Metro

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

Agenda - Final

Wednesday, October 17, 2018

12:00 PM

One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room

Finance, Budget and Audit Committee

Kathryn Barger, Chair
Paul Krekorian, Vice Chair
John Fasana
Ara Najarian
Mark Ridley-Thomas
Shirley Choate, non-voting member

Phillip A. Washington, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
d. Any other unlawful interference with the due and orderly course of said meeting.

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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER

ROLL CALL

10. SUBJECT: MANAGEMENT AUDIT SERVICES FY 2018 YEAR-END REPORT AND AUDIT CHARTER 2018-0501

RECOMMENDATION

RECEIVE AND FILE the:

A. Year-end report of Management Audit Services (Management Audit) for the period ending June 30, 2018; and

B. Management Audit Services Draft Audit Charter.

Attachments: Attachment A - FY18 Q4 Year-End Report
Attachment B - Management Audit Services Draft Audit Charter

39. SUBJECT: METRO TRANSPORTATION SCHOOL 2018-0606

RECOMMENDATION

CONSIDER:

A. APPROVING the programming of up to $2.875 Million in FY21, $3.631 Million in FY22, $4.494 Million in FY23, and $5 Million annually from FY 24 through FY35 (cumulatively, up to ~~$75~~ $71 Million over 15 Fiscal Years), to support the operations of Los Angeles County's first transportation infrastructure school; and

B. AUTHORIZING the Chief Executive Officer or his designee to negotiate and execute a Funding Agreement for the transportation infrastructure school with the County of Los Angeles.

Attachments: Attachment A - Motion #43
Attachment B - The SEED School of Los Angeles County
Attachment C - Transportation School FAQ
Attachment D - External Stakeholders

(ALSO ON EXECUTIVE MANAGEMENT COMMITTEE)

SUBJECT: GENERAL PUBLIC COMMENT 2018-0662

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment

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

Metro

Board Report

File #: 2018-0501, **File Type:** Informational Report **Agenda Number:** 12.

FINANCE, BUDGET AND AUDIT COMMITTEE
NOVEMBER 14, 2018

SUBJECT: MANAGEMENT AUDIT SERVICES FY 2018 YEAR-END REPORT AND AUDIT CHARTER

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the:

A. Year-end report of Management Audit Services (Management Audit) for the period ending June 30, 2018; and

B. Management Audit Services Draft Audit Charter.

ISSUE

Management Audit must provide a quarterly activity report to the Finance, Budget and Audit Committee which includes information on: completed audits, audits that are in progress, our follow-up activities and any other pertinent matters.

In addition, audit standards require that we review our Audit Charter periodically, present it to executive management and obtain board approval. The Audit Charter is a formal document that defines Management Audit's purpose, authority and responsibility.

BACKGROUND

At its January 2005 meeting, the Board designated the Executive Management and Audit Committee (EMAC) as their audit committee. The EMAC requested a quarterly report from Management Audit on its audit activities. In July 2011, the audit responsibilities were transferred to the Finance, Budget and Audit Committee. This report fulfills the requirement for the fourth quarter of FY 2018.

Additionally, Management Audit follows two audit standards: Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). These two standards were revised in 2018 and 2017 respectively. As a result, we have updated our Audit Charter to align with the new standards' language. The Audit Charter was last presented to the Board in February 2016 with administrative changes.

DISCUSSION

Management Audit provides audit support to the Chief Executive Officer (CEO) and his executive management team. The audits we perform are categorized as either internal or external. Internal audits evaluate the processes and controls within the agency. External audits analyze contractors, cities or non-profit organizations that we conduct business with or

that receive Metro funds.

There are four groups in Management Audit: Performance Audit, Contract Pre-Award Audit, Incurred Cost Audit and Audit Support and Research Services. Performance Audit is primarily responsible for all audits for Operations, Finance and Administration, Planning and Development, Program Management, Information Technology, Communications, Risk, Safety and Asset Management and Executive Office. Contract Pre-Award and Incurred Cost Audit are responsible for external audits in Planning and Development, Program Management and Vendor/Contract Management. All of these units provide assurance to the public that internal processes are efficiently, economically, effectively, ethically, and equitably performed by conducting audits of program effectiveness and results, economy and efficiency, internal controls, and compliance. Audit Support and Research Services is responsible for administration, financial management, budget coordination, and audit follow-up and resolution tracking.

The summary of Management Audit's activities for the fourth quarter and for the fiscal year ending June 30, 2018 are as follows:

Internal Audits: three internal audits were completed during the fourth quarter; total of eight reports were completed for the year. As of June 30, 2018, 13 internal audits were in process.

External Audits: 14 incurred cost audits with a total value of $42 million were completed during the fourth quarter; total of 49 incurred cost audits with a total value of $430 million were completed for the year. Additionally, seven contract pre-award audits with a total value of $31.6 million were completed for the year. Three contract pre-award audits and fifty-four incurred cost audits were in process.

Other Audits: 143 financial and compliance audits were issued during the fiscal year. Details of other audits completed by external certified public accountants (CPAs) during the year are included starting on page 6 of Attachment A.

Audit Follow-up and Resolution: six recommendations were closed during fourth quarter; total of 50 were closed for the year. In addition, 11 recommendations for the OIG were closed during fourth quarter; total of 105 were closed for the year. Details of all open, extended, and closed recommendations can be found in the Fourth Quarter Board Box titled "Status of Audit Recommendations".

Other Activities: Management Audit Services partnered with Vendor/Contract Management to put together a series of educational training programs for Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE). The trainings were in support of the SBEs and DBEs in their compliance efforts with the Federal Acquisition Regulations (FAR) Cost Principles and Procedures which are included in all Metro contracts. Approximately 200 attendees participated in these trainings.

Management Audit's FY 2018 year-end report is included as Attachment A.

In addition, we have updated our Audit Charter to align with the revisions for the two audit standards that Management Audit follows: Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States, and the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). These two standards were revised in 2018 and 2017 respectively. The Audit Charter was last presented to the Board in February 2016 with administrative changes. The updated Audit Charter showing the changes we made can be found in Attachment B.

NEXT STEPS

Management Audit will provide the first quarter summary of FY 2019 audit activity to the Board at the January 2019 Finance, Budget and Audit Committee meeting.

ATTACHMENTS

Attachment A - FY18 Q4 Year-End Report
Attachment B - Management Audit Services Draft Audit Charter

Prepared by: Monica Del Toro, Audit Support Manager
(213) 922-7494

Reviewed by: Diana Estrada, Chief Auditor
(213) 922-2161

Phillip A. Washington
Chief Executive Officer

Attachment A

MANAGEMENT AUDIT SERVICES
QUARTERLY REPORT TO THE BOARD

Los Angeles County Metropolitan Transportation Authority

YEAR-END REPORT FY 2018

Metro

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EXECUTIVE SUMMARY

FY18 Summary of Audit Activity

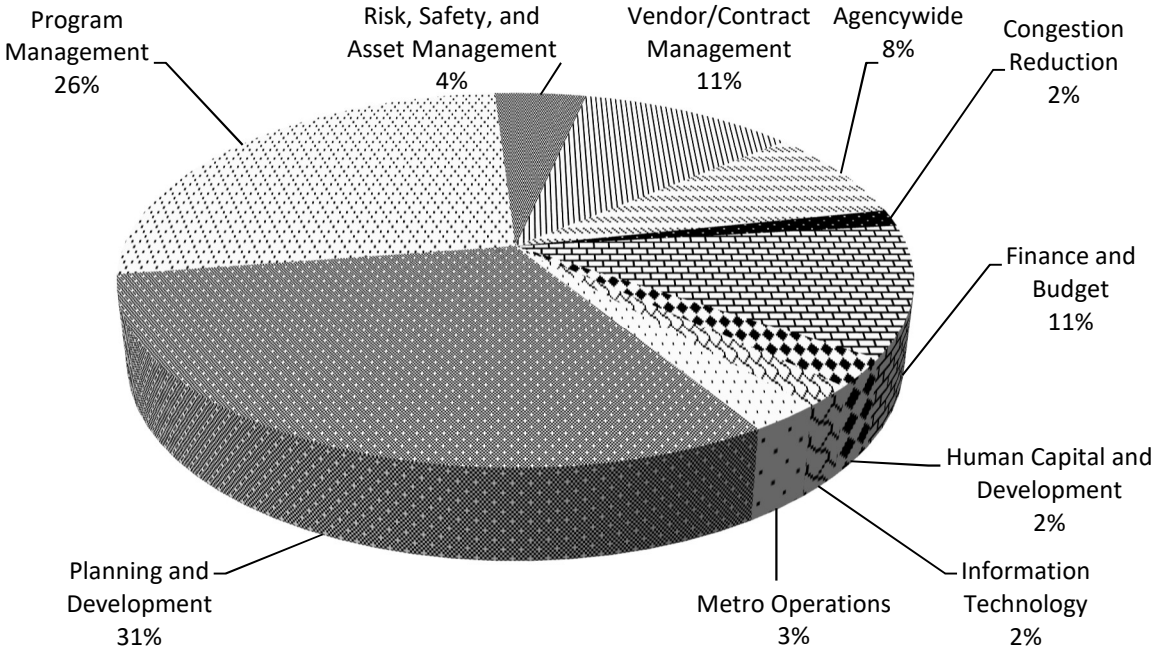
During FY 2018, we completed or managed 207 engagements consisting of 64 audits issued by MAS and 143 external CPA firms' reports. Details are as follows:

- 21 audit reports issued in the first quarter;
- 18 audit reports issued in the second quarter;
- 8 audit reports issued in the third quarter;
- 17 audit reports issued in the fourth quarter;
- 143 financial and compliance audits issued during the fiscal year (mostly legally mandated such as Propositions A&C, Measure R, STA, TDA, NTD, and other funds distributed to the cities and County of Los Angeles).

The work completed in the first, second, and third quarters of FY 2018 were summarized in the quarterly reports issued in November 2017, February 2018, and May 2018. The completed audits for fourth quarter include three internal audit reports and 14 incurred cost audits. The completed incurred cost audits are summarized on page 4 and completed internal audits begin on page 5. Seventy audits were in process at the end of FY 2018.

A list of all contract pre-award and incurred cost audit projects completed in FY 2018 are included in Appendix A and B, respectively. All internal audits completed during FY 2018 are included in Appendix C. All internal audits in process as of June 30, 2018 are included in Appendix D.

The following chart identifies the functional areas where Management Audit focused audit staff time and efforts during FY 2018:



EXECUTIVE SUMMARY

Other Activities

Small Business Enterprise/Disadvantaged Business Enterprise Trainings

Metro recognizes that the SBE/DBE firms may have challenges including limited knowledge to comply with the requirements of Federal Acquisition Regulations (FAR) Part 31, Contract Cost Principles and Procedures which are included in all Metro contracts and limited resources to support the audit efforts.

Management Audit Services (MAS) partnered with V/CM to put together a series of educational training programs for SBE/DBEs to better understand contract and audit requirements including FAR Part 31 cost allowability, audit process, adequate accounting system and the different types of contract audits (e.g. pre-award, incurred cost, close out, etc.) including the associated level of audit support and effort that goes with each type. Training programs include speaking at Metro sponsored events such as How to Do Business with Metro workshop, Transportation Business Advisory Council (TBAC), and other training programs dedicated for SBE/DBEs. Beginning February 2018, MAS conducted three workshops (February, March and April) at Metro's Headquarters and trained approximately 200 attendees. Attendees had the opportunities to ask their audit and contract questions to the MAS and V/CM executives during these events.

EXTERNAL AUDITS

Contract Pre-Award Audit

Contract Pre-Award Audit provides support to the Vendor/Contract Management Department for a wide range of large-dollar procurements and projects. This support is provided throughout the procurement cycle in the form of pre-award, interim, change order, and closeout audits, as well as assistance with contract negotiations.

During FY 2018, we completed seven audits, reviewing a net value of $31.6 million. Auditors questioned $1.4 million or 4% of the proposed costs. The seven audits supported procurements in the following areas:

- Two (2) of Crenshaw Transit Project procurements;
- Los Angeles Union Station Improvement Project procurement;
- Metro Structures Inspection Project procurement;
- Purple Line Extension Section 3 Project procurements;
- Communications and Passenger Information System Project procurement; and
- Metro Green Line Track and Wayside Communications Upgrades.

Three contract pre-award audits were in process as of June 30, 2018. Details on Contract Pre-Award Audits completed during FY 2018 are in Appendix A.

Incurred Cost Audit

Incurred Cost Audit conducts audits for Planning and Development's Call-for-Projects program, Program Management's highway projects, federally funded transportation programs, and various other transportation related projects, including Caltrans projects. The purpose of the audits is to ensure that grantees spend funds in accordance with the terms of the grants/contracts and federal cost principles.

Incurred Cost Audit completed 49 audits during FY 2018. We reviewed $430 million of funds and identified $7.5 million or 2% of unused funds that may be reprogrammed. Fifty-four incurred cost audits were in process as of June 30, 2018.

Details on Incurred Cost Audits completed during FY 2018 are in Appendix B.

INTERNAL AUDITS

Management Audit completed eight internal audit reports in FY 2018. Thirteen internal audits were in process as of June 30, 2018. A list of the internal audits in process is included in Appendix D. Details of the three internal audits completed during the fourth quarter are listed below.

Performance Audit of Information Technology Project Management
Management Audit retained the services of Vasquez & Company LLP to complete a performance audit of Information Technology (IT) Project Management. The audit objective was to evaluate the efficiency and effectiveness of the Information Technology Services (ITS) Department's Project Management Process.

Vasquez found two issues in this report, including the need for the rollout of the formalized IT Project Management Methodology and lack of segregation of duties. Management concurred with our recommendations and is implementing corrective actions.

Performance Audit of the Track Allocation Process
The audit objective was to determine the efficiency and effectiveness of the Track Allocation Process.

We found that the Track Allocation Process was effective in that the Track Department completed all work mandated by the California Public Utilities Commission. Although the Track Allocation Unit has incorporated some incremental changes to improve the Track Allocation Process, we found that there is a greater need to improve the coordination and communication among the Track Allocation Coordinator, Rail Operations Controller, and requestors to optimize Right-of-Way usage. Management concurred with all but one of our seven recommendations and has already implemented some of the corrective actions. In addition, MAS will conduct a follow-up audit in FY19.

Performance Audit of the Farebox Revenue Process
The audit objective was to evaluate the adequacy of internal controls over the Farebox Revenue Process.

We found adequate internal controls over the accuracy of revenues, preventative maintenance for fareboxes, and completion of fare classification training for bus operators. However, we found opportunities to improve internal controls in the areas of safeguarding physical access of farebox cash; timeliness of probing and vaulting of fareboxes; and reliability of information used to monitor probing of fareboxes. Probing electronically unlocks the farebox door and transfers summary data from the farebox to the garage computers. Vaulting is when the cashbox is placed into the vault allowing the cashbox to be emptied into the revenue bin. In addition, we identified two business process improvements related to inspections of surveillance equipment and maintenance of garage computer rooms. Management concurred with all of the recommendations, and has already implemented some of the corrective actions.

OTHER AUDITS

Other audits completed during FY18 by external CPA firms contracted by MAS include:

Proposition A and C Special Revenue Funds Audit – Issued November 2017
The MTA Reform and Accountability Act of 1998 requires the completion of an independent audit to determine compliance by the Los Angeles County Metropolitan Transportation Authority (Metro) with the provisions of Propositions A and C. BCA Watson Rice LLP (BCA) completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Proposition A and Proposition C Special Revenue Funds, which fulfills the requirement for the year ended June 30, 2017. BCA found that the Schedules of Proposition A and Proposition C Revenues and Expenditures present fairly in all material respects. As required by law, BCA presented their audit report to the Independent Citizen's Advisory Oversight Committee in May 2018.

Measure R Special Revenue Fund Audit – Issued November 2017
The voter approved Measure R Ordinance mandates that an annual audit be conducted after the end of the fiscal year to ensure that the Metro complies with the terms of the Ordinance related to the receipt and expenditure of sales tax revenues during the fiscal year. BCA completed the Independent Auditor's Report on Schedule of Revenues and Expenditures for Measure R Special Revenue Fund, which fulfills the requirement for the year ended June 30, 2017. BCA found that the Schedule of Measure R Revenues and Expenditures presents fairly in all material respects. As required by law, BCA presented their audit report to the Measure R Independent Taxpayers Oversight Committee in May 2018.

Gateway Center & Union Station Properties Financial Statements – Issued November 2017
Metro acquired the Union Station and Gateway Center properties in April 2011 and entered into a Leasing and Operations Management Agreement with Morlin Asset Management for the management and operations of the Gateway Center and Union Station. We contracted BCA to conduct an audit of the financial statements for these two entities for the year ended June 30, 2017. BCA found that the financial statements present fairly, in all material respects, the financial position of each entity.

