



**BOARD OF DIRECTORS  
JUNE 23, 2017**

**AGENDA ITEM NO. 17-06-10**

**ACTION REQUESTED - APPROVE**

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**FIRST *TransNet* TEN-YEAR COMPREHENSIVE  
PROGRAM REVIEW**

File Number 1500100

**Introduction**

The *TransNet* Extension Ordinance (Ordinance) requires that the Board of Directors, acting as the San Diego County Regional Transportation Commission (Commission), conduct a Ten-Year Comprehensive Program Review of all *TransNet* projects and programs to evaluate and improve performance of the overall program.

Preliminary options for conducting the review have been developed into draft work plan concepts by the Transportation and Regional Planning Committees. At its meeting on June 16, 2017, the Transportation Committee reviewed these concepts and recommends approval by the Board of Directors.

**Discussion**

In accordance with the Ordinance, one of the responsibilities of the Commission is to conduct a comprehensive program review every ten years. The Ordinance includes the following provision regarding Commission responsibility for the Ten-Year Review:

*“Section 17. Ten-Year Comprehensive Review: The Commission shall conduct a comprehensive review of all projects and programs implemented under the Expenditure Plan to evaluate the performance of the overall program over the previous ten years and to make revisions to the Expenditure Plan to improve its performance over the subsequent ten years. Such comprehensive program reviews shall be conducted in Fiscal Years 2019, 2029 and 2039. Revisions to the Ordinance and Expenditure Plan required as a result of the ten-year review shall be subject to the amendment process in Section 16.”*

**Recommendation**

The Transportation Committee recommends that the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the proposed approach for the first *TransNet* Ten-Year Comprehensive Program Review, including draft work plan concepts, in substantially the same form as attached.

## **Background**

The [Ordinance](#) generates funding for public transit, highway, local road, and active transportation projects, and for programs focused on environmental protection and smart growth. The specific projects and programs funded under the Ordinance are described further in the document titled *TransNet Extension Expenditure Plan Analysis* (Expenditure Plan). Attachment 1 to this report (*TransNet Flow of Funds*) illustrates the various programs funded under the Ordinance and the allocation percentage for each.

Section 4 of the Ordinance sets forth Expenditure Plan purposes and states as follows:

*“Section 4. Expenditure Plan Purposes: The revenues received by the Commission from the existing measure as extended by this measure.....shall be used to improve transportation facilities and services countywide as set forth in the Expenditure Plan and in a manner consistent with the long-range Regional Transportation Plan and the short-range multi-year Regional Transportation Improvement Program....”*

The Ordinance also requires the review process to take into consideration the results of *TransNet*-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan<sup>1</sup>.

The attachment to the Ordinance entitled *“Statement of Understanding Regarding Implementation of the ITOC for the TransNet Program”* includes Independent Taxpayer Oversight Committee (ITOC) responsibilities and states:

*“5. Provide recommendations as part of the 10-year review process. This process provides an opportunity to undertake a comprehensive review of the TransNet program every 10 years and to make recommendations for improving the program over the subsequent 10 years. This review process should take into consideration the results of the TransNet-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan.”*

The Board initiated the San Diego Forward: The Regional Plan (2019 Regional Plan) update process at its April 28, 2017, meeting. The 2019 Regional Plan update is anticipated to be completed with Board adoption in summer/fall 2019. With both the 2019 Regional Plan update and the Ten-Year Review anticipated to be conducted within the next two years, the Board may wish to align the timing of both efforts and take advantage of the opportunity to streamline activities while ensuring consistency across both efforts.

For example, the Ten-Year Review could be started in early summer 2017 (FY 2018) and conducted as a two-step process. The first step could entail a “look back” to assess the performance of the overall program to date. The second step could entail a “look ahead,” utilizing the results from the first step

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<sup>1</sup> At its May 25, 2012, meeting, the SANDAG Board of Directors approved the integration of the Regional Comprehensive Plan update with the development of the Regional Transportation Plan/Sustainable Communities Strategy. The integrated Plan (San Diego Forward: The Regional Plan) was adopted on October 9, 2015.

as a basis to consider potential revisions to the Expenditure Plan to improve performance of the *TransNet* Program going forward. Should the Board decide to structure the Ten-Year Review in this manner, a decision would need to be made whether to perform each of the steps of the review by an outside firm or in-house staff.

