

How the Air District and the RTC derailed Cabrillo College's CO2 reduction plan, while wasting \$120,000 of public funds

Paul McGrath
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8th June 2012

In 2008 the Monterey Bay Unified Air Pollution Control District denied Cabrillo College's grant funding request to implement the RideSpring commute incentive program. Instead, the Air District directed \$120,000 of public funds to the RTC to develop and implement their own commute incentive program. The RTC expected this new program to emulate the success of RideSpring – the very program that Cabrillo College wanted to use. Four years later Cabrillo College has yet to see any benefit.

What happened to the \$120,000 RTC program that was to assist Cabrillo College with their CO2 reduction plan? This report answers that question.

Participants referenced in this report:

Monterey Bay Unified Air Pollution Control District (Air District)

www.mbuapcd.org

The Air District is a public agency responsible for air monitoring, permitting, enforcement, long-range air quality planning, regulatory development, education and public information activities related to air pollution in the Monterey Bay Area (Monterey, San Benito and Santa Cruz County). Specific to this report the Air District is responsible for evaluating grant applications, and directing grant funds towards the most cost effective projects to reduce motor vehicle emissions.

Cabrillo College

www.cabrillo.edu

As a public entity, Cabrillo College is eligible to apply for funds to implement pollution emission reduction programs. In the summer of 2008, Cabrillo College submitted a grant application to the Air District to reduce commute traffic to the college.

Santa Cruz County Regional Transportation Commission (RTC)

www.sccrtc.org

The RTC is responsible for transportation projects and services in Santa Cruz County. As a public agency, the RTC is also eligible to apply for funds to implement pollution emission reduction programs from the Air District.

RideSpring

www.ridespring.com

RideSpring is a vendor that provides services to companies and other organizations enabling them to evaluate, and improve the effectiveness of their commute programs.

Summary

In 2008, Cabrillo College applied for a grant from the Air District to implement RideSpring – a proven, effective commute program that was successfully being used by the County of Santa Cruz and by the City of Santa Cruz since 2006.

In the same 2008 grant cycle, the RTC also submitted a grant application to provide a two-year, countywide commute incentive program. In the grant application the RTC referenced, and expected to emulate, the success of the RideSpring program:

“We took note of recent local successes at both the City and County of Santa Cruz where employee transportation programs that include both a carpool matching service and incentives are having a positive impact on changing and sustaining new travel habits. This program would provide similar incentives to carpool to the community at large.”

The RTC’s grant application was submitted as project where “emissions reductions can be reliably quantified, with proven procedures or technology”, rather than as a demonstration, or experimental, project. However, the RTC commute incentive program did not yet exist. Additionally, the RTC grant application claimed a very high, unrealistic cost effectiveness score that was based on a simplistic calculation that bears no relation to any proven strategy, or realistic assessment of what could be practically achieved. This high score was instrumental in obtaining grant funding.

At grant decision time, the Air District incorrectly viewed the RideSpring program and the RTC’s program as essentially the same. To avoid ‘duplication’, the Air District denied Cabrillo College’s request for the proven and effective RideSpring program, and instead directed \$120,000 of public funds to the RTC program – a program that had yet to be developed and implemented. This new program was to serve Cabrillo College and the entire Santa Cruz County.

After a one-year extension from two to three years, the RTC program had attracted only 20 carpoolers, instead of the expected 1900 participants, resulting in less than 40 pounds of emission savings, instead of the anticipated 11.4 tons. In fact, the RTC had over-estimated the emission reduction in their original grant application by over 600 times.

Perhaps most alarming, the Air District provided a positive evaluation of the RTC program in May 2012. The Air District continues to support this failed program with an additional two-year extension and is planning to continue funding the RTC program through 2014.

The remainder of this report provides details from documents provided by the RTC and Air District that lead to these conclusions. The 'red flags' marked throughout this report identify the key errors that have contributed to these problems.