PTSC-MTA Risk Management Authority Financial Statements – Issued November 2017
In October 1998, the Public Transportation Services Corporation (PTSC) and Metro entered into a joint powers agreement to create the PTSC-MTA Risk Management Authority (PRMA) for the purpose of establishing and operating a program of cooperative self-insurance and risk management. PRMA receives all of its funding from Metro and PTSC. As PTSC also receives its funding from Metro, PRMA is a component unit of Metro and is included in its financial statements as a blended component unit. An audit of PRMA's financial statements by an independent CPA firm is required annually. We retained BCA to conduct the audit for the fiscal year ended June 30, 2017. BCA found that the financial statements present fairly, in all material respects, the position of PRMA as of June 30, 2017.

OTHER AUDITS

Basic Financial Statements and Component Audits – All parts Issued by December 2017

An audit of our financial statements by an independent CPA firm is required annually. We retained Crowe Horwath LLP to conduct the audit for the fiscal year FY17. The following reports include MTA's basic financial statements and following component audits for the year ended June 30, 2017:

- Comprehensive Annual Financial Report;
- Los Angeles County Metropolitan Transportation Authority Single Audit Report Fiscal year ended June 30, 2017:
- Federal Funding Allocation Data for the Transportation Operating Agency (ID# 90154) for the fiscal year ended June 30, 2017;
- Transportation Development Act Operations Agency for the fiscal year ended June 30, 2017;
- Transportation Development Act & Proposition 1B PTMISEA Planning Agency for the year ended June 30, 2017;
- State Transit Assistance Special Revenue Fund's basic financial statements as of and for the years ending June 30, 2017 and 2016;
- Crenshaw Project Corporation financial statements as of June 30, 2017;
- Service Authority for Freeway Emergencies' financial statements and other supplementary information as of and for the years ending June 30, 2017 and 2016; and
- Low Carbon Transit Operations Program Compliance for the fiscal year ended June 30, 2017.

Crowe issued unmodified opinions on all audit reports. There were no findings identified in the audit reports.

Financial Statements of Regional Transit Access Pass (TAP) Settlement and Clearing Accounts – Issued December 2017

Los Angeles TAP was created by Metro through Board action to implement a region-wide universal fare system which provides a fully integrated, electronic fare collection system that allows seamless multi-modal travel throughout the region using smart card technology. This universal fare system is known today as the Regional TAP Program. The Regional TAP Program is managed by the Regional TAP Service Center utilizing Metro staff resources.

We contracted BCA to conduct an audit of the financial statements for the year ended June 30, 2017. The auditor found that the statement of net position present fairly, in all material respects, the financial position of the Regional TAP Service Center TAP Settlement and Clearing Accounts as of June 30, 2017.

OTHER AUDITS

Financial Statements of Metro ExpressLanes – Issued December 2017

Metro ExpressLanes started as a one-year demonstration program that tested innovations to improve existing transportation systems in three sub-regions: the San Gabriel Valley, Central Los Angeles, and the South Bay. The first Metro ExpressLanes commenced revenue operations in November 2012 on the I-110 Harbor Freeway, between Adams Blvd. and the 91 freeway. The second began revenue operations in February 2013 on the I-10 El Monte Freeway between Alameda St. and the 605 Freeway. In April 2014, the Board voted unanimously to make the ExpressLanes on the I-110 and I-10 Freeways permanent. Later that year the California State Legislature approved a motion making the toll lanes permanent in Los Angeles and that the Governor sign it to become official.

An audit of the financial statements of Metro ExpressLanes, an enterprise fund of Metro, was performed by Vasquez & Company, LLP (Vasquez) for the year ended June 30, 2017. Vasquez found that the financial statements present fairly, in all material respects, the financial position of the Metro ExpressLanes fund as of June 30, 2017 and 2016.

Consolidated Audit – Issued various dates

These financial and compliance audits are needed to ensure that the recipients of subsidies included in the Consolidated Audit are adhering to the statutes of each applicable funding source and that operations data used to allocate funds is fair and in accordance with Federal Transportation Administration guidelines. The Consolidated Audit process includes financial and compliance audits for the fiscal year ended June 30, 2017 for the following programs:

- Local Funding Program to 88 cities and Unincorporated Los Angeles County
  - Proposition A Local Return
  - Proposition C Local Return
  - Measure R Local Return
  - Transit Development Act (TDA) Article 3 and Article 8 Programs
  - Proposition A Discretionary Incentive Program
- Transit System Funds to Commerce, Redondo Beach, Torrance
  - Transit Development Act (TDA) Article 4
  - State Transit Assistance (STA)
  - Proposition A 95% of 40% Discretionary
  - Proposition C 5% Security
  - Proposition C 40% Discretionary
  - Proposition 1B Funds
  - Measure R 20% Bus Operations and Clean Fuel Bus Funds
- Proposition A 40% Discretionary – Growth Over Inflation (GOI) Fund to Burbank, Glendale, LADOT and Pasadena Transit System Operators
- Fare Subsidies Programs
  - Immediate Needs Transportation Program (INTP)
  - Rider Relief Transportation Program (RRTP)
  - Support for Homeless Re-Entry (SHORE) Program

OTHER AUDITS

- Metrolink Program
- EZ Transit Pass Program
- Access Services
- LADOT Operating Data (Proposition A Incentive Programs)

Local Return

Measure R

Vasquez and Simpson & Simpson found that the 88 Cities and County complied in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Local Return Programs for the year ended June 30, 2017. The Measure R Local Return audit results were presented to the Measure R Independent Taxpayer Oversight Committee (MRITOC) on March 13, 2018. A Public Hearing for MRITOC was also conducted to receive public input on May 15, 2018.

The auditors found 32 instances of non-compliance for Measure R. Questioned costs totaling $2.3 million for Measure R represent approximately 2% of the total amount reviewed. During and after the audits, all questioned costs were resolved.

Prop A and Prop C

Vasquez and Simpson & Simpson found that all Cities and County, with the exception of the City of Compton, complied in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Local Return Programs for the year ended June 30, 2017.

The auditors found 67 instances of non-compliance for Proposition A and C. Questioned costs totaling $2.2 million and $1.8 million for Proposition A and Proposition C, respectively represent approximately 1% of each total fund reviewed. During the audits, questioned costs of $1.6 million and $1.5 million for Proposition A and Proposition C, respectively, were resolved. The Local Return Program Manager is working with the cities to resolve the findings. The respective auditors will validate the resolution of the findings identified in these audits in the following years' audits.

Non-Local Return

The auditors found that schedules/financial statements for the various programs included in the Consolidated Audit present fairly, in all material respects. They also found that the entities complied, in all material respects, with the compliance requirements of their respective guidelines. However, the auditors noted several compliance findings; one finding for Metrolink program, eleven findings for the TDA Article 3 program and five for the EZ Transit Pass Program. Eleven compliance findings were also identified for the INTP (6), and RRTP (5) programs. Two compliance findings for the SHORE Program and one compliance finding for Access Services were also identified.

AUDIT SUPPORT SERVICES

Audit Follow-Up and Resolution

During FY 2018, 43 recommendations were added and 50 recommendations were closed. At the end of the quarter, there were 51 outstanding audit recommendations. The table below summarizes the fourth quarter activity.

Summary of MAS and External Audit Recommendations
As of June 30, 2018

Executive Area	Closed	Late	Extended	Not Yet Due/Under Review	Total Open
Communications			5		5
Finance & Budget				3	3
Human Capital & Development	2		3	7	10
Information Technology			1	11	12
Metro Operations	4		6	13	19
Planning and Development			2		2
Totals	6		17	34	51

In addition to the above MAS and external audit recommendations, eleven were closed during fourth quarter for the Office of the Inspector General (OIG); total of 105 were closed for the year. At the end of the quarter there were 162 outstanding OIG audit recommendations.*

Details of open audit recommendations for MAS and OIG are included in Appendix E and Appendix F, respectively.

*This total does not include recommendations included in the 1) Audit of Westside Purple Line Extension Section 2 - Modification No. 52, 2) Review of Metro Rail Services Disruptions and 3) Increasing Public Transit and Ridership Use Study, as the management response and/or estimated completion dates are still pending.

Appendix A

Contract Pre-Award Audit Completed During FY18						
No.	**Area**	**Audit Number & Type**	**Contractor**	**Frequency**	**Requirement**	**Date Completed**
1	Planning & Development	17-PLN-A33 - Attestation Agreed-upon Procedures	Gruen Associates	Once for AE39616	VCM Policy	8/2017
2	Risk, Safety & Asset Management	17-RSK-A01 - Attestation Agreed-upon Procedures	Owen Group Inc.	Once for AE39820	VCM Policy	8/2017
3	Program Management	Attestation Agreed-upon Procedures	Walsh-Shea Corridor Constructors	Once for CO988 Change Order No. 122.1	VCM Policy	8/2017
4	Program Management	Attestation Agreed-upon Procedures	Walsh-Shea Corridor Constructors	Once for CO988 Change Order No. 82	VCM Policy	9/2017
5	Construction	18-CON-A02 - Attestation Agreed-upon Procedures	Cornerstone Transportation Consulting, Inc.	Once	VCM Policy	11/2017
6	Operations	18-OPS-A01 - Attestation Agreed-upon Procedures	CRRC MA Corporation	Once	VCM Policy	11/2017
7	Operations	18-OPS-A02 - Attestation Agreed-upon Procedures	Ansaldo STS USA, Inc.	1st Time	VCM Request	2/2018

Appendix B

Incurred Cost Audit Completed During FY18						
No.	**Area**	**Audit Number & Type**	**Auditee**	**Frequency**	**Requirement**	**Date Completed**
1	Program Management	17-CON-A37 - Attestation Agreed-upon Procedures	Gannett Fleming, Inc	2nd Audit	VCM Policy & Contract Terms	7/2017
2	Planning & Development	17-PLN-A02 - Closeout	County of Los Angeles	3rd Audit (Closeout)	Per Project Manager's request and MOU. P0004221 terms	7/2017
3	Program Management	12-PLN-A17 - Interim	Caltrans	1st Interim Audit	Per Project Manager's request and MOU. P0006376 terms	8/2017
4	Program Management	17-HWY-A12 - Closeout	City of Lawndale	Once	Per Project Manager's request and MOU. MR312.36 terms	8/2017
5	Planning & Development	16-PLN-A29 - Closeout	City of Long Beach	Once	Per Project Manager's request and MOU. P0006322 terms	8/2017
6	Program Management	17-HWY-A14 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU. MR310.20 terms	8/2017
7	Planning & Development	17-PLN-A10 - Closeout	County Los Angeles	Once	Per Project Manager's request and MOU. P0008121 terms	8/2017
8	Program Management	17-CON-A41 - Attestation Agreed-upon Procedures	Intueor Consulting, Inc.	4th Audit	VCM Policy & Contract Terms	8/2017
9	Program Management	17-CON-A29 - Attestation Agreed-upon Procedures	ABA Global, Inc.	2nd Audit	VCM Policy & Contract Terms	8/2017
10	Program Management	17-HWY-A16 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU. MR310.24 terms	9/2017
11	Planning & Development	17-PLN-A05 - Closeout	City of Long Beach	Once	Per Project Manager's request and MOU. P00F1341 terms	9/2017
12	Planning & Development	16-PLN-A08 - Closeout	City of Carson	Once	Per Project Manager's request and MOU. P00F3119 terms	9/2017
13	Planning & Development	17-PLN-A25 - Closeout	City of Industry	Once	Per Project Manager's request and MOU. P00F3303 terms	9/2017
14	Program Management	17-CON-A28- Attestation Agreed-upon Procedures	Lenax Construction Services, Inc.	2nd Audit	VCM Policy & Contract Terms	9/2017
15	Program Management	17-CON-A27 - Attestation Agreed-upon Procedures	Kal Krishnan Consulting Services, Inc.	2nd Audit	VCM Policy & Contract Terms	9/2017
16	Planning	17-PLN-A08 - Attestation Agreed-upon Procedures	JM Diaz, Inc.	Second	VCM Policy & Contract Terms	10/2017
17	Planning	16-PLN-A16 - Attestation Agreed-upon Procedures	Jacobs Associates	Second	VCM Policy & Contract Terms	10/2017

Appendix B

Incurred Cost Audit Completed During FY18						
No.	**Area**	**Audit Number & Type**	**Auditee**	**Frequency**	**Requirement**	**Date Completed**
18	Planning & Development	15-PLN-A05 - Closeout	City of Baldwin Park	Once	Per Project Manager's request and MOU.P00FA141 terms	10/2017
19	Planning & Development	16-PLN-A04 - Closeout	City of Baldwin Park	Once	Per Project Manager's request and MOU.P00F1654 terms	10/2017
20	Program Management	17-HWY-A15 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU.MR310.21 terms	10/2017
21	Planning & Development	16-PLN-A30 - Closeout	City of Long Beach	Once	Per Project Manager's request and MOU.P00F1334 terms	10/2017
22	Program Management	17-CON-A38 - Attestation Agreed-upon Procedures	Ghirardelli Associates, Inc.	Second	VCM Policy & Contract Terms	10/2017
23	Program Management	17-CON-A35 - Attestation Agreed-upon Procedures	Brierley Associates Corporation	Second	VCM Policy & Contract Terms	10/2017
24	Planning & Development	18-PLN-A08 - Closeout	City of La Cañada Flintridge	Once	Per Project Manager's request and FA.920000000F7407 terms	11/2017
25	Planning & Development	17-PLN-A24 - Closeout	City of Lynwood	Once	Per Project Manager's request and MOU.TOD.312.02.15 terms	11/2017
26	Planning & Development	17-PLN-A03 - Closeout	County of Los Angeles	2nd Audit (Close out)	Per Project Manager's request and MOU.P0006294 terms	12/2017
27	Planning & Development	18-PLN-A10 - Closeout	City of El Monte	Once	Per Project Manager's request and FA.920000000F7420 terms	12/2017
28	Planning & Development	17-PLN-A22 - Closeout	City of Pico Rivera	Once	Per Project Manager's request and MOU.P000F3827 terms	12/2017
29	Planning	16-PLN-A19 - Closeout	CH2M Hill, Inc.	Second	VCM Policy & Contract Terms	12/2017
30	Program Management	17-CON-A30 - Attestation Agreed-upon Procedures	DHS Consulting, Inc.	Second	VCM Policy & Contract Terms	12/2017
31	Planning & Development	17-PLN-A29 - Closeout	City of Inglewood	Once	Per Project Manager's request and FA. P00F3130 terms	1/2018
32	Program Management	17-CON-A39 - Attestation Agreed-upon Procedures	Ramos Consulting Services, Inc.	2nd Time	VCM Policy & Contract Terms	3/2018
33	Planning & Development	17-PLN-A30 - Closeout	City of Norwalk	Once	Per Project Manager's request and MOU.P00F1219 terms	3/2018

Appendix B

Incurred Cost Audit Completed During FY18						
No.	**Area**	**Audit Number & Type**	**Auditee**	**Frequency**	**Requirement**	**Date Completed**
34	Program Management	18-HWY-A03 - Closeout	City of Malibu	Once	Per Project Manager's request and MOU.MR311.30 terms	3/2018
35	Planning & Development	18-PLN-A14 - Closeout	City of Pasadena	Once	Per Project Manager's request and MOU.P00F3709 terms	3/2018
36	Planning & Development	17-CON-A32 - Attestation Agreed-upon Procedures	Gannett Fleming, Inc	Once	VCM Policy & Contract Terms	4/2018
37	Planning & Development	17-HWY-A07 - Attestation Agreed-upon Procedures	WKE, Inc	Once	VCM Policy & Contract Terms	4/2018
38	Planning & Development	18-PLN-A07 - Closeout	City of Los Angeles	Once	Per Project Manager's request and MOU.P00F1126 terms	4/2018
39	Planning & Development	18-PLN-A13 - Closeout	City of Pasadena	Once	Per Project Manager's request and MOU.P00F3702 terms	4/2018
40	Planning & Development	17-PLN-A28 - Closeout	City of Long Beach	Once	Per Project Manager's request and MOU.P00F1531 terms	4/2018
41	Planning & Development	17-CON-A40 - Attestation Agreed-upon Procedures	D'Leon Consulting Engineers	Once	VCM Policy & Contract Terms	5/2018
42	Planning & Development	17-PLN-A06 - Closeout	County of Los Angeles	2nd Audit (Close out)	Per Project Manager's request and MOU.P000F6284 terms	5/2018
43	Program Management	18-HWY-A11 - Closeout	City of Glendale	Once	Per Project Manager's request and MOU.P0000000MR310.35 terms	5/2018
44	Planning & Development	18-PLN-A11 - Closeout	City of Arcadia	Once	Per Project Manager's request and MOU.P000F1197 terms	5/2018
45	Planning & Development	18-PLN-A12 - Closeout	City of Arcadia	Once	Per Project Manager's request and MOU.P000F1332 terms	5/2018
46	Planning & Development	18-PLN-A02 - Closeout	City of Santa Monica	Once	Per Project Manager's request and TOD 312.02.05 terms	5/2018
47	Planning & Development	16-PLN-A18 - Attestation Agreed-upon Procedures	ILF Consultants, Inc.	Once	VCM Policy & Contract Terms	6/2018
48	Planning & Development	15-CON-A12A - Attestation Agreed-upon Procedures	ABA Global, Inc.	2nd Time	VCM Policy & Contract Terms	6/2018
49	Program Management	18-HWY-A01 - Closeout	City of Lawndale	Once	Per Project Manager's request and MOU.MR312.15 terms	6/2018