The 2019 Regional Plan draft work plan was reviewed by the Board on April 28, 2017, and includes public outreach activities as well as development and evaluation of alternative multimodal transportation network scenarios for Board approval. Should the Board elect to conduct the look-ahead portion of the review as part of the 2019 Regional Plan efforts, any changes proposed to the Expenditure Plan could benefit from the extensive outreach already being conducted under the regional plan update. This approach could reduce duplicative efforts and costs, yet still ensure that stakeholders have ample opportunities to contribute to the development of any changes proposed to the Expenditure Plan for SANDAG Board consideration.

### ***Transportation and Regional Planning Committees Feedback***

At their respective meetings in May and June, the Transportation and Regional Planning Committees reviewed and discussed options for the timing of the review, timeframe to be evaluated, the level of Board and Policy Advisory Committee involvement in the process, and areas that could be evaluated.

At its meeting on May 19, 2017, the Transportation Committee supported ensuring the “look back” component of the Ten-Year Review evaluates program/project results starting in 2005 – the inception of the *TransNet* Early Action Program. The Committee also supported coordinating the “look forward” component with the 2019 Regional Plan update. Committee members also discussed placing an emphasis on the next ten years but not excluding the remaining years in the *TransNet* measure. Additionally, Committee members discussed the need to consider the impact of disruptive transportation technologies<sup>2</sup> on the program. Committee members also supported the use of the existing SANDAG committee structure, including outreach to agency working groups to fully engage and encourage community involvement. Support also was expressed for using and aggregating existing data to provide guidance moving forward. Existing data could include past studies and performance audits, among other available materials and documentation.

At their joint meeting on June 2, 2017, the Transportation and Regional Planning Committees provided feedback consistent with the input noted above. In addition, discussion included ensuring opportunities are provided to review proposed metrics to prioritize projects and improve the performance of the entire system; looking at how *TransNet* has supported alternative modes of transportation; and consideration for how different colors of money influence project type and how one size does not fit all (i.e., what works well in one jurisdiction may not work in another). A request also was made to re-evaluate the 70/30 congestion relief and maintenance ratio requirements prescribed by the Ordinance for the Local Streets and Roads program.

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<sup>2</sup> Disruptive technologies refer to innovations that may be considered unproven or relatively unknown (e.g., autonomous vehicles), creating a new market and eventually disrupting an existing market thereby displacing and ultimately supplanting existing technologies.

At its May 19, 2017, meeting, the Transportation Committee also discussed whether the Board of Directors would be better served by an outside consultant or in-house staff for either the “look back” or “look forward” steps in the process and to consider factors such as cost and expertise.

In terms of cost, it is certain that coordinating the review with the Regional Plan will result in cost and time savings in terms of tasks that can be streamlined (e.g., public outreach and involvement), regardless of whether those tasks are completed by in-house staff or an outside consultant. However, determining the actual cost would depend on what the Board ultimately decides the scope of the review would look like and the extent of the review.

One comparison that could be used in determining the cost differential of conducting the review either through in-house staff or through the services of an outside consultant, however, could be the triennial performance audit conducted by the ITOC. Although the triennial audit conducted by the ITOC covers a different scope than that of the Ten-Year Review, the portion of work attributable to the review of existing materials and documentation under both the Commission's Ten-Year Review and the ITOC performance audit could be comparable as both would review many similar documents and materials.

The ITOC is scheduled to conduct its next performance audit starting July 2017. This could be an opportunity for the Board and ITOC to consider potentially having the Ten-Year Review and the performance audit share in the documentation review tasks of both efforts. The ITOC uses the services of an independent external auditor to conduct its performance audit; the portion of work for documentation review and performance analysis is conducted at a cost of approximately \$100,000 and is paid for out of the ITOC operating budget. Sharing in this portion of the work effort could result in additional savings and reduction of duplication of efforts since both the review and the performance audit would be occurring at the same time.

At its May 19, 2017, meeting, Transportation Committee members requested a more definitive approach to conducting the review be presented alongside factors such as cost. To facilitate this effort, draft Ten-Year Program Review Work Plan Concepts have been developed that include tasks proposed, including conducting the review and identifying potential revisions to the Expenditure Plan when updating the 2019 Regional Plan; and a proposed timeline for accomplishment of the tasks (Attachment 2).

The expected cost of the work effort associated with the “look back” portion of the review is approximately \$100,000, which would be funded with *TransNet* one percent off-the-top administration funds budgeted in FY 2018 Work Element Project No. 1500100, *TransNet* Financial Management.

The Transportation Committee, at its June 16, 2017, meeting, supported that the First *TransNet* Ten-Year Comprehensive Program Review, to be conducted by the Commission, and the FY 2018 *TransNet* Triennial Performance Audit, to be conducted by the ITOC, share in the documentation review tasks of both efforts.

