



Board Report

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FINANCE, BUDGET AND AUDIT COMMITTEE JULY 17, 2025

SUBJECT: FISCAL YEAR 2022 to 2024 TRIENNIAL PERFORMANCE REVIEW

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the report on the:

- A. Fiscal Year 2022 to 2024 Triennial Performance Reviews of Los Angeles County Transit Operators, and Metro Operations (Attachment A); and
- B. Fiscal Year 2022 to 2024 Triennial Performance Review of Metro as the Regional Transportation Planning Agency (RTPA) (Attachment B).

ISSUE

The State Transportation Development Act (TDA) requires Triennial Performance Reviews of Transit Operators and RTPAs. The FY 2022 to 2024 Triennial Performance Review Reports are completed, and this report presents the results of the reviews.

BACKGROUND

The California Public Utilities Code (PUC) Section 99246, included in the Transportation Development Act (TDA), requires Metro to conduct an independent performance review of all Los Angeles County Transit Operators receiving TDA Article 4 funds, as well as operators receiving Proposition A funds in lieu of TDA funds. The TDA also requires that regional transportation planning agencies (RTPAs) undergo an independent performance review, focusing particularly on the planning roles. The review is conducted every three years, and Metro must send a Certificate of Completion to the California Department of Transportation (Caltrans), so that Metro may receive and allocate TDA and State Transit Assistance (STA) funds for Los Angeles County.

DISCUSSION

Under contract to Metro, the firm of BCA Watson Rice, LLP independently conducted the FY 2022 to 2024 Performance Reviews of the Transit Operators, Metro Operations and Metro as the RTPA for Los Angeles County. The following summarizes the scope of the reviews:

Reviews of Los Angeles County Transit Operators and Metro Operations

The following Los Angeles County transit operators were included in these reviews:

- Antelope Valley Transit Authority (AVTA)
- Arcadia Transit
- City of Redondo Beach - Beach Cities Transit
- Claremont Dial-A-Ride
- Commerce Transit
- Culver City Bus
- Foothill Transit
- Gardena Transit
- LA County Metropolitan Transportation Authority Operations
- La Mirada Transit
- Long Beach Transit
- Los Angeles Department of Transportation (LADOT)
- Montebello Bus Lines
- Norwalk Transit System
- Santa Clarita Transit
- Santa Monica's Big Blue Bus (BBB)
- Torrance Transit
- City of Burbank
- City of Glendale
- City of Los Angeles - Community DASH Services
- Pasadena Transit

The FY 2022 to 2024 Performance Reviews included all areas that the State mandates. Areas reviewed were:

- Verification of TDA data collection and reporting requirements
- Compliance with (PUC) requirements
- Progress in implementing prior review recommendations
- Review of TDA performance indicator trend analysis
- High level functional area performance review

In addition, operators' data submitted for Metro's Transit Performance Measurement Program (TPM) was reviewed. Metro uses the TPM data to allocate transit subsidy funds to Los Angeles County Transit Operators, including Metro Operations.

Progress on Implementing Prior Review Recommendations

The prior review found that all operators needed to work with Metro, as the RTPA, to clarify proper fund source reporting in their agency's annual performance monitoring reports which have been implemented.

Compliance with Requirements

The Los Angeles County Transit Operators and Metro Operations are in full compliance with requirements as defined in the Public Utilities Code, the California Code of Regulations, and other relevant state and federal laws and compliance requirements reviewed as part of this Triennial Review.

Key LA County Transit Operator Accomplishments

- AVTA, Burbank, Foothill Transit, Glendale, LADOT, Long Beach and Pasadena purchased new electric and/or CNG buses, with one agency, AVTA, completing a full conversion to an electric fleet.
- Arcadia and Beach Cities Transit completed service operations studies.
- Two operators implemented enhanced customer information services: Claremont implemented a mobility manager program and Culver City launched an ambassador program.
- Norwalk implemented new measures to improve system safety.
- Commerce, Gardena and Torrance expanded dial-a-ride and/or micro transit service.
- Santa Monica improved wait-times by using a Transportation Network Company for dial-a-ride trips.
- Montebello completed the installation of a new system to improve communication between their buses and dispatchers.
- Santa Clarita opened the Vista Canyon Multi-Modal Center that includes a Metrolink rail station and bus transfer station.

Key Metro Operations Accomplishments

- Metro hired more than 1,000 additional bus and rail operators since the pandemic to maintain service and prevent service disruptions.
- Metro has continued to increase ridership following the pandemic. Bus service was fully restored in December of 2022.
- Metro has focused on increasing participation in its reduced fare programs. In 2023, the GoPass pilot program saw over a 50% increase in usage. Additionally, Metro introduced a fare-capping policy where riders who pay with a TAP card will not have to pay more than \$5 per day or \$18 over seven days.
- Metro's K Line opened in 2022 (Expo/Crenshaw to Westchester/Veterans) and was extended in 2024 to Aviation/Century.
- The Regional Connector Project was completed in January 2023 with revenue operations beginning in June 2023.