Appendix C

Internal Audit Completed During FY18

No	Area	Audit Number & Title	Description	Frequency	Requirement	Date Completed
1	Vendor / Contract Management	17-VCM-P01 Performance Annual Audit of Business Interruption Fund	Annual Audit of Business Interruption Fund.	2nd Time; Last Audit 1 year ago	Per FY17 Audit Plan	9/2017
2	Finance & Budget	10-ACC-F01 Performance Audit of Accounts Receivable	Determine the adequacy of internal controls to determine whether staff complied with accounts receivable policies and procedures, outstanding accounts receivable balances were collected in a timely manner, accounts receivable amounts were recorded accurately, and adequate segregation of duties were in place to prevent staff from performing conflicting duties (e.g. authorizing and approving accounts receivable credits and write-offs).	First Time	Per FY16 Audit Plan	9/2017
3	Program Management	12-CON-P03 Performance Audit for Follow-Up of the I-405 Sepulveda Pass Improvement Project	Verify implementation of agreed upon corrective actions from the initial audit of the I-405 Sepulveda Pass Improvement Project, Report No. 11-CON-K01, issued in August 2011.	2nd Time; Last Audit 6 years ago	CEO Request	12/2017
4	Finance & Budget	17-OMB-P01 Performance Audit of the Cash Counting Process	Evaluate internal controls over the Cash Counting Process.	2nd Time; Last Audit 7 years ago	Per FY17 Audit Plan	3/2018
5	Congestion Reduction	16-CEO-P02 Follow-Up Performance Audit for the 511 Traveler Information System	Follow Up on 511 Audit.	2nd Time; Last Audit 5 Years Ago	CEO Request	3/2018
6	Information & Technology Services	17-ITS-P01 Performance Audit of the Information Technology Services (ITS) Project Management	Evaluate the efficiency and effectiveness of the Information Technology Services (ITS) Department's Project Management Process. A sample from all information technology systems acquired, upgraded, developed and/or implemented during the period from July 1, 2013 through June 30, 2016 will be selected to assess the efficiency and effectiveness of the Project Management Process, including the projects' success from the end user perspective.	First Time	Per FY17 Audit Plan	6/2018
7	Metro Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	Determine the efficiency and effectiveness of the Track Allocation process.	First Time	Per FY16 Audit Plan	6/2018
8	Finance & Budget	17-OMB-P02 Performance Audit of the Farebox Revenue Process	Evaluate the effectiveness of internal controls over Farebox Revenue Process.	First Time	Per FY17 Audit Plan	6/2018

Appendix D

Internal Audit In Process as of June 30 2018

No	Area	Audit Number & Title	Description	Frequency	Requirement	Estimated Date of Completion
1	Vendor / Contract Management	17-VCM-P04 - Performance Audit of Pre-Award Process	To determine Vendor/Contract Management's adequacy of the justification documentation for the vendor contract selection method (e.g. best value, lowest bid). To determine the extent of key information utilization to select vendors for contract awards.	First Time	Per FY17 Audit Plan	8/2018
2	Vendor / Contract Management	18-VCM-P01 - Annual Audit of Business Interruption Fund	Evaluate Business Interruption Fund Program	3rd Time; Last Audit a years ago	Per FY18 Audit Plan	10/2018
3	Program Management	16-CON-P04 - Performance Audit of Construction Quality Assurance	Evaluate the efficiency and effectiveness of the agency's Construction Quality Assurance Program over minor construction projects (less than $100 million) and to follow-up on the implementation of recommendations from the prior Performance Audit of Construction Quality Assurance, No. 11-CON-K02.	2nd Time; Last Audit 3 years ago	Per FY16 Audit Plan	10/2018
4	Agency-Wide	17-AGW-P01 - Performance Audit of Consultant Hours	Evaluate efficiency and effectiveness of the use of consultants. Phase 1 – This audit will report on the agency-wide use of consultants such as the number of consultants by business unit, nature of work conducted by the consultants, consultant costs and other statistical information during the review period.	First Time	Per FY17 Audit Plan	10/2018
5	ITS and Operations	18-ITS-P01 - Performance Audit of HASTUS - Confirmation of Collective Bargaining Agreement Changes	Evaluate whether changes from the SMART Collective Bargaining Agreement effective July 1, 2017 were effectively implemented in the HASTUS System, and to assess the adequacy of the implementation plans for the pending system changes.	First Time	Per FY18 Audit Plan	10/2018
6	Construction	18-CON-P01 Performance Audit of Project Management of the Regional Connector Transit Project	Evaluate the adequacy and effectiveness of project management controls for Regional Connector Project.	First Time	Per FY18 Audit Plan	10/2018
7	Vendor / Contract Management	18-VCM-P02 - Performance Audit of the Tracking of SBE and DBE Goals	Evaluate the process of monitoring SBE/DBE goals achievement and reliability of the information captured and reported from this process by Diversity and Economic Opportunity Department.	1st Time	Per FY18 Audit Plan	11/2018
8	Vendor / Contract Management	17-VCM-P02 - Performance Audit of Change Order Process	To determine the extent of Vendor/Contract Management's compliance with policies and procedures in obtaining adequate justification of documentation for approving contract modifications. To determine the extent of key information utilization for contract modifications.	First Time	Per FY17 Audit Plan	11/2018
9	Human Capital & Development / Finance & Budget	17-OMB-P04 - Performance Audit of Position Reconciliation Process	To evaluate the adequacy of the Position Reconciliation Process between the cost centers, Human Capital & Development and Office of Management and Budget.	2nd Time; Last Audit 9 years ago	Per FY17 Audit Plan	11/2018

Appendix D

Internal Audit In Process as of June 30 2018						
No	**Area**	**Audit Number & Title**	**Description**	**Frequency**	**Requirement**	**Estimated Date of Completion**
10	Vendor / Contract Management	16-VCM- P01 - Performance Audit of P-Card	Evaluate compliance to P-card purchase requirements.	3rd Time; Last audits 4 and 8 years ago	Per FY16 Audit Plan	11/2018
11	Metro Operations	16-OPS-P03 - Performance Audit of Accident Prevention Program	Determine the efficiency and effectiveness of Operations' Accident Prevention Practices.	First Time	Per FY16 Audit Plan	11/2018
12	Metro Operations / System Safety and Security	18-AGW-P01 - Performance Audit of Internal Controls over Overtime Payments for AFSCME	Verify compliance with PUC regulation (e.g. 12 hours workhour limit) for Rail Transit Operation Supervisor and evaluate adequacy of current controls and oversight for overtime requests. In addition, follow up on prior audit recommendations.	First Time	Per FY18 Audit Plan	12/2018
13	Agency-Wide	18-RSK-P01 - Performance Audit of Business Continuity Plan - Payroll, Vendor/Contract Management, Security, Bus and Rail	Evaluate how mission essential functions included in the selected departmental COOPs relate to and are supported by existing departmental Standard Operating Procedures and Emergency Procedures (SOPs/EPS).	2nd Time; Last Audit 9 years ago	Per FY18 Audit Plan	6/2019

Appendix E

Open Audit Recommendations as of June 30, 2018

No.	Area	Audit Number & Title	Rec. No.	Recommendation	Original Completion Date	Extended Completion Date
1	Communications	16-COM-P01 Special Fares Programs	20	We recommend the Communications Department to report the program performance periodically to the appropriate level of management to support decision making. **Update: MOU is being reviewed by County Council.**	3/31/2017	9/30/2018
2	Communications	16-COM-P01 Special Fares Programs	21	We recommend the Communications Department to renew the agreement with the Court to confirm mutual agreement. **Update: MOU is being reviewed by County Council.**	3/31/2017	9/30/2018
3	Communications	16-COM-P01 Special Fares Programs	22	We recommend the Communications Department to revisit the program purpose and guidelines/requirements to assess the current J-TAP Program performance. **Update: MOU is being reviewed by County Council.**	3/31/2017	9/30/2018
4	Communications	16-COM-P01 Special Fares Programs	23	We recommend the Communications Department obtain a written agreement with DCFS to confirm the mutual agreement and to retain the legal rights to enforce DCFS to meet the Program guidelines and requirements. **Update: MOU is being reviewed by County Council.**	3/31/2017	9/30/2018
5	Communications	16-COM-P01 Special Fares Programs	25	We recommend the Communications Department to assess the program performance periodically, and report to the appropriate level of management. **Update: MOU is being reviewed by County Council.**	3/31/2017	9/30/2018
6	Planning & Development	14-EDD-P01 Real Estate Property	11	We recommend that Real Estate Management complete the required inspections and document inspection records on file. **Update: Closed as of July 2018.**	6/30/2017	6/30/2018
7	Planning & Development	14-EDD-P01 Real Estate Property	12	We recommend that Real Estate complete the write off process for delinquent accounts that are deemed uncollectable in accordance with the policy established for writing off uncollectable amounts. **Update: Closed as of July 2018.**	6/30/2017	6/30/2018
8	Operations	16-OPS-P01 Wayside Systems - Track Maintenance	1	We recommend the Chief Operations Officer require Track management to develop an inventory of linear assets and their components that can be the basis of a PMP to accurately forecast maintenance requirements and component replacements. **Update: Pending release of the final RFP. A software system called OpTram is in the initial stages of being developed that will have an inventory of linear assets, including Wayside track assets. This will be a short term solution for the inventory of assets as the long term plan is to replace the M3 system which should include a requirement for linear assets inventory.**	6/30/2017	9/30/2018

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
9	Operations	16-OPS-P01 Wayside Systems - Track Maintenance	6	We recommend that while the long-term recommendation is being evaluated, that the Chief Operations Officer require Track management to revise inspection forms/reports to include: applicable checklists with inspection criteria for the different types of inspections; condition description, and ranking description of conditions with estimated completion for corrective actions. **Update: Closed as of July 2018.**	6/30/2017	6/30/2018
10	Operations	16-OPS-P01 Wayside Systems - Track Maintenance	8	We recommend that while the long-term recommendation is being evaluated, that the Chief Operations Officer require Track management to log all conditions that impact the track structure in the inspection reports, including water damage in the tunnels. **Update: Closed as of July 2018.**	06/30/207	6/30/2018
11	Operations	16-OPS-P01 Wayside Systems - Track Maintenance	10	We recommend that while the long-term recommendation is being evaluated, that the Chief Operations Officer require Track management to work with other business units who are responsible to implement any corrective actions that may impact track maintenance and/or track condition. **Update: Closed as of July 2018.**	6/30/2017	6/30/2018
12	Operations	16-OPS-P01 Wayside Systems - Track Maintenance	12	We recommend that the Chief Operations Officer, require Track management to provide training for track management, supervisors and/or leads that create work orders in the M3 system. **Update: The training material for the new M3 App was developed and training will start FY19 Q2. Track supervisors and leads must first create a work order in the M3 system before inspectors can use the M3 App Inspection forms.**	6/30/2017	12/31/2018
13	Operations	16-OPS-P01 Wayside Systems - Track Maintenance	13	We recommend that the Chief Operations Officer, require Track management to log all open maintenance conditions in M3, as they are identified, to produce meaningful reports. **Update: Closed as of July 2018.**	6/30/2017	6/30/2018
14	Information Technology Services	16-ITS-P02 Performance Audit of IT Asset Management	2	We recommend that the ITS Department Management complete the update of the Standards Compliance and Asset Management (IT 7) Policy to clarify the roles and responsibilities of the ITS department and other cost centers in tracking and managing IT assets. The policy should include the types of IT assets that need to be maintained in IT asset inventory records. The policy revision should also include the extent of the periodic physical inventory/reconciliation based on the risk associated with the type of IT assets and the amount of investment on various types of IT assets. **Update: Closed as of July 2018.**	10/31/2017	6/30/2018

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
15	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	1a	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: appropriate prioritization methodology to prioritize travel requests. **Update: Policy and procedures will be updated to include prioritization methodology to prioritize travel requests.**	6/30/2018	12/31/2018
16	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	1b	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: Target turnaround time for booking completely filled Travel Authorization Forms received. **Update: Policy and procedure will be updated to include target turnaround time for booking completely filled Travel Authorization Forms received.**	6/30/2018	12/31/2018
17	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	1c	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: requirement to obtain justification which is approved by the department management for late requests (submitted less than 30 days of travel date). **Update: Closed as of July 2018.**	6/30/2018	
18	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	1d	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: requirement when to return incomplete travel request forms to the requestors to complete. **Update: Closed as of July 2018.**	6/30/2018	
19	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	1e	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: requirement to document traveler's management approval and travel change cost records for cost increases in excess of the 20% threshold, resulting from changes made after the initial booking. **Update: Closed as of July 2018.**	6/30/2018	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
20	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	1f	We recommend the General Services Management to develop a written policy and/or procedure manual for the Travel Program Administrator which addresses the following but not limited to: guideline of acceptable nature and established threshold for allowable cost differences when accommodating traveler preferences or requests. Specify the required traveler's management approval if any, and whose responsibility it will be to pay the cost difference in excess of the allowable threshold. **Update: Closed as of July 2018.**	6/30/2018	
21	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	3	We recommend the General Services Management to continue to collaborate with the ITS Department to implement a Travel Information Management System to automate the travel coordination, booking, supporting documentation retention, and expense reimbursement processes.	12/31/2018	
22	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	5	We recommend the General Services Management to update the current Travel and Business Expense Policy (FIN 14) to require travelers to submit the Travel Authorization Form at least 30 days prior to the travel date. Require justification and management approval for travel request submitted less than the 30 days requirement. **Update: Closed as of July 2018.**	6/30/2018	
23	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	6	We recommend the General Services Management to extend no show penalty provision to flights and other travel reservations to enforce the travelers to inform the Travel Office of the cancelled travel. Clarify traveler's responsibility if any, to pay for the cost of the missed flights. **Update: FIN-14 will be updated to clarify traveler's responsibility if any, to pay for the cost of the missed flights.**	6/30/2018	12/31/2018
24	Human Capital & Development	18-CEO-P01 Consulting Engagement for the Travel Booking Process	9	We recommend the General Services Management to consider evaluating staffing resource adequacy as a result of the Travel Program Administrator's increased responsibilities related to the monthly credit card reconciliations.	6/30/2019	
25	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	1	We recommend that the Chief Information Officer require training for the new IT Project Management Methodology for all ITS Project Managers, Delivery Managers, and Resource Managers, and any other ITS personnel heavily involved in the implementation of IT projects to ensure every ITS resource understands the new IT Project Management Methodology.	3/30/2019	

