

STAFF REPORT

SUBJECT: Grand Jury Report

MEETING DATE: June 15, 2006

AGENDA ITEM: 13

RECOMMENDATION:

Authorize the chair to sign a letter responding to the findings and recommendations contained in the FY 2005-06 Santa Barbara County Civil Grand Jury report entitled "*Measure D—Progress as Promised?*"

STAFF CONTACT: Jim Kemp, Gregg Hart

SUMMARY:

The County Civil Grand Jury recently released a report examining several issues related to Measure D. The report generally finds that Measure D has been beneficial for the region's transportation system and that it should be continued. The Grand Jury recommends that SBCAG and local agencies publicize the results of Measure D to help ensure that voters are able to make an informed decision on the Measure D renewal election. The board authorized staff to implement a public information program last month. SBCAG is required to respond to the findings and recommendations contained in the report. Staff is seeking board approval of a draft response letter.

DISCUSSION:

The 2005-06 Santa Barbara County Grand Jury recently released the attached report entitled "*Measure D—Progress as Promised?*" The report (attached) provides a detailed review of the existing Measure D transportation improvement program including an examination of whether projects identified in the original expenditure plan were completed, the benefits of Measure D expenditures including improved road quality and whether suitable controls have been enforced over the use of Measure D funds. The Grand Jury makes several findings that are generally positive:

Finding 1: All construction projects in the original Measure D Expenditure Plan have been completed on or ahead of schedule with the exception of the Highway 101 widening project, which was canceled in 1993 due to citizen opposition. The remaining funds from the Regional Program are being applied to complete additional projects of value to the transportation needs of the County.

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

Finding 2: The 70% of Measure D revenues allocated to the local agencies has resulted in significant improvements in road and street pavement condition, local transit shuttle services in Carpinteria and Santa Barbara, and upgrades to the transportation infrastructure of the County and cities.

Finding 3: The funds generated by the one-half-cent sales tax have been allocated as specified in the Expenditure Plan, and there is an audited accountability process to ensure that each local agency uses the funds as specified in its annual program of projects.

Finding 4: The program of projects prepared by the cities of Goleta, Santa Barbara and Santa Maria do not specify in sufficient detail how their Measure D funds will be spent. The categories are too broad to provide transparency for their plans.

Finding 5: SBCAG, the cities and the County Public Works Department and the paratransit operators have not adequately publicized the positive results achieved through Measure D. This has allowed the public debate to be focused on a narrow set of policy issues, such as the desirability of mass transit vs. roads.

The Grand Jury concludes that the accomplishments under Measure D justify the continuation of a transportation sales tax.

Two recommendations are made by the Grand Jury that require a response by SBCAG:

Recommendation 1: Publicize the results of Measure D to date to raise the awareness of voters and enable them to make an informed decision about reauthorizing the transportation sales tax.

Recommendation 3: Require that the annual program of projects for each jurisdiction specify in sufficient detail what will be accomplished with its Measure D funds.

SBCAG is required to respond to the findings and recommendations presented in the report within 90 days of its release. Staff has prepared a proposed response letter (attached) for approval by the board at its June 15 meeting. The draft letter has been distributed to the public works directors since the local agencies are required to provide responses to some of the same issues.

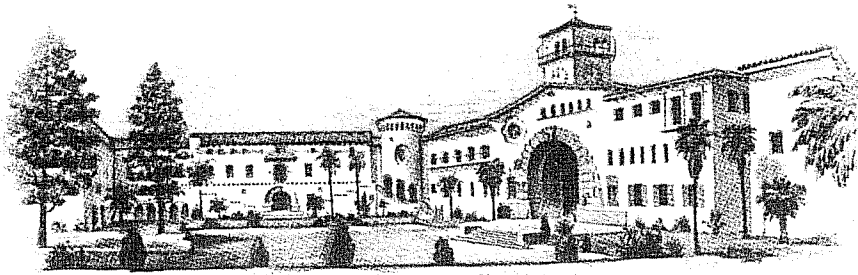
COMMITTEE REVIEW:

None

ATTACHMENTS:

Grand Jury Report "*Measure D—Progress as Promised?*"
Draft Letter of Response to Grand Jury

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**GRAND JURY
SANTA BARBARA COUNTY**

April 26, 2006

Mr. Jim Kemp
Executive Director, Santa Barbara County Association of Governments
260 N. San Antonio Road, Suite B
Santa Barbara, CA 93110

Dear Mr. Kemp:

Enclosed is the report of 2005-2006 Santa Barbara County Civil Grand Jury entitled '*Measure D – Progress as Promised?*', in which your department is named as an affected agency.

You are required to respond within 90 days to each applicable finding and recommendation contained in the report as specified by California Penal Code 933.05(b).

You are required to send your responses both to the Presiding Judge of the Superior Court and to the Grand Jury:

To the Superior Court: (signed printed document)

The Honorable Judge Rodney Melville
Superior Court
312-M East Cook Street
Santa Maria CA 93455-5165

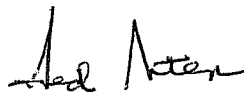
To the Grand Jury: (signed printed document, plus a softcopy on a CD in Microsoft Word or PDF format)

Santa Barbara County Civil Grand Jury
Attention: Foreman
1100 Anacapa Street
Santa Barbara CA 93101

The report will be released to the public not less than two working days following the date of delivery of this report to you. The report is confidential until public release.

If you have any questions, please contact me at the above address.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ted Sten". The signature is written in a cursive style with a large initial "T" and "S".

Ted Sten
Foreman
Santa Barbara County Civil Grand Jury

Enclosure

MEASURE D

Progress as Promised?

SUMMARY

In 1989 the voters of Santa Barbara County passed Measure D, which authorized a one-half cent increase in the sales tax to be devoted to transportation improvements. Because Measure D is scheduled to sunset in March 2010, a vote to reauthorize the transportation sales tax is planned to be placed on the ballot in November 2006. State law requires at least a two-thirds majority vote to approve such tax measures.

The Grand Jury studied the results of Measure D and has concluded that the accomplishments under Measure D justify the continuation of a transportation sales tax. All construction projects in the original Measure D Expenditure Plan have been completed on or ahead of schedule with the exception of the Highway 101 widening project, which was canceled in 1993 as a result of public opposition. The 70% allocation of Measure D revenues to local agencies for road maintenance and improvements, bikeways and transit services has resulted in tangible benefits to the citizens of the County, including a significant improvement in road pavement condition.

Looking forward to the vote to renew a transportation sales tax in Santa Barbara County, the Grand Jury takes no position on the debate about the allocation between highways and alternative forms of transportation and among the cities and County. Sunsetting of Measure D without a replacement, however, will serve none of the constituencies conducting this debate.

INTRODUCTION

In November 1989 the voters of Santa Barbara County approved Measure D, a one-half-cent increase in the local sales tax to fund improvements to our transportation system. The Measure D Transportation Improvement Program will remain in effect for a total of 20 years, sunsetting on March 31, 2010.

The funds for Measure D are allocated to three purposes in a fixed proportion:

- 70% to local agencies for road, transit, and bikeway improvements
- 29.5% to a defined set of major highway construction projects
- 0.5% to specialized transit providers who serve senior citizens and persons with disabilities (often referred to as *paratransit*)

Measure D

The Santa Barbara County Association of Governments (SBCAG) administers the funds generated by the Measure D sales tax and is also responsible for constructing some of the major highway projects specified in the Measure D Expenditure Plan. SBCAG is governed by a 13-member board comprising the five County Supervisors and an elected official from each of the eight cities in the County – Buellton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, and Solvang.

A two-thirds majority of voters is required to reauthorize Measure D. Most citizens have not heard of it, however, or have heard of it only in the context of debates over how to solve congestion problems on Highway 101 and whether to allocate additional funding to mass transit at the expense of roads. The Grand Jury decided to take a look backward to assess the results of Measure D – to identify what has been accomplished since 1989:

- whether the projects identified in the original plan have been completed,
- whether the highway maintenance paid for by Measure D has made a difference in the quality of County roads and city streets,
- whether the envisioned transit services have been provided, and
- whether suitable controls have been enforced over the flow and use of the money.