Findings and Recommendations

This review of the LA County Transit Operators and Metro Operations included no recommendations and found all agencies to be in compliance with program requirements. Attachment A provides an Executive Summary of the FY2022 to 2024 Triennial Performance Review reports for transit operators and Metro operations.

Review of Metro as the Regional Transportation Planning Agency (RTPA)

The review of Metro as the RTPA included:

- Progress on implementing prior review recommendations
- Compliance with PUC requirements
- Review of Metro Functions
- Findings and Recommendations

Progress on Implementing Prior Review Recommendations

The prior review of Metro as the RTPA included one recommendation to clarify for operators the proper fund source reporting in their agency's annual performance monitoring reports to Metro which has been implemented.

Compliance with Requirements

Metro is in full compliance with requirements as defined in the Public Utilities Code, the California Code of Regulations, and other relevant state and federal laws and compliance requirements reviewed as part of this Triennial Review.

Review of Metro Functions

Key conclusions from the review of Metro functions include:

- Metro planned and programmed transportation funds and addressed the challenges faced methodically, effectively, and efficiently over the triennial period.
- Metro effectively and efficiently administered transportation funds for the region during the triennium including clear identification of guidelines or requirements, appropriate tracking and certifying of the use of funds, reasonable flexibility, and coordination and assistance to municipal operators receiving funds.
- Metro continues to be effective in planning, designing, and constructing a rail transit system for Los Angeles County.
- Metro's Government Relations function provides a well-focused, well structured, comprehensive and effective legislative proponent and analysis for Metro.
- Metro meets or exceeds its obligations to support and improve air quality in the Southern California region and the regional Air Quality Management Plan (AQMP).
- Metro has met legislatively mandated responsibilities related to planning for coordination and improvement of social service transportation services.
- Metro's administrative funds were adequately and effectively allocated to achieve Metro's

stated goals through the budget process.

- Metro’s budget development process incorporated the processes and practices to provide an effective budget for the organization.
- Metro has multiple internal controls approaches and systems in place to safeguard its assets from error, loss, theft, misuse, misappropriation, and fraud.
- Metro has adequate accounting procedures and properly accounts for and makes available monthly its fund balances.
- Metro has established an organization structure that provides an effective framework of functional areas within which individuals can achieve the organization’s goals.

Findings and Recommendations

This review of Metro as the RTPA included no recommendations and found Metro to be in compliance with program requirements. This is the third consecutive Triennial Performance Review of Metro as the RTPA in which no findings were found. Attachment B provides an Executive Summary of the FY2022 to 2024 Triennial Performance Review of Metro as the RTPA.

EQUITY PLATFORM

In compliance with State requirements, completion of the Triennial Performance Review enables the programming of funds to eligible transit operators to support their service operations and capital improvements throughout the region. The review allows for the annual allocation of TDA, STA and Proposition A equivalent funding intended to enhance mobility for transit users, and individuals with disabilities. Through the process of public input and engagement, local decision-making, and project implementation, transit operators have control to appropriately and equitably address the needs of their communities. Regarding Metro Service Operations, through the hiring of more than 1,000 additional bus and rail operators since the COVID pandemic during the review period, Metro has maintained services and prevented service disruptions. Additionally, Metro has focused on increasing ridership participation in its reduced fare programs which is a significant equity commitment to transit users in the Los Angeles County region. Finally, in the review of Metro as the RTPA, the consultants noted that the Metro Vision 2028 Strategic Plan and Equity Platform Framework used for goal setting and process monitoring provides a “well-founded, well-structured and strong direction” for the agency.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro’s significant investment in rail and bus transit.* Metro’s Board-adopted VMT reduction targets align with California’s statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on

VMT.

While this item does not directly encourage taking transit, sharing a ride or using active transportation, it is a vital part of Metro's operations, as it is a future funding requirement and it provides transparency and accountability. Because the Metro Board has adopted an agency-wide VMT reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following goals of the Strategic Plan by performing the performance review required to ensure funding is made available for local transit operations and capital improvements:

- Goal 1: Provide high-quality mobility options that enable people to spend less time traveling
- Goal 2: Deliver outstanding trip experiences for all users of the transportation system
- Goal 5: Provide responsible, accountable, and trustworthy governance within the Metro organization

NEXT STEPS

As required by PUC §99246, staff will transmit the FY 2022 to 2024 Triennial Performance Review reports to the State Department of Transportation. Copies of the reports are available upon request.

