



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0101, File Type: Oral Report / Presentation

Agenda Number: 5.

INDEPENDENT CITIZEN'S ADVISORY AND 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 an annual 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 Proposition A and Proposition C 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 25% and 20% revenue share respectively of the Proposition A and Proposition C 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. Staff will continue to support jurisdictions in meeting Local Return requirements through workshops, multiple written communications regarding deadlines and one-on-one briefings with the goal of improving program compliance. The number of audit findings has decreased each year since FY22.

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Prop A and Prop C Local Return

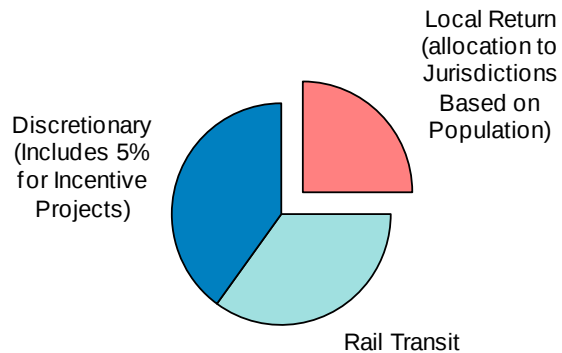


Independent Citizen's Advisory and Oversight Committee
Local Programming
March 2025 update

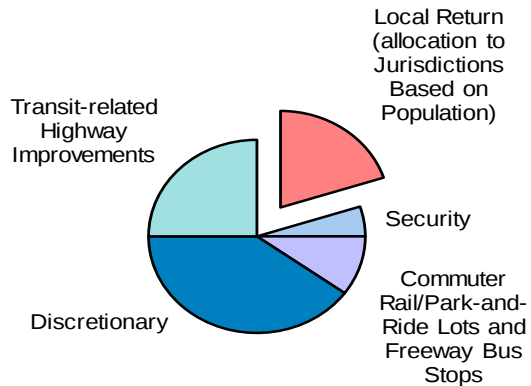


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Local Return (LR) – Prop A and Prop C



PROPOSITION A



PROPOSITION C

- **Prop A**
 - **LR share 25%**, approved 1980
 - Share to be used exclusively to benefit public transit
- **Prop C**
 - **LR share 20%** Approved 1990
 - Share to be used to benefit public transit and transit related projects
- **Requires Assurances and Understanding agreement**
- **Due Dates (same for all LR funds)**
 - August 1 – Budget
 - October 15 – Expenditures
- **Annual Compliance Audits**

Local Return – Updates

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

- Nine repeat findings from the previous fiscal year
- 25 cities with 38 audit findings
- FY24 total audit findings are down from FY23 total findings of 56
- Broadcast emails sent on due dates and potential lapsing dates

Metro Board Bus Shelters Motion (March 2023)

- Investigate Local Return investments in bus stops and other efforts
- To date in 2025, cities are using Prop A and C LR funds for 156 bus stop projects

Summary of Audit Findings

FY2023-24 Audit			
City	# of PA Findings	# of PC Findings	Finding
Artesia	2		PA 25%; PA Recreational Transit late
Baldwin Park		2	Funds were expended before approval; PC exceeded 25%
Bradbury	1		Timely Use of Funds
Calabasas	1		PA exceed 25%
Compton	1	1	PA PC failure to have proper accounting records
Cudahy	1	1	PA PC rec transit form late
Culver City	1	1	Funds were expended before approval
Diamond Bar		1	Funds were expended before approval
Glendora	1	1	All funds inadequate accounting records
Hidden Hills		1	PC exceed 25%
Huntington Park	2	1	PA recreational transit late; Inadequate accounting procedures
La Habra Heights	2		PA funds were expended before approval; PA 25%

Summary of Audit Findings (continued)

FY2023-24 Audit			
City	# of PA Findings	# of PC Findings	Finding
Lancaster		1	PC Funds were expended before approval
Lynwood	1		PA Funds were expended before approval
Manhattan Beach	1		PA recreational transit late
Montebello		1	Retroactive approval
Palmdale		1	Timely Use of Funds
Palos Verdes Estates	1	1	PA 25%; PC timely use of funds
San Dimas		1	Timely Use of Funds
San Gabriel		1	PC 25% over
Santa Monica	1		PA Funds were expended before approval
Signal Hill	1		Timely Use of Funds
South Gate		2	PC funds were expended before approval; exceeded PC 25%
South Pasadena	2	1	All funds inadequate accounting records; PA timesheet discrepancies; PC timely use of funds
Westlake Village		1	Timely Use of Funds