This report provides the Grand Jury's assessment of the results of Measure D and the process by which the funds are managed. It was compiled from reports and papers available on the Internet and from documents provided by SBCAG and the Public Works Departments of the County and the eight cities of Santa Barbara County. The Grand Jury also interviewed representatives of these organizations to improve its understanding of the issues.

OBSERVATIONS AND ANALYSIS

History of Local Transportation Sales Taxes

Measure D is not unique to Santa Barbara County. During the last 25 years residents of 20 of the 58 California counties voted to raise sales taxes for defined periods to pay for transportation improvements¹. Collectively, these local transportation sales taxes generate roughly \$2.5 billion per year for the support of capital investments in new highways and transit systems and the maintenance and operation of existing ones.

¹ Amber E. Crabbe, Rachel Hiatt, Susan D. Poliwka, and Martin Wachs, *Local Transportation Sales Taxes: California's Experiment in Transportation Finance*, University of California Berkeley, February 2005.

Measure D

Since their inception, these taxes have been the fastest-growing source of revenue for transportation in California.

Although motor fuel taxes have been the principal source of state highway funding in California since the early 20th century, sales taxes achieved greater prominence in the mid-1980s as the legislature began authorizing sales taxes for transportation projects in individual counties. Under this legislation, counties and cities cooperatively would establish new “transportation authorities” to administer the tax proceeds in keeping with voter-approved expenditure programs. In 1984, voters in Santa Clara County approved the first such sales tax measure in California. The legislature soon gave all counties the power to adopt these taxes, prompting a deluge of new ballot proposals. By 1990, 17 counties had adopted these taxes – including Santa Barbara.

The popularity of this strategy for raising transportation revenues has been attributed to four important characteristics of local transportation sales taxes:

1. The taxes are approved directly by the voters, not by legislators.
2. The funds are raised and spent within the county, so that voters experience the benefits of their tax expenditures directly in their own communities.
3. Most of the sales taxes are temporary (typically lasting 15 or 20 years), after which they automatically expire, or “sunset,” unless specifically reauthorized by another vote of the citizenry.
4. The measures that the voters have approved most often contain lists of specific transportation projects to be financed with the proceeds of the taxes.

In combination, these provisions give citizens more direct control of their transportation investments than has typically been the case with motor fuel taxes. That control is clearly a factor in the success of the sales tax program.

Following the Money

Santa Barbara County will receive about \$28.5 million from Measure D in fiscal year (FY) 2005-2006, roughly 1% of the statewide total of \$2.5 billion raised from local transportation sales taxes. (The government fiscal year starts on July 1 and ends on June 30.)

Measure D funds are used on transportation projects and programs specifically authorized in the voter-approved Measure D Expenditure Plan, which was approved by SBCAG, the County of Santa Barbara, and each of the cities prior to the 1989 election. The Expenditure Plan specified the allocation of revenues collected under Measure D as follows:

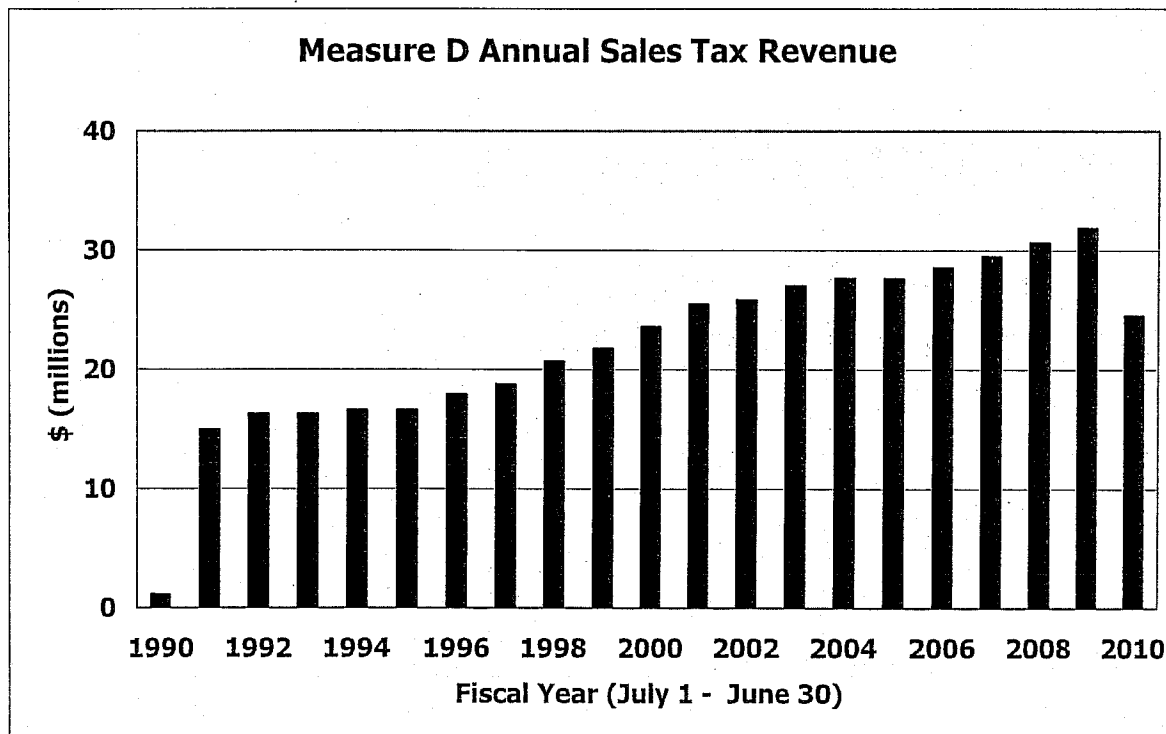
Measure D

- Local Program 70.0%
- Regional Program 29.5%
- Paratransit 0.5%

The State Board of Equalization collects the Measure D tax as part of total sales tax receipts from Santa Barbara County. The Board of Equalization deducts its collection costs – about 1.5% of the gross amount – and forwards the remaining funds to SBCAG as the Local Transportation Authority. SBCAG is authorized to allocate up to 1% for salaries and benefits for administrative purposes. The remaining revenues are divided among the Local Program, Regional Program and Paratransit in the proportion cited above.

From its inception on April 1, 1990 through February 2005, Measure D has generated over \$300 million for local and regional projects in Santa Barbara County. It is anticipated to generate nearly \$500 million before sunsetting on March 31, 2010. Exhibit 1 shows the sales tax revenues generated from Measure D each year through FY2004-2005 and the projected revenues through March 31, 2010.

Exhibit 1. Measure D revenues are approximately \$28.5 million per year and are expected to exceed \$30 million by FY2007-2008. The revenue drops in 2010 because Measure D sunsets three months before the end of the fiscal year.



Local Program

The Local Program allocates 70% of the available sales tax revenues for transportation projects and programs selected at the discretion of each city council and the County Board of Supervisors. The governing ordinance limits the use of the Local Allocations to the following purposes:

- **Local roads and bikeways:** To maintain, repair, and rehabilitate existing roads and bikeways; to reduce congestion and improve safety; to construct needed facilities; to implement programs to reduce or limit transportation demand; and to contribute to the costs of projects on the State highway system.
- **Public transit:** To provide for the operation of new or expanded transit services by the public transit operator serving the area; and, to support the operation of existing transit services in an amount no greater than the reductions in State and Federal annual funding for operating support experienced by the transit operator below the level in FY1989-1990.

Section 9 of the governing ordinance includes provisions to ensure that Measure D Local Allocations are used to supplement rather than supplant existing local revenue sources for street maintenance and improvement programs. Each of the cities and the County must continue to spend local discretionary funds for street and road purposes in an amount not less than that reported in the State Controller's Annual Report for FY1986-1987. This is called the Maintenance of Effort requirement, and it is verified annually through an independent audit conducted by SBCAG.