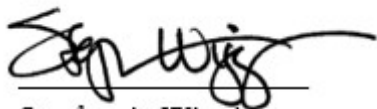
ATTACHMENTS

Attachment A - FY 2022 to 2024 Performance Review Executive Summary - Transit Operators & Metro Operations

Attachment B - FY 2022 to 2024 Performance Review Executive Summary - Metro as RTPA

Prepared by: Rufus E. Cayetano, Senior Director, Finance, (213) 922-2379
Cosette Stark, Executive Officer, Finance, (213) 922-2822
Michelle Navarro, Deputy Chief Financial Officer (Interim), (213) 922-3056

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088

A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins
Chief Executive Officer

Executive Summary

Legislative Mandate

The California Public Utilities Code (PUC) Section 99246, included in the Transportation Development Act (TDA), requires Metro to conduct an independent performance review of all Los Angeles County Transit Operators receiving TDA Article 4 funds, as well as operators receiving Proposition A funds in lieu of TDA funds. The review is conducted every three years, and Metro must send a Certificate of Completion to the California Department of Transportation (Caltrans), so that Metro may receive and allocate TDA and State Transit Assistance (STA) funds for Los Angeles County.

The three-year period reviewed is from July 1, 2022 through June 30, 2024 and included a review of the following:

- *Compliance* - ensuring compliance with applicable PUC and California Code of Regulations requirements.
- *Data Collection and Reporting* - verification of TDA data collection and reporting procedures.
- *Prior Review Recommendations* - reporting on implementation of the prior triennial performance review recommendations.
- *Performance Trends* - summaries of performance indicators for the review period.
- *Functional Review* - high-level review of key functional areas surveyed as part of the process of conducting the review, resulting in suggestions for operational and management improvements.

Municipal Operators

Summary of Key Findings

The municipal operators met all applicable compliance requirements. Municipal operators' data reporting was mostly consistent with inconsistencies primarily in reporting local and auxiliary revenues and employee full-time equivalents (FTEs) on Transit Performance Measurements (TPM) reports. We recommended that the operators work with Metro to address these reporting issues to enable more consistent reporting. The municipal operators implemented or made progress toward implementation all prior triennial review recommendations

Key Challenges

Addressing the challenges of the post-pandemic environment was a top priority for most transit operators during the triennial review period. The following is a summary of key

post-pandemic challenges faced by transit agencies:

- *Reduced Ridership* – As transit agencies emerged out of the pandemic, they were faced with changes in ridership and commuting patterns. A growing percentage of the population now has the option of working from home for at least a portion of the time, which has altered the numbers of people riding transit.
- *Workforce Shortages* – Transit agencies experienced workforce shortages during the pandemic and many of those shortages continue today, especially among bus operator positions.
- *Fiscal Challenges* – As ridership declined nationwide, farebox revenues similarly declined. A spike in inflation following the pandemic also impacted on both personnel and supply costs resulting in further economic hardship to the agencies.
- *Supply Chain Shortages* – Transit agencies have been facing supply chain shortages that have limited their ability to procure vehicles and have increased vehicle maintenance costs.

Key Accomplishments

Each Municipal Operator had their own unique set of accomplishments during the review period. Listed below are examples of these accomplishments:

- *AVTA* – Completed the electrification of their entire fleet as of March 2022.
- *Arcadia Transit* – Conducted a full review of its fixed route and demand response system including a robust public outreach campaign to better understand the transit needs of its residents.
- *Beach Cities Transit* – Completed an operations study that included a comprehensive overview of its service and operating environment.
- *Burbank* – Procured and received six new CNG buses during the review period.
- *Claremont* – Hired “mobility managers” to more actively market Dial-A-Ride services to both seniors, but also adults and youth within the community.
- *Commerce* – Expanded Dial-A-Ride service so that it is no longer limited to medical related trips and can be accessed by seniors and special needs riders for all trips within 10 miles of City Hall
- *Culver City* – CityBus established an Ambassador program in 2024 to assist riders while on the system and provide a visible presence to deter criminal activity.
- *Foothill Transit* – Expanded its fuel cell bus infrastructure expansion including the purchase of 33 hydrogen fuel cell battery vehicles (with an additional 19 buses have been procured, but not yet delivered).
- *Gardena* – Developed a new on-demand micro transit service called Bolt serving the City of Gardena, Hawthorne, Alondra Park and Del Aire.