The Air District's AB2766 Vehicle Emission Reduction Grant Program

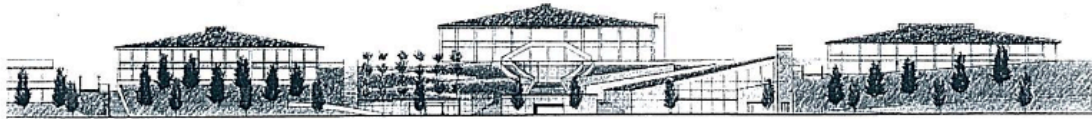
Every year the Air District has been responsible for directing AB2766 grant funds towards the most cost effective projects to reduce motor vehicle emissions in the Monterey Bay Area (Monterey, San Benito and Santa Cruz County). In 2008 the local budget for the AB2766 program was \$1.6 million. The AB2766 program is funded by a \$4 per vehicle registration surcharge, and has provided funds to government agencies throughout California since 1991.

Cabrillo College's Grant Application

As a public agency, Cabrillo College is eligible to apply to the AB2766 grant program. In the summer of 2008, Cabrillo College submitted a grant application to the Air District. There were four elements to Cabrillo's proposed program and this report is focused on their top-priority element: the RideSpring commute program that had been in use by the City and County of Santa Cruz.

Figure 1 shows the 2008 grant advocacy letter from Cabrillo College to Air District director Ellen Pirie, highlighting the need for the RideSpring service. This letter was signed by Climate Initiative co-chairs Judy Cassada and Nicole Crane, and Cabrillo College President Brian King.

Figure 1. Cabrillo College 2008 grant advocacy letter



Cabrillo College • Celebrating Excellence Since 1959

July 31, 2008

The Honorable Ellen Pirie
County Supervisor, 2nd District
Director, MBUAPCD Board
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Dear Supervisor Pirie,

We are writing to ask you to please support Cabrillo's MBAUPCD grant application to expand and jump-start alternative transportation programs at Cabrillo. Cabrillo staff, faculty, administrators and students are all well-positioned now to move on an alternative transportation agenda. We lack funding, however, and are relying on this grant to help us initiate our ambitious plans.

Cabrillo College is a signatory of the American College and University Presidents Climate Commitment mandated to initiate tangible actions to reduce Cabrillo's greenhouse gas emissions by at least 80% by mid-century. Emissions inventory and recent staff and faculty transportation survey results confirm transportation's role as the major Cabrillo carbon offender.

"The Perfect Storm" of climate change, high gas prices, limited Cabrillo parking spaces and worsening traffic congestion on routes to Cabrillo, converge to make this a highly critical time for Cabrillo College to provide students with simple and practical tools and alternatives to solo driving to Cabrillo, as well as powerful incentives to reward and encourage a break from the powerfully-engrained SOV habit. Toward this end, we ask for your support in funding Cabrillo's application, in particular the expansion of the popular and effective RideSpring program to all 16,000 students at Cabrillo College.

RideSpring has already helped the City and County of Santa Cruz prevent over 215,000 pounds of CO₂ from being emitted into our atmosphere. Cabrillo wants very much to follow suit. **Staff and faculty, alone, burn an estimated 2400 gallons of gasoline each week for their commute to Cabrillo, producing 46,954 pounds of CO₂.** This does not include the staggering data which represents the commute of Cabrillo's 16,000+ students each semester.

We would greatly appreciate your support, and thank you very much for your commitment to improving our community's transportation options.

Sincerely,

Handwritten signature of Judy V. Cassada in black ink.

Judy V. Cassada, M.P.A.
Institutional Research Specialist
Co-chair, Climate Initiative
Task Force

Handwritten signature of Nicole Crane in black ink.

Nicole Crane, M.A.
Biology Instructor
Co-chair, Climate Initiative
Task Force

Handwritten signature of Brian King in black ink.

Brian King, Ed.D.
President and Superintendent

RTC’s Carpool Incentive Program Grant Application

The RTC submitted an AB2766 grant application with the Air District in 2008 to implement a Carpool Incentive Program (CIP). The RTC’s program was to promote, market and implement a countywide program that would provide gas gift cards worth \$25 to each new carpooler and annual drawings for \$600 gas gift cards to qualified participants.