SBCAG has established an annual process by which the cities and County prepare plans for their Local Allocations, the funds are disbursed, and the use of the funds is audited. The steps in the process are as follows:

- | | |
|----------|--|
| February | SBCAG establishes an estimate of Measure D funds for the next five fiscal years. SBCAG provides the Technical Transportation Advisory Committee with a five-year estimate of Measure D Local Allocation revenues and seeks approval of apportionments. |
| April | Local agencies submit their five-year programs of projects to SBCAG. The Appendix lists the Measure D Program of Projects for each jurisdiction for FY2004-2005. |
| May | SBCAG reviews the local programs of projects and seeks modifications as necessary. |

Measure D

June	SBCAG approves the regional five-year program of projects and the allocation of Measure D funds to local agencies for the succeeding fiscal year.
Monthly	As revenues are received the County Auditor disburses them to local agencies in monthly payments. Funds received by each local agency are deposited into a separate Transportation Improvement Account.
Quarterly	Within 30 days after the close of each quarter local agencies submit to SBCAG a report on Local Allocation funds including the following information: <ul style="list-style-type: none">• amount received• amount expended in total and for each project in the local program of projects• current Transportation Improvement Account balance• anticipated expenditures for next quarter
Annually	At the close of the fiscal year SBCAG arranges for independent audits of each agency's financial transactions to ensure that Measure D funds are being expended in a manner consistent with the ordinance.

The Grand Jury finds that the appropriate financial controls are in place and that SBCAG manages the planning, disbursement and audit process diligently.

Examination of the program of projects (Appendix) reveals one area, however, where the transparency of the process can and should be improved. Although some jurisdictions specify their program of projects in detail (e.g., Santa Barbara County, cities of Carpinteria, Guadalupe and Lompoc), the cities of Goleta, Santa Barbara and Santa Maria present their programs with just a few broadly defined line items. They do not present enough information about their programs to permit a meaningful external review prior to approval.

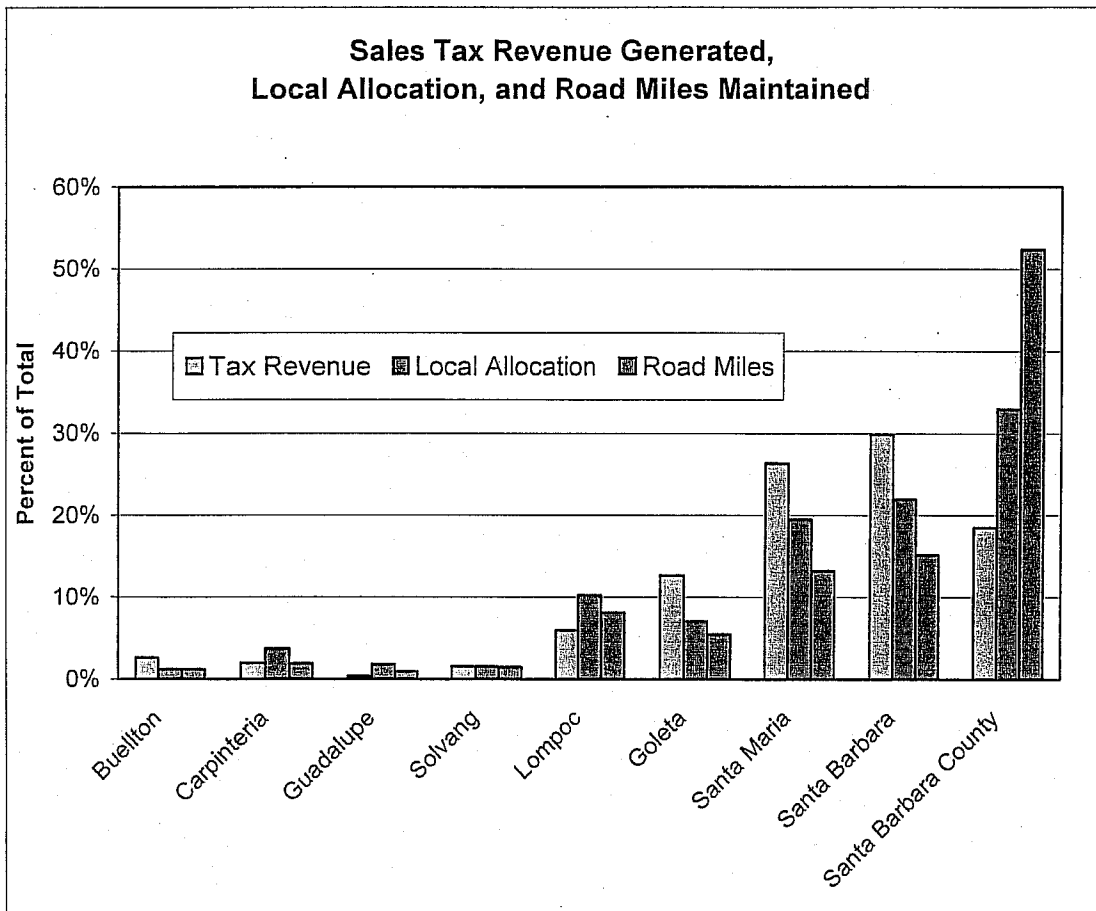
The Grand Jury recommends that Goleta, Santa Barbara and Santa Maria provide more detail in their annual programs of projects, at least for the ensuing two years. Further, the Grand Jury recommends that SBCAG define and enforce a standard for the program of projects that will ensure an appropriate level of transparency.

The Local Allocation for each jurisdiction is calculated by a simple formula. First, each jurisdiction is allocated \$50,000. The remaining amount of the 70% of the Measure D revenues available for disbursement is then allocated to each jurisdiction in proportion to its population. In FY2004-2005, for example, each jurisdiction received \$46.83 per person in addition to the \$50,000 baseline amount.

Measure D

The Grand Jury compared the Measure D Local Allocation for each jurisdiction to the tax revenues generated by that jurisdiction and the road miles it maintains. Exhibit 2 shows the results of the comparison for FY2004-2005 as percentages: how much of the total sales tax revenue the jurisdiction contributed, how much of the total Measure D Local Allocation it received, and its percentage of the total road miles in the County. The cities of Buellton, Goleta, Santa Maria and Santa Barbara received a smaller proportion of the tax revenues than they contributed. The County and the cities of Guadalupe, Carpinteria and Lompoc received a greater proportion of the tax revenues than they contributed. Solvang broke even.

Exhibit 2. The cities of Goleta, Santa Barbara and Santa Maria receive Local Allocations that are disproportionately smaller than the sales tax revenues they generate. The County and Lompoc are the primary beneficiaries of this imbalance. However, the County's Local Allocation is disproportionately smaller than the road miles it maintains.



Measure D

Other formulas for the Local Allocation have been proposed for the reauthorization measure. Road miles maintained would certainly be one obvious candidate for an allocation strategy. As Exhibit 2 shows, however, the County has disproportionately more road miles to maintain than its allocation. Using road miles as the basis for the Local Allocation would only increase the imbalance between the County and the cities.

Regional Program

The Regional Program receives 29.5% of the Measure D sales tax revenues, currently about \$8.5 million per year. The Regional Program comprises 18 projects, including interchange improvements, rural highway operational improvements, local intersection improvements, highway widening, auxiliary lanes and interregional transit service.

SBCAG employed bond financing to complete 12 of the 15 original Expenditure Plan projects by the year 2000. In November 1993 the Santa Barbara County Local Transportation Authority issued \$48,570,000 in bonds to finance the regional construction projects. (The Local Transportation Authority was the predecessor of SBCAG.) Issuing the bonds enabled the County to complete the projects much earlier than would have been possible with a 'pay-as-you-go' strategy. Spending only the sales tax revenues available each year would have delayed many of the projects for ten years or more, denying County residents the benefit of the planned improvements. Moreover, delaying the projects inevitably would have resulted in higher construction costs because of inflation.

The debt service on the bonds is repaid out of the 29.5% allocation to SBCAG for the regional projects. The proceeds remaining after repayment of principal and interest are available for additional project work.

