

Auditor's Comments on MAG's Response

The Joint Legislative Audit Committee requires all agencies to respond to whether they agree with audit findings and plan to implement the recommendations. We appreciate MAG's response, including its agreement with our audit finding. However, MAG has included certain statements in its response that misrepresent our work, and that may mislead the reader. To provide clarity and perspective, we are commenting on MAG's response to our audit.

The Transportation Performance Management Framework and Guidebook (TPM)

In its response, MAG expresses several points of disagreement with our use of the TPM as a recommended practice related to project-level performance. Specifically, in its response, MAG states that it "respectfully disagrees with the representation of the Transportation Performance Management framework (TPM) as a viable tool for establishing uniform project-level targets and goals" and states that "establishing project specific metrics and targets for every project in the RTP is impractical, inauthentic, prohibitively expensive, and would not produce reliable or actionable information" (see MAG's response, pages 1 and 5).

We disagree with MAG's characterization of our application of the TPM and other recommended practices. The TPM does not recommend *uniform* project-level targets or goals. Instead, the TPM provides examples of a variety of target formats that can be used to establish targets based on each project's individual scale, complexity, and data availability. Additionally, the audit report fully acknowledges the extensive variability across transportation projects funded by the half-cent sales tax, and does not state or imply that every project should be subject to uniform project-level targets or goals (see pages 32 to 34). Further, our recommendation is for MAG to require implementing partners' and member agencies' project documentation to explicitly identify project-specific metrics, targets, and other performance management information. This recommendation allows each implementing partner and member agency to tailor the identified project-level targets and goals to the individual characteristics of each project and allows MAG the flexibility to determine how and when to measure project-level performance. Absent project-level performance management information, MAG lacks defined measures against which to assess whether a project is successful, beyond whether funds were expended as expected and construction timeframes were met.

Establishing targets

In its response, MAG asserts that the report mistakenly conflates the ability to measure project impact post-construction with the ability to produce credible and methodologically defensible targets (see MAG's response, page 1).

As the audit report does not specify the methodology that MAG is expected to use to produce targets related to project impact, and instead provides examples of data and processes that MAG already utilizes that could inform the development of project-level targets, we disagree with MAG's assertion that the report conflates post-construction measurement with producing credible targets. For instance, the audit report used data provided by MAG to assess the project performance for sampled Prop 400 projects that had been completed, with the intention of providing examples of the type of analysis that could be completed to assess project performance (see pages 9 to 28). These examples were also intended to highlight data sources that MAG already leverages as part of its data program and regional travel demand model, which could also be used as baselines to inform target setting.

Additionally, as discussed in the audit report, MAG already quantitatively assesses the potential impact of projects, pre-construction, during the needs assessment used to inform project selection for every proposed arterial and freeway project (see pages 7 to 8). This information could be used to inform project-level target setting because it rates each proposed project based on the potential impact it is expected to have on 5 of the 6 2025 RSTIIP goals.

Existing system-wide performance management efforts

In its response, MAG states that it already provides systemwide performance metrics and modeled outcomes for each RTP goal and that the audit report's conclusion that MAG lacks a system-wide performance monitoring process overlooks the substantial monitoring framework already in place. MAG further states that the key performance metrics presented in Chapter 8 of MOMENTUM 2050 (referred to as the 2025 RSTIIP in the report) were deliberately developed to support repeatable, system-level monitoring over time, using industry standard modeling and performance analysis techniques (see MAG's response, page 3).

The audit report does not overlook the monitoring framework MAG has in place, and acknowledges the efforts MAG has made as part of the 2025 RSTIIP to consider performance in its selection of projects and to provide information about anticipated system-wide outcomes (see pages 7 to 8 and pages 34 to 36). However, as noted in the audit report, MAG does not provide modeled outcomes for all identified performance metrics and RTP goals. Specifically, MAG did not provide modeled outcomes for the Safety or Preservation goals (see pages 31 to 32).

Furthermore, MAG has not identified key monitoring processes, including (1) when updates regarding the established metrics will be reported, (2) how they will be reported and presented, and (3) what actions will be taken if MAG's performance is no longer tracking toward the outcomes presented in the 2025 RSTIIP or developed in response to Recommendation 1. This type of explicit system-wide performance monitoring process is necessary to ensure that any changes to anticipated outcomes, such as those described in the audit report, are transparently communicated (see page 35).