



# OKLAHOMA DEPARTMENT OF TRANSPORTATION TRANSIT DIVISION

## Performance Audit

July 1, 2018 through June 30, 2019

**Cindy Byrd, CPA**  
State Auditor & Inspector

**Audit Report of the  
Oklahoma Department of Transportation  
Transit Division  
July 1, 2018 through June 30, 2019**



## Oklahoma Department of Transportation – Transit Division

Fiscal Year 2019

### ENGAGEMENT BACKGROUND & SCOPE

This audit was requested by the Secretary of Transportation and Executive Director of ODOT, and the objectives were developed with two goals:

1. Identify any areas of potential administrative flexibility not already being utilized in the State's rules and regulations for the federal Non-Urbanized Area Formula Grant Program.
2. Identify best practices and recommendations based on similar federal grant pass-through programs.

Objective 1 examined rules and regulations specifically in place during fiscal year 2019.

On July 1, 2019, ODOT began implementing the requirements of HB 1365, which made it responsible for developing the Office of Mobility and Transit, greatly expanding its responsibilities. The broader scope of this developing Office was considered throughout our research for Objective 2.

### WHAT WE FOUND

- The State Management Plan reflects the minimum requirements outlined in the Federal Regulations. We found no areas of administrative flexibility between the State Management Plan and the Federal Regulations.
- As ODOT strives to continue improving its subrecipient interactions, enhanced communication would be an excellent step. This report outlines best practices to assist with subrecipient communication and cooperation, keeping in mind the agency's growing responsibilities related to the Office of Mobility and Transportation.

See full report online at <http://www.sai.ok.gov>



Cindy Byrd, CPA | State Auditor & Inspector

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July 9, 2020

**TO THE OKLAHOMA DEPARTMENT OF TRANSPORTATION**

We present the audit report of the Oklahoma Department of Transportation for the period July 1, 2018 through June 30, 2019. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

CINDY BYRD, CPA  
OKLAHOMA STATE AUDITOR & INSPECTOR



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**Background**

The Oklahoma Department of Transportation (ODOT or the Agency) is the overall coordinating agency for the state’s highways, railways, and waterways. While its primary business is construction and maintenance of the state’s highways, the Agency also promotes intermodal transportation. The Agency’s mission is “to provide a safe, economical, and effective transportation network for the people, commerce and communities of Oklahoma.”

ODOT is overseen by a nine-member Transportation Commission appointed by the Governor. As of May 2020, the Commission included:

- Gene McKown ..... Chairman, At Large
- Bob Peterson ..... Vice-Chairman, District 8
- T.W. Shannon ..... Secretary, District 3
- Bob Coburn ..... District 1
- James L. Grimsley ..... District 2
- Don Freymiller ..... District 4
- David Dyson ..... District 5
- Bobby J. Alexander ..... District 6
- Stephen J. LaForge ..... District 7

***Transit Division***

During the audit period the ODOT Transit Division was responsible for overseeing both urban and rural public transit programs and for providing technical assistance and funding for public transportation providers in Oklahoma. Through federal and state grants administered by ODOT, many communities in Oklahoma provide bus transportation and other public transit services, which are especially important for the elderly and those with disabilities to remain independent and active. This division administers the Non-Urbanized Area Formula Grant Program (federal code section 5311), the subject of this audit.

The Transit Division began its transition to the Office of Mobility and Public Transit, as directed by HB 1365<sup>1</sup>, on July 1, 2019. This transition expands the division’s responsibilities in many ways, including additional federal grant oversight and public transit policy roles, and influenced our procedures and development of the following report.

<sup>1</sup> See HB1365 online at <http://www.oklegislature.gov/BillInfo.aspx?Bill=HB1365&Session=1900>.

**Scope &  
Methodology**

At the request of the Secretary of Transportation and Executive Director of the Oklahoma Department of Transportation (ODOT), and in accordance with 74 § 213.2(B), we conducted a performance audit of the Transit Division.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In planning and conducting our audit, we focused on the areas outlined in the audit request, subject to an assessment of materiality and risk, for the period July 1, 2018 through June 30, 2019.

Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and independent research. Further details regarding our methodology are included in Appendix A.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, errors or fraud may occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

**OBJECTIVE I**

Examine Federal Transit Administration program rules, Title 730, Chapter 45 of the Oklahoma Administrative Rules, and Oklahoma’s State Management Plan for the Administration of the Section 5311 – Non-Urbanized Area Formula Grant Program.

Identify whether the federal program requirements provide administrative flexibilities, and if so, whether those flexibilities are utilized to the maximum extent practicable by the State Management Plan and the administration of that plan. If not, recommend measures to improve that flexibility.

*Conclusion*

The State Management Plan and related administrative rules reflect the minimum requirements outlined in the federal regulations for the Non-Urbanized Area Formula Grant Program. We found no areas of significant administrative flexibility not already being utilized by ODOT.

**State  
Management  
Plan and  
Federal  
Regulation  
Review**

We reviewed the State Management Plan and federal program requirements in detail, selecting several areas of the regulations for additional detailed comparison. These areas of focus were selected based on our meetings with various ODOT personnel and program stakeholders, review of the prior audit conducted by the Federal Transit Association (FTA), and professional judgment:

- 1. Intercity Bus Transportation, supporting various aspects of intercity bus service in rural and small urban areas
- 2. Charter Rule, the governing regulations for establishing a subrecipient’s ability to provide charter service
- 3. Rural Transit Assistant Program (RTAP), serving to develop and implement training and technical assistance programs in conjunction with the State's administration of the Section 5311 Program

We performed a detailed comparison of the state and federal guidance outlined in our objective for each topic. We identified only one notable area in which ODOT had added a requirement, related to Intercity Bus Transportation. The State Management Plan requires that feeder services for intercity bus service operate on a schedule that permits the transit user to access intercity bus service within five hours of its arrival/ departure time.

Such an addition is permitted and encouraged by federal guidance, which grants the state “maximum discretion in designing and managing the Section 5311 program” (see extended quote on the next page). The State Management Plan is also directly based on FTA circulars and subject to formal FTA approval. This “five hour rule” has been reviewed

and approved along with the rest of the State Management Plan by the FTA.

Overall, we noted no other areas in which the FTA’s program rules granted flexibility that did not appear to be utilized by ODOT.

**Other  
Flexibility  
Considerations**

***Federal Guidance on State Flexibility & Discretion***

Given the nature of this audit request, we paid close attention to federal guidance related to flexibility at the state/grantee level. Federal section 5311 program guidance states under *State Role in Program Administration* that the “FTA gives the states maximum discretion in designing and managing the Section 5311 program to meet nonurbanized public transportation needs. Where possible, FTA defers to states and state instrumentalities in developing program standards, criteria, procedures and policies in order to provide the states flexibility to standardize their management of FTA assistance and related state programs.”

***FTA Audit Recommendations***

We noted while reviewing the results of the program’s most recent audit by the FTA (issued August 22, 2017) that ODOT was generally in compliance with applicable laws. The FTA did recommend ODOT more stringently monitor subrecipients in some areas, and review subrecipient plans for compliance.

These recommendations should prompt ODOT to require subrecipients without plans already in place develop them. This could be interpreted by subrecipients as a loss of flexibility, whereas, in reality, ODOT must address these recommendations in order to secure Section 5311 program funds.

***Management & Communication Style***

Management within the Transit Division has changed in recent years, which likely caused some evolution in perspective and administrative approach, including the extent to which existing regulations are enforced and how those actions are communicated. Given that our regulatory comparison did not find ODOT to be inflexible on paper, it seems likely any such concerns brought to ODOT’s attention are the result of more subjective issues such as communication style.

We will provide management with meaningful and useful recommendations for enhanced communication and collaboration with subrecipients and other stakeholders in the next section.

**OBJECTIVE II** Identify best practices and recommendations based on similar programs that include both the coordination of federal grant applications and oversight of sub-recipients.