- *Glendale* – Completed procurement for a series of electric buses to be delivered in 2025.
- *La Mirada* -- Translated all its outreach and marketing publications into Korean and Spanish.
- *LADOT* – Completed conversion of its DASH and Commuter Express fleets to be 100% clean fueled, including vehicles powered by compressed natural gas (CNG), liquid propane gas (LPG), and electric powered vehicles.
- *Long Beach Transit* -- Expanded its electric bus fleet by receiving 34 electric buses and completing a procurement for 30 additional electric buses.
- *Montebello* -- Completed the implementation of an Avail system to allow better communication between buses and dispatchers.
- *Norwalk* -- Implemented several safety and security features including installing piloting cockpits and working with Los Angeles Sheriff's Department to implement routine patrols of its fixed route bus lines.
- *Pasadena* – Adopted a zero-emissions bus roll-out plan and procured its first zero emissions buses.
- *Santa Clarita* -- Opened the Vista Canyon Multi-Modal Center that includes a Metrolink rail station and bus transfer station
- *Santa Monica* – Transitioned its demand response services to Lyft and wait times for the service have been reduced.
- *Torrance* – Developed a new micro transit service called Connect Torrance fully implemented in 2025.

Metro Operations

Summary of Key Findings

Metro Operations met all applicable compliance requirements. Additionally, Metro's data reporting was largely consistent. Metro Operations implemented all prior triennial performance review recommendations.

Key Challenges

Similar to the municipal operators, Metro Operations was forced to address numerous challenges associated with a post-pandemic environment that impacted commuting patterns and transit ridership trends. The following is a summary of some of the key challenges unique to Metro during the review period:

- Metro experienced staffing shortages for both rail and bus operators during the triennial period. Metro implemented several changes to its recruitment process including conducting their own recruitment fairs that involved large-scale hiring events where applicants were able to complete their application, perform an

agility test, undergo a medical test and fingerprinting, and participate in an interview, all in one session.

- Safety and security issues continued to be a concern during the triennial period. Criminal activity peaked during the review period resulting in a “surge” of law enforcement activity on the system.
- Metro, like many other agencies, experienced supply chain issues for parts and vehicles. These supply chain issues required Metro to qualify new part sources to address their maintenance needs.
- Ridership on Bus Rapid Transit and Heavy Rail experienced slower returns in ridership based on changes in commuting patterns and work from home options for some workers. Metro has adjusted schedules and frequencies to meet the needs of its ridership to rebuild its ridership.

Key Accomplishments

Metro Operations had a series of significant accomplishments during the review period including:

- Continued progress on major capital projects including:
 - Metro’s K Line opened in 2022 (Expo/Crenshaw to Westchester/Veterans) and was extended in 2024 to Aviation/Century.
 - Regional Connector Project - Completed in January 2023 with revenue operations beginning in June 2023
 - Airport Metro Connector (development jointly with LAWA) – Project under construction
 - Purple Line Extension Sections 1, 2 & 3 – Project under construction
- Ridership has grown substantially during the review period (FY21 to FY24):
 - Bus service was fully restored in December of 2022 and ridership increased by 52.7%
 - Rapid bus ridership has grown by 49.3%
 - Heavy rail has recovered slightly slower than fixed route with a 20.9% growth
 - Light rail which suffered significant losses in ridership in FY20 and FY21, has grown by 89.3%
- Metro hired more than 1,000 additional bus and rail operators since the pandemic to maintain service and prevent service disruptions.

- Metro has focused on increasing participation in its reduced fare programs. In 2023, the GoPass pilot program saw over a 50% increase in usage. Additionally, Metro introduced a fare-capping policy where riders who pay with a TAP card will not have to pay more than \$5 per day or \$18 over seven days.
- Metro Micro is an on-demand rideshare service that is operating within eight designated zones within LA County.

Countywide Performance

The following is a summary of system trends for the Municipal Operators and Metro Operations. These trends show the general change in performance related to the overall Countywide system. There are several key takeaways from these metrics:

- Ridership has rebounded significantly during the review period for both the Municipal Operators and Metro Operations. The Municipal Operators saw a 45.6% rise in Unlinked Passengers. Metro Operations saw a 54.5% increase over its total system which included a 52.7% increase in its fixed route operations, a 49.3% increase in its rapid bus service, a 20.9% increase in heavy rail, and an 89.3% increase in its light rail service.
- Cost per Vehicle Service Hour across the Municipal Operators (12.9%) rose on average less than the consumer price index over the same period (15.0%). While overall operating cost for all Municipal Operators rose by 26.7%, this was balanced by a 12.3% rise in Vehicle Service Hours. Similarly, for Metro Operations, the Cost per Vehicle Service Hour rose only 10.0% during the review period.
- Cost per Passenger dropped for Municipal Operators by 13.0% due to the surge in ridership and operating cost increases below the consumer price index. Similarly, Metro's Cost per Passenger dropped by 6.3% over the review period.