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Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
26	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	2	We recommend that the Chief Information Officer rollout the IT Project Management Methodology developed by the Program Management Office.	3/30/2019	
27	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	3	We recommend that the Chief Information Officer require that all IT required project documentation be completed for each phase of all IT projects, based on the IT Project Management Methodology. This is especially important to show adequate requirements analysis and measurement of end-user involvement, testing, and acceptance.	6/30/2019	
28	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	4	We recommend that the Chief Information Officer require that project documentation be maintained in a central location during and after the completion of IT projects to ensure proper management oversight and transparency is available during the course of a project, and for purposes of historical reference on future and similar projects.	8/31/2018	
29	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	5	We recommend that the Chief Information Officer require that IT controls are designed into new systems and reflected within IT project management plans, and resulting operational procedures. A risk-based approach to the design and implementation of controls, related to application and related systems and business processes, should be utilized. Focus should be placed on risks that have the highest impact and likelihood to occur. At a minimum, the following controls should be addressed on all IT projects to ensure a sound control environment upon completion: Data Security Controls, Financial Controls, Application Controls, General Computer Controls (Infrastructure), Data Conversion Controls, Interface Controls, Data Integrity Controls.	6/30/2019	
30	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	6	We recommend that the Chief Information Officer include IT Security personnel in the system delivery life-cycle to identify potential areas of IT control risk and the remediation plans that are required after implementation occurs. **Update: IT is currently hiring a Security Executive Officer who will determine the level of support and involvement for security staff in system delivery life cycle.**	8/31/2018	2/28/2019
31	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	7	We recommend that the Chief Information Officer perform periodic resource planning and obtain approval for adequate staffing to meet the demand in project management and delivery capability that will be required to complete the strategic initiatives and anticipated changes in work load.	6/30/2019	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
32	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	8	We recommend that the Chief Information Officer consider centralizing the IT project management function within the Program Management Office to ensure a consistent project management approach is applied to all IT projects, and to facilitate the segregation of between project managers and delivery managers.	6/30/2019	
33	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	9	We recommend that the Chief Information Officer in the event that a delivery manager is required to perform as a project manager on a specific project, we recommend that: a second delivery manager be assigned to handle all engineering aspects of the project and the Project Management Office initiate an independent quality control review that will allow the reviewer to review for key controls/requirements during key phases of the project (e.g. at the end of planning, end of field work) to ensure that all IT Project Management requirements are met and that the project provides for full disclosure and transparency.	6/30/2019	
34	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	10	We recommend that the Chief Information Officer (CIO) in conjunction with, Chief Procurement Officer (CPO) and Chief Financial Officer (CFO) corroborate on how the ITS Department can be informed/involved earlier in the Procurement and OMB process when planned procurements/budgets include requests that require technology usage at Metro. Example, consider identifying the Procurement/Budget forms that are being completed by various cost centers and add fields that will flag the need to consult/discuss with ITS Department for technology components or future maintenance/operations of projects.	8/31/2018	2/28/2019
35	Information Technology Services	17-ITS-P01 Performance Audit of Information Technology Services (ITS) Project Management	11	We recommend that the Chief Information Officer (CIO) in conjunction with, Chief Procurement Officer (CPO) and Chief Financial Officer (CFO) corroborate on any training needs necessary so that various cost centers understand what the additional fields in various forms mean and their requirements.	8/31/2018	2/28/2019
36	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	1	We recommend the Chief Operations Officer direct the Track Allocation Coordinator to define priorities among the activities (e.g. mandated work, maintenance work, cyclical work, etc.) for granting access on or around the ROW. Additionally, define the maximum number of crews that should be in or around the ROW at any given time. Both should be a joint effort between the Track Allocation Coordinator and Rail Operations Controller.	8/31/2018	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
37	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4a	We recommend the Chief Operations Officer consider directing Rail Operations to add more fields in the electronic Track Allocation Request Form to assist Rail Operations Controllers in minimizing some of their manual entries. For example, the Track Allocation Request Form could be further configured to include a check box indicating if the schedule was activated or not, as well as the time and date it was activated, and a drop down menu to include reasons for schedule modification.	6/30/2019	
38	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	4b	We recommend the Chief Operations Officer consider directing the Track Allocation Coordinator to measure effectiveness of schedules by periodically assessing whether crews that were scheduled to access the ROW actually accessed the ROW. This will provide visibility to the stakeholders as well as assist the Track Allocation Coordinator in modifying future schedules. This periodic review will only be possible once the data from the newly implemented log has been collected.	6/30/2019	
39	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	5	We recommend the Senior Executive Officer, Rail Operations partner with the Senior Executive Officer, Rail Maintenance & Engineering and the Deputy Executive Officer, Operations to consider which of these two technologies, Google Map or HASTUS should be used to assist Rail Operations Controllers in navigating emergency crews or individuals and/or staff doing business with Metro.	9/30/2018	
40	Operations	17-OPS-P07 Performance Audit of the Track Allocation Process	6	We recommend the Chief Operations Officer direct Rail Operations work with Rail Communications to consider the enabling of the GPS feature already embedded in Metro's Portable Radios, which will assist Rail Operations Controllers in managing the number of individuals working above ground on or around the ROW. **Update: Closed as of August 2018.**	7/31/2018	
41	Finance & Budget	17-OMB-P02 Performance Audit of the Farebox Revenue Process	1	We recommend Revenue Collections collaborate with Workforce Services to develop a monthly employment status report to identify all personnel changes. (e.g. transfers, retirements, and terminations employees). **Update: Closed as of August 2018.**	7/31/2018	
42	Finance & Budget	17-OMB-P02 Performance Audit of the Farebox Revenue Process	2	We recommend Revenue Collections review the monthly employment status report and ensure that transferred, terminated, and retired employees are removed at least quarterly from the Electronic Key Dispenser database.	7/31/2018	
43	Finance & Budget	17-OMB-P02 Performance Audit of the Farebox Revenue Process	3	We recommend Revenue Collections update the UFS Standard Operating Procedures to include all job titles and appropriate equipment access type that is needed to complete required job responsibilities.	12/31/2018	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix E

Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
44	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	4	We recommend that Operations Maintenance Management work with Revenue Collections to update the UFS Standard Operating Procedures to include procedures for probing and vaulting out of service buses, including: Who is responsible for probing and vaulting out service buses; What time frame the buses should be probed; How the portable probes will be stored and used in emergency situations (in collaboration with TAP and Revenue Collections); Requirement that all 12 portable probes are in good working condition. In addition, once the SOP is updated, communicate it to all Divisions.	12/31/2018	
45	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	5	We recommend Operations Maintenance Management work closely with the Revenue Collections and the TAP Department to ensure that the Buses Not Probed exception reports are accurate, complete, and reliable.	6/30/2018	9/30/2018
46	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	6	We recommend Operations Maintenance Management designate a person from each division to receive the exception reports. Communicate designee to TAP. **Update: Closed as of July 2018.**	5/31/2018	
47	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	7	We recommend Operations Maintenance Management designate a person from each division to monitor probing and vaulting exception reports of in service buses and follow-up on exceptions. **Update: Closed as of July 2018.**	5/31/2018	
48	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	8	We recommend Operations Maintenance Management work with Revenue Collections to update the UFS Standard Operating Procedures so that all references to exception reports are correct.	12/31/2018	
49	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	9	We recommend Operations Maintenance Management to require Equipment Maintenance Supervisors/Equipment Service Supervisors to report camera malfunctions to ITS as soon as identified and establish a turn-around time to follow-up with ITS in the event cameras are not repaired in a timely manner. **Update: Closed as of July 2018.**	6/30/2018	
50	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	10	We recommend Operations Management work with ITS to require Bus and Contracted Services Divisions to retain surveillance footage for at least 30 days. **Update: Closed as of July 2018.**	5/31/2018	
51	Operations	17-OMB-P02 Performance Audit of the Farebox Revenue Process	11	We recommend that Operations Maintenance Management enforce existing procedures to require that Equipment Maintenance Supervisors/Equipment Service Supervisors inspect garage computer rooms to ensure they are maintained in accordance with the UFS SOP, and conduct a periodic review to ensure that garage computer rooms are being inspected. **Update: Closed as of July 2018.**	6/30/2018	

Any findings that have not been corrected 90 days after the due date are reported as late.

Appendix F

OIG Open Audit Recommendations as of June 30, 2018						
No.	**Area**	**Audit Number & Title**	**Rec. No.**	**Recommendation**	**Original Completion Date**	**Extended Completion Date**
1	Program Management	16-AUD-01 Capital Project Management Best Practices Study	38 Total	The 109 recommendations included in this report address Training, Stakeholder Engagement, Life Cycle Costs, Risk Management, Partnering with Utility Companies, Adv. Utility Relocation, Addressing Delays, Change Control, and Improving Contract Administration. **Update: As of September 2018, 108 of 109 recommendations were closed. The last remaining recommendation is currently being evaluated based on the responses provided by Program Management.**		
2	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	1a	We recommend that the Maintenance Department should ensure that Maintenance management communicate to staff the importance of completing inspection forms in accordance with Metro's policies and procedures.	8/31/2018	
3	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	1b	We recommend that the Maintenance Department should ensure that Maintenance management determine how the documentation of mileage will be handled on inspection forms.	8/31/2018	
4	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	2	We recommend that the Maintenance Department should ensure Maintenance management clarifies in the Preventive Maintenance Inspection Guidelines that mileage should also be recorded on the inspection forms.	8/31/2018	
5	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	3	We recommend that the Maintenance Department should ensure all policies and procedures are incorporated into Metro's written Bus Maintenance Plan and Preventive Maintenance Inspection Guidelines.	8/31/2018	
6	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	4	We recommend that the Maintenance Department should ensure management monitors past due PMP work orders on a continuous basis and identify and work with those divisions that have a high number of past due work orders. **Update: Closed as of September 2018.**	8/31/2018	
7	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	5	We recommend that the Maintenance Department should ensure Maintenance managers review bus pullout cancellation information on a regular basis and identifies and works with those divisions that have a high number of cancellations. **Update: Closed as of September 2018.**	8/31/2018	
8	Operations	18-AUD-05 Audit of Metro Bus Maintenance Program	6	We recommend that the Maintenance Department should ensure Metro's Bus Maintenance Plan and Preventive Maintenance Inspection Guidelines (a) accurately cite the most current Federal regulations, and (b) all sections of the Bus Maintenance Plan are updated at the same time.	8/31/2018	
9	Operations	17-AUD-04 Review of Metro Safety Culture and Rail Operational Safety	117 Total	The 117 recommendations included in this report address findings in Safety Culture, Red Signal Violations, Safety Assessment of Infrastructure Elements, Technology, Operations and Maintenance, Human Resources, and etc. **Update: As of July 2018, 65 of 117 recommendations were closed.**		

The above list does not include recommendations for the 1) Audit of Westside Purple Line Extension Section 2- Modification No. 52, 2) Review of Metro Rail Services Disruptions and 3) Increasing Public Transit and Ridership Use Study, as the management response and/or estimated completion dates are still pending.

Management Audit Services
Audit Charter

I. INTRODUCTION

Los Angeles County Metropolitan Transportation Authority (LACMTA) maintains an active audit function under the direction of Deputy Chief Executive Officer (DCEO); with responsibility to report its activities to the Chief Executive Officer (CEO) and the Board. This charter defines the mission, scope, commitment to quality, authority and accountability, independence, and responsibility of LACMTA's audit department, Management Audit Services.

II. MISSION

Management Audit Services provides highly reliable, independent, objective assurance and consulting services designed to add value and improve LACMTA's operations. Management Audit Services ~~accomplishes this~~helps LACMTA~~Metro~~ accomplish its objectives by understanding LACMTA's~~it~~s strategies and by bringing a systematic, disciplined, and risk-based approach ~~to~~in evaluating and recommending improvements to the effectiveness of risk management, controls and governance processes.

III. SCOPE

The scope of work performed by Management Audit Services is to determine whether LACMTA's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning to ensure:

- Risks are appropriately identified and managed;
- Significant financial, managerial, and operating information is accurate, reliable and timely;
- Resources are acquired economically, used efficiently, and adequately protected;
- Programs, plans, projects and objectives are achieved;
- Quality and continuous improvement are fostered;
- Significant legislative or regulatory issues impacting LACMTA are recognized, addressed appropriately and interaction with governance groups occurs;
- Employees' actions are in compliance with policies, standards, procedures and applicable laws and regulations; and
- Opportunities for improving management control, streamlining processes, and improving public perception may be identified during audits. These will be communicated to the appropriate level of management.

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Management Audit Services
Audit Charter

IV. COMMITMENT TO QUALITY

Management Audit Services commits to providing world-class service through timely, unbiased, value-added assurance and consulting services. We will work as a team with our clients to improve processes and meet strategic goals and objectives. We will enhance the services we provide by continuously improving our audit activities. Management Audit Services adheres to the following professional standards and codes:

- Government Auditing Standards promulgated by the Comptroller General of the United States;
- International Standards for the Professional Practice of Internal Auditing (Standards) including Mandatory Elements issued by the Institute of Internal Auditors ~~International Professional Practices Framework;~~
- Information Systems Auditing Standards promulgated by the Information Systems Audit and Control Association;
- LACMTA's Employee Code of Conduct and Administrative Code;
- Institute of Internal Auditor's Code of Ethics, and
- Management Audit Services' Audit Policy Manual and applicable procedures.

V. AUTHORITY AND ACCOUNTABILITY

Management Audit Services audits all departments, programs, functions, systems, contracts and activities based on the approved audit plan or specific requests that have been approved by the CEO.

Management Audit Services is authorized to:

- Have full, free and unrestricted access to all information, functions, operations, systems, property, personnel and other relevant materials necessary to accomplish its work. All employees will cooperate fully in making available material or information requested by Management Audit Services or any external auditors managed by Management Audit Services. Access to contracted third parties will be handled in accordance with contractual terms. Management Audit Services staff signs Confidentiality Statements annually. Documents provided to Management Audit Services will be handled in the same prudent manner as by those employees normally accountable for them;
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives; and
- Obtain the necessary assistance of personnel in functions where audits are being performed, as well as other specialized services from external consultants.

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Audit Charter

Management Audit Services is not authorized to:

- Initiate or approve accounting transactions external to Management Audit Services and
- Direct the activities of any employee not part of Management Audit Services, except to the extent such employees have been appropriately assigned to auditing teams.

Management Audit Services, in the discharge of duties, is accountable to the DCEO, CEO and the Board of Directors to:

- Report significant issues related to the processes for controlling the activities, including potential improvements to those processes, and provide information concerning such issues through resolution; and
- Provide periodic information on the status and results of the annual audit plan and the adequacy of progress as it relates to management action plans.

VI. INDEPENDENCE

Management Audit Services is independent of the activities it reviews. Specifically, Management Audit Services staff may not review areas where they were responsible for the design or operation of the area. Auditors are responsible for maintaining their independence and integrity in all services they provide.

All Management Audit Services activities shall remain free from interference relative to matters of audit selection, scope, procedures, frequency, timing, or report content to maintain independence and objectivity. The Chief Auditor shall report any impairment to independence, or unjustified restriction or limitation to audit selection, scope, procedures, frequency, timing or report content promptly to the ~~DCEO~~Office of the CEO (OCEO) and the Board.

As a means of ensuring independence, Management Audit Services will report to the ~~DCEO~~OCEO and the Board of Directors. This structure permits the rendering of impartial and unbiased judgment essential to the proper conduct of audits. The Board of Directors' will review and concur in the appointment, replacement or dismissal of the Chief Auditor of Management Audit Services.

VII. RESPONSIBILITIES

A. Management Audit Services is responsible for:

- Developing and executing a flexible risk based audit plan which considers LACMTA's objectives and strategies, including any risks or control concerns

Management Audit Services
Audit Charter

identified by management; and submitting that plan to the ~~DCEO~~OCEO and Board of Directors for review and approval;

- Preparing or updating the agency-wide risk assessment annually and incorporating the results into the annual audit plan;
- Implementing the annual audit plan, as approved, including as appropriate, any special tasks or projects requested by management ;
- Reporting significant audit findings to management and the Board of Directors;
- Providing management with adequate time to respond to audit findings and including management's response in the final report;
- Following up on audits to ensure agreed-upon corrective actions have been taken and provide periodic follow up reports;
- Presenting quarterly reports to the Board highlighting progress on the Audit Plan;
- Maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter;
- Conducting objective and constructive assurance services, which include performance and attestation audits;
- Consulting services, which are advisory in nature, can be provided as long as the services do not impair -Management Audit Services' independence and fall within the scope outlined in the Charter;
- Exercising due professional care in all of our work products;
- Conducting ourselves at all times in a professional manner;
- Coordinating external audits of LACMTA;
- Considering external auditors and regulators' scopes of work, as appropriate, for the purpose of providing optimal audit coverage at a reasonable overall cost; and
- Referring suspected fraud, waste, or abuse promptly to the Inspector General.

B. Management is responsible for:

- Maintaining an effective system of internal controls, documenting policy and procedures, and ensuring information is accurate and reliable;
- Complying with policies and procedures;
- Cooperating fully with auditors during discharge of their duties including prompt reply to -Management Audit Services requests and recommendations; and
- Providing a response to audit findings and recommendations. Assuring timely implementation of agreed upon corrective action(s) to audit recommendations.

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Management Audit Services
Audit Charter

The Audit Charter may be modified by a written document executed by all of the participating parties. This Audit Charter will be effective upon execution and will continue indefinitely until it is modified.

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Management Audit Services
Audit Charter

IN WITNESS WHEREOF, the parties hereto have caused this Audit Charter to be executed by their proper officers thereunto duly authorized, and their official seals to be affixed as of ~~February ____, 2016~~October ____, 2018

Los Angeles County Metropolitan Transportation Authority

Board of Directors

_____ By _____

Phillip A. Washington Board Secretary

DRAFT

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

File #: 2018-0606, **File Type:** Program **Agenda Number:** 39.

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
OCTOBER 17, 2018
EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 18, 2018

SUBJECT: METRO TRANSPORTATION SCHOOL

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

A. APPROVING the programming of up to $2.875 Million in FY21, $3.631 Million in FY22, $4.494 Million in FY23, and $5 Million annually from FY 24 through FY35 (cumulatively, up to ~~$75~~ $71 Million over 15 Fiscal Years), to support the operations of Los Angeles County's first transportation infrastructure school; and

B. AUTHORIZING the Chief Executive Officer or his designee to negotiate and execute a Funding Agreement for the transportation infrastructure school with the County of Los Angeles.

ISSUE

Metro is poised to dramatically transform the transportation infrastructure of the region with the passage of Measure M, and in doing so, propel the development of a sizeable well-trained and well-paid skilled workforce to support the planning, construction, operations, and maintenance of our expanding system. This increasing demand for a skilled transportation workforce both within the agency and the industry at-large, combined with local at-risk youth's employment needs, create a strategic opportunity for Metro to impact the cycle of poverty by serving as an engaged, founding industry partner in a public charter boarding school to provide students with real word learning opportunities that will educate, engage, expose, and employ students within the transportation and infrastructure industry.

