



## Transportation Committee

January 27, 2010

### **Agricultural Worker Transportation Program Implementation**

**Issue:** The SACOG Agricultural Worker Transportation Program (AWTP) has entered the implementation phase, including the execution of business plan recommendations. Should SACOG enter into a Memorandum of Understanding with the existing Kings County Area Public Transportation Authority (KCAPTA) to implement a vanpool program, and to join the proposed “California Vanpool Authority,” a Joint Powers Agency (JPA), to operate the new program after June 30, 2010?

**Recommendation:** That the Transportation Committee recommend that the Board authorize the Executive Director to negotiate and enter into a Memorandum of Understanding (MOU) with the Kings County Area Public Transportation Authority (KCAPTA) to implement a vanpool program, work with KCAPTA and Caltrans to transfer \$1.6 million of Caltrans Agricultural Worker Grant funds from SACOG to KCAPTA and the proposed new JPA, and to join the “California Vanpool Authority,” a newly forming Joint Powers Agency (JPA), to operate the new program after June 30, 2010.

**Discussion:** The Agricultural Worker Transportation Program (AWTP) is a state initiative to provide safe and affordable transportation for agricultural workers. SACOG has received over \$2 million dollars in AWTP grant funds to provide transportation services. Grant funds sunset on June 30, 2011.

The AWTP Vanpool Business Plan final report is now complete and will be available on the SACOG website by February 1, 2010. PRM Consulting has completed a study that leverages almost 1,600 survey responses within the four-county RTPA planning area. The key finding of the report is that the development of a self-sustaining vanpool program is feasible over a 15-18 month period.

Over the past several months SACOG staff and its Agricultural Worker Technical Advisory Committee have evaluated several alternatives for implementing an agricultural worker transportation program in the SACOG region. Staff has met with the Executive Director of KCAPTA, the operator of the model agricultural worker transportation program, and visited the program offices in Kings County to evaluate the operation and to determine if a partnership with KCAPTA would be the most effective and efficient way of implementing the program in the SACOG region. Staff and SACOG counsel from Miller, Owen & Trost, have met several times to discuss, evaluate and develop recommendations as to the best way to implement this new program.

The recommended implementation of this program would be a two step process. The first step is for SACOG to enter into a MOU with KCAPTA to begin immediate implementation of the program in the SACOG region. The second step is for SACOG join the newly forming California Vanpool Authority. This JPA is being formed as the successor agency to KCAPTA to expand the program beyond the current Central Valley members and to provide a long term governance structure for what is becoming a very successful statewide program.

KCAPTA and its successor JPA are uniquely qualified to operate the AWTP program, as demonstrated through its record of success. As a public transportation agency, KCAPTA and the new JPA do not face the considerable legal barriers that would occur in a “farm labor” contract with a private contractor. The proposed interim MOU with KCAPTA will allow for the timely initiation of resource allocations, service planning and implementation until the statewide JPA is fully formed. Legal counsel at Miller, Owen & Trost is in concurrence with the proposed governance path.

SACOG would fully finance the start up of this region’s program with the existing AWTP grant funds and would be under no obligation for continued funding after June 30, 2011. To implement the program, SACOG would transfer \$1.758 million of AWTP grant funds to KCAPTA to implement and operate the program and retain about \$415,000 to cover the staff work already expended on evaluating the recommended implementation approach and to cover on-going staff work associated with the implementation, marketing and operation of the program during the remainder of the grant funded program through June 30, 2011. The proposed business model has proven to produce an economically self-sustaining transportation service for agricultural workers. Other AWTP grantees have already transferred grant funds to KCAPTA and vanpool services have been expanded into other regions with very positive results.

Approved by:

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Attachment

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## EXECUTIVE SUMMARY

### SACOG Agricultural Worker Transportation Program AWTP Vanpool Business Plan

This report is the Vanpool Business Plan for the SACOG Agricultural Worker Transportation Plan (AWTP). The AWTP will create a vanpool program for the agricultural workers in the four county RTPA area with grant funds from the State of California. The report documents internal research of the market demographics and agricultural characteristics, profiles the target communities with survey data, and lays out a business strategy. The key finding of this report is that the development of a self-sustaining vanpool program over 15-18 months is feasible. All data, analysis, and business plan recommendations are courtesy of PRM Consulting.

The SACOG region supports a large and productive agricultural sector, and its workforce is typically economically challenged with few transportation choices. Data from state agricultural reports reveal that at least 5,900 farm labor jobs exist in the greater Sacramento region; other demographic sources report several times this number living in the region. The average farm worker earns less than \$12,000 per year, and most do not own an automobile. Transit operators in rural areas work hard to provide critical fixed route service, but this service is costly with fare box recovery only a small fraction of what is experienced on more urban routes. While farm workers and their families do avail themselves of existing transit service for non-work trips, the seasonal and remote nature of the work destinations makes fixed route transit service impractical. Average one-way commute distances exceed 20 miles.

Analysis of extensive community survey data reveal that a ready and willing market exists for vanpool services. About 1,600 farm workers were surveyed in three different market areas: Yuba/Sutter Counties, Yolo County, and South Sacramento/Delta. These data show that agricultural workers are primarily members of working families whom are long term residents – this is not a transient population. The typical farm worker has limited access to a private automobile and cannot use existing transit to get to work. With some minor variation among the market areas, an overwhelming majority of surveyed workers are receptive to a public vanpool program. The survey data also provide valuable origin-destination information for vanpool service planning.

The business plan indicates that self-sustaining operations for the vanpool program is feasible for a range of fleet sizes in all targeted market areas. Analyses use seasonal crop data, neighborhood survey results, and other demographic data to estimate market demand and project program costs and revenues. Seasonal demand for vanpools are estimated based upon crop cycles. The plan recommends an initial fleet size of 30 vehicles. Revenue and cost estimates assume at least 8 riders per van and 20 miles average one-way commutes, generating a small surplus of revenue over operating expenses. Performing a sensitivity analysis across various regional fleet sizes and fuel price assumptions, the business plan estimates an operational profile for each regional market area.

The business plan recommends an aggressive marketing effort. Favorable business plan assumptions are predicated upon successfully recruiting drivers and riders. Recommended activities include regional branding and marketing, direct outreach in the targeted communities, and database driven direct marketing. Successful “word of mouth” public outreach is a necessary, but probably not completely sufficient outcome to ensure vanpool program success. SACOG should develop a robust database of potential clients, and combine traditional public outreach with community based marketing strategies.