## **Next Steps**

Pending Board approval, the draft work plan concepts for the Commission's Ten-Year Review would be further developed into a scope of work, which would be included as an additional task under the ITOC FY 2018 *TransNet* Triennial Performance Audit.

GARY L. GALLEGOS  
Executive Director

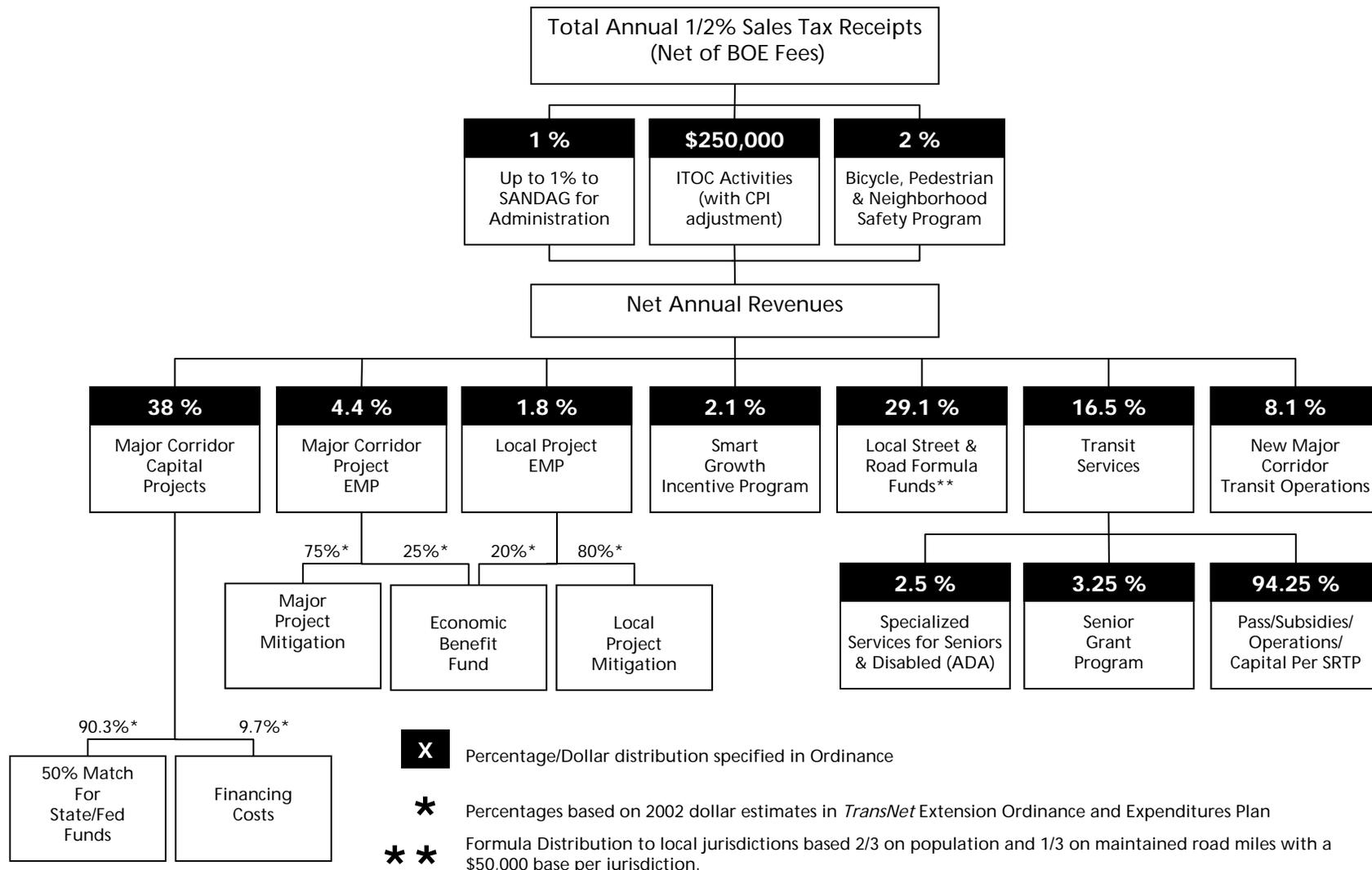
Attachments:   1. *TransNet* Extension - Flow of Funds Chart  
                  2. First *TransNet* Ten-Year Comprehensive Review – Draft Work Plan Concepts