The County of Los Angeles has entered into an Exclusive Negotiating Agreement (ENA) with the SEED Foundation to serve as the boarding school operator, with plans to open the school in FY2021. The SEED Foundation will be responsible for facilitating the financing and construction of the boarding school. Ten-million dollars in funds are required annually, once the school reaches full

enrollment in Year 4 of operation, to facilitate the operations of the boarding school. This would be leveraged by Average Daily Attendance revenue from the State which would offset the costs of operating the traditional academic functions of the school.

A firm operating subsidy is required for the SEED Foundation to seek financing for the construction of the boarding school. The proposal is for the County and Metro to share the operating subsidy equally.

An early determination of a long-term commitment to the operating subsidy is also a best practice to demonstrate the long-term commitment of the public partners to the school to prospective philanthropic donors.

BACKGROUND

At its April 2017 meeting, the Metro Board approved Motion #43 by Directors Ridley-Thomas, Fasana, Garcetti, Barger, Garcia, and Dupont-Walker directing the CEO to develop a framework for a pilot educational and job training program, specifically, though not exclusively, targeting at-risk probation youth who had exposure to the County's safety net and who had historically been under-served educationally. (Attachment A).

At its June 2017 meeting, the Metro Board received and filed the proposed framework for a pilot educational and job training program with the objective of facilitating career pathways for local youth in Los Angeles County's transportation sector.

At the May 2018 meeting, the Metro Board authorized the CEO to negotiate and enter into an MOU with the County for the development of the transportation school. The MOU action did not address funding.

At its June 2018 meeting, the Los Angeles County Board of Supervisors authorized an ENA with the SEED Foundation to serve as the boarding school operator for a site in the County's possession on the 8500 block of South Vermont Avenue in Los Angeles.

At the September 2018 meeting, the Metro Board approved $1M for the predevelopment activities associated with the school site.

DISCUSSION

Transportation School Framework

Attachment B, *The SEED School of Los Angeles County,* outlines the Mission, Vision, and the Educational Model for the boarding high school. The high-school (grades 9 -12), *SEED LA*, will be the first public boarding school nationwide to focus specifically on the future workforce needs of the global transportation infrastructure industry.

SEED LA will fill the missing link within Metro's Career Pathway. Metro has built a clear pathway to careers in transportation and combined this roadmap with investments in people development. SEED LA will serve as the portal to this career pathway by preparing members of our future workforce to be educated, engaged, exposed, experienced and employed within the transportation

industry, readying them, through experienced based learning activities and practicums, internships, mentorships and related strategies, for a meaningful career in the industry.

The SEED LA School will recruit students who can most benefit from this structured boarding school experience. There are over 18,000 youth in foster care in Los Angeles County, while nearly 78,000 youth are homeless. The SEED Foundation has demonstrated success at its three established campuses in Washington D.C., Baltimore, and Miami, in creating positive educational and personal experiences for young people, specifically those with multiple poverty indicators, who have had experience with the local safety nets, including the juvenile justice and child welfare systems. The students at the SEED Foundation's existing boarding schools are twice as likely to graduate and three times more likely to graduate from college. The SEED Foundation has produced graduates who enroll in college at the rate of 94% and graduate at 3.5 times the rate of low-income, first generation students. Due to the diverse needs of the targeted students, the SEED Foundation provides an extensive wrap-around services model. Locally, this model will leverage our partnership with Los Angeles County to bring a high-level of support for the students of SEED LA.

The SEED LA School will be open to all youth in Los Angeles County, with a special focus on "opportunity youth" that have, or are at risk, of contact with Los Angeles County's public safety, child protection and welfare departments, or youth who have historically been under-served educationally. High school graduation rates for this population are 45% in California compared to 71%-76% for the general population. The SEED Foundation's graduation rate for a population with consistent poverty indicators is 92%.

Relevance to the Industry

The concept of bringing a college-prep and career-readiness experience has been embraced by the transportation industry partners including private companies who operate within the Transportation Infrastructure space. Metro has consistently heard from leaders within Transportation Infrastructure of their concerns regarding their ability to recruit and retain the future workforce. For example, Metro's recent Disparity Study suggests that there is insufficient availability of minority-owned professional firms to accommodate the amount of business that Metro has to offer. To prepare students for careers in the industry, the following approaches will be used:

- Innovation will be embedded in all aspects of the school through an infused transportation infrastructure curriculum in both the traditional academic setting and as part of after-school programming. Focus areas may include engineering, information technology, public administration and policy, urban and regional planning, and logistics and supply chain management.

- An alignment of the curriculum development for synergy with Metro's workforce demands, to include the full arc of possibilities for youth, including career readiness for college preparatory education and options for immediate job opportunities through Metro and its contractors.

- While not offered in the inaugural years, the curriculum will be developed such that students will have the opportunity to attain industry certifications or training programs to successfully transition to transportation related careers with Metro, other transit industries or pursue related Bachelor degrees. Pathways may also be created to offer dual enrollment in college courses

while in high school with the potential of graduating with an Associates' degree (AA). Ultimately, providing various strategies for students to receive a post-secondary education will be paramount. This aligns with the goal of creating a pipeline for future Metro employees, as 65% of Metro's job classifications require a college degree, and the needs of the industry to fill management and leadership positions; and

- SEED LA will partner with labor, the private sector, community colleges and community organizations to develop culturally-sensitive training programs with wrap-around services (as needed).

In addition to the SEED LA School, the Vermont Manchester campus will also have an on-site transit job training center, that will expand the opportunities for disadvantaged non-school aged residents from across the County to seek opportunities for job training to prepare themselves for careers in the transit industry in coordination with Metro's WIN LA Program.

Given the shared goal with the industry, it is anticipated that long term, continuing support will also be provided by the industry to the SEED Foundation through philanthropic donations.

A Frequently Asked Questions document is provided as Attachment C.

Engagement with LA County Schools & Teachers -- E3 Initiative

The work that has been conducted to develop this project has led Metro to better understand the diverse needs of our communities. The numerous needs of our youth and the opportunity to help them create positive and productive futures, was the inspiration to create a broader approach to connecting with the emerging workforce. To meet this objective, Metro has developed the Expose, Educate, and Employ Youth Initiative (E3). Beyond the SEED LA School, this E3 aims to expose, educate and employ the next generation of youth across the County into the transportation infrastructure industry. The E3 initiative will broaden Metro connections with the future workforce by expanding school tours, providing teacher education about careers in transportation and expanding internships and summer camp models to connect youth from throughout the County with the transportation industry.

DETERMINATION OF SAFETY IMPACT

This Board action will have no adverse impact on safety standards for Metro.

FINANCIAL IMPACT

Staff requests that the Board program funds as follows, not to exceed $2.875 million in FY21, $3.631 million in FY22, $4.494 million in FY23 and $5 million in FY24 through FY35 once the school is fully operational. This programming will last for the duration of 15 fiscal years from FY21 through FY35. Annual budgeted commitments from Metro shall be no greater than $5M. The maximum cumulative program allocation shall be no greater than ~~$75~~ $71 M.

As part of the solicitation process, the SEED Foundation provided a proforma for the costs associated with the round-the-clock services provided within a 5-day a week boarding school. Once

the school is fully operational, with 400 students, there will be 52 staff members dedicated to the non-academic portion of the boarding school facility. Their duties will range from dedicated mental and health service delivery, facility operations and maintenance, resource coordinators, management, and various other operations. The total expenses associated with personnel costs are approximately $3.76 million per year.

Other costs associated with the school include debt service for the facility, estimated at approximately $2.25 million per year, food at $1.3 million per year, student transportation at $350,000 per year, and various building, programmatic and administrative-related expenses at $2.34 million per year.

The annual Metro allocation can be reduced depending on proceeds from external state and federal grants sought by Metro and charitable contributions to the SEED Foundation. SEED has committed to raising any other necessary funds beyond the $10 million annual operating subsidy that is required from Metro and the County of Los Angeles. This will be shared equally between the two agencies.

Since this is multi-year long range programming effort, the Chief of Human Capital & Development will be responsible for budgeting costs in the current and future fiscal years.

Impact to Budget

As development and implementation occur, staff will assign eligible funds to the respective workforce initiative. Potential future Metro fund sources for the transportation school include external federal and state grants, Proposition A, C, Measure R Planning and Administration, General funds and other future fund sources eligible for workforce development and training based on eligibility and availability. Before programming funding eligible for transit operations, Metro will exhaust all other sources.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan Goal #3 (Enhance Communities and lives through mobility and access to opportunity) - Initiative #3.1 (To lift up local communities, Metro will create jobs and career pathways in transportation). As part of the E3 Initiative, Metro is developing a transportation focused school curriculum to extend the career pipeline to high school students to cultivate the transportation infrastructure workforce of the future. The high school will complement the E3 Initiative by connecting school-age children throughout the County with the opportunity-rich industry of transportation infrastructure.

ALTERNATIVES CONSIDERED

The Board could choose not to proceed with the recommended action. Staff does not recommend proceeding with this alternative since it does not address the priorities outlined in the Board motion to address the agency's workforce needs.

The Board could choose to program at five year intervals. This is not recommended as it may not provide the County and the SEED Foundation the certainty of funding required to finance the

construction of the school.

NEXT STEPS

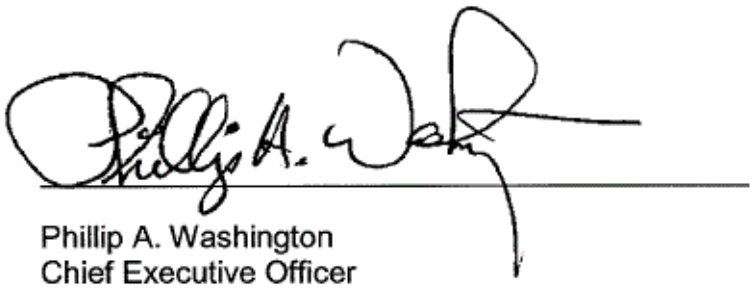
Upon approval by the Board, staff will execute the Funding Agreement with the County.

ATTACHMENTS

Attachment A - Motion 43
Attachment B - The SEED School of Los Angeles County
Attachment C - Transportation School FAQ
Attachment D - E3 External Stakeholder List

Prepared by: Joanne Peterson, Chief Human Capital & Development, (213) 418-3088

Reviewed by: Stephanie Wiggins, Deputy CEO, (213) 922-1023
Phillip A. Washington, Chief Executive Officer (213) 922-7555



Phillip A. Washington
Chief Executive Officer

Metro

Metro

Board Report

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

File #:2017-0271, **File Type:**Motion / Motion Response

Agenda Number:43.

EXECUTIVE MANAGEMENT COMMITTEE
APRIL 20, 2017

Motion by:

Ridley-Thomas, Fasana, Garcetti, Barger, Garcia and Dupont-Walker

Item 43: Supporting Access to Careers in Los Angeles County's Transportation Sector for At-Risk Youth

Following the passage of Measure M, the Los Angeles County Metropolitan Transportation Authority (Metro) is poised to dramatically transform the transportation infrastructure of the region, and in doing so, propel the development of a sizable workforce to support the planning, construction, operations and maintenance of our expanding system. Specifically, the Los Angeles Economic Development Corporation (LAEDC) estimates that 778,000 jobs and $133.6 billion in economic output will result from infrastructure projects funded by Metro's Traffic Improvement Plan over the next half century. LAEDC further projects that the construction, architecture and engineering fields would experience the highest percentage of growth.

Over the next three years, 39% of the Metro workforce will be fully eligible for retirement. Metro has numerous programs in place to support inclusive contracting opportunities and a diverse workforce. Specially, the Department of Economic Opportunity and Diversity systemically identifies opportunities to expand participation of small, local and veteran-owned businesses through all of Metro's contracts. In addition, Metro has instituted numerous workforce development initiatives including the Workforce Initiative Now - Los Angeles (WIN-LA) Program, as well as an agency-wide Project Labor Agreement which requires the significant participation of targeted and disadvantaged worker populations on major construction projects.

However, in order to further foster a pipeline of qualified, local individuals for careers in the

transportation sector, Metro should also consider engaging youth early on, potentially as part of their middle or high school experience. Moreover, there is an opportunity to collaborate with at-risk populations including youth involved with the County of Los Angeles' (County) Probation and Children and Family Services (DCFS) Departments to expose and connect them to transit-related educational and career opportunities if their interests align.

DCFS serves nearly 35,000 children and their families across the County. High school graduation rates for this population are abysmal, with only 45 percent of foster youth in California completing high school, compared with 79 percent of the general student population. Nationally, only six percent of former foster youth have earned a two or four-year degree by age 24, and only one in two foster youth is employed by age 24. Even more alarming, one in five foster youth becomes homeless after aging out of the system.

Additionally, the County's Probation Department supervises approximately 6,000 youth in the community and detains or incarcerates approximately another 1,100 on a daily basis. National statistics indicate that most youth in the juvenile justice system have had unstable educational histories with a high number of school transitions and disciplinary actions (i.e., suspensions). Researchers have found that over 40% may be enrolled in special education classes, approximately 50% perform below grade level, and as low as only 20 to 40% of justice-involved youth ultimately earn a diploma or General Equivalency Degree.

Given these statistics, exposure from an early age to transit-related careers combined with vocational preparation and specific job training could significantly transform the self-sufficiency and well-being of young people in the County's care as they transition to adulthood. This type of collaboration could not only help meet Metro's long-term workforce development goals, but also create a career pathway for many young disenfranchised populations who are, or have been, under the care and supervision of the County of Los Angeles.

APPROVE **Motion by Ridley-Thomas, Fasana, Garcetti, Barger, Garcia and Dupont-Walker** to direct the Chief Executive Officer, in consultation with appropriate Departments of the County of Los Angeles including the Probation Department, Children and Family Services Department, Office of Education, the Department of Workforce Development, Aging, and Community Services, Department

of Public Social Services, and other appropriate entities, to report back to the Executive Management Committee during the June board cycle with a proposed framework for a pilot educational and vocational training program, specifically though not exclusively targeting youth involved in the County's Probation or Child Welfare System, with the objective of facilitating career pathways for local youth into Los Angeles County's transportation sector.

Attachment B

THE SEED SCHOOL OF LOS ANGELES COUNTY

A college-prep boarding school for career readiness in transportation infrastructure, STEM and the humanities

SEED

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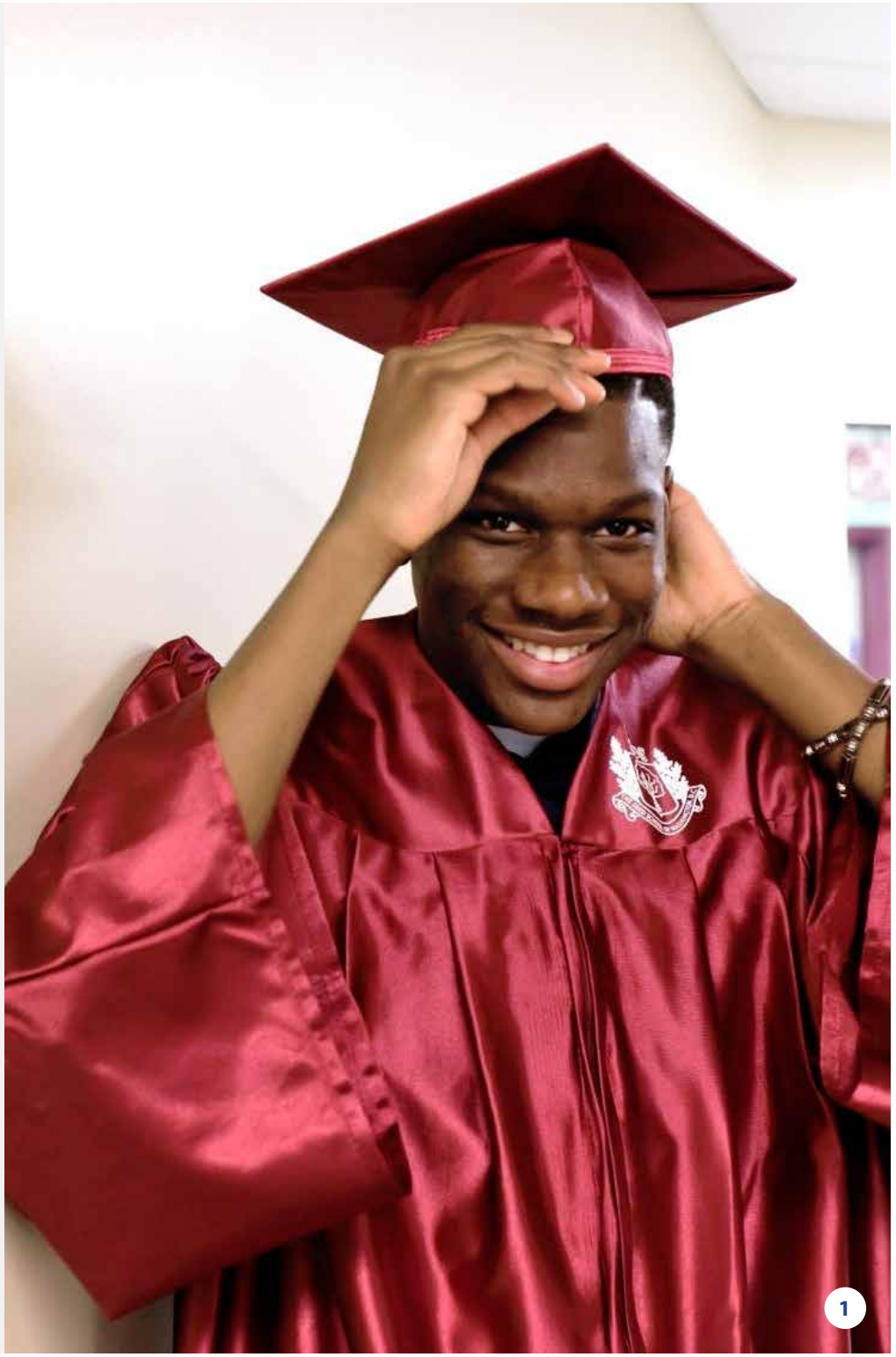
VISION AND MISSION

The SEED Foundation

The SEED Foundation (SEED) believes in access to quality education and college completion as a solution to urban poverty. In 1998 SEED created the first public boarding school model to help children from high-need backgrounds achieve their dreams of high school graduation and post-secondary success.

