified Volunteer Drivers
- Marketing & Outreach
- Number of Vans on the Road
- Passengers Per Van
- Farebox Recovery Ratio (FRR)
- Air Quality Benefits
- 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 county region. These differences have affected the program's growth and potential for financial self-sufficiency once State AWTP grant funding has ended.

1. Recruitment of Qualified Volunteer Drivers

As noted above, the County partners with 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 your Board, and program training and vehicle orientation. To date, staff has screened a total of 36 drivers who qualified to operate a vanpool. As of the writing of this report, a total of 11 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 has conducted marketing and outreach in a variety of areas. SMOOTH staff has worked with television and radio to produce paid advertising, public service announcements, and interviews. Staff has 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 have been key to the marketing strategy. Staff conducted over 50 presentations to these groups over the last two and half year period. Staff also made over 50 presentations to farms

and vineyard operations throughout the region to provide owners and staff 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 Department anticipated that van usage would grow slowly until the potential target audience became familiar with the program and benefits. As shown in Attachment 3, 2008 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 wound down for the year with the onset of fall. For comparison purposes, Kings County (the program from which the County has 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.

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 metric in determining the financial viability of the County's AWTP is the ability of the volunteer driver to reliably obtain and 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.

Attachment 4 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, average ridership per van fell to five passengers per van. In 2010, average ridership per van was again five passengers per van.

5. Farebox Recovery Ratio (FRR):

A common measurement of transit self-sufficiency is the 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 cover 100% of their operational costs such as the vanpools County employees use daily to get to their jobs with the County of Santa Barbara.

When the County began implementing its AWTP, our region would be challenged to grow a sufficiently large fleet of vans operating throughout the year to develop and maintain a FRR that would sustain the

program when the State's AWTP grant expired. This is because overall operating costs can be dispersed through each fleet vehicle and the fact that our agricultural operations are at a much smaller scale than in Kings County. If program utilization rates remain low, passenger fare revenue cannot cover enough of the total operational costs.

A common source of outside funding cited by Caltrans that could assist a local vanpool operation such as the County's AWTP is the Federal transit grant program referred to as JARC or Jobs Access Reverse Commute. The purpose of this program is to help fund transportation for low-income individuals to travel to jobs in suburban or rural areas in the State. It will 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. For example, the City of Lompoc in partnership with the County and the Cities of Buellton and Solvang received a JARC grant to operate the new Wine Country Express connecting the Lompoc Valley and the Santa Ynez Valley.

For the County's AWTP to qualify for this grant funding, 50% of the operating costs would have to be covered entirely by passenger fares, or passenger fares combined with a local subsidy after grant expiration. The Board should note that the JARC program was last revised during the development of the Federal SAFETEA-LU (Safe, Accountable, Flexible, and Efficient Transportation Equity Act – Legacy of Users) and became more prominent due to smaller operators and non-profit transit providers becoming eligible to seek funding. This Federal transportation-spending bill is currently up for reauthorization and while it is anticipated that the JARC program will remain in some form, there are no guarantees of the extent of funding it will contain or the eligibility requirements.

Attachment 5 shows the program's FRR performance over the past two and 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 9% FRR. Attachment 5 shows a spike in the FRR during the month of September 2008. A number of factors are responsible for this: a) the fleet size was small enough to be managed by one (1) full time staff; b) eight (8) 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 is not sustainable or feasible for this program in the County of Santa Barbara.

6. Air Quality Benefits

Over the last year of operation for fiscal year 2009/2010, the program has achieved valuable reductions in annual auto trips and annual vehicle miles travelled. Averaged over a one-year period, the program has carried 80 passengers per day with total miles travelled at just under 100,000 miles. This has resulted in a reduction of 5,730 annual auto trips with 767,420 vehicle miles reduced.

7. Evaluation of Factors Affecting Program Development

As noted above, SMOOTH program staff has 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 have influenced development of the County's AWTP over the last two and 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 the program efforts that were different from factors affecting the farmworker vanpool program in Kings County. These 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, does not motivate participation. The County's program has been 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 has 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. In this early phase, wine grape vineyards have proven 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 that fell this year 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.

Two years ago, a typical row crop field-crew might work continuously for two months. The economy has now forced owners to segment their field schedules into smaller increments. Some vanpool passengers this season, including grape workers, have 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 has continued during the early spring and appears to have subsided with the start of the “peak season”, which will run from late June to late October/early November 2010.

ANALYSIS OF PROGRAM SCALE FOR FINANCIAL FEASIBILITY:

As the program rolled out in 2008 in Santa Barbara County, 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.