This grant application was submitted as a ‘DIRECT MOTOR VEHICLE EMISSIONS REDUCTION PROJECT’, which claims “emissions reductions can be reliably quantified, with proven procedures or technology”, rather than as a demonstration, or experimental project. The two-year project was expected to achieve the following results:

SCCRTC grant application: expected results	
Project duration:	2 years
Qualified carpoolers:	1900
Total one-way carpool trips:	1,110,000
Vehicle Miles Travel (VMT) reduced:	8,277,000
Pollution reduction calculations based on above results:	
Tons of motor vehicle emissions reduced (NOx, ROG, PM10):	11.39
Grant funds required:	\$120,000
Cost per ton of emissions reduced:	\$10,536

The most important factor that the Air District uses in selecting projects for funding is the cost effectiveness in terms of ‘cost-per-ton of emissions reduced’. As seen above, the RTC expected to achieve a cost effectiveness factor of \$10,536 cost-per-ton of emissions reduced.

1st Red Flag: The expected results that the RTC submitted with this application would certainly have been very impressive had they been achieved. However, achieving the expected results required several unrealistic assumptions. All 1,900 qualified carpoolers would have to:

- Change their commute completely from 5 days-a-week solo-driving to 5 days-a-week carpooling
- Sign-up on the first day of the program, and carpool for every single workday for the entire two years of the program
- Provide carpool data to the RTC for every workday for the entire 2 years of the program

These unrealistic assumptions do not appear to be based on the practical achievable results of any “proven procedure or technology,” but as a simplistic way to maximize the cost effectiveness score with 1,900 carpoolers within a two-year period.

2nd Red Flag: As justification for this grant, the RTC’s grant application referenced the success that the City and the County of Santa Cruz had achieved with the RideSpring program. See Figure 2. RTC grant application cover letter for the Carpool Incentive Program (CIP):

“We also took note of recent local successes at both the City and County of Santa Cruz where employee transportation programs that include both a carpool matching service and incentives are having a positive impact on changing and sustaining new travel habits.”

“The grant application referenced incentive programs that the city and county contracted with RideSpring”

- Tegan Speiser, Sr. Transportation Planner, SCCRTC, via email: 3 May 2012

This was the very program that was Cabrillo College’s top priority, and later denied funding by the Air District.

Figure 2. RTC grant application cover letter for the Carpool Incentive Program (CIP)



SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
1523 Pacific Ave., Santa Cruz, CA 95060-3911 • (831) 460-3200 FAX (831) 460-3245 EMAIL info@scrtc.org

MONTEREY BAY
UNIFIED APOD

8 JUN 17 12:58

June 2, 2008

Douglas Quetin, Air Pollution Control Officer
Monterey Bay Unified Air Pollution Control District
24580 Silver Cloud Court
Monterey, CA 93940

**RE: AB2766 Grant Application for a Countywide Carpool
Incentive Program in Santa Cruz County**

Dear Mr. Quetin,

Attached is an AB2766 grant application for \$120,000 to fund a Countywide Carpool Incentive Program in Santa Cruz County. This proposal follows the RTC's recent analysis of the transportation options available in Santa Cruz County and which identified gaps in existing programs and services. Through this process, we found that an incentive program to help citizens move from wanting to carpool to actually taking the next steps is needed. We also took note of recent local successes at both the City and County of Santa Cruz where employee transportation programs that include both a carpool matching service and incentives are having a positive impact on changing and sustaining new travel habits. This program would provide similar incentives to carpool to the community at large.

The program proposed in this grant application provides incentives for forming new carpools for both commuter work trips and school trips where parents currently drive their children who attend grades K-12 to school, but do not share driving responsibilities with other families. This incentive program is designed to complement and integrate with RTC's existing online rider matching service and personalized trip planning assistance that are already in place.

Thank you for reviewing this program application which we hope is recommended for funding under the current AB2766 grant program.

Sincerely,

George Dondero
Executive Director

**"The grant application referenced
incentive programs that the city and
county contracted with RideSpring"
- Sr. Transportation Planner, SCCRTC**

Air District's 2008 AB2766 Funding Decision

The Air District staff evaluates grant applications using various criteria, the most important being cost-effectiveness, expressed in dollars-per-ton of emissions reduced. Each year Air District staff recommends funding to the most promising grant applications with priority placed on the best cost-effectiveness estimates. Figure 3 shows the Air District evaluation and funding recommendation for Cabrillo College and the RTC CIP program in 2008.