Table 1 below provides a summary of the total system for Municipal Operators:

Table 1: Municipal Operators					
System-Wide Performance					
	Base Year				Percent Change
					from Base Year
Performance Measure	FY21	FY22	FY23	FY24	to FY24
Key Base Measures					
Operating Costs	\$563,541,952	\$592,316,484	\$640,354,991	\$714,107,456	26.72%
Vehicle Service Hours	3,783,501	3,944,161	4,045,170	4,247,318	12.26%
Unlinked Passengers	44,986,323	56,760,787	60,872,829	65,496,058	45.59%
Efficiency Measures					
Cost per Vehicle Service Hour	\$148.95	\$150.18	\$158.30	\$168.13	12.88%
Cost per Passenger	\$12.53	\$10.44	\$10.52	\$10.90	-12.96%
Passengers per Vehicle Service Hour	11.89	14.39	15.05	15.42	29.69%

Table 2 below provides a summary of performance metrics for Metro Operations. It is important to note that Metro's numbers reflect its total system which includes fixed route bus, rapid bus, heavy rail and light rail services. As the costs associated with operating heavy rail and light rail are higher, the efficiency measures related to Cost per Passenger and Vehicle Service Hour will appear higher than the Municipal Operators.

Table 2: Los Angeles County Metro					
System-Wide Performance					
	Base Year				Percent Change
					from Base Year
Performance Measure	FY21	FY22	FY23	FY24	to FY24
Key Base Measures					
Operating Costs	\$1,665,761,075	\$1,801,365,190	\$2,196,624,387	\$2,412,173,133	44.81%
Vehicle Service Hours	6,072,876	7,020,753	7,553,381	7,993,921	31.63%
Vehicle Service Miles	78,935,771	88,461,984	95,936,057	101,605,446	28.72%
Unlinked Passengers	195,547,433	254,688,124	276,302,447	302,048,999	54.46%
Full Time Equivalents (FTEs)**	3,114	3,526	3,788	4,051	30.09%
Efficiency Measures					
Cost per Vehicle Service Hour	\$274.30	\$256.58	\$290.81	\$301.75	10.01%
Cost per Passenger	\$8.52	\$7.07	\$7.95	\$7.99	-6.25%
Passengers per Vehicle Service Hour	32.20	36.28	36.58	37.78	17.34%

**FTEs refer to the number of Bus, Heavy Rail and Light Rail operators as reported in the State Controller's Report.



Executive Summary

Background, Scope and Methodology

The California Public Utilities Code requires all Regional Transportation Planning Entities (RTPE) to conduct an independent Triennial Performance Review in order to be eligible for Transportation Development Act (TDA) funding. In July 2024, Metro selected BCA Watson Rice, LLP to conduct a Triennial Performance Review of itself as the RTPE and operator, as well as the twenty-one municipal operators to which Metro allocates funding. This Triennial Performance Review covers a three-year period ending June 30, 2024.

This Triennial Performance Review was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The review methodology for this Triennial Performance Review of Metro as the RTPE included four tasks:

1. Project Initiation
2. Initial Review
3. Detailed Review
4. Documentation of Performance Audit Results

This Triennial Performance Review included the following elements:

1. Compliance Requirements
2. Follow-up of Prior Recommendations
3. Review of Metro Functions
4. Findings and Recommendations

Key Challenges

Some of the key challenges faced by Metro during the triennium include:

- Planning for upcoming special events in Los Angeles including the 2026 World Cup, 2027 Super Bowl, and 2028 Olympics and Paralympics. With no parking allowed at the event venues, game enhanced transit service to bring people from park and ride and hubs to the events, and substantial regional planning and coordination is required. Funding these planning and coordination efforts is also a challenge.



- Increases in project costs due to inflation, competition for limited construction resources with other major infrastructure projects, increases in property values and related increases in cost associated with acquiring needed Rights of Way for transit expansion projects.
- Labor shortages in operations, professional staff, and construction laborers. Turnover of senior staff has made it difficult to replace needed experience and knowledge. Metro has many vacant positions, and hiring process is time intensive.
- Meeting zero emissions requirements for buses given the current state of the bus manufacturing industry and their ability to deliver the needed zero emission buses.
- Safety on the Metro System continues to be a challenge, including homelessness in and around Metro facilities and operations.

Key Accomplishments

It is also important to consider the accomplishments achieved by Metro during the same three-year period. These accomplishments include:

- Continued progress on major capital projects including:
 - Metro's K Line opened in 2022 (Expo/Crenshaw to Westchester/Veterans) and was extended in 2024 to Aviation/Century.
 - Regional Connector Project - Completed in January 2023 with revenue operations beginning in June 2023
 - Airport Metro Connector (development jointly with LAWA) – Project under construction
 - Purple Line Extension Sections 1, 2 & 3 – Project under construction
- Ridership has grown substantially during the review period (FY21 to FY24):
 - Bus service was fully restored in December of 2022 and ridership increased by 52.7%
 - Rapid bus ridership has grown by 49.3%
 - Heavy rail has recovered slightly slower than fixed route with a 20.9% growth
 - Light rail which suffered significant losses in ridership in FY20 and FY21, has grown by 89.3%
- Improved Metro's ability to successfully deliver its large capital construction projects through improved program management, implementation of the Early Intervention Team (EIT), and refined standard operating procedures and protocols.
- Implemented the NextGen Bus Plan designed to innovate the current bus system to meet the needs of current and future riders.