Cost savings on one rural highway project (Highway 154) allowed SBCAG to begin development of a second group of improvements on the highway. In October 2003 the Expenditure Plan was amended to add three projects. Fifteen of the 18 projects currently in the program have been completed, and three are ready to be advertised or are under development and will be completed by the sunset of Measure D.

The total cost of the Regional Program, including planning, design, right-of-way, construction and project support, is currently estimated at \$180 million. Funding for the Regional Program through Measure D's sunset is projected to be \$135 million. SBCAG has leveraged an additional \$60 million in funding from State, Federal and local sources. A small ending balance is projected which serves as a contingency for the three projects yet to be completed and could provide SBCAG with an opportunity to add additional projects to the Regional Program.

Measure D

Paratransit

The Paratransit Program receives 0.5% of the Measure D sales tax revenues, currently about \$145,000 per year. The funds are allocated to transit operators to reduce fares and improve door-to-door transit service for seniors and the disabled. Funds may be used for the following purposes:

- reduce elderly and disabled person fares to not less than 50% of the existing elderly and disabled person fares
- provide operating subsidy for paratransit service improvements and expansion
- contribute to the farebox to meet Transportation Development Act requirements
- provide operating subsidy for existing service

Allocations are based on population within four designated apportionment areas. Recipients are: Easy Lift Transportation (South Coast area), Santa Maria Area Transit (Santa Maria and Orcutt area), City of Lompoc Transit, and Santa Ynez Valley Transit.

Results of Measure D

The funds provided by Measure D have enabled SBCAG and the local agencies in Santa Barbara County to deliver a variety of projects including:

- regional highway projects
- local street maintenance, repair and rehabilitation
- street improvements
- local transit improvements and services
- bicycle and pedestrian facilities

This section presents the key results that have been reported by SBCAG and the public works departments of the County and cities. Much of this material is taken from a presentation to the SBCAG Board in February 2005. The road condition information was provided directly by the public works departments.

Local Program (70%)

In February 2005 it was reported that Local Allocations have been spent in the following manner:

- | | |
|-----------------------|-----|
| • street maintenance | 81% |
| • roadway capacity | 2% |
| • street improvements | 6% |
| • bike & pedestrian | 6% |
| • transit services | 5% |

Measure D

Road and Street Maintenance Because road and street maintenance consumes the bulk of Local Allocation funds, the Grand Jury examined the results of these expenditures. As shown in Exhibit 3 the public works departments of the County and cities maintain about 1,565 miles of roads and streets.

Exhibit 3. The Public Works Departments of the County and cities maintain about 1,565 miles of roads and streets.

Jurisdiction	Road Miles Maintained
County of Santa Barbara **	820
City of Santa Barbara	238
City of Santa Maria	207
City of Lompoc	127
City of Goleta	86
City of Carpinteria	30
City of Solvang	23
City of Buellton	19
City of Guadalupe	15
Total	1,565

** The County Public Works Department measures its road network in terms of lane-miles. Public Works manages 1,667 lane-miles, which it estimates corresponds to about 820 road miles.

What has been the effect on road quality of Measure D? The public works departments of the County and several of the cities use a measure called the Pavement Condition Index (PCI) to assess the quality of the road surfaces in their jurisdictions. The PCI is a numerical rating of the pavement condition that ranges from 0 to 100, with 0 being the worst possible condition and 100 being the best. The method for determining the PCI was developed by the Construction Engineering Research Laboratory of the U.S. Army Corps of Engineers and is documented in ASTM Standard D-5340. (ASTM International is a standards development organization formerly known as the American Society for Testing and Materials.)

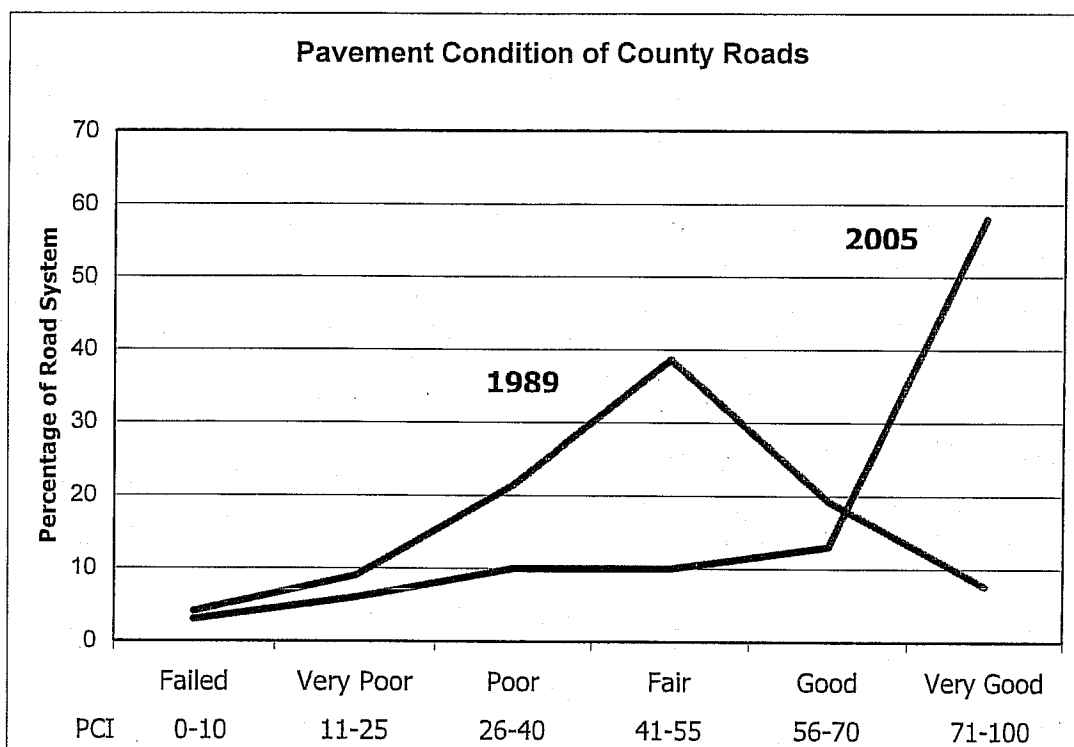
Exhibit 4 shows the results compiled by the County Public Works Department of the PCI improvement on the roads it maintains since 1989, just prior to the passage of Measure D. In 1989 just 8% of County roads were in the Very Good range (PCI > 70); in 2005 58% of the County roads were in this range. Public Works Department officials told the Grand Jury that these results are directly attributable to the availability of maintenance funds from the Measure D Local Allocation.

Measure D

Some of the cities have also achieved large improvements in pavement condition. The City of Santa Barbara reported that an average PCI of 59 in 1989 has been improved to an average PCI of 74 in 2005. The City of Santa Maria reported that its average PCI was in the low 50s in the early 1990s; in 2005 it was 63.7.

Other cities have achieved smaller but still tangible improvements. Lompoc reported an improvement for all asphalt sections from an average of 70.3 in 2001 to 73.5 in 2005. In just two years Goleta improved its average PCI from 64.5 in 2003 to 71.6 in 2005. Carpinteria improved its average PCI from 74 in February 2001 to 78 in November 2002; the next measurement is planned for summer 2006.

Exhibit 4. The percentage of County roads with a PCI in the Very Good range has increased from 8% in 1989 to 58% in 2005.



The Grand Jury finds that Measure D has enabled public works departments to achieve measurable and significant improvements in pavement condition.

In addition to road and street maintenance, jurisdictions may use Measure D funds for other local transportation projects as permitted by the ordinance. The Grand Jury surveyed the public works departments of the eight cities to identify significant projects completed in the last several years. Exhibit 5 presents a sample.

Measure D

The Grand Jury finds that Measure D has enabled the County and city public works departments to make tangible improvements to the transportation infrastructure of Santa Barbara County.

Exhibit 5. Local Allocations have funded projects in addition to routine maintenance.

