

2025-120 AUDIT SCOPE AND OBJECTIVES

East Bay Transit Agencies—Administrative Oversight

The audit by the California State Auditor will provide independently developed and verified information related to oversight of select East Bay transit agencies in Alameda and Contra Costa counties – WestCAT, County Connection, TriDelta, AC Transit, Union City Transit, and LAVTA. The audit’s scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. For the selected transit agencies, determine the following:
 - (a) The autonomy each agency has to plan its own routes and invest in transit projects without coordination with other agencies.
 - (b) The barriers that may exist to collaboration between transit agencies and their counterparts.
3. From the selected transit agencies, review a selection of routes that cross service areas and that can require riders to transfer between agencies and between different modes of transit to determine the following:
 - (a) The clarity of the information provided to riders about how to navigate within and transfer between the systems.
 - (b) The availability and accessibility of connecting transfer schedules, including frequency, timing, and any physical obstacles to making a transfer.
 - (c) The ease of payment.
 - (d) Whether there are duplicative services that could be eliminated.
4. Review pre-pandemic and post-pandemic ridership levels at each of the selected agencies and determine whether ridership has returned to pre-pandemic levels, what ridership initiatives were implemented before the pandemic to improve ridership levels, how current ridership compares to pre-pandemic ridership trends, and what initiatives the agencies have employed since the pandemic to attract riders.
5. Determine the financial condition of the selected agencies by determining their financial reserves, the extent to which they rely on nonoperating revenue as compared to operating revenue, and whether the agencies will face challenges in funding their upcoming capital asset costs.
6. Review MTC’s efforts to collaborate and coordinate with the selected agencies and determine whether they have been effective.
7. Determine for each selected agency the amount of funding MTC provides, the restrictions on such funding, and what proportion of the funding the agency used for operating costs and capital expenses.
8. Evaluate whether the selected agencies are at risk of not being able to continue offering or expanding services without further external, nonoperating funding.
9. To the extent possible, determine the likely financial condition of a single transit agency for local bus service serving Contra Costa County and a single transit agency for local bus service

serving Alameda County if such agencies comprised the combined agencies currently operating in each county. Specifically, determine for the new single agency in each county what its potential assets, liabilities, revenue, expenses, and reserves would be.

10. To the extent possible, determine the fiscal benefit of combining transit agencies for local bus service in each of the two counties and identify legal and practical impediments to merging transit agencies for local bus service.
11. Review and assess any other issues that are significant to the audit.