- Completed draft East San Fernando Valley full funding grant agreement document submittal.
- Approved the establishment of an internal Transit Public Safety Department as an alternative to the existing multi-agency law enforcement services provided under contract following completion of an in-house public safety department implementation plan.
- Implemented the Ambassador Program to support riders on Metro buses, trains and stations, connect riders to resources and report maintenance and safety concerns.
- Expanded the successful GoPass program to provide free rides for students K-12 and students in city and vocational colleges resulting in over 40 million student TAP transactions recorded in the last three years.
- Improved Metro's Low-Income Fare is Easy (LIFE) Program by creating 20-Ride Pass, good on Metro and 14 other TAP participating transit operators, enabling partnership with the Los Angeles County Department of Public Social Services (DPSS) to enroll participants into the LIFE Program automatically and launching autoloading for LIFE customers.
- Established a pilot drone program to inspect Metro owned properties and rights-of-way to ensure compliance with annual inspection requirements.
- Acquired all the rights-of-way needed for Purple Lines 1 and 2, as well as for regional rail, and implemented a new right of way and property management system.
- Increased focus on diversity, equity and inclusion, with a focus on equity within all of Metro services, making sure planning, design and construction are viewed from an equity lens and to make sure all get access to the services Metro provides.
- Developed a very strong Executive Leadership Team for support and partnership, focused on doing the right things and working together.
- Revised and strengthened the ethics approach for the Metro Board including revised rules and expanded role for the Metro Ethics Officer.
- Received grant funding to build mobility hubs with retail and food outlets as well as bike access as part of transportation demand management efforts.
- Worked with Metrolink to increase service to North County and working to improve integration of the Metrolink system with Metro.
- Implemented improvements identified in the 2020 Customer Experience Plans and developed plans for 2022 and 2023 identifying key priorities and initiatives to improve the overall rider experience.



- Expanded multidisciplinary (MDT) teams consisting of mental health clinicians, formerly homeless individuals, and key staff to help the unhoused find temporary or permanent housing services and link them to other programs.
- Developed 35 projects under the Joint Development Policy and Transit Oriented Communities (TOC) Implementation Plan to support land use development around stations and develop affordable housing on Metro property.
- Adopted First/Last Mile Guidelines to further integrate first/last mile planning into Metro's overall transit project delivery.
- Developed an Adopt-a-Bike program to give residents in need the opportunity to obtain free bikes that have been unclaimed with over 1,000 bikes being distributed.

Compliance Requirements

To determine Metro's compliance with requirements the review team identified key compliance requirements, discussed compliance requirements with Metro representatives, and gathered and reviewed documentary evidence of compliance. Metro was found to be in compliance with all applicable requirements evaluated as part of this Triennial Performance Review.

Follow-Up of Prior Recommendations

The prior Triennial Performance Review completed in 2022 included the following recommendation:

Metro should work with members of the Bus Operations Subcommittee (BOS) and other regional service coordination bodies to clarify the definition of "local subsidy" as it relates to Transit Performance Measures (TPM) reporting and subsequent calculations of farebox recovery ratios. These discussions should include discussions on required Maintenance of Effort funding to ensure that system-generated local contribution requirements are met.

This recommendation was implemented for the FY24 Fund Allocation Procedure (FAP) cycle. The TPM form's Auxiliary Revenue line item was updated to "Auxiliary Revenue/Subsidy." This updated definition and inclusions for this TPM line item were sent to the BOS members.



Review of Metro Functions

The following sections discuss the results of the review of Metro functions.

Planning and Programming of Transportation Funds

The planning and programming of transportation funds in Los Angeles County has challenges unlikely to be found elsewhere including programming authority for numerous distinct local, state, and federal sources of funds. Each of these have varying combinations of revenue predictability, eligible uses, project submission requirements, evaluation criteria, rules for allocating funds below the County level, and time limitations for programming and spending.

Within this context, successfully planning and programming transportation funds requires several key elements including accurately forecasting available funds, developing criteria for evaluating funding choices, evaluating capital funding requests, and balancing revenue and expenditures. Metro routinely conducts multi-year planning and programming that requires the agency to make assumptions and consequent predictions about how these funds will change.

The review team concluded Metro has planned and programmed transportation funds and addressed the challenges faced methodically, effectively, and efficiently over the triennial period.