*Background & Approach*

As a pass-through entity for federal grant funding, ODOT is responsible for granting subrecipient awards; advising subrecipients of requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements; and monitoring the implementation of the grants as well as compliance with both state and federal regulations.<sup>2</sup>

The Agency is subject to many layers of standing oversight from federal, regional, and state entities. We specifically examined the Transit Division's implementation of federal requirements in objective 1 and identified no significant opportunities for increased flexibility in the state's application of federal regulations.

It did come to our attention that some subrecipients have criticized the Transit Division's communication style in the recent past. Based on our discussions with management, staff, and transit industry representation, and on our audit procedures, it appears enhanced communication between the ODOT and subrecipient transit agencies could be beneficial in facilitating program effectiveness.

For example, ODOT could focus on communicating anticipated rule changes with helpful explanations and adequate lead time to implement the changes. We also noted that overall goals and objectives for transit programs are not always a focus of the State Management Plan, despite being featured in the federal regulatory guidance. As we discuss later, communicating shared goals could help facilitate a cooperative attitude in subrecipients and stakeholders.

What differentiates an entity like ODOT's Transit Division from other pass-through programs is its soft skills and practices in interacting with subrecipients. This aspect of operations is unique in any state program that administers sub-grants, given that each has its own staff, state regulations, and distinct subrecipient population.

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<sup>2</sup> Guidance from Office of Management and Budget's Circular No. A-133 , as summarized by the Government Accountability Office (GAO) in its related report on grant management: GAO-13-392, <https://www.gao.gov/assets/660/653807.pdf>, April 2013.

ODOT management has already demonstrated their awareness of this fact and interest in continued improvement by requesting this audit to ensure they are being appropriately flexible and developing effective subrecipient collaboration strategies.

Keeping that interest in mind, we focused our research on identifying how such a pass-through entity can achieve successful communication and cooperation, helping to meet the needs of subrecipients and those they serve within the bounds of grant agreements and applicable laws.

In gathering the following resources, we also kept in mind that as ODOT establishes the Office of Mobility and Public Transit<sup>3</sup> with its broad goal of collaborating and coordinating an effective network of public transit systems across the state, coordination and communication with a wide spectrum of transit agencies and other stakeholders will be key.

**Federal requirements outline the general process for subrecipient awards and successive monitoring, but do not address how to best go about these activities while maintaining a positive and effective working relationship with subrecipients.**

**Guidance from Government Transportation Entities, Related Experts**

*GAO study showed subrecipients' subjective perceptions of the process has an impact*

The Government Accountability Office (GAO) conducted focus groups with subrecipients regarding federal grant administration and found that even though their audit showed that states generally complied with federal regulations, some subrecipients they interviewed expressed concerns related to reimbursement timeliness and administrative funds withheld. While subrecipients' concerns generally did not identify instances of noncompliance, they illustrated how the pass-through grant process, subrecipients' perceptions of the process, and state practices can potentially impact subrecipients.<sup>4</sup>

*Applicable Advice from GAO Assessment of Rural Transit Coordination*

In their examination of rural transit program coordination efforts<sup>5</sup>, the GAO noted many areas in which rural transit providers feel underinformed and underserved. The study outlined four factors that

<sup>3</sup> See HB1365 online at <http://www.oklegislature.gov/BillInfo.aspx?Bill=HB1365&Session=1900>.

<sup>4</sup> Grants Management: Oversight of Selected States' Disbursement of Federal Funds Addresses Timeliness and Administrative Allowances. GAO, <https://www.gao.gov/products/GAO-13-392>. Released April 2013, accessed December 2019.

<sup>5</sup> Public Transportation: Enhanced Federal Information Sharing on Coordination Could Improve Rural Transit Services. GAO, <https://www.gao.gov/products/GAO-20-205>. Released and accessed January 2020.

impact transit providers and increase their need for assistance in coordinating efforts and obtaining information:

- Availability of resources, including matching funds, adequate staffing and time, and technology for scheduling trips and operating call centers
- Availability of formal coordinating mechanisms
- Alignment of program requirements across differing federal laws, regulations, and program requirements
- Distance from other providers, especially for extremely remote rural providers

Despite these difficulties, the study noted that it's common for providers to persist in coordinating trips and schedules, as well as sharing knowledge, technology, and other resources. Some stakeholders in the study also mentioned participating in knowledge-sharing forums, such as conferences and trainings, as mechanisms to facilitate coordination.