This means that for Santa Barbara County’s AWTP to operate beyond the period of State AWTP grant funds (June 30, 2011), the program would need to obtain additional outside funding, and passenger fares would have 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. To date, staff has identified this grant program as the only *potentially* viable source of funding to assist local efforts. The program would 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 are approximately \$254,000. Total revenues (passenger fares) for fiscal year 2009/2010 are 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 cover 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 do not receive a JARC grant award, local sources would need to fund \$234,000 of program costs.

In previous briefings to your Board, 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 believes this is 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 estimates that a fleet size of 40-45 vans would be required 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 sustain a fleet size of this scale.

POTENTIAL PROGRAM OPTIONS AFTER JUNE 30, 2011

Staff is currently in discussions with Caltrans AWTP grant representatives regarding their expectations for how local jurisdictions will transition and/or sunset their programs in an orderly manner, as well as surplus or transfer program assets. At this time, Caltrans is reviewing its procedures, and they will notify jurisdictions that have participated in the AWTP of their options. The Department is asking that your Board direct staff to return with this information in the spring of 2011.

To fully inform your Board of potential opportunities for continuing vanpool services in Santa Barbara County, staff has invited an expert in vanpools. Ron Hughes started the farmworker vanpool program in Kings County that ultimately attracted Caltrans interest in determining if other programs across the state could replicate the Kings County program. Mr. Hughes has been extremely generous with his time, and has shared resources and training to help the County and SMOOTH implement this pilot program with State AWTP grant funding. The County is grateful for his assistance and attendance at previous Board hearings.

While it does not appear that the AWTP is fiscally viable for our area, staff is still working with Caltrans and Ron Hughes to explore other options.

Below is a brief overview of a new State-wide vanpooling agency that is the subject of his presentation.

Presentation by Ron Hughes, Executive Director of Kings County Area Public Transit Agency regarding CalVAN – a State-Wide Vanpool Agency

Ron Hughes, Executive Director for Kings County Area Public Transit Agency, has been invited to address your Board and present an opportunity for our region to consider membership in a Joint Powers Agreement (JPA) governing CalVAN; a State-wide vanpool Agency. Currently, Councils of Government representing Kings, Madera, Fresno, Tulare, Monterey, San Benito, Santa Cruz, Sacramento, Yolo, Yuba, and Sutter have signed on as members of this agency. The Agency will have six Board members, one from each of the Council of Government. CalVAN seeks to consolidate vanpool management and operations for multiple counties in California under one entity recognizing that economies of scale can create a more cost-efficient way to provide vanpool services for its customers. These vanpool services will be available to all types of commuters seeking a vanpool including farmworker transportation.

Vanpooling offers a flexible way to provide transportation to groups of individuals who travel from approximately the same origin to roughly the same destination. Whether they are prison guards, hotel workers, aerospace employees or farmworkers, a vanpool can fill the void where traditional public fixed-route transit is not an option or is infeasible. Vanpools often do not travel within the political boundaries of cities and counties. Therefore, a broader, statewide approach to managing a fleet of vans and providing program administration can result in vanpooling services being available to a greater number of people at a lower cost. As envisioned, the CalVAN program would not require any member agency to provide funding to the new agency. The primary funding will come from user fees; additional local, State, and federal grants funds will be used to further reduce the cost to vanpool participants.

Following this presentation, the Department requests that the Chair sign a letter to the SBCAG Board of Directors asking them, as our region's designated ride-share authority, to consider participation in CalVAN.

SMOOTH CONTRACT AMENDMENT:

Public Works is requesting that your Board approve Contract Amendment No. 2 extending the County’s contract with Santa Maria Organization of Transportation Helpers (SMOOTH) to June 30, 2011, and modifying the method of calculating overhead charges. The extended date mirrors the time period associated with the AWTP State grant. The change to overhead charges is to reflect how SMOOTH calculates overhead costs based on the actual number of vans in the County’s fleet, not the total number of vans we anticipated purchasing under the grant. This is how SMOOTH has calculated the overhead charges since the program began, which has reduced the overhead charges to the program. This amendment does not increase SMOOTH’s contract with the County and will actually reduce the amount of overhead charges attributed to the program.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$465,000		
Federal			
Fees			
Other:			
Total	\$465,000	\$ -	

Narrative:

The State funded Agricultural Worker Transportation Program, administered by Caltrans funds 100% of all costs associated with this pilot program.

Staffing Impacts:

None

Legal Positions:

FTEs:

Special Instructions:

Please return two (2) original executed documents and a certified stamped Minute Order approving these actions to the Public Works Department, Transportation Division, attention Matt Dobberteen, x3576.

Attachments:

- Attachment 1 – Letter to SBCAG Regarding CalVAN
- Attachment 2 – SMOOTH Contract Amendment NO.2 (3 originals)
- Attachment 3 – Number of Vans on the Road
- Attachment 4 – AgVAN Ridership
- Attachment 5 – Farebox Recovery

Authored by:

Matt Dobberteen, Alternative Transportation Manager, 568-3576