For the AB2766 program to work effectively, Air District staff must review and identify grant applications that submit unrealistic cost effectiveness scores and reject them from the grant application process. Otherwise public funds would be wasted on projects that score high on paper, but don't deliver in the real world.

3rd Red Flag: The Air District did not question the unrealistic assumptions that the RTC used to achieve such a high-score with their grant application. This oversight resulted in a final recommendation by Air District staff to "fully fund this high scoring project."

4th Red Flag: Strangely, in the Air District's recommendation for funding, Cabrillo College students are the only commuters within Santa Cruz County who are disqualified from participating in RTC's program. The 15,000+ students at Cabrillo College are responsible for 90 percent of the traffic and pollution impacts at the college. Therefore, even before the RTC's program was launched, the Air District ensured that very little benefit would be delivered to Cabrillo College.

5th Red Flag: In another bizarre twist of logic, the reason the Air District chose to deny funding for Cabrillo College's RideSpring program was to avoid wasting funds on 'duplication'. With this decision, the Air District directed \$120,000 to the RTC to develop a new, unproven program over the RideSpring program, which had already been developed, was working successfully, and had been in operation in since 2005.

With the Air District's recommendation moving forward, Santa Cruz County MBUAPCD board members Tony Campos, Ellen Pirie, and Sam Storey approved the Air District's recommendations to deny funding to Cabrillo College's top priority, and instead fund the RTC's to-be-developed CIP.

Figure 3. Air District evaluation and funding recommendation for AB2766 in 2008

Detailed Summary of Applications	
09-26	Transportation Demand Management Program -II
APPLICANT:	Cabrillo Community College
ALLOCATION:	Santa Cruz TOTAL COST: \$226,400 REQUEST: \$200,000
Project Description:	
<p>1. <u>Website ride matching and incentive for students, faculty and staff</u>; 2. Student bike loan program; 3. Secure bike racks, lockers and/or a bicycle cage for at least 125 bikes, and 4. Half time transportation planner to prepare a parking fee plan with preferential parking for HOVs.</p>	
Emissions Reduced (if quantifiable), project lifetime of: 2 year(s)	
<p>A directed program to shift College-generated travel away from single occupant auto to walk, bike, carpool, vanpool and bus transit modes would reduce trips, VMT and emissions.</p>	
NOX:	PM10: VMT, Millions: C/E Ratio:
ROG:	Total Tons : Eligible at \$40K C/E for: \$200,000
Award Notes:	POINT SCORE: N.a. Recommended Award: \$90,000
<p>Partially fund bike elements only. <u>Ridesharing element duplicates faculty/staff matching provided by 09-36.</u></p>	
Approval Conditions:	
<p>Require survey of before/ after bike parking and ensure parking located adjacent to transit stops and survey of before/ after travel behavior enabling effectiveness evaluation.</p>	

09-36	Carpool Incentive Program
APPLICANT:	SCCRTC
ALLOCATION:	Santa Cruz TOTAL COST: \$130,000 REQUEST: \$120,000
Project Description:	
<p>Promote, market and implement a county-wide carpool incentive program consisting of drawings for gas gift cards worth \$50 per new carpool formed, and annual drawings for \$600 gas gift cards to participants qualified through travel logs and/or fuel receipts.</p>	
Emissions Reduced (if quantifiable), project lifetime of: 2 year(s)	
<p>A directed program to shift commute travel away from single occupant auto to carpool and vanpool would reduce trips, VMT and emissions.</p>	
NOX:	<u>5.729</u> PM10: <u>0.136</u> VMT, Millions: <u>8.277</u> C/E Ratio: <u>\$10,533</u>
ROG:	<u>5.793</u> Total Tons : <u>11.39</u> Eligible at \$40K C/E for: \$120,000
Award Notes:	POINT SCORE: 40 Recommended Award: \$120,000
<p>Fully fund this high scoring project. <u>Would apply to staff/f aculty of Cabrillo College, but not students.</u></p>	
Approval Conditions:	
<p>Require monitoring of vehicle use, survey of before/ after travel behavior.</p>	

RTC CIP Implementation

On August 20, 2008 the Air District awarded the RTC a grant of \$120,000 for their CIP project. After nearly two years of development, field-testing, and delays, the CIP program was finally launched in June 2010.