Opportunities may exist for ODOT, especially in its developing Office of Mobility and Transit role, to catalog information, provide increased guidance, and otherwise assist transit providers. At a minimum it would be helpful for ODOT to become familiar with their subrecipients' concerns as a means of improving its ongoing work with transit agencies.

The GAO also emphasizes that "according to Standards for Internal Control in the Federal Government, agencies should communicate necessary and quality information externally so that external parties can achieve their objectives and periodically evaluate methods of communication, so that the agency has the appropriate tools to communicate quality information with external parties on a timely basis."

#### ***GFOA Grant Administration Guidance***

The Government Finance Officers Association (GFOA) has developed a best practice document relating to grants administration.<sup>6</sup> In it, they recommend that in order to ensure the efficient administration and operation of grant programs, the grant seeking government should in part "provide initial training for new and unfamiliar programs and continuing training, in general, for the government . . . and others involved with the grant program (e.g., subrecipients)."

Providing training to the extent possible, for both internal Transit staff and subrecipient staff in necessary areas of compliance, is surely not a novel idea. However, developing or sourcing training on compliance monitoring soft skills and managing program aspects at a physical

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<sup>6</sup> GFAO Best Practice: Grants Administration, <https://www.gfoa.org/grants-administration>. Approved January 2013, last accessed January 2020.

distance could assist ODOT staff in ensuring optimal interactions with subrecipient groups.

The GFAO suggests governments maintain grant support systems to:

- provide information to all involved parties to allow them to comply with both GAAP and grant requirements, and
- store and provide information electronically so that it is available to multiple users.

ODOT already ensures that applicable rules and regulations, forms, and related documentation are available electronically to subrecipients. Ensuring a process is in place to keep available information complete and up to date is also key to keeping subrecipients and other stakeholders informed. ODOT could also consider making supplementary information, such as meeting notices or summaries, materials related to rule changes, and explanatory materials regarding those rule changes, accessible to subrecipients and other appropriate parties.

#### *US DOT Program Involvement Guidelines*

The US Department of Transportation contracted a guide to Public Involvement Techniques for Transportation Decision-Making<sup>7</sup> that endeavors to provide tools to help a transportation agency design a public improvement program to “grab and hold people’s interest in a project or plan, convince them that active involvement is worthwhile, and provide the means for them to have direct and meaningful impact on its decisions.” As the document points out, while Federal statutes and regulations do contain guidelines for local public involvement processes, “there is great flexibility available to transportation agencies in developing specific public involvement programs.”

At any level, they recommend five general guidelines that could be helpful in communicating regularly and effectively with transit agencies, and in the broader task of expanding communication and coordination efforts with additional entities and stakeholders in the future:

1. **Acting in accord with basic democratic principles** means that public involvement is more than simply following legislation and regulations. In a democratic society, people have opportunities to debate issues, frame alternative solutions, and affect final decisions in ways that respect the roles of decision-makers. Knowledge is the basis of such participation. The public needs to know details about a plan or project to evaluate its importance or anticipated costs and benefits. Agency goals reflect community goals. Through continued interaction with the entire community,

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<sup>7</sup> U.S. Department of Transportation, *Public Involvement Techniques for Transportation Decision-Making*, [https://www.fhwa.dot.gov/planning/public\\_involvement/publications/techniques](https://www.fhwa.dot.gov/planning/public_involvement/publications/techniques). Released 1996, updated 2015; accessed January 2020.

agencies build community support and, more importantly, assure that the public can help shape the substance of plans and projects. In summary, public agencies act as public servants.