SEED partners with urban communities to design and operate college-preparatory, public boarding schools that serve students five days a week from grades six through twelve. For 20 years SEED has implemented an innovative model that integrates a rigorous academic program with a nurturing boarding program. The SEED model teaches life skills and provides a safe and secure environment to help children from high-need backgrounds achieve their dreams. SEED's boarding model includes academic, residential, mental health, physical health, social, and enrichment programs, and has succeeded at preparing underserved students to become first-generation college graduates.

To date, SEED serves nearly 1,000 students in three schools: The SEED School of Washington, D.C. (opened in 1998), The SEED School of Maryland (opened in 2008) and The SEED School of Miami (opened in 2014).



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The SEED School of Los Angeles County

The SEED School of Los Angeles County (SEED LA), a public college-prep boarding school for career readiness in transportation infrastructure, STEM and the humanities, will be a public charter boarding high school with the primary mission to provide an outstanding, intensive educational program that prepares adolescents both academically and socially, for success in college, career and life. The school will prepare Los Angeles County youth both academically and socially for post-secondary success by including a career-readiness curriculum and programming that prepares students for opportunities in the transportation infrastructure industry, STEM and the humanities.

SEED LA's Educational Philosophy: Industry-Aligned College-Prep and Career Education through the Five E's

- **Exposure (9th Grade):** Students will be introduced to and exposed to college and career opportunities in the transportation infrastructure industry.

- **Exploration (10th Grade):** Students will explore college and career options in the transportation infrastructure industry focused on research, development and evaluation.

- **Engagement (11th Grade):** Students will engage in college and transportation infrastructure career pathways and the social and environmental impacts of global transportation infrastructure needs.

- **Experience (12th Grade and beyond):** Students will experience careers in the transportation infrastructure industry through internship programs, including LA Metro's Transportation Careers Academy Program (TCAP) for 12th graders and the LA Metro Internship Program (MIP) for college and graduate students.

- **Employment (Graduation and beyond):** Leveraging their experience in transportation infrastructure internship programs, SEED LA graduates will be prepared for careers in the global transportation infrastructure industry.

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THE NEED TO BE ADDRESSED

The Los Angeles metropolitan area struggles with one of the highest youth unemployment rates in the country. Although the passage of Measure M will generate more than 778,000 new jobs in the next 40 years, the transportation infrastructure industry is struggling to meet the demand for a skilled workforce.

As provided in the response to Los Angeles County's Request for Proposals, SEED LA is being proposed to meet the needs of *Resilience Youth*: "students for whom high quality, trauma-informed education, healthcare, housing, mentoring, nutrition, recreational opportunities, and/or supportive services would have a measurable impact on well-being, motivation, and self-sufficiency and offer significant prospects they may otherwise not have been able to access."

In Los Angeles County

28,000
Youth are in foster care

10,000
Youth are currently on probation or incarcerated

77,146
Students are experiencing homelessness

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For high-performing students with stable home and community environments, a traditional school may be all they need to reach their full potential. But for many students who face challenges in the classroom, their community or at home, a more comprehensive 24-hour support model is needed. For thousands of children, a boarding school program is exactly what they need to succeed.

Student Population

SEED LA will serve 400 students in grades 9-12 who have faced tremendous adversity. The final enrollment criteria and preferences will be decided with the Los Angeles County Office of Education and Los Angeles County partners, but we anticipate that students eligible to attend SEED LA will meet eligibility criteria such as:

- **below 200% of the federal poverty guidelines**
- **family experience with housing instability**
- **qualify for Title IV-B dollars**
- **history of contact with the child welfare and/or juvenile justice systems through the Department of Children and Family Services or the Probation Department**

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SEED LA'S EDUCATION MODEL

Signature Themes and Educational Concepts

SEED LA's education model is a rigorous college-preparatory program for all students with an intensive focus on literacy and numeracy including coordinated instruction and support opportunities within a 24-hour boarding environment. All coursework is designed to prepare students to matriculate to a selective four-year university with no need for remedial courses and for careers in the global transportation infrastructure industry. Academic and student life curricula are coordinated to promote critical social and non-cognitive skills (e.g. resiliency, long-term goal-setting) and habits of mind (e.g. critical and analytical thinking, academic inquisitiveness) that contribute to personal success within a college environment and career. College preparation and support continue through college with targeted support and assistance from the school-based college counseling office and The SEED Foundation's College Transition and Success (CTS) Team.

The SEED Foundation, in collaboration with LA Metro and Los Angeles County, has designed a program that meets the needs of the Los Angeles community. Similar to existing SEED schools, SEED LA will include college-prep academics, social emotional skills/non-cognitive skills development, college knowledge advising/advising through career selection, wrap around services, family and community engagement, experiential learning, and connected-work based learning and presentations of learning. These programmatic themes are tenants of the proposed Signature Practices presented in LA Metro's Transportation School Final Feasibility Report. SEED LA will be the first public boarding school to focus on the future workforce needs of the global transportation infrastructure industry.

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As the program ramps-up to full scale, SEED LA will also feature dual enrollment, industry courses, and industry-recognized vocational training and certifications that align with transportation infrastructure careers such as: engineering, information technology, public administration and policy, urban and regional planning, and logistics and supply chain management. To establish excellence at the outset, SEED LA will gradually phase in concepts that are new to the SEED model such as CTE, vocational training and industry-recognized certifications. A sample course description for SEED LA's CTE program is included in **Exhibit A.** To incorporate these new program elements, SEED's program design team will seek guidance from an advisory board that will include LA Metro and other local leaders in transportation infrastructure industry to create a technical education program that produces a pipeline of skilled graduates ready to embark on opportunities in the transportation infrastructure sector. SEED LA will pursue accreditation from Accrediting Commission for Schools Western Association of Schools and Colleges (ACS WASC).

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SEED LA'S EDUCATION MODEL

SEED LA's key programmatic themes incorporate SEED's core model with signature practices proposed by LA Metro's leadership:

COLLEGE PREP ACADEMICS

Students will receive a college-preparatory education that provides them with the academic, organizational and professional life skills to enable the student to attend and succeed in college. Although not implemented in its inaugural year, SEED LA will also include dual enrollment and CTE/industry certifications once the program reaches full scale.

SOCIAL EMOTIONAL SKILLS

Students will enhance their social and emotional skills through the student life program. The core component of the student life program is SEED's HALLS (Habits for Achieving Life-Long Success) which has three areas of focus: providing academic support, leading the development of social and non-cognitive skills and providing enrichment and community building.

COLLEGE KNOWLEDGE & ADVISING

In addition to a rigorous instructional program, SEED LA will include a structured college counseling and success program, beginning with the student's entry to SEED, based on frequent and varied college exposure and targeted instruction on how to navigate the college completion process.

WRAP-AROUND SERVICES

Students will receive supports that address all barriers to success in education, career, and life. SEED LA's student support services will comprise of mental health services delivered by licensed practitioners and skilled mental health professionals in addition to health/wellness and physical education.

FAMILY AND COMMUNITY ENGAGEMENT

Students are civically engaged, active participants in the continual improvement of their surrounding community. Similar to existing SEED schools SEED LA will feature a F.A.C.E. (Family and Community Engagement) Office that will feature staff focused on family outreach, home visits and programming for families that support SEED LA's mission.

EXPERIENTIAL LEARNING

Students learn and practice real-world skills through on-site learning laboratories outfitted with state-of-the-art STEM equipment. Students will also develop a network of career connections through internships, social enterprise and mentorships. The boarding program will include external opportunities such as lecture series, field trips to ports and professional lab tours in infrastructure and engineering. The boarding curriculum will include courses in coding, Makerspace and robotics.

TECHNOLOGICALLY ADVANCED

Students have one-to-one computer access and understand how to use a host of computer programs. Curriculum leverages basic computer-based technology skills as well as career-aligned technology programs. On a broader systemic level, SEED commits to comprehensive technology integration and using a school-wide data management plan and system that informs staff and faculty decision making.

PRESENTATIONS OF LEARNING

Learning does not just live within the classroom walls. Students have multiple opportunities to showcase their learning to a community and real-world audience through presentations, competitions, and exhibitions. Annual POLs will require students to present a summary of performance-based assessments in each course and to reflect on their academic and social growth that school year.

ARTS AND HUMANITIES

SEED LA will incorporate its STEM program with an arts and humanities program through interdisciplinary assignments and projects and external experiences, including partnerships with local youth-based art initiatives at the community and university level, to appeal to the talents and interests of all students.

DUAL ENROLLMENT & INDUSTRY CERTIFICATIONS

Students will have pathways to complete dual enrollment in college courses while in high school, with the potential of graduating with an AA degree. Although not offered in the program's inaugural year, as the program ramps-up students will have the option of attaining industry certifications to successfully transition into college and career.

RESTORATIVE JUSTICE

School discipline focuses on repairing harm through inclusive restorative justice practices that engage all stakeholders rather than punitive measures. Practices allow students who have interacted with the juvenile justice system the opportunity to take accountability for the harm they caused, take action to repair that harm, and restore trust in the school community justice practices that engage all stakeholders rather than punitive measures. Practices allow offenders the opportunity to take accountability for the harm they caused, take action to repair that harm, and restore trust in the school community.

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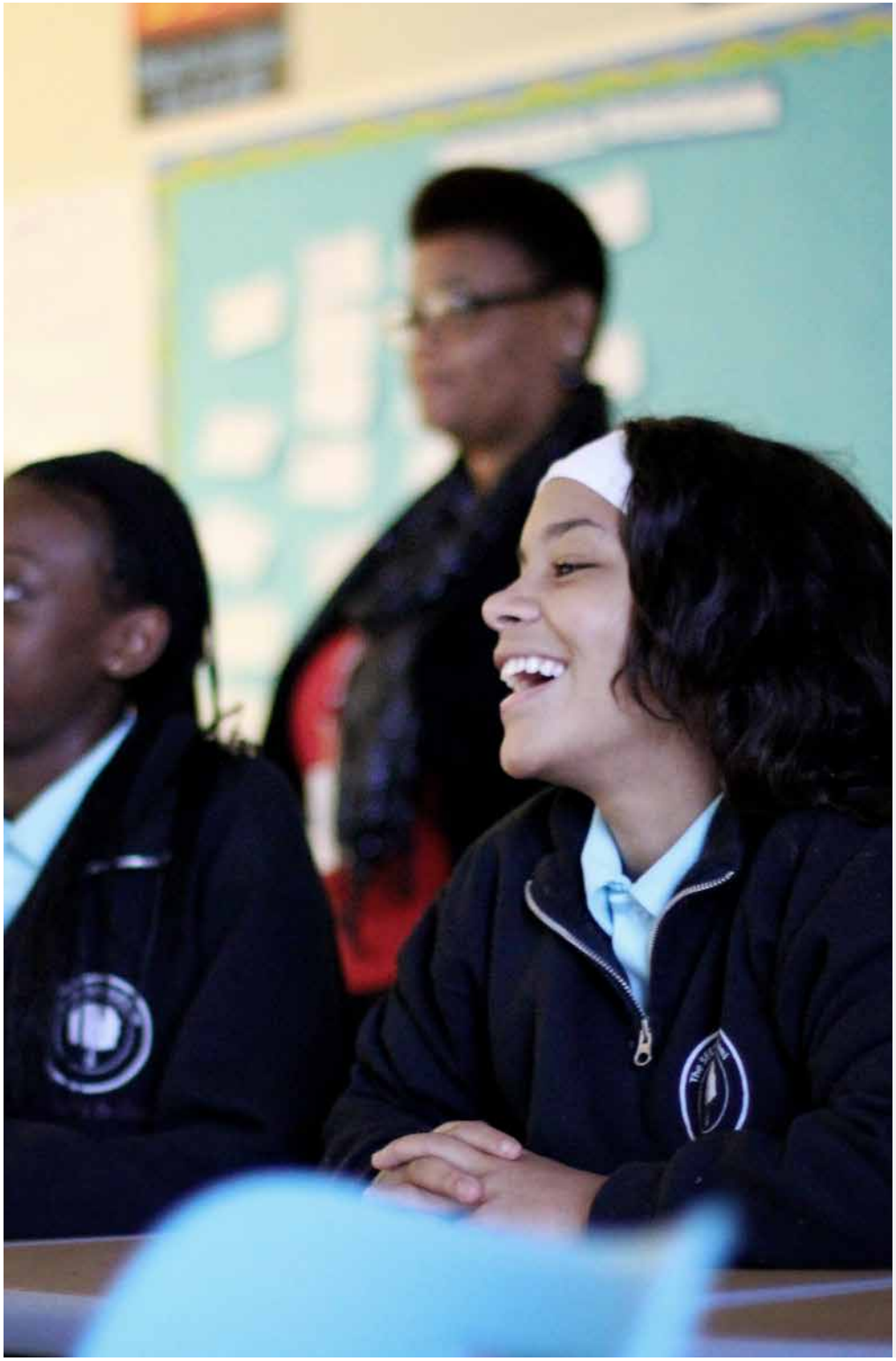

Academic and Student Life Program

SEED LA's high school instructional practices will be based on the belief that all high school students are capable of responding to rigorous curriculum. SEED's experience in adjusting its college readiness curriculum to different state jurisdictions will provide guidance in guaranteeing that the curriculum at SEED LA will be in compliance with the regulations and policies of California and the A-G requirements to enter a four-year college.

SEED proposes the below listed graduation requirements for SEED LA that will include diverse electives that emphasize the program's transportation infrastructure, STEM, innovation and humanities themes and meet or exceed the California A-G requirements. A description of sample courses to be offered at SEED LA is attached as **Exhibit A.**

Subject	California A-G Requirements	SEED LA Requirements
English	4 years	4 years
Math	3 years	4 years
World History	1 year	1 year
US History	1 year	1 year
American Gov.	½ year	½ year
Economics	½ year	½ year
Science	2 years	3 years lab sciences + environmental science
World Lang.	2 years	2 + years
Phys. Ed.	2 years	2 years
Health	½ year	½ year
Arts/Music	1 year	2 years
Electives	1 year	3 years

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SEED LA's Industry Linked Learning approach will build its high school academic program around the transportation infrastructure industry through the Five E's. A sample scope and sequence for SEED LA is provided in **Exhibit B**. Transportation infrastructure industry electives offered in the program will include ,for example, seminars that engage students in career options in the transportation infrastructure industry focused on research, development and evaluation, as well as the social and environmental impacts of global transportation infrastructure needs.

To enhance the students' awareness of the applicability of their STEM courses to careers that they might pursue in the transportation infrastructure sector, SEED LA's teachers will be guided to incorporate making job skill connections for each course of study as aligned to California CTE and content standards. To support the continued development of its academic and student life staff, SEED LA will adopt the following systems and structures: Professional Learning Communities (PLCs), Communities of Practice (COPs), Department Chairs, and Cohort Leads. Additionally, SEED LA's instructional methods, practices, and topics will include but not limited to the following: Direct Instruction, Cooperative Learning, Inquiry-Based Learning, Project-Based Learning, Linked Learning, Expeditionary Learning, Differentiated Instruction, and Personalized Learning.

SEED LA's schedule is affected by its two programs (academic and student life) that are designed to work collaboratively to fulfill the school's innovative mission. The academic program consists of those courses and activities described above and in addition to the college-readiness activities further described below. The student life program – or boarding program – consists of academic support as well as the development of social/non-cognitive skills and life skills. Below is a typical school day schedule for how the two programs will align for SEED LA students. The sample scope and sequence of SEED LA's program provided in **Exhibit B** further illustrates the integrated approach of the academic and student life programs.