The CIP program required each qualified carpool participant to make and record 12 round trips by carpool within 60 days in an online trip diary in order to receive a one-time \$25 gas card. In addition, there were yearly prize drawings for a \$600 gas card to those participants.

RTC 1-year Extension Requested

The terms of the grant were scheduled to expire on February 4, 2011.

In January 2011, with the program operating for over several months, the Executive Director of the RTC requested a one-year extension from the Air District. This can be seen in Figure 4.

In addition to requesting the extension, the Executive Director of the RTC states that their CIP program was “successfully underway” and that “this extension will not decrease the anticipated emission reductions attributed to this project”.

However, it must have been clear from the data available that the very low performance of this program would not deliver anywhere near the anticipated emission reduction that was included in the original grant application, as you will read in the results that the CIP finally delivered.

The Air District granted the one-year extension to February 2012.

Figure 4. RTC Executive Director request for a one-year extension in January 2011



SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
1523 Pacific Ave., Santa Cruz, CA 95060-3911 • (831) 460-3200 FAX (831) 460-3215 EMAIL info@sccrtc.org

January 25, 2011

Richard Stedman, District Air Pollution Control Officer
ATTN: Alan Romero
Monterey Bay Unified Air Pollution Control District
24580 Silver Cloud Court
Monterey, CA 93940

11 JAN 28 10:01
RECEIVED

**RE: Request to Extend Grant Agreement for AB 2766 # 09-36:
Carpool Incentive Program**

Dear Mr. Stedman,

The Santa Cruz County Regional Transportation Commission was awarded an AB2766 grant project to implement a carpool incentive program in Santa Cruz County and began work on this project in February 2009. The term of this grant is currently scheduled to expire on February 4, 2011. Due to unanticipated delays which have now been resolved, we are writing to request a one-year extension of this grant to February 4, 2012.

Initial development of the carpool incentive program went smoothly with the production of program policies, an online application and commute diary, outreach displays and program materials. However, based on field testing and the recommendations of legal and risk management advisors who reviewed the proposed program prior to its deployment, some changes were needed which delayed the launch of the program until June of 2010.

With the incentive program now successfully underway, a marketing campaign promoting the program at colleges and workplaces is planned for this spring and summer. A one-year extension of this grant program will provided hundreds of commuters who currently drive alone to work and school with an incentive to carpool and significantly reduce vehicle miles traveled and in turn motor vehicle emissions in the region. This extension will not decrease the anticipated emission reductions attributed to this project.

If you have any questions about this project, please feel free to contact Tegan Speiser of my staff (tspeiser@sccrtc.org) or (831) 460-3209.

Sincerely,

George Dondero
Executive Director

Results of the RTC CIP

In March 2012, the RTC submitted a report to the Air District for the period February 2009 - January 2012. This report showed the following key results:

Qualified carpool participants: 20
 Total one-way trips tracked in diaries: 962 trips
 Total Vehicle Miles Traveled (VMT) reduced: 12,966 miles

6th Red Flag: The report makes no reference or comparisons to the expected results submitted in the original grant application from 2008. Additionally, the most important factor – cost-effectiveness, in terms of ‘cost-per-ton of emissions reduced’, was omitted from this report. The impressive score of \$10,536 cost-per-ton of emissions reduced, which was submitted in the original grant application was the most significant reason why this project was fully funded.

7th Red Flag: The Air District did not question these important omissions in the results report from the RTC.