2. **Continuous contact between agency and non-agency people throughout transportation decision-making**, from the earliest stages, as one or more transportation problems are identified, through defining purpose and need or planning principles, through the development of a range of potential solutions, and up to the decision to implement a particular solution.
3. **Use of a variety of public involvement techniques** that target different groups or individuals in different ways or target the same groups or individuals in different ways. A single, one-size-fits-all approach usually results in missing many people.
4. **Active outreach to the public** means agencies search out the public and work hard to elicit response. It is true that resources are limited, and agencies cannot make anyone participate. However, transportation agencies have repeatedly found that going after the public and changing unsuccessful approaches brings greater results.
5. **Focusing participation on decisions** rather than on conducting participation activities because they are required. Decisions include both the continuous stream of informal decisions made by agency staff and lower-level management and the less frequent formal decisions made by decision-makers. Timely agency response to ideas from the public and integration of ideas from the public into decisions shows the public that participation is worthwhile. A focus on the wide range of possible decisions gets agencies past simply offering the public passive opportunities to comment on proposals just before formal decision-making.<sup>8</sup>

For discussion of more specific projects, they recommend setting goals and objectives for the program, identifying the people to be reached, developing a general approach and specific techniques to gather the necessary input, and assessing to ensure the approach satisfies participants and informs decision making.

*Coordinating Council on Access and Mobility: Barriers Focus Group*

The federal interagency Coordinating Council on Access and Mobility (CCAM) is responsible for issuing policy recommendations and implementing actions to improve the availability, accessibility, and efficiency of transportation for targeted populations. While their mission and strategic plan are generally focused on high level goals and federal

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<sup>8</sup> Five guidelines from *Public Involvement Techniques for Transportation Decision-Making*; see footnote 7.

coordination, their plan does emphasize the importance of innovation and state and local participation.<sup>9</sup>

CCAM's 2018 Transportation Coordination Barriers Focus Group report outlines barriers to coordination reported by participants. Many of these same barriers may hinder Oklahoma's transit agencies in their efforts to organize transit services with limited resources, even before coordinating with other agencies is considered. They represent areas of focus ODOT could consider in its efforts both to improve subrecipient cooperation and to coordinate mobility statewide:<sup>10</sup>

- **Limited Awareness.** A lack of awareness of the federal funding sources available for human service transportation, the policies that enable transportation coordination, and/or the community's transportation options for targeted populations
- **Unengaged Stakeholders.** Challenges associated with establishing and maintaining the organizational and community partnerships necessary to pursue transportation coordination
- **Program Restrictions.** Reporting obligations, eligibility criteria, trip purpose restrictions, and other program rules that make it difficult to coordinate across different transportation programs
- **Insufficient Incentives.** A lack of incentives or financial motivation for human service providers to pursue transportation coordination initiatives
- **Limited Federal Guidance.** An absence of the federal guidance that states and local communities need to coordinate transportation in compliance with federal law
- **Jurisdictional Boundaries.** City, county, or other regional lines that define an organization's service area and prevent that organization from coordinating with other entities beyond the service area
- **Administrative Burden.** The accounting obligations, logistical responsibilities, implementation work, and other administrative tasks that consume an excessive amount of time and resources
- **Insufficient Data.** A lack of the data that states and local communities need to increase the transparency of transportation spending, demonstrate the utility of transportation coordination, and allocate the costs of coordinated transportation equitably

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<sup>9</sup> CCAM Strategic Plan 2019-2022, <https://www.transit.dot.gov/regulations-and-guidance/ccam/about/ccam-strategic-plan-2019-2022>. Approved October 2019, last accessed January 2020.

<sup>10</sup> CCAM Focus Group Report 2018, <https://www.transit.dot.gov/coordinating-council-access-and-mobility>. Dated 2018, last accessed January 2020.

- **Cost Sharing Concerns.** Apprehension about sharing the costs of coordinated transportation across participating stakeholders in a way that is equitable and proportionate to the services received
- **Inaccessible Systems.** Transportation vehicles and facilities that funding recipients cannot use for some coordination activities because they are inaccessible to people with functional limitations

As many of their long-term goals, once achieved, would directly benefit ODOT and its subrecipients – including pilot program opportunities – we recommend keeping a close eye on the eventual results of CCAM activity.