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# **TransNet** Extension

www.KeepSanDiegoMoving.com

## Flow of Funds—FY09 to FY48



**Proposed First *TransNet* Ten-Year Comprehensive Program Review  
Draft Work Plan Concepts**

**Purpose:**

- Conduct a comprehensive review of all projects and programs implemented under the Expenditure Plan to evaluate performance of the overall program since the start of the *TransNet* Early Action Program (January 2005)
- Identify potential revisions to the Expenditure Plan to improve its performance through FY 2029 and going forward through FY 2048 (when the *TransNet* Extension Ordinance sunsets)
- Provide alternatives to be considered by the Commission when updating the 2019 Regional Plan for determining whether any changes are warranted to better carry out the purpose of the Ordinance

**Background:**

The *TransNet* Extension Ordinance generates funding for public transit, highway, local road, and active transportation projects, and for programs focused on environmental protection and smart growth. The specific projects and programs funded under the Ordinance are further described in the document incorporated by reference to the Ordinance and titled *TransNet Extension Expenditure Plan Analysis* (Expenditure Plan).

**Scope:**

**Task 1:** Conduct a comprehensive review of all projects and programs implemented under the Expenditure Plan to date

Review *TransNet* program projects and programs funded under the Ordinance titled *TransNet* Extension Expenditure Plan Analysis, consistent with Section 4 of the *TransNet* Extension Ordinance which sets forth Expenditure Plan purposes, including but not limited to:

- *TransNet* Expenditure Plan
- *TransNet* Early Action Program (EAP) and related bond issuances
- Regional Bike EAP
- Transit Services
- New Major Corridor Transit Service Operations
- *TransNet* Administration
- Local Streets and Roads Program
- Major Corridor Project Environmental Mitigation Program (EMP)
- Local Project EMP
- Smart Growth Incentive Program
- Senior Mini-Grant Program
- Bicycle, Pedestrian, the Neighborhood Safety Program<sup>1</sup>
- Independent Taxpayer Oversight Committee (ITOC)
- Other (to be determined)

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<sup>1</sup> The Bicycle, Pedestrian, and Neighborhood Safety Program also is known as the *TransNet* Active Transportation Grant Program.

Utilize existing materials and documentation already reviewed by the SANDAG Board of Directors to conduct the review, such as:

- State of the Commute reports
- Annual *TransNet* Fiscal and Compliance audits conducted by the ITOC
- Triennial *TransNet* Performance Audit reports conducted by the ITOC
- Reports available on the Implementation and performance status of *TransNet* project and programs using technology tools used in project and program development, including, but not limited to, KeepSanDiegoMoving.com and the *TransNet* Dashboard
- Master Agreement Regarding Collaborative Projects Between SANDAG and Caltrans
- Master Agreement between SANDAG, North County Transit District (NCTD), and Metropolitan Transit System (MTS)
- SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules
- *TransNet* EMP Memorandum of Agreement (MOA)
- San Diego Forward: The Regional Plan
- Quarterly Progress Reports on Transportation Projects
- Short-range planning documents such as the Coordinated Plan and the Regional Transportation Improvement Program
- The San Diego County Regional Transportation Commission Act commencing with Public Utilities Code Section 132000

**Task 2:** Identify preliminary options that could be considered in terms of revisions to the Expenditure Plan to improve its performance. These could include but not be limited to:

- Revisions to programs
- Revisions to projects
- Other (to be determined)

For each potential alternative in Task 2 provide a preliminary assessment that considers the results of *TransNet*-funded improvements as compared to the performance standards established through the 2019 Regional Plan.

**Tasks 1 and 2 Deliverable:** Draft report containing evaluation for presentation to the Transportation and Regional Planning Committees and SANDAG Board of Directors; Based on review by the Transportation and Regional Planning Committees and direction by the SANDAG Board of Directors, prepare Final report, including specific recommendations and next steps (Fall 2017/Winter 2018). Tasks 1 and 2 to be conducted on behalf of the Commission by ~~outside consultant~~the ITOC auditor for the FY 2018 *TransNet* Triennial Performance Audit.

**Task 3:** Utilize report results from Tasks 1 and 2 when updating the 2019 Regional Plan for determining whether any changes are warranted to better carry out the purpose of the Ordinance.

**Task 3 Deliverable:** Changes to the *TransNet* Extension Ordinance, as warranted and subject to Commission approval, to be made as part of the 2019 Regional Plan update. Task 3 to be conducted with the 2019 Regional Plan update by in-house staff.

**Schedule:**

Fall/Winter 2017 – Complete Tasks 1 and 2

Fall 2019 – Complete Task 3