Fortunately for this report, we can compare the above results with the original grant application, and use the same calculation that the RTC used to determine the actual emission reduction achieved, and cost-effectiveness. The comparisons are shown below:

SCCRTC grant application: expected results		Actual results achieved		% of expected achieved
Project duration:	2 years	Project duration, with extension:	3 years	
Qualified carpoolers:	1900	Qualified carpoolers:	20	1.05%
Total one-way carpool trips:	1,110,000	Total one-way carpool trips:	962	0.09%
Vehicle Miles Travel (VMT) reduced:	8,277,000	Vehicle Miles Travel (VMT) reduced:	12,966	0.16%
Pollution reduction calculations based on above results:				
Tons of motor vehicle emissions reduced (NOx, ROG, PM10):	11.39	Tons of motor vehicle emissions reduced (NOx, ROG, PM10):	0.02	0.16%
Grant funds required:	\$120,000	Grant funds expended:	\$35,214	29%
Cost per ton of emissions reduced:	\$10,536	Cost per ton of emissions reduced:	\$1,973,597	x187
Notes:				
1. Only 1% of the expected carpoolers participated in the program				
2. Less than 0.1% of the expected carpool commute trips were reported				
3. Less than 0.2% of the expected VMT reduction was achieved				
4. Less than 0.2% of the expected emission reduction was achieved				
5. The cost per ton of emissions reduced was \$1.97M per ton, rather than the expected \$10,536 per ton, which is 187 times higher than expected				

Even though this project was given an extension from two to three years, only 1% of the expected carpoolers participated and less than 0.2% of the vehicle emission reduction were achieved. In fact, the RTC had over-estimated the emission reduction in their original grant application by over 600 times.

Reiterating a point made earlier: the RTC submitted the grant application as a 'DIRECT MOTOR VEHICLE EMISSIONS REDUCTION PROJECT', which claims "emissions reductions can be reliably quantified, with proven procedures or technology", rather than as a demonstration, or experimental project.

The minimal results achieved by this project did not deliver any perceptible benefit to the community, let alone Cabrillo College. These minimal results are also reflected in the cost-effectiveness delivered in terms of tons of emissions reduced.

The actual cost-per-ton of emissions reduced is a staggering \$1.97M per ton, or 187x more expensive than the estimate provided in the grant application. The Air District does not even consider projects that cost more than \$40K per ton of emission reduction meaning this project costs 49x more than the allowable maximum. According to this restriction, the RTC project should never have been funded.

Evaluation by RTC and Air District

With the RTC CIP delivering less than 1% of the expected benefit over three years for this two-year project, staff at the RTC and Air District were asked, "Was this program considered a success?" Their responses:

"It is premature to use data collected so far to determine whether or not this project is successful." - Tegan Speiser, Sr. Transportation Planner, SCCRTC, via email: 1 May 2012

"The District feels that SCCRTC has made adequate progress."
- Alan Romero, Air Quality Planner, Air District, via email: 11 May 2012

8th Red Flag: Neither the RTC nor the Air District has acknowledged or expressed any concern over the extremely low performance of this project compared with what was expected (less than 1% of anticipated results achieved).

9th Red Flag: The RTC's statement that it was premature to determine the success of this project was unexpected as the project was scheduled to end (after a one-year extension) in February 2012. However, the RTC had indeed made an additional two-year extension request to the Air District that would extend the term through February 5, 2014. The Air District inexplicably approved this second extension, which directly contradicts the conditions specified when the original one-year extension was granted in March 2011. See Figure 5.

"Please be advised that all other terms and conditions of the existing grant remain in effect and that no further extensions will be entertained or approved by the Board."

Figure 5. Air District approval of the original one-year extension to the RTC



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Monterey, CA 93940
PHONE: (831) 647-9411 • FAX: (831) 647-8501

March 21, 2011

George Dondero, Executive Director
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060-3911

Subject: EXTENSION APPROVAL, AB2766 GRANTS 09-36, 09-38, 09-39

Dear Mr. Dondero,

The Monterey Bay Unified Air Pollution Control District Board of Directors hereby authorizes via resolution 11-001, the one-year extension of the following AB2766 grants:

1. 09-36: "Carpool Incentive Program"
2. 09-38: "Countywide Emergency Ride Home Service"
3. 09-39: "Bikes Secure Bicycle Parking Subsidy – Phase IV"

The effective date of the extension for grant 09-39 shall be January 31, 2011. The effective date for grants 09-36 and 09-38 shall be February 5, 2011

Please be advised that all other terms and conditions of the existing grant remain in effect and that no further extensions will be entertained or approved by the Board.