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Sample School Week Schedule for SEED LA Students

Rotating A/B Days & Blocks	Mon/Fri*	Tues/Wed/Thurs
Wake Up, Shower, Dress	6:30 – 6:45 a.m.	6:30 – 6:45 a.m.
Chores	7:05 – 7:25 a.m.	7:05 – 7:25 a.m.
Breakfast & Morning Student Life Programming	7:30-7:50 a.m.	7:30-7:50 a.m.
Students Dismissed to Classrooms	7:55 a.m.	7:55 a.m.
Block 1	8:10 – 9:40 a.m.	8:10 – 9:50 a.m.
Block 2	9:44 – 11:14 a.m.	9:44 – 11:34 a.m.
Wellness Break	11:14 – 12:29 p.m.	11:34 – 11:49 p.m.
Block 3	11:29 – 12:55 p.m.	11:49 – 1:28 p.m.
LUNCH	12:59 – 1:47 p.m.	1:32 – 2:17 p.m.
Block 4	1:51 – 3:30 p.m.	2:20 – 3:30 p.m.
Community Meeting (Mon.) Check-Out (Fri)	3:30 – 4 p.m.	
Seminar in Transportation infrastructure		3:35 – 5:00p.m.
Dorms Open/Snack	4:00 p.m.	4:00 p.m.
Activities/Athletics	4:05 – 5:45 p.m.	4:05 – 5:45 p.m.
Sparks	5:45 – 6:15 p.m.	6:15 – 6:45 p.m.
DINNER	6:15 – 6:45 p.m.	6:15 – 6:45 p.m.
Study Hall	7:00 – 9:30 p.m.	7:00 – 9:30 p.m.
Student Wellness Community & Time	9:30 – 10:00 p.m.	9:30 – 10:00 p.m.
Quiet House	10:15 – 10:45 p.m.	10:15 – 10:45 p.m.
Lights Out	10: 45 p.m.	10: 45 p.m.

**Students check-out on Friday afternoons and check-in on Sunday evenings.*

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In addition to engaging in rigorous academics, SEED believes in being a contributing member of the community and that the community has essential resources to augment the educational experience of SEED youth. To that end, in addition to requiring 210 credits to graduate, SEED LA students will also be required to give 100 hours of service to their community.

The student life program works hand-in-hand with all other school departments and in partnership with students' families to support students and help them achieve academic success. An example of this includes the twice daily communication between student life and academic staff regarding SEED students. Every morning, student life staff prepare a report for the academic staff that details each student's status. This report lets teachers know if their students faced any challenges with homework, family, and/or emotional or social issues since the end of the previous school day. In the evening, teachers report to the student life staff by providing that day's lesson plans and homework assignments. Teachers also brief student life staff regarding any social or behavioral issues that might have occurred during the day, so that the student life staff can be aware and supportive of the student.

A final goal of the student life program is to provide enrichment and community building for students. Community building begins upon students' arrival at SEED. Each student lives in a "house" – a small group of typically 12-15 students supervised by a resident assistant (RA). Each house is named after a college or university and is decorated with banners, posters and inspirational items from that college or university. That RA will support each student, actively monitor their academic and social progress, and communicate weekly with parents/guardians, with formal communications scheduled for at least quarterly. As a group, houses participate in extracurricular activities, host events, and meet as a group to discuss topics from house rules to current events.

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External Opportunities

SEED LA will prepare tomorrow's leaders in the global transportation infrastructure industry through hands-on experience and courses that intersect with public transportation infrastructure. Through the Five E's: Exposure, Engagement, Exploration, Experience and Employment, SEED LA students will gain a deep understanding of and access to the transportation infrastructure industry.

These key design principles will embed exposure to the transportation infrastructure industry into the program's core curriculum, project-based learning opportunities, electives and external opportunities. For example, a science lab course may include lesson plans on the use of alternative power, energy and fuel in transit; a physics course may introduce students to the aviation industry by learning the basic parts and functions of planes and allowing students to test model airplanes; or a U.S. History course might discuss the creation of the federal Department of Transportation and their role in public policy. External opportunities in the transportation infrastructure industry will be a fundamental part of the SEED LA experience and will be modeled after clinical rotations in the medical field and LA Metro's and other transportation infrastructure organizations' success with their existing internship programs.

While the academic development of each student is of primary importance, SEED recognizes that the authentic experience of extracurricular activities is an important way to demonstrate or expand academic knowledge, explore and find individual passions and gain new experiences to thrive in a career. Through its external opportunities program, SEED LA will offer exposure to field trips and other activities such as lectures and regional college tours that directly relate to the school's academic disciplines. SEED LA's external opportunities program will be designed to help students ignite their interests in the global transportation infrastructure industry and build professional relationships to support their growth. External opportunities could include, for example, field trips to LA Metro and private industry partners to learn about the impact of technology including autonomous vehicles on transportation infrastructure or meetings with corporate leadership to gain a deeper understanding of logistics management solutions and transportation logistics.

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External opportunities may also include day trips and tours of the Port of Los Angeles and Los Angeles International Airport. In partnership with existing SEED campuses on the East Coast, SEED LA students will travel to major transportation infrastructure systems in Baltimore, Miami, and Washington D.C. To maximize SEED LA's location and resources, the campus will host summer institutes for SEED students across the nation to further broaden the network of potential youth exposed to the transportation infrastructure industry and unique opportunities within Los Angeles County.

Additionally, in conjunction with existing SEED schools, SEED LA will include international opportunities that help young people see themselves as global citizens with voice, purpose and access in their community and communities abroad. To offer opportunities for international study during the spring and summer breaks, SEED LA will partner with other international study abroad programs that sponsor programs that align with the scope of SEED LA's international transportation infrastructure curriculum. SEED LA seminars on international transportation infrastructure problem solving could include curriculum focused on urban design in cycling communities in Europe, electronic mobility and air quality in Asia, and innovative solutions for water transportation infrastructure in Africa. Each travel experience will require students to explore research and/or intern with a transportation infrastructure system or industry and reflect on the experience in their annual Presentation of Learning. A sample presentation of learning is provided as **Exhibit C**. Students who are not able to study aboard will have access to national and local opportunities. All students will have access to summer experiences with LA Metro and other local/national public and private transportation infrastructure organizations.

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College and Career Readiness

Studies show that college degree attainment continues to be a challenge for low-income, first-generation (LIFG) students. The achievement gaps that exist between subgroups in the elementary and secondary school years are persisting throughout the college years. Because LIFG students are disproportionately from ethnic and racial minority backgrounds, even fewer African-American and Latino LIFG students are graduating from college compared to students from more affluent socioeconomic backgrounds. SEED LA proactively addresses this challenge with its college-counseling programs.

For students who do not immediately enroll in college, SEED LA will prepare students for post-graduate opportunities in transportation infrastructure industry by helping students leverage mentorship relationships established with professionals in the industry during their high school years through existing internship programs such as LA Metro's Transportation Careers Academy Program (TCAP) and enrolling in employment programs such as WIN-LA.

SEED LA will include campus-based college-knowledge advising, preparation and support that will continue through college with targeted assistance from The SEED Foundation's College Transition & Success Team (CTS). SEED's CTS program helps students and families prepare for college, influence their college selection process and teaches them to navigate and overcome obstacles to college graduation through individualized support. SEED's CTS team only endorses colleges with a track record of success for underrepresented students with strong performance in high college graduation rates, affordable financial aid packages, and high-quality campus-based support systems. Sixty-four percent of SEED graduates who start at a SEED-endorsed colleges graduate. That's more than double the rate for students who start at non-SEED endorsed colleges.

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SEED LA's college success program will focus on expected outcomes based on five key indicators of college readiness and success:

- **College Knowledge**
- **College Counseling**
- **College Financing**
- **Academic Rigor & Curriculum**
- **Social & Non-Cognitive Skills**

Each expected outcome will be implemented by a specific strategy each grade year. A detailed description of each expected outcome is attached as **Exhibit D.**

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EXHIBIT A

Sample Course Descriptions

ELA (English Language Arts) I (Meets "B" Requirements for CA A-G)– Freshman English is a comprehensive English course of literature, composition, and language, including listening and speaking. The study of literature includes reading and comprehending a wide variety of literary forms including short stories, non-fiction, poetry, drama, novels, and spoken and visual texts. The course offers supportive reading strategies for a variety of purposes. This course also focuses on the writing process through response to literature, creative writing, and connections to real-life situations and problem solving. The study of language targets usage, mechanics, and strategies for vocabulary development integrated into literature and composition components. In addition, the course will teach grammatical concepts and applications. Students will review punctuation, capitalization, spelling, and usage as well as work on logical thinking and various modes of composition, including the research paper. Listening and speaking skills are also developed throughout the course.

Computer Program I (Meets "G" Requirements for CA A-G)– This course is an introduction to web page design and development through a series of online tutorials. These will include introductory courses in HTML, XHTML, JavaScript, CSS, and Critical Website Evaluation Criteria as well as an overview of currently accepted Web Standards as outlined by the World Wide Web Consortium. Students will build a variety of personal websites demonstrating the skill acquired from these tutorials. Students will be expected to complete a final Web project, incorporating and demonstrating the skills acquired through these tutorials.

Geometry (Meets "C" Requirements for CA A-G)- Geometry is a study of measurements, properties and relationships of points, lines and angles, or more specifically, a study of the measurements, properties and relationships of triangles, quadrilaterals, circles and the nature of deductive and inductive proofs. This proof-based logic course concentrates on the study of Euclidean geometry while incorporating sophisticated algebraic techniques. Geometric concepts include congruent triangles, parallel lines, quadrilaterals, circles, similar figures, the Pythagorean theorem, perimeter, area, volume, regular polygons, and right-triangle trigonometry. Algebraic methods include solving quadratic equations, solving systems of equations, and simplifying radicals as they relate to geometry problems. Students use theorems and definitions to write proofs and solve practical application problems. The underlying them of the course is the solution of problems by creating logical, well-supported explanations. Computer and/or other hands-on laboratory activities may be used to explore and discover geometric concepts.

Physics (Meets "D" Requirements for CA A-G) –
(Prerequisite: Completion of Advanced Biology with a grade of C or better or completion of Biology with a grade of C or better. Completion of or concurrent enrollment in Algebra II or science department.)

This is a physical science course for the college-bound student. Physics is about what happens in the world around you. It is about the colors in the rainbow and the sparkle and hardness of a diamond. Students can join the adventure as they begin to understand the world around them. This course also provides an introduction to major topics in physics. The first semester is devoted to the study of mechanics: motion, forces, and energy. Projects may include introducing students to different modes of transport by learning basic parts and functions of planes, trains and buses, and allowing students to build and test fabricated models. The second semester is devoted to the study of electricity, sound, and light. The course covers many of the same topics as Advanced Placement Physics, but with less emphasis on mathematical-problem solving and more on real-world application of physical principles. This course is for students who possess an interest in physic, basic algebra skills and a willingness to think abstractly.

History of Race & Equity in Los Angeles (Meets "G" Requirements for CA A-G) - In this course students will take an intersectional approach to the study of the History of Race and Equity in Los Angeles by analyzing how race and equity have shaped personal identity, understandings of collective belonging, social difference, structures of power and inequality, belief systems, and political and social action. Students will explore how race and equity have intersected with sometimes constituting, sometimes supporting and sometimes undermining other categories of identity and social organization including class, religion, and nation.

Seminar in Transportation Infrastructure (1 year) (Meets "G" Requirements for CA A-G and aligned to CTE Model Curriculum Standards) * - Seminar in Transportation is a year-long multi-disciplinary and open approach to a wide range of topics related to the transportation infrastructure industry. Seminars I, II and III are completed during grades 9, 10 and 11, respectively. Below is a sample of course descriptions offered during Seminar I. In Seminar I, students work individually and in groups to complete a series of courses and rail-centered projects.

(1) Introduction to Rail Transportation Infrastructure: Introduction to topics related to the rail transportation industry provides an overview of passenger and freight railroads in the past and today. Students gain an understanding of system components (e.g., such as railroad track, rolling stock, and signal communications) organizations, careers and safety and technology and sustainability. The course introduces students to new technology, research and development in the rail industry. Students are provided with the opportunity to research and present in a topic of their choice based upon what they have learned.

(2) Railroad Engineering: This course provides an exploration of public transit that includes: history, government policy, market behavior, sustainability, funding and financing, user characteristics, transit modes and technology, level of service, planning, operations, facilities design, construction, marketing, and future trends. The course emphasizes the function of public transit and the role of government units and how transit contributes to a sustainable future. Students study and apply the capabilities of transit mode alternatives and learn how to design a transit system and lay out transit routes. Students also learn and apply their skills in the relationship between the land use, urban planning, and public transit. Students maintain a working portfolio of public transit current events that link between topics studies and actual policies and practices.

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EXHIBIT A

Sample Course Descriptions

(3) Transportation Infrastructure Design: This course is an introduction to the planning design and construction process for highways, intersections, and railroads; operations, capacity, safety and geometric design features of rail systems; horizontal and vertical alignment and cross sections; design criteria, standards, environmental aspects, cost and construction considerations. Students work in groups to prepare contract plans.

(4) Logistics and Transportation Infrastructure Management: This course focuses on transportation and distribution services that support demand fulfillment from the receipt of customer orders to order fulfillment. Topics include customer service, order completion, inventory, transportation costs and modes, facility design and operation, carrier selection, and negotiation. *Pending approval by and guidance of LA County Office of Education – Career Technical Education (LACOE-CTE).

Core Internship (*Meets "G" Requirements for CA A-G and aligned to CTE Model Curriculum Standards*) – Internship is a work-based learning course of study that offers internships and employment combined with instruction in critical workplace skills.
After the junior year, students performing well enough to be on track for graduation are placed in internship positions. Students apply for these positions as they would in the open market; i.e., they prepare resumes, complete job applications, and have interviews. Companies make the hiring decisions. Students will have the chance to work closely with LA Metro during internship, while gaining valuable experience. There will be opportunities to work on policy research, office administration, attend policy and transportation related hearings and events, and work hands-on within various on-site transportation departments. Students will develop a strong passion for transportation issues and policy; excellent writing, editing, and analytical skills; and the capability of handling multiple tasks successfully in a professional environment.

25+ Hours of Community Service (*Does not Meet A-G Requirements; aligned to CTE Model Curriculum Standards*) - Community Service is a three-way relationship between the student, the school and the LA Metro transportation system. It is a Career Technical Education (CTE) course that offers an opportunity to combine classroom learning with on-the-job experience; the purpose of which is to help the student choose a career or find the "right" vocation and to achieve success based on the choice. It also provides opportunities for the student who may already be employed or who is seeking higher education or employment in a particular field of study regarding transportation. The student learns to establish short and long-range career objectives and to recognize his/her progress through establishing measurable learning objectives. School personnel and LA Metro leadership provide supervision, evaluation and suggestions for success.