City	Projects Completed
Buellton	Hwy 246/Avenue of Flags intersection improvements
Carpinteria	4 major rubberized paving overlay projects totaling 6.12 miles since 2001
Goleta	concrete repair projects including installation of new sidewalks and accessibility ramps: 2003-2004: 56 ramps, 340 linear feet of new sidewalk 2004-2005: 42 ramps, 313 linear feet of new sidewalk
Lompoc	2001: concrete sidewalk installation on Guava Ave, Fourth-Sixth St; Tangerine Ave, Gardenia-Seventh St; "T" St, Walnut-Chestnut Ave; Chestnut Ave, "H"- "A" St 2003: Old Town pedestrian enhancements; replace sidewalk with concrete pavers; install pedestrian-friendly amenities including lights and bicycle racks 2005: Allan Hancock and River Bend bikeways -- preliminary engineering and environmental design
Santa Barbara	2003-2005: over 75,000 square feet of new sidewalks completed under the Sidewalk Infill Program, and 184 additional ADA (Americans with Disabilities Act) access ramps installed installation of new technology to coordinate traffic signals along 1.2 miles of upper State Street replacement of aged and deteriorated traffic signal equipment with new signal controllers that enhance traffic operations
Solvang	a major project in 2002 comprising 5.37 miles of paving, 1.47 miles of slurry seal, 0.8 mile of cape seal, and 628 linear feet of curb and gutter replacement.

Transit The County and the cities of Carpinteria and Santa Barbara devote a portion of their Local Allocation funds to support Metropolitan Transit District (MTD) services. The County devotes \$84,000 annually to alternative transportation projects.

Measure D

Carpinteria and Santa Barbara fund MTD's Electric Shuttle routes, which have experienced the following ridership in recent years:

Exhibit 6. Ridership of MTD's Electric Shuttle routes

Route	Total Passengers
Downtown-Waterfront	3,100,100 in 5 years
Crosstown	383,600 in 3 years
Seaside	350,300 in 4 years
Wharf Woody Electric	103,200 in 5 years

Specialized Transit (0.5%)

Measure D devotes 0.5% of funding to improving public transportation for seniors and the disabled (paratransit) throughout the County. Through July 2004, \$1.2 million had been distributed to provide subsidies to specialized service operators, meet ADA service requirements for the County's largest fixed route provider, and provide fare reductions for service users.

Regional Program (29.5%)

Of the original 15 highway projects in the Measure D Expenditure Plan approved in 1989, 14 have been completed. Exhibit 7 lists the projects in the original Plan.

Exhibit 7. Construction projects in the original Measure D Expenditure Plan

Project	Description	Total Cost (\$ million)	Completed Construction
Route 135 / Betteravia Road	Improve intersection in Santa Maria.	1.10	April 1995
Route 166	Construct left turn lanes and safety improvements between Santa Maria and Guadalupe.	2.70	April 1995
Hollister Avenue / Fairview Avenue	Improve intersection in Goleta.	3.69	August 1996
Route 101 / La Cumbre Road	Reconstruct freeway interchange in Santa Barbara.	10.39	May 1997
Route 101 / Storke Road	Reconstruct freeway interchange in Goleta.	10.08	May 1997
Route 101 / Main Street	Revise freeway interchange in Santa Maria.	4.76	May 1997

Measure D

Project	Description	Total Cost (\$ million)	Completed Construction
Route 101 / 154 (South)	Widen overcrossing and revise southbound onramp to Route 101 in Santa Barbara.	7.49	August 1997
Route 101 / Betteravia Road	Reconstruct freeway interchange in Santa Maria.	6.98	September 1997
Route 154 – Group I	Construct safety improvements and passing lanes.	12.37	November 1997
Route 154 – Group II		6.76	2006 (est.)
Route 1	Realign and improve from Route 246 south of Lompoc.	15.09	August 1998
Route 101 / Milpas Street	Revise and improve intersection of freeway ramps and surface streets.	6.91	April 2000
Route 101 / 154 (North)	Reconstruct new freeway interchange near Los Olivos.	10.89	August 2000
Route 101 / Stowell Road	Reconstruct freeway interchange in Santa Maria.	6.74	August 2002
Route 101 / Donovan Street	Revise freeway interchange in Santa Maria.	9.08	August 2002
Route 101	Improve interchanges and widen to six lanes between San Ysidro Rd. and Ventura County Line.		Canceled

Owing to the cancellation of the Highway 101 widening project, the SBCAG Board in October 2003 approved the use of Measure D funds for operational improvements and transit on the Highway 101 corridor. The Board amended the Expenditure Plan to add three new projects:

Project	Description	Total Cost (\$ million)	Completed Construction
Route 101 – Milpas St. to Hot Springs Rd.	Widening and operational improvements.	47.11	2010 (est.)
Ortega Hill Auxiliary Lane	Construct northbound auxiliary lane between Evans and Sheffield interchanges.	4.87	2006 (est.)
Route 101 – Milpas St. to Ventura County Line	Study and recommend widening, operational and interchange improvements.	1.09	Fall 2006 (est.)

Measure D

In addition to funding these projects, SBCAG uses part of the 29.5% Measure D Regional Allocation to operate two successful commuter bus services in the County, the Clean Air Express and the Coastal Express.

The Clean Air Express Commuter Bus Service runs 10 bus routes from Lompoc and Santa Maria to Goleta and Santa Barbara. In 1994, the Clean Air Express carried 113,000 passengers and removed 6.3 million vehicle miles traveled from County highways. In March 2005 the fares paid by Clean Air Express riders covered 63% of operating costs, an unusually high recovery rate for a public transit service.

The Coastal Express bus service connects Ventura and Santa Barbara County with 26 weekday trips. Nearly three-quarters of weekday riders are commuting to work, and another large percentage are students traveling to school. The Coastal Express also operates on weekends when most riders are traveling to shop.

Highway 101 and Measure D

The original Expenditure Plan for Measure D included a project to widen Highway 101 between Milpas Street in Santa Barbara and the Ventura County line. This project is the only one in the Expenditure Plan that was not completed. After Caltrans issued an Environmental Impact Report for the project in 1993, community groups protested with such vehemence that the proposed widening was abandoned.

What were the objections to the project, what has been the impact of its cancellation, and what is the situation in early 2006?

Objections to the project focused on environmental concerns. Caltrans's design would have resulted in the loss of 3,000 trees bordering the existing highway between Montecito and Carpinteria, and residents of those communities came out in force to express their opposition. Some 4,000 people signed petitions against the project.

In 1993 the traffic situation on this portion of Highway 101 was not as severe as it has become 12 years later. It was difficult for those in favor of the widening project to make the case for it, and the project was canceled.

Caltrans's failure to solicit public input as it developed the design doomed the project once the public realized the impact. Public officials learned a lesson from this experience, which has strongly influenced subsequent decisions about how to relieve congestion on Highway 101.

When the project was canceled, the funds allocated to it in the Expenditure Plan were frozen pending another proposal. Caltrans did not propose an alternative design that would be more acceptable to the affected communities, however, and the project was not pursued. The Expenditure Plan amendment authorized in 2003 is using the funds that were frozen in 1993.

Measure D

During the subsequent years, as the volume of traffic and the associated delays have grown steadily worse, public calls for corrective action have become more frequent and more vocal. Recognizing the need to address the congestion problem on Highway 101, yet wanting to avoid the problems experienced in 1993, SBCAG initiated the 101 In Motion project in October 2003. 101 In Motion is a partnership of SBCAG, Caltrans, County of Santa Barbara, City of Santa Barbara, City of Goleta, City of Carpinteria, MTD and the Air Pollution Control District. The project started with a community outreach phase, developed a set of options, and refined the analysis to arrive at the recommended 'lane and train' solution.

The proposed solution includes both widening Highway 101 to six lanes from Milpas Street to the Ventura County line and three commuter trains each workday between Camarillo and Goleta on the Union Pacific Railroad right-of-way. The additional lane in each direction would be limited to vehicles with two or more persons (HOV – high occupancy vehicles), including carpools, vanpools and buses. The commuter rail line would include stops in Oxnard, Ventura, Carpinteria and Santa Barbara, for a total of 47.8 miles (20 miles within Santa Barbara County).

