



## Board Report

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Agenda Number: 6.

### MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE MARCH 5, 2025

**SUBJECT: LOCAL RETURN**

**ACTION: RECEIVE ORAL REPORT**

#### **RECOMMENDATION**

RECEIVE oral report on Local Return programmed revenues and uses for Los Angeles County jurisdictions to support discussion on the effective and efficient use of funds.

#### **ISSUE**

To support the discussion on Local Return revenue amounts programmed and usage by each Los Angeles County local jurisdiction, this report provides a quarterly update and presents the status of Local Return funding in the second quarter of fiscal year 2025 (FY25). This includes audit updates, a summary of Measure M fund uses within the second quarter, and updates on current points of concern with Metro's Board of Directors.

#### **EQUITY PLATFORM**

Local Return receives a 17% revenue share of the Measure M Ordinance funding that is apportioned to local jurisdictions by population. Under Board-adopted guidelines, this item enables the programming of funds to recipients to support the implementation of various transportation projects and improvements throughout the region. This includes improvements for public access, paratransit services for seniors and individuals with disabilities, and transit subsidies for students and low-income residents. Local Jurisdictions make the determination of the projects that are most beneficial for their communities.

#### **ATTACHMENT**

Attachment A - Local Return Presentation

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# Measure M Local Return

March 2025 update



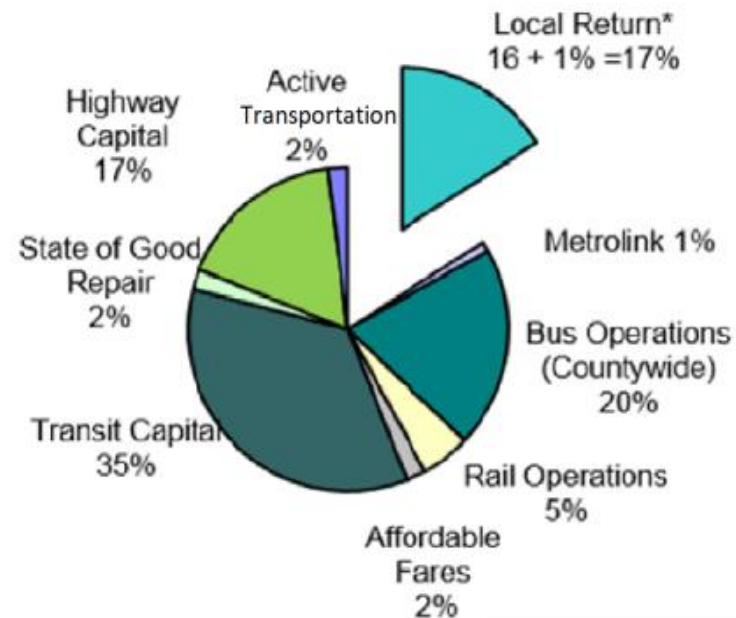
Susan Richan and Chelsea Meister,  
Local Programming

# Local Return (LR) – Measure M

- Measure M (approved in 2016 – funding started FY18)
  - 17% LR share (16% share plus 1% of the 1.5% off the top)
- Requires Assurances and Understanding agreement
- Jurisdictions are audited annually for compliance to Measure M  
Data from the LRMS  
(Formerly on the Form M-One and Form M-Two)

Due dates are the same for all LR:  
August 1 (budget) and  
October 15th (expenditures)

**MEASURE M**



\*Local Return receives 1% from the 1.5% of the "off the top" Administration

# Local Return – Updates

The FY2023-24 Audit began October 2024 and ended December 31, 2024

- There were no repeat findings from the previous fiscal year
- Findings totals: 11 Cities with 12 audit findings
- Broadcast emails were sent to cities regarding other due dates and potential lapsing dates.

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In March 2023, Metro Board approved the Bus Shelters Motion directing staff to investigate Local Return investment into bus stops, among other efforts.