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EXHIBIT B

SEED LA - Sample Scope and Sequence

	9TH GRADE	10TH GRADE	11TH GRADE	12TH GRADE
LINKED LEARNING APPROACH	**EXPOSURE:** Grounded in the Seminar in Transportation I course, students will be introduced to and exposed to college and career opportunities in the transportation infrastructure industry. Key elements and methods of Seminar in Transportation Infrastructure I include: external presentations, workshops, and project-based learning focused on critical thinking and problem-solving.	**EXPLORATION:** Grounded in the Seminar in Transportation II course, students will explore college and career options in the transportation infrastructure industry focused on research, development and evaluation. Key elements and methods of Seminar in Transportation Infrastructure II include: practice based-inquiry, action research, case studies and experiential learning focused on research, development, and evaluation of transportation designs.	**ENGAGEMENT:** Grounded in the Seminar in Transportation III course, students will engage in college and transportation infrastructure career pathways and the social and environmental impacts of global transportation infrastructure needs. Key elements and methods of Seminar in Transportation Infrastructure III include: critical thinking, creativity, communication skills, and work-based learning focused on social and environmental services, protection, and innovation.	**EXPERIENCE:*** Core Internship I is a yearlong-partnership with Metro designed after LA Metro's Transportation Career Academy Program (TCAP). Key elements and methods of Core Internship I include: career and workforce readiness and linked learning grounded in the final spring break international experience and Senior Presentation of Learning.
Academic Program				
English	ELA I	ELA II	ELA III AP Language	ELA IV AP Literature
Math	Algebra I	Geometry	Algebra II Pre Cal	Probability & Stats Calculus AP Calculus
World History		World History		
US History	US| American			
Additional History/ Social Studies				History of Race and Equity in Los Angeles*
American Government			Government AP Government	
Economics			Economics AP Economics	
Science	Physical Science	Biology AP Biology	Chemistry AP Chemistry	Physics AP Physics 1
World Languages	Spanish I	Spanish II	Spanish III	AP Spanish Language & Culture
Phys. Ed.	PE	Bicycling		
Health			Health	
Arts	Graphic Arts			
Music		Digital Music		
Electives	Seminar in Transportation Infrastructure I	Seminar in Transportation Infrastructure II	Seminar in Transportation Infrastructure III	Core Internship I

	9TH GRADE	10TH GRADE	11TH GRADE	12TH GRADE
CTE		CTE: Transportation Infrastructure Global Trade & Logistics Project Management & Business	CTE	CTE
Technology	Computer Applications I & II	Computer Applications III & IV	Computer Programming I & II	Computer Programming III & IV AP Computer Science A
Additional Requirements	25+ hours of Community Service	25+ hours of Community Service	25+ hours of Community Service	25+ hours of Community Service
Student Life Program				
Social Emotional Skills & Development	School-wide Model of Care Implementation Character Development in Student Life	School-wide Model of Care Implementation Character Development in Student Life	School-wide Model of Care Implementation Character Development in Student Life	School-wide Model of Care Implementation Character Development in Student Life
Presentation of Learning Theme:	Self-Development Community Transportation Infrastructure	Self-Development Community Transportation Infrastructure	Community College Knowledge Transportation Infrastructure	Leadership Community College Applications Sense of Place
Student Support Services & Wellness	Physical Wellness	Emotional Wellness	Mental Wellness	Occupational Wellness
Sparks and Internship Opportunities:	Coding Makerspace Robotics Intramural Sports Nutrition & Cooking Yearbook	Building Positive Relationships Identifying and Managing Stress Effectively Student Ambassadors	ACT & SAT Test Prep Preparation for Metro T-CAP: Metro Transportation Career Academy Program Mindfulness Yoga Peer Support Groups Student Government	Yearlong Metro T-CAP: Metro Transportation Career Academy Program Senior Activities
External Opportunities:	9th grade Local College Tour Corporate HQ Tour Lecture Series Mobility Ports	10th grade Regional College Tour Urban Planning Architecture Public Admin & Policy	11th National College Tour Professional Lab Tour Infrastructure Engineering IT	Logistics Supply Chain Management
International Transportation Infrastructure Problem Solving Experiences & Opportunities	Americas: Public Transportation's Impact on Rural, Small Towns, & Cities	Europe: Urban Design in Cycling Communities	Asia: Electronic mobility & air quality	Africa: Innovative Solutions for Water Transportation Infrastructure
Mentorship	Partnered with Metro and LA Industry			

*The Scope and Sequence incorporates the 5E's of SEED LA's Educational Philosophy. Not pictured is the fifth E: post-graduation employment in the global transportation infrastructure industry.

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EXHIBIT C

Presentations of Learning High School Checklist

12th grade: Leadership, Community, College Applications, & Sense of Place

- □ Executive summary & Guiding Questions
- □ Activities Resume
- □ FOUR Academic assignments (PBA's, Essays, Exams)

- ○ 1 Math
- ○ 1 Science
- ○ 1 Los Angeles County History 1 Government
- ○ 1 English
- ○ 1 Elective
  - □ One paragraph reflection on all academic assignments (4 total)
  - □ 2 HALLS Lessons (you must present on one)
  - □ Application of Seminar in Transportation Infrastructure course
  - □ Reflection of International Learning Experience
  - □ Documentation of service hours
  - □ Two (2) detailed and thoughtful service learning activity reflections
  - □ Documentation of behavioral infractions (if there are any)
    - ○ Explanation of infractions (discuss impact)
  - □ College Process materials
- ○ 2 completed college applications
- ○ 1 college acceptance letters
- ○ 2 college essays 2 letters of recommendation
- ○ SAT/ACT scores
- ○ SEED transcript
  - □ Internship or Independent Study reflection (details TBA)
  - □ One (1) reflection on extracurricular activities participated in during the year
  - □ One (1) core value mastery reflection & supporting documentation
    - ○ Why you chose one core value, whether or not you mastered this goal, challenges experienced and how you have benefited from mastery of your respective core value
  - □ Academic excellence & character awards (including scholarships)
  - □ Power Point presentation
- ○ Introduction slide
- ○ Excellence slide(s) Effort slide(s)
- ○ Exposure slide(s) Core Value slide(s)
- ○ Conclusion slide

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EXHIBIT D

Expected outcomes for college readiness & success

	Grades 9 & 10	Grade 11	Grade 12
Success Indicators			
College Knowledge	Students will understand how a variety of college experiences resonate with their personal interests and preferences and will begin to take a more self-directed approach to researching and visiting colleges.	Students will work individually with a college counselor to edit and refine their college list. Based on years of experience with LIFG students, SEED's college counselors will only endorse colleges/ universities based on right fit.	Students will undertake intensive individualized work with the college counselor and designated CTS staff to finalize their college list.
College Counseling	Students will recognize the short and long term benefits of strong performance in terms of enhanced college options.	Students will undertake an intensive application preparation program including test prep and drafting all pieces of the completed application.	Students and their counselor will develop application strategies, correspond with admissions offices and finalize matriculation decision. Seniors will work with CTS counselors to lay the groundwork for a smooth transition to college.
College Financing	Students and their families will receive accurate information about college costs and will seek out opportunities to practice the aid application process.	Students and their families will attend a series of college financing sessions.	Seniors will apply for scholarships and financial aid and will maximize assistance from college counseling and CTS staff.

	Grades 9 & 10	Grade 11	Grade 12
Success Indicators			
Academic Rigor & Curriculum	Students will be asked to make explicit connections between their academic efforts, personal academic interests and long-term academic aspirations (e.g. majoring in engineering).	Students will gain exposure to college level academic material while continuing to make connections between their academic performance, interests and college aspirations.	Students will undertake their most rigorous course of academic study while completing at least one college level course.
Social & Non-Cognitive Skills	Students will understand the long-term value associated with social and non-cognitive skills, including their relevance for their own personal college goal.	Students will understand how developing social and non-cognitive skills (e.g. tenacity) will enhance their ability to make the most of their future college experiences.	Students will be expected to take on both formal and informal leadership roles.

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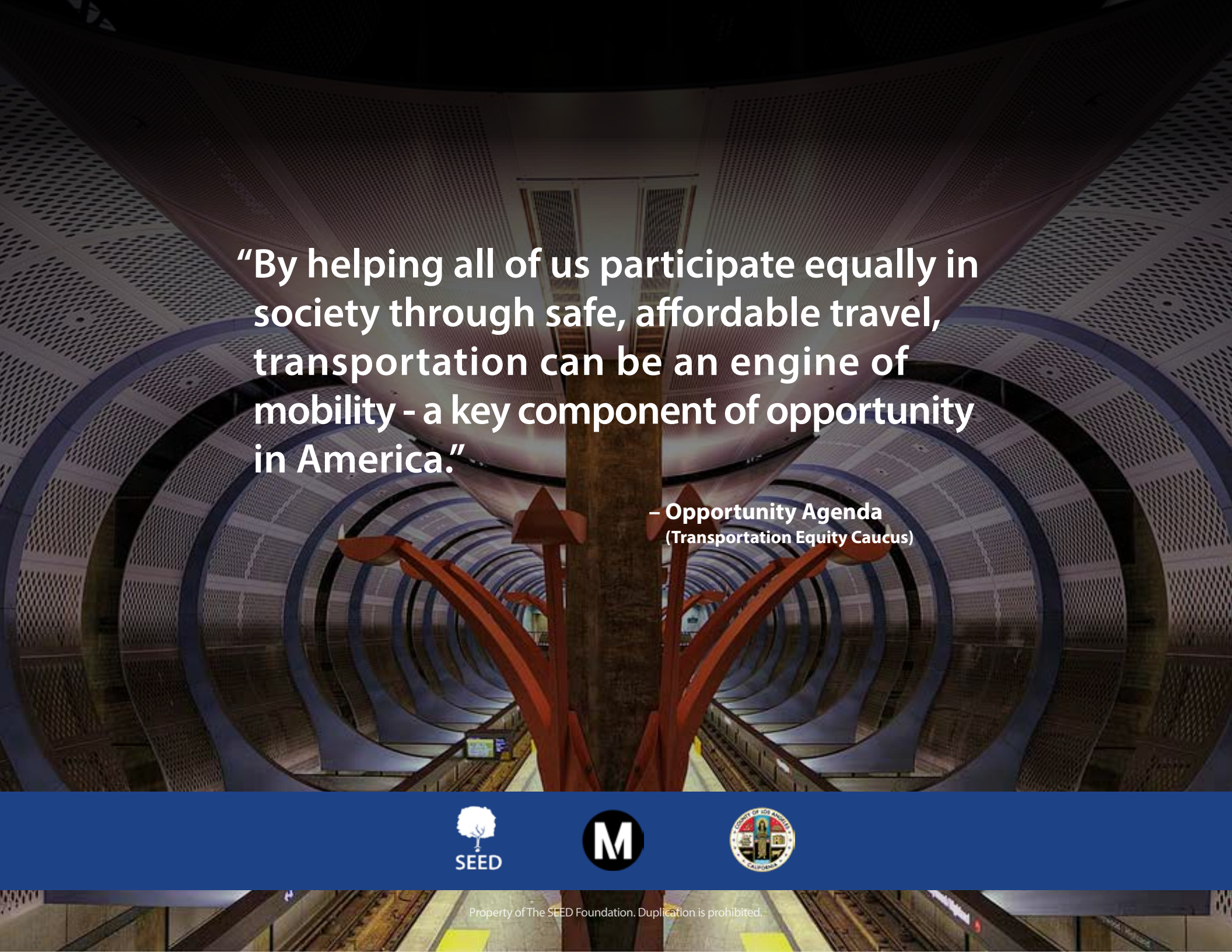

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Transportation Infrastructure School
FAQ's

(as of October 10, 2018)

Purpose of the School

1. What is the SEED School of LA County (SEED LA)?

A college prep public boarding school for career readiness in transportation infrastructure, STEM, and the humanities.

2. What population will SEED LA serve?

SEED LA will serve 400 students in grades 9-12 and is open to all students, but will target students who have faced tremendous adversity. The final enrollment criteria and preferences will be decided with the Los Angeles County Office of Education (LACOE) and Los Angeles County partners, but we anticipate that students eligible to attend SEED LA will meet eligibility criteria such as:

- live within the County of Los Angeles
- family income below 200% of the federal poverty guidelines
- family experience with housing instability
- qualify for Title IV-B dollars
- history of contact with the child welfare and/or juvenile justice systems through the Los Angeles County Department of Children and Family Services or Probation Department

NOTE: In Los Angeles County, 28,000 youth are in the foster care system, 10,000 youth are currently on probation or incarcerated, and 77,146 students are experiencing homelessness.

3. How has Metro influenced the SEED LA curriculum?

SEED has agreed to the following Educational Philosophy: Industry-Aligned College Prep and Career Education through the Five E's:

- *Exposure (9th Grade):*
  - Students will be introduced to and exposed to college & career opportunities in the transportation infrastructure industry
- Exploration (10th Grade):
  - Students will explore college & career options in the transportation infrastructure industry focused on research, development, & evaluation
- Engagement (11th Grade):
  - Students will engage in college & transportation infrastructure career pathways & the social & environmental impacts of global transportation infrastructure needs
- Experience (12th Grade):
  - Students will experience careers in the transportation infrastructure industry through internship programs, including Metro's Transportation

Careers Academy Program for 12th graders & the Metro Internship Program for college & graduate students

- Employment (Graduation & beyond):
    - Leveraging their experience in transportation infrastructure internship programs, SEED LA graduates will be prepared for careers in the global transportation infrastructure industry.

4. **A boarding school model is expensive. State foster care grant dollars are moving away from a group (boarding) home model. Isn't there a less costly way of investing in education without a boarding school?**

For high-performing students with stable home and community environments, a traditional school may be all they need to reach their full potential. But for many students who face challenges in the classroom, their community or at home, a more comprehensive 24-hour support model is needed. For thousands of children, a boarding school program is exactly what they need to succeed.

This is similar to the "pay for success" or preventative model that has been championed by the County Board of Supervisors, where they pay for preventative services knowing that if these youth don't change life course, they will cost the County more in the long-term.

The SEED Foundation has made the public boarding school work in three locations: DC, Baltimore, and Miami.

Structure of the SEED School

5. Is the SEED School going to be a Charter School?

Yes, the SEED School is a public charter boarding school. Specifically, it will be a countywide charter school through the LACOE which will allow us to draw from students across the entire county versus being limited to one school district. LACOE is the nation's largest regional education agency and directly serves the at-risk populations that the school plans to enroll.

6. What is SEED's track record on graduation rates?

Of note: more than 80% of SEED students are low-income, first generation, college-bound students yet they beat the odds with SEED. 90% of SEED 9th graders graduate from high school compared to 45% of foster youth in California graduating from high school. 92% of SEED graduates enroll in college and they graduate at three and a half times the rate of low income, first generation college students nationally.

7. Are SEED employees subject to collective bargaining?

Currently, there are no unions at SEED schools but SEED does not prohibit collective bargaining. SEED is amenable to agreements with local school districts and attempts to have a positive working relationship with such stakeholders.

Funding Philosophy

8. Metro already approved $1 million in pre-development costs. What is it for?

The predevelopment budget for the SEED School is $3.6 million, to be funded ($1 million from Metro, $1 million from LA County, and $1.6 million from SEED). The Metro contribution will go towards the architectural and engineering work to design the project, environmental assessments, and administration (including support of the development of the charter) during the predevelopment phase of the project. (see Attached for more info). The fund source for the pre-development costs is Prop A, Prop C, and TDA.

9. How is the construction of the school being funded?

The constructions costs are envisioned to be financed with tax credits, and a portion of the operating subsidy (they are estimating that $2.25M of the $10M total operating subsidy required) would be used to pay the debt service. This is very affordable financing.

10. How much is the longer term operating subsidy commitment? How does Metro plan to fund it?

The operating subsidy commitment from Metro is anticipated to grow from $3.5 million the first year, when there are approximately 100 students enrolled, and grow incrementally each year until the school is fully enrolled with 400 students in year 4 of operation. At that point, $5 million will be required for year for the subsequent 11 years for a total subsidy of $70 million - $75 million.

A capital stack or tiered approach is the Metro plan. The first tier is to receive external workforce development grants – state and federal; followed by the second tier -- philanthropy; followed by the third tier - Metro funds for workforce development, if needed.

LA Metro E3 Initiative External Stakeholders

Organization	Department
K-12:	
Los Angeles County Office of Education	Division of Student Programs Career Technical Education Division of Accountability, Support and Monitoring
Los Angeles Unified School District	Linked Learning Career Technical Education Department
Da Vinci Institute	Da Vinci Extension
College:	
Cerritos College	Clean Energy and Transportation Initiative
Long Beach City College	Global Logistics for Los Angeles Global Logistics for Orange County School of Career Technical Education
Los Angeles Trade Tech College	Pathway Innovation & Institutional Effectiveness Advanced Transportation and Manufacturing Pathway Navigator Transportation Workforce Institute
California State University Los Angeles	Department of Management
Southwest College	Career Technical Education Workforce Development
Rio Hondo	Career & Technical Education Program Alternative Fuels Program
East LA College	Technology & Logistics Program
Mission College	Executive Management
California State University Dominguez Hills	Mervyn M. Dymally African American Political & Economic Institute
Agency Partners and Wraparound Support Partners:	
Department of Children and Family Services	Education Section
Pro-GTL (Global Trade & Logistics) Regional Consortia	Career Technical Education Workforce Development
Southern CA Regional Transportation Training Consortium	Management Team
International Trade Education Programs	
Workforce Development, Aging and Community Services	Business Services and Strategic Partnerships
Los Angeles County Probation Department	Education Services
Opportunity Youth Collaborative	
Children's Law Center of California	Development & Communications
Drew Child Development Corporation	Executive Management
Workforce Experts	
LA Area Chamber of Commerce	Center for Global Trade & Foreign Investment Transportation Council
LA Area Chamber of Commerce, UNITE-LA and the LA COMPACT	Education and Workforce Development
New America	Center on Education and Skills
Transportation Agency Partners	
Los Angeles World Airports	Human Relations Community Relations
Port of Long Beach	Community Relations

LA Metro E3 Initiative External Stakeholders

Burlington Northern Santa Fe Railway Company	Government Affairs
Union Pacific Railroad	Public Policy & Community Affairs
Elected Representatives	
Los Angeles County Board of Supervisors District 2	
City of Los Angeles District 8	
Los Angeles County Board of Supervisors District 3	
City of Los Angeles, Mayor's Office	
Board Staffers	
Councilmember Harris-Dawson's Office	
Los Angeles County Public Works	Government Relations Group
Los Angeles City Councilmember District 2	
City of Los Angeles, Mayor's Office	
Los Angeles County Board of Supervisors District 3	
City of Inglewood, Mayor's Office	
Los Angeles County Registrar-Recorder / County Clerk	
City of Long Beach, Mayor's Office	
Los Angeles County Board of Supervisors District 2	
Transportation School Partners	
ExED	
SEED Foundation	