The SBCAG Board approved the lane and train solution in October 2005. The sharp differences of opinion between advocates of increased mass transit and advocates of increased highway capacity have dominated the discussion of Measure D reauthorization in public comment and in the press.

Although Measure D can't generate sufficient funds to build the solution, it can provide the seed money to sell bonds and/or to apply for State and Federal funding.

Meanwhile, in early 2006 the Highway 101 corridor between Milpas Street and the Ventura County line remains the most congested roadway in the County. In an attempt to address the most severe congestion problems, Caltrans has initiated the Highway 101 Operational Improvements program between the Milpas Street and Hot Springs Road/Cabrillo Boulevard interchanges. The project will cost approximately \$47 million and will include the reconstruction of two major interchanges, six new or improved bridges, freeway widening and improvements to local streets and circulation. Construction is scheduled to begin in 2007 and is expected take four years to complete.

Reauthorization of Measure D

Measure D will sunset on March 31, 2010. Unless voters approve a replacement measure before then, the County sales tax rate will be reduced by one-half cent and the Measure D transportation funds received by public works departments and transit operators will evaporate.

Measure D

SBCAG has been working to develop a replacement for Measure D to present to voters on the General Election ballot in November 2006. Why put the measure to a vote three years before the end of Measure D? Several reasons have been stated:

1. If the new measure is authorized in 2006, SBCAG can issue bonds against the future tax revenues and start the projects earlier than 2010.
2. Tax measures generally do better at the polls in even-numbered years, when there is also a general election.
3. Waiting until 2008 to put the replacement measure to a vote would give only one opportunity for voter approval in a general election year before 2010. If it were to fall short of passage, Measure D would sunset with the associated consequences – reduction in sales tax and the elimination of this source of funding for city and County transportation activities.

As a result of Proposition 218, State law now requires that special-purpose tax measures receive a two-thirds majority vote at the polls. In 1989 Measure D required approval by only a majority of the voters; 55% of the votes were in favor of it. Today a 55% favorable vote would be insufficient; the measure would fail.

SBCAG has conducted surveys to assess voter sentiment about reauthorizing Measure D and to assess the prospects for a two-thirds favorable vote. The first survey, reported in September 2005, revealed that 85% of respondents had not heard of Measure D. Of those who had heard of it, 55% had no opinion about it.

Despite all that has been achieved through Measure D, these results suggest that SBCAG and the beneficiaries of Measure D tax revenues – the cities, the County Public Works Department and paratransit operators – have failed to inform the public of the value they have delivered. Although State law prohibits government agencies from campaigning for or against ballot measures, it expressly permits public information programs intended and designed to educate the public about the facts underlying the measures.

Given the opportunity to inform the public of the achievements realized under Measure D and to address the concerns raised in public commentary, there has been only silence. For example, during the months of June 2005-February 2006 the Santa Barbara News-Press has published at least 19 editorials and opinion pieces on Measure D and related transportation issues, many urging that the sales tax not be renewed unless alternative transportation modes are emphasized in the new expenditure plan. Among the editorials, one was entitled *Bye-bye to Measure D taxes* and another *Railroaded on Measure D?*. There have been no published responses to these columns by representatives of any of the local government agencies with an interest in the reauthorization of Measure D.

Measure D

As of March 2006 the debate over reauthorization has been framed in terms of the allocation of Measure D revenues among highway projects, road maintenance and alternative forms of transportation including mass transit and commuter rail. There has been no public discussion of the tangible improvement in the County's roads and streets during the years since Measure D went into effect, or of the inevitable deterioration that would result from its sunseting.

The Grand Jury concludes that the accomplishments under Measure D justify the continuation of a transportation sales tax. Looking forward to the vote to renew such a tax in Santa Barbara County, the Grand Jury takes no position on the debate about the allocation between highways and alternative forms of transportation and among the cities and County. **Sunsetting of Measure D without a replacement, however, will serve none of the constituencies conducting this debate.**

The Grand Jury urges SBCAG, other transportation agencies, and the advocates for the various modes of transportation to educate the public now about how Measure D funds have been allocated, spent and managed and about the tangible results of the work accomplished. The voters need this information, along with the proposed expenditure plan for the reauthorization measure, to be able to make an objective decision about reauthorizing the transportation sales tax in Santa Barbara County.

FINDINGS

Finding 1

All construction projects in the original Measure D Expenditure Plan have been completed on or ahead of schedule with the exception of the Highway 101 widening project, which was canceled in 1993 due to citizen opposition. The remaining funds from the Regional Program are being applied to complete additional projects of value to the transportation needs of the County.

Finding 2

The 70% of Measure D revenues allocated to local agencies has resulted in significant improvements in road and street pavement condition, local transit shuttle services in Carpinteria and Santa Barbara, and upgrades to the transportation infrastructure of the County and cities.

Finding 3

The funds generated by the one-half-cent sales tax have been allocated as specified in the Expenditure Plan, and there is an audited accountability process to ensure that each local agency uses the funds as specified in its annual program of projects.

Measure D

Finding 4

The program of projects prepared by the cities of Goleta, Santa Barbara and Santa Maria do not specify in sufficient detail how their Measure D funds will be spent. The categories are too broad to provide transparency for their plans.

Finding 5

SBCAG, the cities, the County Public Works Department and the paratransit operators have not adequately publicized the positive results achieved through Measure D. This has allowed the public debate to be focused on a narrow set of policy issues, such as the desirability of mass transit vs. roads.

RECOMMENDATIONS

Recommendation 1

Publicize the results of Measure D to date to raise the awareness of voters and enable them to make an informed decision about reauthorizing the transportation sales tax.

Recommendation 2

Provide additional detail in the annual programs of projects for Goleta, Santa Barbara and Santa Maria to make their plans clear and to provide a basis for the annual audits.

Recommendation 3

Require that the annual program of projects for each jurisdiction specify in sufficient detail what will be accomplished with its Measure D funds.

REQUEST FOR RESPONSE

In accordance with Section 933(c) of the California Penal Code, each agency and government body affected by or named in this report is requested to respond in writing to the findings and recommendations in a timely manner. The following are the affected agencies for this report, with the mandated response period for each:

Santa Barbara County Association of Governments – 90 days

Findings	1, 2, 3, 4, 5
Recommendations	1, 3

Measure D

Santa Barbara County Public Works Department – 90 days

Findings	2, 5
Recommendation	1

Public Works Department of Buellton – 90 days

Findings	2, 5
Recommendation	1

Public Works Department of Carpinteria – 90 days

Findings	2, 5
Recommendation	1

Public Works Department of Goleta – 90 days

Findings	2, 4, 5
Recommendations	1, 2

Public Works Department of Guadalupe – 90 days

Findings	2, 5
Recommendation	1

Public Works Department of Lompoc – 90 days

Findings	2, 5
Recommendation	1

Public Works Department of Santa Barbara – 90 days

Findings	2, 4, 5
Recommendations	1, 2

Public Works Department of Santa Maria – 90 days

Findings	2, 4, 5
Recommendations	1, 2

Public Works Department of Solvang – 90 days

Findings	2, 5
Recommendation	1

Measure D

APPENDIX

Program of Local Projects

Each jurisdiction specifies annually how its Local Allocation will be used. Some jurisdictions supplement the Measure D allocation with funds from other local, State, and Federal sources. All amounts in \$(thousands).

