CALIFORNIA STATE AUDITOR
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FACT SHEET

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The California State Auditor released the following report today:

Santa Clara Valley Transportation Authority

It Has Made Several Improvements in Recent Years, but Changes Are Still Needed

BACKGROUND

Responsible for providing both transit services and transportation planning within Santa Clara County, the Santa Clara Valley Transportation Authority (VTA) is the third largest transit district in the State. VTA is governed by a board of directors (board); 12 appointed officials who hold other city- and county-elected offices. To assist in its decision-making processes, the board has established four standing committees and has brought together citizens and local officials to form five advisory committees.

KEY FINDINGS

In our review of VTA's governance structure, strategic planning, fiscal management, and project planning and monitoring, we reported the following:

- The average tenure of VTA's governing board is significantly less than that of comparable transit agency boards, due to a two-year term length established in statute and a biennial rotation schedule for certain members that was recently eliminated.
- VTA does not fully engage its five advisory committees early in the policy development process and thus continues to limit its opportunities to obtain valuable input from its stakeholders and build regional consensus on transportation issues, even though it has made recent improvements in interactions and deliberations amongst its board, board committees, and executive management.
- Since 2006 VTA has not had a comprehensive strategic plan and its current planning documents that it says it uses as a strategic plan are deficient. Of the eight practices in strategic planning that are recommended by a professional standard-setting body, VTA needs some improvement in three areas and substantial improvement in two.
- Even though it has enhanced its financial practices, VTA's budgeting related to its capital program needs improvement. Capital budgets do not include project time frames and expected spending by year, which limits VTA's ability to forecast cash needs, manage debt, and maximize investment funds.
- In its short-range transit plans VTA does not specify the assumptions behind its capital program forecasts. Further, VTA does not compare the forecasts to actual revenue and expenditures to improve its forecasting methods.
- In its long-term projections for one of its capital projects programs, VTA included a revenue source that had not yet been secured.
- VTA's project-planning practices need improvement. VTA's detailed plans did not always anticipate the potential revenues a project might generate, secure necessary project funding, and identify the sources of funding for future operating costs. Further, VTA generally has adequate policies in place to monitor projects, but it implements them inconsistently.

KEY RECOMMENDATIONS

We made numerous recommendations to VTA including that it ensure that advisory committees are involved early in the development of policy solutions and that it adopt a strategic plan that conforms to the practices recommended by a professional standard-setting body. We also recommended it create and communicate information that tracks all capital projects, including costs and progress. To aid in achieving stability in VTA's governing board, we recommended that VTA request the Legislature change the term length of the board members.