If there are any questions please feel free to contact me.

Respectfully,

Alan Romero
Air Quality Planner
Monterey Bay Unified Air Pollution Control District
Monterey, CA 93940

831.647.9418 ext 241
831.647.8501 Fax
aromero@mbuapcd.org

Perhaps the Air District is breaking its own rules in providing multiple extensions because they are determined to assist the RTC in achieving their original emission reduction goal? If so, they will need a lot of extensions – and a lot more money. With the current level of performance of the CIP, instead of taking the original two-years to achieve 11.4 tons of emission reduction, it will take 1,915 years; instead of costing \$120,000 it will cost over \$22 million.

Clearly, the RTC, and the Air District do not consider this project a failure. This begs the question: With less than 1% of the expected deliverables achieved within three years, for a two-year project, if this is not a failure, how much lower would the performance have needed to be for this project to be declared a failure?

Conclusion

The Air District's AB2766 grant program failed to provide an effective commute program for Cabrillo College, or the larger community. Perhaps even more damaging than the actual failure of this project is that both the RTC and the Air District have chosen not to acknowledge it.

Based on the documented evidence, it appears that the RTC is free to submit unrealistic and flawed grant applications, receive full funding, and fail completely - all with the full support of the Air District. There does not appear to be any party that is looking out for the public interest to ensure that public funds are directed towards truly effective programs.

The problems highlighted in this report are largely obscured in reports exchanged between the RTC and Air District. For example, it took some analysis to understand that this program actually costs over \$1.9M per-ton of emissions reduced, when the RTC confidently claimed that it would be able to achieve a cost effectiveness of \$10,533 per ton. This RTC program was 187 times more expensive in achieving emission reduction than expected.

These failures are likely to continue unless these problems are brought to light, additional questions asked and significant changes made by an external authority over the Air District and the RTC.

Recommendations

An independent investigation of the actions of the RTC, and Air District with regard the AB2766 grant program.

These problems highlighted in this report will probably continue as long as these failures are not acknowledged and addressed. Some questions that this report raises:

1. Are the actions highlighted in this report of the RTC and the Air District legal?
2. Why did it take an external investigation to discover these problems?
3. Why has the Air District extended this project from to two years to three years, and now to five years?
4. Why is the Air District and continuing to fund this failed project?

5. Over \$35,000 of public funds has already been spent on this failed project (originally scheduled to end Feb. 2011). Can the remaining \$84,000 of this grant award be redirected towards programs that actually work, before more is wasted?

Report Q&A

Would RideSpring recommend Cabrillo College apply again for a grant from the Air District? *Not until the systemic problems in the Air District's grant application process have been resolved.*

If Cabrillo College had submitted their grant application as a 'Direct emission reduction' program, as the RTC had, wouldn't that have improved Cabrillo College's likelihood of receiving funding for their top priority? *Probably not. The Air District did in fact direct \$90,000 in funds to Cabrillo College's grant application, but specifically excluded Cabrillo College's top priority, the RideSpring program, from being funded. The reason the Air District gave for denying funding to Cabrillo College's top priority was to avoid 'duplication'. Even though the CIP program and the RideSpring program are very different, the Air District viewed them as essentially the same and therefore, chose to fund just one program. Even if this reasoning were valid, the Air District chose to deny funding to the program that was already developed, paid for, and working effectively: the RideSpring program. Instead of expanding the use of this successful program to Cabrillo College, the Air District directed a significant amount of public funds into an unproven program that had yet to be developed by the RTC – a program that failed, as this report shows.*

How much would it have cost to implement RideSpring at Cabrillo College? *The RideSpring service could have been provided to Cabrillo College for less than 20% of the cost of the failed RTC CIP program.*

About RideSpring

RideSpring, a technology and consultancy company based in Santa Cruz, California prepared this report. Since 2005 RideSpring has provided services to companies and other organizations enabling them to evaluate, and improve the effectiveness of their commute programs.

All of the original research and documents referenced in this report are available upon request.

For more information about this report contact Paul McGrath at:

paulm@ridespring.com

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