Project Description	Program Year					Totals	
	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Measure D	Other Sources
City of Buellton							
Calor Drive - from Second Street to end, Terrace Court, Oak Tree Way, Twin Oak Drive, La Lata Drive - from Second Street to end, La Pita Place, Paula Ray Lane, Teri Sue Lane, Kim Sue Lane, Sharon Place, Nina Place, Irelan Drive, Dawn Drive, Commerce Drive, Thomas Road	300						
W. Hwy 246 Corridor Improvements		80					
Street Improvements - Var. Locations		170	257	266	274		
Subtotal	300	250	257	266	274	1,289	58
City of Carpinteria							
Street Maintenance & Improvements	402	406	499	521	543		
Miscellaneous Concrete Repair	130	130	138	143	149		
Local Transit Assistance	20	20	20	20	20		
MTD Electric Shuttle	57	59	61	63	65		
Bikeway Improvements & Maintenance	5	10	10	10	10		
Street Tree Trimming	26	30	30	30	30		
Beach Area Drainage Improvements	73	80					
Subtotal	713	735	758	787	817	3,810	0
City of Goleta							
Street Maintenance & Improvements	1,500	1,221	841	1,325	1,386		
Los Carneros Bridge Replacement			5,445				
Street Tree & Median Maintenance	175	175	175	175	175		
Paratransit	24	24	24	24	24		
Subtotal	1,699	1,420	6,485	1,524	1,585	7,694	5,019

Measure D

Project Description	Program Year					Totals	
	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Measure D	Other Sources
City of Guadalupe							
Annual Pavement Maintenance	50	50	50	50	50		
Pioneer St. - 8 th to 9 th St	100						
12 th St - Guadalupe to Pacheco St	30						
8 th St - Pioneer to Guadalupe St	30						
9 th St - Pioneer to Guadalupe St	25						
Guadalupe Flyer Replacement Bus	200						
Sidewalk replacement to var. streets		50					
11 th St - Guadalupe to E of Gularte Ln			175				
Gularte Ln - 11 th St, South and East			100				
La Guardia Ln - Gularte East to End			80				
Pioneer St - 9 th to 11 th St			154				
Amber, Second, Birch, Cedar, Third, Elm, Fir, Holly, Fourth, and Flower St				70			
Tognazzini St - Main to North of 5 th				30			
Campodonico St - 2 nd to North of 6 th				30			
4 th St - Obispo St. West				35			
Degasparis, Garrett, Wong, Lindy, Maryknoll, Third, Carlin				249			
Hernandez; Snowy Plover Extension				150			
Fifth Street					97		
Ninth Street					45		
Tenth Street					93		
Olivera Street					95		
Eleventh Street					103		
Jack O'Connell Park Parking Lot					10		
Central Park Parking Lot					4		
Subtotal	435	100	559	614	497	1,770	435
City of Lompoc							
River Bend Park Bikeway	20	779					
Old Town Pedestrian Enhancements - 100 N "H" St		40	337				
Allan Hancock Bikeway Connector	20	594					
Overlays & Rehabilitation of Var. Sts	800		1,200	939	1,081		
Street Maintenance - Citywide	1,500	1,200	1,200	1,200	1,200		
STIP Street Rehabilitation - Var. Sts		1,686					
H St/North Ave Drainage Imprvmnts	40	320					
East/West Channel Drainage Imprvmnts	750						
Subtotal	3,130	4,619	2,737	2,139	2,281	12,587	2,319
City of Santa Barbara							
Roadway/Drainage Maintenance	2,540	2,616	2,695	2,776	2,859		
Pedestrian/Bikeway	1,500	1,545	1,591	1,639	1,688		
Transit Assistance	1,300	1,339	1,379	1,420	1,463		
Subtotal	5,340	5,500	5,665	5,835	6,010	28,350	0
City of Santa Maria							
Street Maintenance & Improvements, including chip seals, overlays, and reconstructions of street surfaces	3,834	3,957	4,089	4,254	4,426		

Measure D

Project Description	Program Year					Totals	
	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	Measure D	Other Sources
Subtotal	3,834	3,957	4,089	4,254	4,426	20,560	0

City of Solvang

Certificate of Participation Road Projects: Alisal Rd, Elverhoy Way, Fifth St, Molle Way, Eucalyptus Dr	45	46	45	46	46		
Various Roads	252	260					
To be determined			271	280	292		
Subtotal	297	306	316	326	338	1,583	0

County of Santa Barbara

Corrective Maintenance							
Roadway Surface Maint & Repair	500	475	475	475	475		
Bridge Deck Seals	200	200	200	200	195		
Sidewalk Replacements	350	350	350	350	350		
Minor Projects	295	265	265	265	265		
Preventive Maintenance							
Seal Coats	1,000	375	375	375	375		
Concrete Repairs	900	875	800	800	800		
Overlay	1,334	2,200	2,200	2,400	2,480		
Recycle & Reconstruct	500	1,000	1,000	1,000	1,000		
Seismic Retrofits							
Rincon Hill	125	400					
Cathedral Oaks	125	1,300					
Jalama Road	125	600					
Storm Damage							
Zaca Station Storm Damage	25	250					
Jalama Rd S. of Bridge 51C-016	25	725					
Mahoney Road	25	120					
Roadway Improvements – Jalama Road	150						
Bridge Replacements							
Black Road	125	1,000					
Tepesquet Road	125	250	500	3,000			
Jalama Road 51C-013	125	200	1,800				
Jonata Road 51C-225	125	1,500					
Jonata Road 51C-226	125	200	1,700				
Old Coast Road	1,700						
Puente Drive	125	1,500					
Jameson Lane	3,210	2,890					
Alternative Transportation							
GASB 34	75						
Paratransit	48	48	48	48	48		
Lompoc Transit (in lieu of TDA)	62	62	62	62	62		
Cuyama Transit (in lieu of TDA)	4	4	4	4	4		
MTD Operations & Maintenance	84	84	84	84	84		
Subtotal	11,612	16,873	9,863	9,063	6,138	34,074	19,475



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Draft

June 15, 2006

The Honorable Judge Rodney Melville
Superior Court
312-M East Cook Street
Santa Maria, CA 93455-5165

Santa Barbara County Civil Grand Jury
Attention: Foreperson
1100 Anacapa Street
Santa Barbara, CA 93101

Honorable Judge Melville:

The 2005-06 Santa Barbara County Civil Grand Jury recently released its report entitled "*Measure D—Progress as Promised?*" The report names the Santa Barbara County Association of Governments (SBCAG) as an affected agency and requires that SBCAG provide responses to the relevant findings and recommendations. SBCAG's responses are included in this letter.

SBCAG would like to thank the Grand Jury for examining this critical issue. The report is timely, as voters will be casting ballots on a proposed renewal of Measure D at the November 2006 general election. We believe that the report has been well researched by the Grand Jury and has prepared a report that is both factual and informative.

Finding 1: All construction projects in the original Measure D Expenditure Plan have been completed on or ahead of schedule with the exception of the Highway 101 widening project, which was canceled in 1993 due to citizen opposition. The remaining funds from the Regional Program are being applied to complete additional projects of value to the transportation needs of the County.

SBCAG Response:

SBCAG agrees with the finding. The original expenditure plan adopted in 1989 by SBCAG (acting in its capacity as the Santa Barbara County Local Transportation Authority) identified specific highway improvement projects in the County that were to be completed using a portion of the revenues generated by the sales tax authorized by voter approval of Measure D. Construction of all the projects in the plan, with the exception of widening 101, was completed by 2002. To expedite completion of the Regional Highway Program, SBCAG issued revenue bonds to finance the projects and is using Measure D sales tax revenues to retire the bond debt.

The report notes correctly that widening of 101 south of Santa Barbara was not completed in part because of strong community opposition that emerged following the release of the Environmental Impact Report by Caltrans in 1993. SBCAG lead an effort

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

to identify alternatives to the full widening project that would address growing traffic congestion in the corridor. This effort resulted in the approval of the 101 operational improvement projects in 1996. Funding from Measure D that was originally allocated to the widening project was re-allocated by the SBCAG board through an expenditure plan amendment approved in 2003 to fund the operational improvements and interregional transit services.