Transportation Funds Administration

Metro administers several funds. Successful administration of these funds requires several elements including clear identification of guidelines or requirements, appropriate tracking and certifying of the use of funds, reasonable flexibility, and coordination and assistance to municipal operators receiving funds.

The review team concluded that Metro has developed approaches to each of these elements, and effectively and efficiently administered transportation funds for the region during the triennium.

Rail Construction Program

Metro is responsible for planning and building the Metro Rail transit system. This undertaking includes alternative analysis, design, construction, and pre-start-up operations of the project. Metro is delivering the largest transportation infrastructure program in the country with a FY24 program size of up to \$26.8 billion, a 13.1% increase



from FY23, and a portfolio of more than 70 projects. The program has been experiencing construction market pressures from labor shortages, material costs, and market risks. Updated economic projections indicate that these challenges will continue and will continue to drive construction inflation. A list of the Metro Rail Transit System projects, including current status and target dates is provided in the body of the report.

Metro has implemented several practices to accelerate rail construction including life cycle costing, project labor agreements, programs to work with communities affected by rail construction, involving operations in the early stages of project design, consolidating construction contracts, revised authority for certain change orders, implementation of strict ethics requirements for employees and contractors, and development of a detailed Project Management Plan. During FY 2023 Metro expanded its efforts to accelerate rail construction with the implementation of the Early Intervention Team (EIT). The EIT is led by the Deputy Chief Executive Officer.

The EIT increases cross-collaboration across Metro's development and delivery teams to improve delivery outcomes across Metro's portfolio of interrelated and complex capital projects. This is especially important given the magnitude of projects being developed and delivered in the near-term, as well as providing necessary transportation infrastructure in service to the 2028 Olympic and Paralympic Games.

The review team concluded that Metro continues to be effective in planning, designing, and constructing a rail transit system for Los Angeles County.

Legislative Proponent and Analysis (Government Relations)

Metro's ability to plan, program and deliver transportation services is greatly impacted by federal, state and local legislation. Having an effective legislative proponent and analysis program is essential to Metro's ongoing ability and success in delivering transportation services to Los Angeles County.

Metro has an effective government relations function that includes a clear scope and direction, active monitoring of legislative initiatives and activities and active pursuit and advocacy of legislative priorities and positions in coordination with others.

The review team concluded Metro's Government Relations function provides a well-focused, well structured, comprehensive and effective legislative proponent and analysis for Metro.



Air Quality Management Plan (AQMP)

The Air Quality Management Plan is a regional blueprint for achieving the federal air quality standards and healthful air. The South Coast Air Quality Management District (SCAQMD) is responsible for clean air in the South Coast Air Basin, an area that includes Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. The SCAQMD develops the AQMP, with the most recent plan published in 2022. The 2022 AQMP represents a comprehensive analysis of emissions, meteorology, regional air quality modeling, regional growth projections, and the impact of existing and proposed control measures.

Metro's role in the AQMP and the Federal Transportation Improvement Program (FTIP) is to develop and implement transportation projects and strategies that reduce vehicle miles traveled and related emissions. These strategies were submitted to SCAG and included in the Connect SoCal Regional Transportation Plan (RTP) and FTIP developed by SCAG.

The review team concluded Metro meets or exceeds its obligations to support and improve air quality in the Southern California region and the regional Air Quality Management Plan (AQMP). A list of the projects included in the 2023 FTIP that are the responsibility of Metro are provided in the body of the report.

Consolidated Transportation Services Agency (CTSA)

The Consolidated Transportation Services Agency (CTSA) was originally created by the Social Services Transportation Improvement Act in 1979 to coordinate and improve social service transportation services. Metro has taken or directed several key actions to fulfill its CTSA responsibilities including designating Access Services (Access) as the CTSA for Los Angeles County in 1994, developing the *Public Transit-Human Services Transportation Action Plan for Los Angeles County* in 2015, and released the updated Coordinated Public Transit – Human Services Transportation Plan in March 2021 covering the period from 2021 to 2024.

Access also developed and released an updated strategic plan in 2021 as the "Access Short-Range Strategic Plan 2022-26." The Strategic Plan identified challenges and developed responses to ensure continued customer satisfaction with Access' services. During the triennium, Access undertook several initiatives to make progress toward the goals established in the strategic plan, including Travel Mode Study 2023, the Scheduled Trip Demand Forecasting FY 2025–FY 2034 and the 2024 Biennial Customer Satisfaction Survey.



The review team concluded Metro has met legislatively mandated responsibilities related to planning for coordination and improvement of social service transportation services.

Management Performance

The review of Metro's management performance included a review of Metro's goal setting and monitoring including related policy decisions, Metro's governance structure and the role of the Board in providing leadership, and allocation of administrative funds.