FY25 Prop A and Prop C Local Return Fund Usage

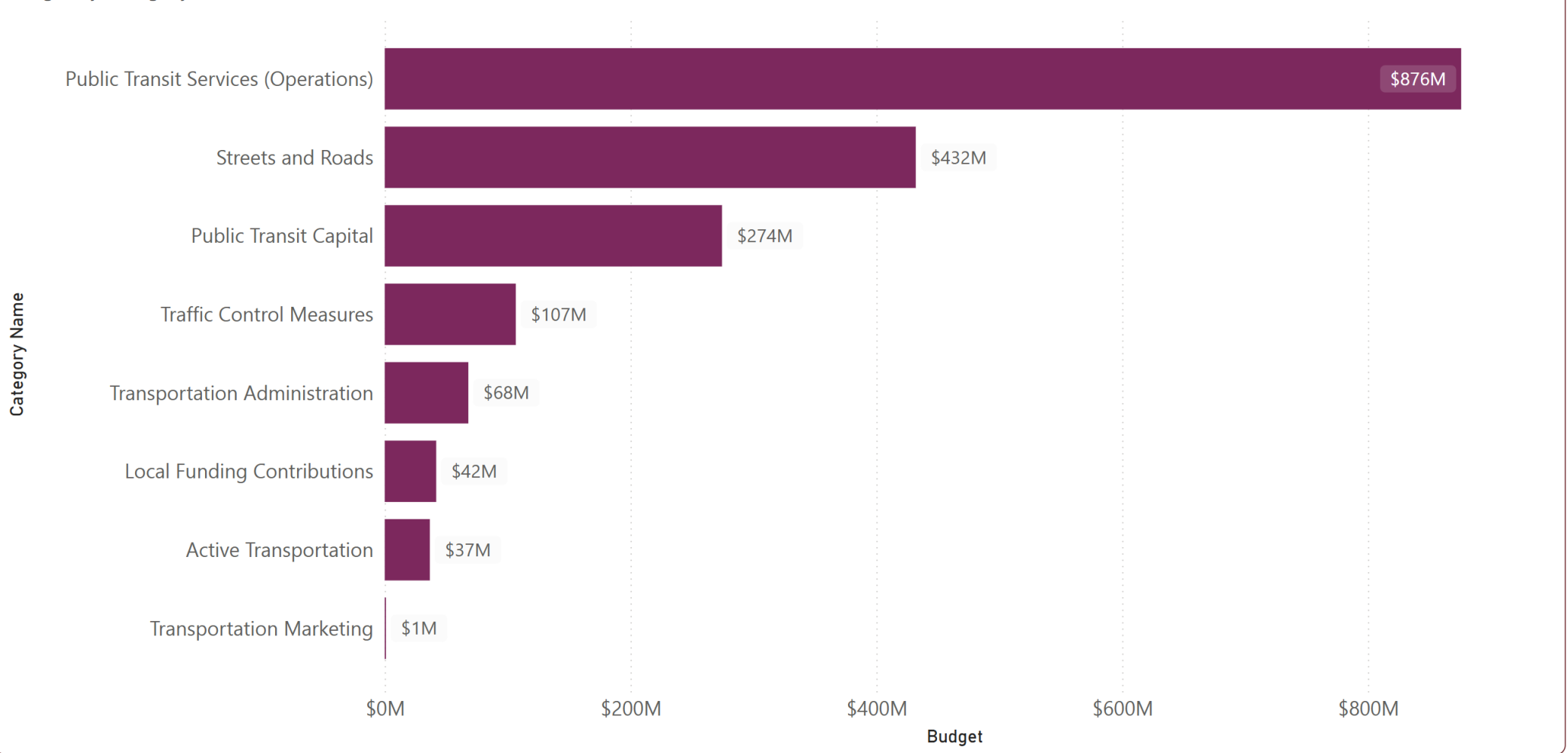
Approved Budget 2025

\$1,836M

Total No of Projects in 2025

1611

Budget by Category Name



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THANK YOU

Questions?

Local Programming

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