- To date in 2025 3 cities are using Measure M Local Return funds for bus stops
- Most cities use other local return fund sources for bus stop improvements
- This will inform planned Quality of Life Scorecard which will assess how pass-through funding supports local infrastructure including bus stops

# Summary of Audit Findings

| FY24 Audit      |                              |                                                                |
|-----------------|------------------------------|----------------------------------------------------------------|
| City            | Number of Measure M Findings | Finding                                                        |
| Artesia         | 1                            | Funds were expended before approval                            |
| Compton         | 1                            | Failure to have proper accounting records                      |
| Cudahy          | 1                            | Timely Use of Funds                                            |
| Culver          | 1                            | Funds were expended before approval                            |
| Glendora        | 1                            | All funds inadequate accounting records                        |
| Hidden Hills    | 1                            | Timely Use of Funds                                            |
| Huntington Park | 1                            | Failure to have proper accounting records                      |
| Maywood         | 1                            | Funds were expended before approval                            |
| South Gate      | 1                            | Funds were expended before approval                            |
| South Pasadena  | 2                            | Failure to have proper accounting records; Timely Use of Funds |
| Temple City     | 1                            | Funds were expended before approval                            |

# FY25 Measure M Local Return Fund Usage

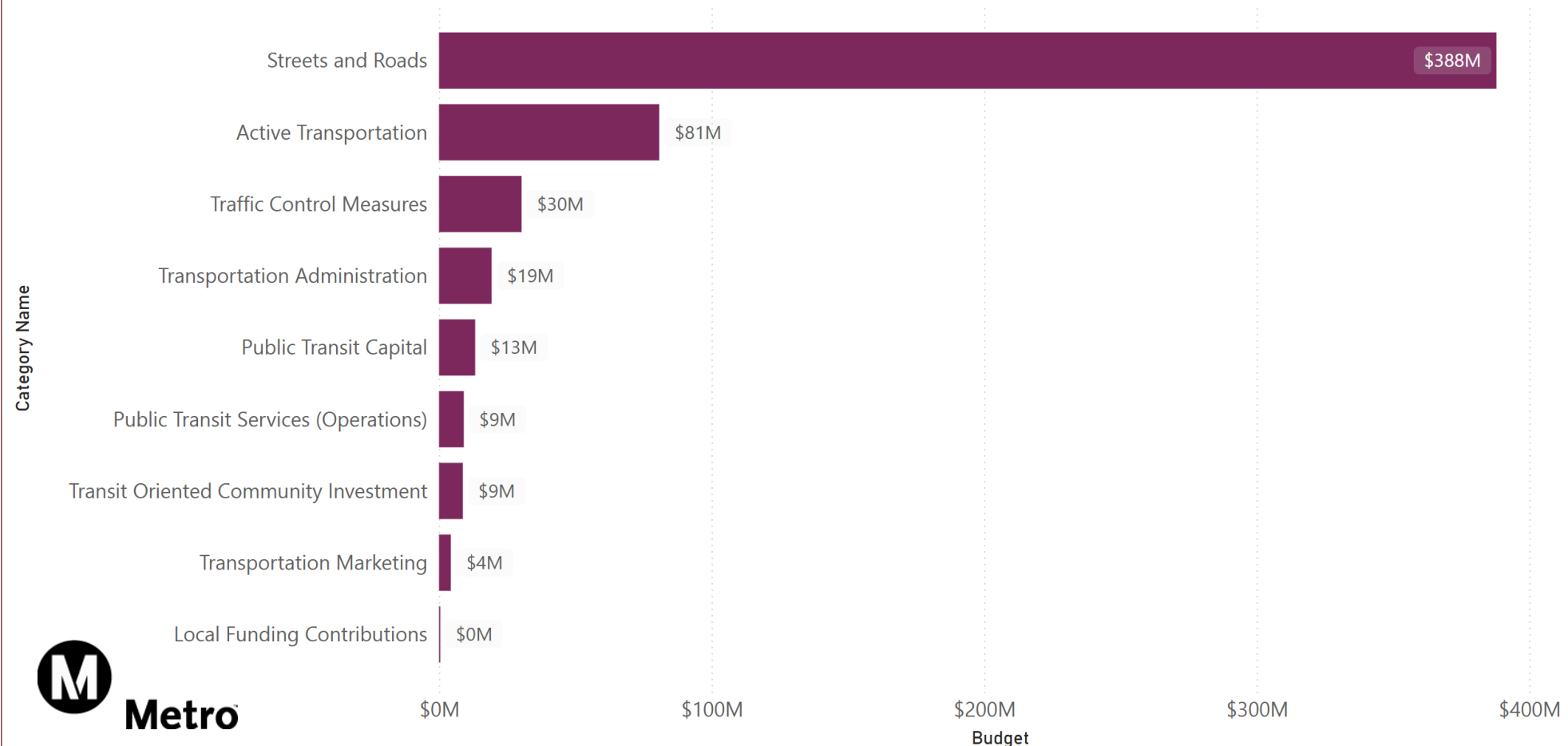
**Approved Budget 2025**

**\$554M**

**Total No of Projects in 2025**

**715**

Budget by Category Name



THANK YOU!

## Questions?

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