**Guidance from  
Other Areas of  
Government**

*HUD Guidance on Addressing Subrecipient Evaluation Challenges*

In their guide to “Evaluating Subrecipients to Optimize Performance,” the U.S. Department of Housing and Urban Development (HUD) lists several common challenges to conducting objective and thorough evaluations of subrecipient partnerships.<sup>11</sup> In doing so, they also present ways to address these challenges and better work with subrecipients. Several relevant challenges and potential responses follow:

Common Challenges	Potential Responses
Existing partners may be resistant to change and may feel threatened by potential loss of influence and/or funding.	<ul style="list-style-type: none"> <li>• Meet with political leaders to explain need to expand/change partners</li> <li>• Quantify and promote potential positive results of expanding/changing partners</li> <li>• Provide training or other resources to help current partners expand their capacity</li> </ul>
There may be more potential partners than are needed to deliver the program, including some with political support but low capacity.	<ul style="list-style-type: none"> <li>• Use a detailed RFQ/RFP process with objective scoring to choose partners</li> <li>• Recruit scorers with no stake in the outcome to help review RFQ/RFP responses</li> </ul>
The grantee may lack the staff capacity to manage partners or funding sources.	<ul style="list-style-type: none"> <li>• Provide training to expand staff capacity</li> <li>• Reassign staff or hire new staff to expand capacity</li> </ul>

<sup>11</sup> U.S. Department of Housing and Urban Development, *Evaluating Subrecipients to Optimize Performance*, <https://www.hudexchange.info/resource/4539/evaluating-subrecipients-to-optimize-performance>. Published May 2016, last accessed January 2020. Note that while these practices are aimed at Housing, their themes are easily applicable to Transit.

In addition to collecting required reports and data, HUD recommends the following as additional ways to collect subrecipient information:

- On-site observations and inspections, to inspect physical projects or activities
- Interviews with subrecipients and other partners, which can provide information not found in written reports such as operational or capacity challenges and knowledge gaps
- Focus groups to allow service recipients or subrecipient groups to provide insight into whether goals are being met, and suggestions for improving services
- Surveys or questionnaires specific to a program, goal, or specific transit agency, again to collect feedback from subrecipient partners or service recipients

In their discussion of achieving strategic goals through subrecipient partnerships, HUD again emphasizes the importance of working partnerships with subrecipients. They also advise assisting with coordination between subrecipients, echoing the focus of the GAO's study discussed earlier:

“To maximize resources and leverage funding, expertise, geography, and capacity, potential new linkages or missing linkages between subrecipients should be identified. Grantees and subrecipients should be creative in finding ways to work together in a manner that increases service levels, reduces redundancy, and provides cost savings. Subrecipients may offer complementary programs that could benefit from a formal or informal cross-referral system. Cost savings may be possible for multiple organizations that could share space or staffing. The grantee can review existing or proposed projects and partnerships and develop a list of ideas to share with partners. They may also want to gather partners with similar or complementary programs to brainstorm ways to create partnerships.”

This HUD guide also offers other helpful advice on topics such as gathering and measuring performance information, measuring cost efficiency, determining capacity, and incorporating evaluations in the application and contracting process.

### *Enhanced Subrecipient Support*

We found examples of other state and local governments emphasizing the need to provide explanatory support to subrecipients in their respective guidance.