Measure D funds originally allocated for the 101 widening project have been reallocated specifically for the following projects in the 101 corridor:

- 1) 101/Milpas to Hot Springs Operational Improvements (\$8.0 million). This project includes ramp and interchange improvements at both the 101/Milpas St and 101/Cabrillo/Hot Springs interchanges. The project will widen 101 to add a third southbound freeway lane from Milpas to Hot Springs and in the northbound direction 101 will be widened for auxiliary lanes from Hot Springs to Salinas and from Salinas to Milpas. Following completion of final design and right of way acquisition work, the project is expected to begin construction in 2007.
- 2) 101/Ortega Hill (\$5.2 million) This project is currently under construction and will be completed in early 2007. The scope of the project includes construction of a northbound 101 auxiliary lane from Evans Ave in Summerland to Sheffield drive and a Class 1 bike lane separated from the freeway by a barrier. The original allocation by the board was \$3.1 million in 2003, and this was increased in November 2005 to \$5.2 million to reflect the lowest responsible construction bid received.
- 3) Vista Coastal Express (\$1.5 million). The Coastal Express provides daily transit service between western Ventura County and the Santa Barbara South Coast. The system carries an average of 12,345 riders every month and provides an alternative for 101 commuters. Although the service recovers more than 60% of its costs through passenger fares an operating subsidy is required. The subsidy is shared by SBCAG and the Ventura County Transportation Commission.
- 4) 101 in Motion (\$1.1 million). As noted by the Grand Jury, attempts to widen 101 in the early 1990's failed, in part, because there was a lack of community consensus for the project. Recognizing the need to develop long term solutions to the growing traffic congestion problems on 101 and to have community support to implement these solutions, SBCAG in partnership with Caltrans, SBMTD, the County, the cities of Carpinteria, Goleta and Santa Barbara and the Air Pollution Control District to implement the 101 in Motion project. The 101 in Motion process included extensive public outreach as well as technical review of all potential options for relieving traffic congestion in the 101 corridor. The SBCAG board ultimately approved a consensus package of projects including widening 101 south of Santa Barbara, initiating commuter rail service from Ventura County to the South Coast, expanded interregional bus services and various operational and management improvement strategies.

All of the Measure D funded projects outlined above are consistent and compatible with the purpose and intent of the 101 widening project that was included in the original Measure D expenditure plan.

Finding 2: The 70% of Measure D revenues allocated to the local agencies has resulted in significant improvements in road and street pavement condition, local transit shuttle services in Carpinteria and Santa Barbara, and upgrades to the transportation infrastructure of the County and cities.

SBCAG Response:

SBCAG agrees with the finding.

Finding 3: The funds generated by the one-half-cent sales tax have been allocated as specified in the Expenditure Plan, and there is an audited accountability process to ensure that each local agency uses the funds as specified in its annual program of projects.

SBCAG Response:

SBCAG agrees with the finding.

Finding 4: The program of projects prepared by the cities of Goleta, Santa Barbara and Santa Maria do not specify in sufficient detail how their Measure D funds will be spent. The categories are too broad to provide transparency for their plans.

SBCAG Response:

SBCAG partially agrees with the finding. Each city and the County is required to annually adopt a program of projects identifying proposed expenditures of each agency's share of Measure D revenues for the upcoming 5 year period. Each agency is required to hold a public hearing prior to adopting the annual program of projects. The hearing allows interested members of the public to comment on the proposed expenditures of Measure D local funds. The public may request that the local agency governing board revise the proposed program including allocating funds for different projects and providing more specificity regarding proposed projects.

The annual programs of local projects adopted by most of the cities and the County provide sufficient detail to allow the public to determine how each agency intends to spend its share of Measure D funds. Some of the agencies including the three listed in the finding choose to aggregate work that is minor or similar in scope into a single project that does not identify specific locations. For example, the programs adopted by the cities of Goleta and Carpinteria include a "Street Maintenance and Improvements" project without specifying the specific streets that are included. This practice provides agencies with a degree of needed flexibility. It is common for the local agencies use their share of Measure D funds to establish an annual budget for particular transportation needs (e.g., pavement overlays, sidewalk/concrete repairs, street tree trimming, etc). The needs are prioritized and the agency will complete the improvements or repairs according to the priorities in as many locations as the budget will allow. Until bids and costs are known have been received it may not be possible to determine the specific locations that will be funded each year.

SBCAG agrees, however, that local agency programs of projects should be as specific as possible. Major projects should be specifically identified and to the extent possible, local agencies should provide information on the scope, location and type of work to be undertaken for each project include in the program of projects.

Finding 5: SBCAG, the cities and the County Public Works Department and the paratransit operators have not adequately publicized the positive results achieved through Measure D. This has allowed the public debate to be focused on a narrow set of policy issues, such as the desirability of mass transit vs. roads.

SBCAG agrees with this finding. Efforts by SBCAG and local agencies to inform the public about Measure D have been limited and should be expanded. SBCAG has not conducted a comprehensive, sustained public information program designed to publicize the overall benefits of Measure D for the region's transportation system. Many other "self-help" counties with local transportation sales tax measure programs have annually budgeted funds for this purpose while SBCAG has not. The Grand Jury report notes that State law prohibits the use of public agency resources to advocate for or against ballot measures, "it expressly permits public information programs intended and designed to educate the public about the facts underlying the measures."

SBCAG did create a new position of Government Affairs/Public Information Coordinator to expand SBCAG's public outreach and information programs which include Measure D related issues. SBCAG maintains information about Measure D projects on its website (www.sbcaq.org) and has periodically issued reports and brochures about Measure D (eg., "Measure D 10 Year Progress Report") that provide general information about the benefits of Measure D for the region's transportation system and local residents.

Most of the public information efforts by SBCAG and the local agencies, however, have centered around the construction of specific projects including holding media events at the beginning and end of construction, placing Measure D signage and major construction projects, and providing information about projects to the public prior to and during construction projects (eg., lane closures, detours, nighttime construction work, etc).

Recommendation 1: Publicize the results of Measure D to date to raise the awareness of voters and enable them to make an informed decision about reauthorizing the transportation sales tax.

SBCAG's Response:

SBCAG agrees with this recommendation. It is particularly important that county voters have factual information about how Measure D funds are currently expended and how they will be expended if the November 2006 Measure D renewal ballot measure is approved. At its May 18, 2006 meeting the SBCAG board authorized the use of up to \$145,000 to carry out a public information program. Primary elements of the program include:

- Development of a brochure explaining Measure D and facts about the projects proposed to be funded through the renewal expenditure plan The

brochure would be distributed by mail to all registered voter households in the county and provided as a hand out at presentations to stakeholder groups

- Development of a newspaper insert with a similar content to be placed in local newspapers.
- Production of a 30 minute video with similar content to be aired periodically on local government access cable TV stations
- Development of Power Point presentation to be used in presentations to various stakeholder groups.

To ensure that the public information program is factual, impartial and complies with state laws prohibiting use of public agency resources for ballot measure advocacy, all materials will be reviewed by County Counsel and a representative SBCAG boardmember prior to being released. In addition, SBCAG has held a special workshop meeting and provided written guidance from County Counsel to local agency staff and governing board members on allowable use of public agency resources for public information programs.

Recommendation 3: Require that the annual program of projects for each jurisdiction specify in sufficient detail what will be accomplished with its Measure D funds.

SBCAG agrees with this recommendation. SBCAG will require beginning with fiscal year 07/08 that all local agencies including the three named in the report, Goleta, Santa Maria and Santa Barbara submit to SBCAG for adoption programs which provide the public with more detail on intended Measure D expenditures.

Additionally, the SBCAG board will be adopting a Measure D renewal ordinance at its June 15, 2006 meeting. The ordinance maintains the requirement that local agencies annually adopt a program of projects following a public hearing. The ordinance includes new provisions requiring the cities and the County to provide more specificity in its program of projects. Specifically, Section 17(A)(1) of the draft ordinance states in part:

The program of projects shall include information about each of the projects to be funded with revenues made available under Section 13(A) with sufficient detail including project location, scope, schedule, cost and funding sources to ensure that the program can be easily understood by members of the public. Projects involving work at various locations that are substantially similar or work that is minor in scope may be grouped together in the program as a single project. The program of projects shall also include a detailed description of local jurisdiction expenditures of local program funds from the previous fiscal year.

On behalf of the SBCAG board I would like to thank the Grand Jury for providing a well researched report on Measure D and for the opportunity to comment on the report's finding and recommendations. If you have any questions please contact SBCAG Executive Director, Jim Kemp.

Sincerely,

Joe Centeno

Chair, SBCAG

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