Metro's goal setting and monitoring processes through the Metro Vision 2028 Strategic Plan and the Equity Platform Framework provide well-founded, well-structured and strong direction for the Metro Board and agency. In addition, Metro implemented several shorter term strategic planning initiatives during the triennium. These include the *2023 Employee Survey*, the *Metro CEO 2023 Strategic Aspiration Placemat*, the Board Planning Session, Metro's Customer Experience Plans and Progress Reports, and Metro's Equity Platform Framework.

Metro's Board of Directors guides the agency's priorities, projects and activities, and includes 13 members who represent areas throughout Los Angeles County. The Metro Board's governance approach and structure, including the use of committees and advisory bodies, provides Metro with an effective leadership and decision-making system.

The review team concluded Metro's goal setting and monitoring provide well-structured and strong direction. Metro's governance structure provides Metro with an effective leadership and decision-making system. Metro's administrative funds are adequately and effectively allocated in order to achieve Metro's stated goals.

Internal Administration

This review of Metro's internal administration included determining if the budget is being used as an effective management tool, if internal controls are adequate and provide appropriate information to management, if accounting procedures are adequate to make fund balances available, and if the organization and reporting structure could be improved.

A good budget process is a broadly defined process that has political, managerial, planning, communication, and financial dimensions. A good budget process incorporates a long-term perspective, establishes linkages to broad organizational goals, focuses budget decisions on results and outcomes, and involves and promotes effective communication with stakeholders.



The review team concluded Metro's budget development process incorporates the key characteristics necessary to provide an effective budget for the organization.

Internal controls are designed to safeguard organization's assets from error, loss, theft, misuse, misappropriation, and fraud. Effective programs of internal controls provide reasonable assurance that these objectives are met consistently. These internal controls include the Metro Ethics Department, Metro Management Audit Services Department, and the Office of Inspector General. The review team concluded that Metro has multiple internal controls approaches and systems in place to safeguard its assets from error, loss, theft, misuse, misappropriation, and fraud.

Formal documentation of accounting policies and procedures is an essential component in providing effective controls over accounting and financial reporting, as well as providing a comprehensive framework of internal controls. The review team concluded Metro has adequate accounting procedures and properly accounts for and makes available monthly its fund balances.

An organization's structure should provide a framework of functional areas within which individuals can achieve the organization's goals. An effective organization structure clearly reflects the priorities of the organization, facilitates effective service delivery and problem solving, ensures consistency of direction and management control, minimizes obstacles and barriers to performance, and stimulates a culture of shared accomplishment and teamwork.

During the triennium, Metro did not have any major reorganizations, but did have some notable changes including implementation of the Early Intervention Team to improve capital construction project delivery, and the decision to establish an internal Transit Public Safety Department as an alternative to the existing multi-agency law enforcement services provided under contract. The review team concluded Metro has established an organization structure that provides an effective framework of functional areas within which individuals can achieve the organization's goals.

Findings and Recommendation

We find the Los Angeles Metro, functioning as the RTPE, to be in compliance with the requirements of the Transportation Development Act. In addition, Metro generally functioned in an efficient, effective, and economical manner during the triennial period.

Los Angeles Metro State Triennial Performance Reviews Fiscal Years 2022-24

Metro Finance, Budget and Audit Committee

July 17, 2025



Background and Scope

1. California Transportation Development Act (TDA) requires Triennial Performance Reviews of Transit Operators and RTPAs
2. Includes independent performance review of all 21 Los Angeles County Transit Operators including Metro
3. Also requires Metro undergo an independent performance review as the regional transportation planning agency (RTPA)
4. Must be completed and sent to Caltrans for Metro to receive and allocate TDA and State Transit Assistance (STA) funds for Los Angeles County

Operator Review Areas

- Verification of TDA data collection and reporting requirements
- Compliance with (PUC) requirements
- Progress in implementing prior review recommendations
- Review of TDA performance indicator trend analysis
- High level functional area performance review

Operator Review Key Conclusions

- TDA data collection and reporting requirements met by all operators
- All operators are in compliance with (PUC) requirements
- All operators fully implemented or made progress on prior review recommendations
- TDA performance indicator trend analysis shows some improvements by all operators
- Functional area performance review shows some improvements by all operators

Metro as the RTPA Review Areas

- Compliance Requirements
- Follow-up of Prior Recommendations
- Metro Functions
 - Planning and Programming of Transportation Funds
 - Transportation Funds Administration
 - Rail Construction Program
 - Legislative Proponent and Analysis (Government Relations)
 - Air Quality Management Plan (AQMP)
 - Consolidated Transportation Services Agency (CTSA)
 - Management Performance

Metro as the RTPA Review Key Conclusions



- Metro in compliance with all requirements
- Metro implemented prior recommendations
- Metro functioned in an efficient, effective, and economical manner
- Metro has effective systems and processes in place for accomplishing its responsibilities and functions
- No findings or recommendations