- The Tennessee Department of Transportation's Compliance Monitoring Guide (2015 version available online) explains: “A principle tenant of the TDOT approach to the Compliance

Monitoring Program is the provision of technical assistance. The consultant team will be required to assist each subrecipient under review to understand the requirements of any particular circular, rule, regulation or law, to provide copies of relevant regulatory citations and technical assistance materials, and to render additional assistance in subrecipient remedy of findings, as necessary.”<sup>12</sup>

- Houston Metro’s Subrecipient Monitoring Procedures include similar language in their section on the responsibilities of its Grant Programs division: “Grant Programs staff provides regular support and guidance to subrecipients and Houston METRO staff to assist with understanding federal requirements and practical ways to be in compliance with grant requirements. As part of this communication Grant Programs identifies areas that need clarification and training. Grant Programs prepares written guides for subrecipients and researches compliance for management.”<sup>13</sup>

Guidance  
from Other  
Disciplines

Because resources regarding subjective aspects of subrecipient interactions in government grant management are understandably limited, we turned to related disciplines for additional advice on optimizing communication. The Project Management Institute has published a conference paper on Communications Management and Stakeholder Engagement titled *Communication works for those who work at it*,<sup>14</sup> by Manon Deguire, project management trainer and expert in Clinical and Organizational Psychology<sup>15</sup>. While originally targeted at project managers, this material is based on a large body of leadership, psychology, and communications expertise and applies well to ODOT’s roles in subrecipient relationships and increasing stakeholder outreach.

“Because it involves people, communication is a complex and continually changing subject that is difficult to measure. Although human communication has been studied widely in the fields of business, anthropology, sociology, and psychology, very few tools have been developed to help managers communicate. Furthermore, in the past, most of our communication occurred at meetings, over the telephone, or through paper correspondence, but today, information technologies have changed and multiplied the way we communicate. Even simple

<sup>12</sup> Tennessee Department of Transportation, Division of Multimodal Transportation Resources, Compliance Monitoring Program Field Guide, <https://www.tn.gov/content/dam/tn/tdot/public-trans/Tennessee-Compliance-Monitoring-Guide-August-2015.pdf>. Version online dated August 2015, last accessed January 2020.

<sup>13</sup> Houston METRO, Subrecipient Monitoring Procedures, <https://www.ridemetro.org/MetroPDFs/GrantProgram/Houston-METRO-Subrecipient-Monitoring-Procedures-Final.pdf>. Version dated 2015-2016, last accessed January 2020.

<sup>14</sup> Manon Deguire, *Communication works for those who work at it*. Project Management Institute conference paper, Communications Management & Stakeholder Engagement, March 2008. Last accessed online January 2020, via PMI website: <https://www.pmi.org/learning/library/techniques-communicate-project-stakeholders-asia-7060>.

<sup>15</sup> More about the author at <https://www.valense.com/about-our-people>.

communication is a difficult thing to measure, in addition to the long list of variables already stated, one must also consider personalities, media, information flows, as well as barriers.”

The author emphasizes that quantitative aspects of communication, such as the number or length of meetings, are secondary to qualitative issues such as the meaningfulness of the meeting. She also presents the following information about emotional intelligence:

- Authentic feelings are primarily communicated through facial expressions and nonverbal behavior, and accurately recognizing emotions in others involves decoding others’ expressions of emotions through their nonverbal communications (like face and voice).
- Research shows emotion recognition is the most reliably validated component of emotional intelligence and is linked to a variety of positive organizational outcomes. . . . Some research has shown that managerial derailment is heavily influenced by a manager’s inability to understand others’ perspectives, making them insensitive to others.<sup>16</sup>

This suggests face to face meetings are extremely helpful when possible, and efforts to understand subrecipients’ points of view and be empathetic in interactions are not wasted.

To help managers (and in this context, monitors or grantees) move beyond simple transactional communication with their staff and partners, Deguire presents the following techniques to improve communication effectiveness in interactions such as conversations and meetings:

- **Ambiguity Reduction:** being wary of possible misunderstandings and providing clarification and background information. One helpful approach is to write a brief summary of what the speaker is saying and send it to those involved asking for feedback, which allows for further clarification, setting the stage for further discussion, and evidence.
- **Confrontations and assertiveness:** stay professional in these situations, first asking questions to dispel any potential misunderstanding. When an argument does ensue, show an understanding of the position being discussed but remain quietly assertive and clear.
- **Let Others Speak:** gain the attention and trust of the other party by showing interest and also giving attention. Silence is also an effective tool for getting others to talk, as they will naturally want to fill the gap in discussion.

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<sup>16</sup> Additional sources are referenced in the original paper; see footnote 14.

- Wrap Up: give a clear understanding of the outcome at the end of a discussion by restating any decisions and plans, and restating what you have learned through questions asked. Allow time for validation or corrections.
- Non-Verbal: throughout the course of discussion, pay attention to posture, facial expressions, and eye contact, as well as coherence between verbal and nonverbal behaviors and tone

In summary, Deguire explains that “it is important to treat a conversation as any other managed activity: by establishing an aim, planning what to do, and checking afterward that you have achieved that aim. However, in the ever-changing environment of the complex organization, managers must also develop meaningful relationships with a great number of different stakeholders.” It is crucial to “develop the knowledge and skills to be good listeners, understand stakeholders’ needs and demonstrate this understanding in all levels of interactions.”

### *Going Forward*

The State Management Plan includes laudable goals and program objectives that echo those set forth by the FTA.

“The goal of the Oklahoma’s state and federally funded transit programs is to provide a safe and effective transportation network which will enhance and increase the mobility of persons with special needs, transportation disadvantaged persons and the general population living in tribal, non-urbanized and small urban areas of the state. This will be accomplished by preserving and improving public transportation to access health care, employment, education, shopping, recreation, and public services throughout the state.”<sup>17</sup>

Emphasizing these shared goals in subrecipient interactions and ensuring the objectives of individual program areas are reflected in policy and communications will help remind all parties that they’re on the same team and working toward the same ends.

The program’s overarching public service goals provide key incentives for meeting other objectives such as required reporting and regulatory compliance. As supported by the various best practices discussed in this report, providing subrecipients with the how and why of the rules and regulations being changed or enforced will ease communication and enhance cooperation.

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<sup>17</sup> ODOT’s State Management Plan for Section 5311–Formula Grants for Rural and Transportation Assistance Program, version effective November 2014.

**A strong nation – and by extension a strong state – depends on productive citizens who participate in their communities.**

**“The development, implementation, and maintenance of responsive, comprehensive, coordinated community transportation systems is essential for persons with disabilities, persons with low incomes, and older adults who rely on such transportation to fully participate in their communities.”<sup>18</sup>**

ODOT has the opportunity not only to effectively manage and monitor its subrecipients, but also, in its new role, to communicate with a broader range of stakeholders and help lead transit improvements statewide through the Office of Mobility and Public Transit. This entails “overseeing a network of public transit systems that receive adequate funding to ensure the mobility needs of all Oklahomans are met in a safe, affordable, reliable, consistent and coordinated fashion” and includes implementing pilot programs and developing an Oklahoma Public Transit Policy Plan jointly with the Oklahoma Transit Association. Continuing to search out and employ best practices will be integral in dealing with stakeholders and coordinating disparate aspects of the vast transit system.

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<sup>18</sup> Emphasis and quotation from Presidential Executive Order 13330 regarding Human Service Transportation Coordination, 2004, available at <https://cms8.dot.gov/civil-rights/civil-rights-library/executive-order-13330>.

## **APPENDIX A - Additional Engagement Information**

### *Scope and General Methodology*

#### **OBJECTIVE I**

- Met with Agency management, division management and an industry representative to identify the aspects of the State Management Plan for which flexibility is of concern
- Obtained a general understanding of the Agency's methods for implementing the State Management Plan
- Observed and reviewed relevant laws, regulations, codes, and rules, as well as related audit reports and correspondence, from the audit period
- Compared in detail federal standards and state guidance and administrative codes to assess flexibility and provide any necessary recommendations or other information for report users

#### **OBJECTIVE II**

- Met with agency personnel and reviewed legislation to determine the needs and objectives of the division
- Researched, reviewed, and synthesized best practice guidance from government entities and related experts

### *Internal Control Considerations*

Due to the targeted nature of our procedures, we did not assess internal controls and therefore no control components or principles outlined in Government Auditing Standards were considered significant.

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