



Board Report

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

Agenda Number: 5.

INDEPENDENT CITIZEN'S ADVISORY AND OVERSIGHT COMMITTEE MARCH 5, 2025

SUBJECT: LOCAL RETURN

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

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

ISSUE

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

EQUITY PLATFORM

Local Return receives a 25% and 20% revenue share respectively of the Proposition A and Proposition C funding that is apportioned to local jurisdictions by population. Under Board-adopted guidelines, this item enables the programming of funds to recipients to support the implementation of various transportation projects and improvements throughout the region. This includes improvements for public access, paratransit services for seniors and individuals with disabilities, and transit subsidies for students and low-income residents. Local Jurisdictions make the determination of the projects that are most beneficial for their communities. Staff will continue to support jurisdictions in meeting Local Return requirements through workshops, multiple written communications regarding deadlines and one-on-one briefings with the goal of improving program compliance. The number of audit findings has decreased each year since FY22.

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Prop A and Prop C Local Return



Independent Citizen's Advisory and Oversight Committee

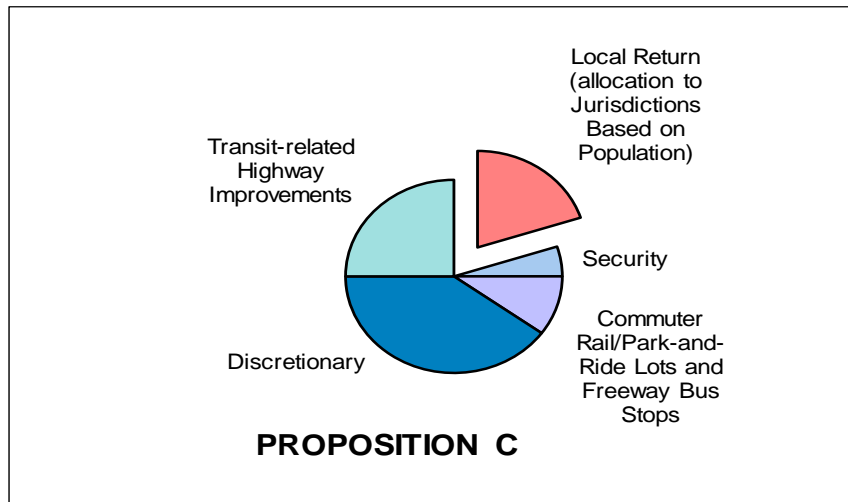
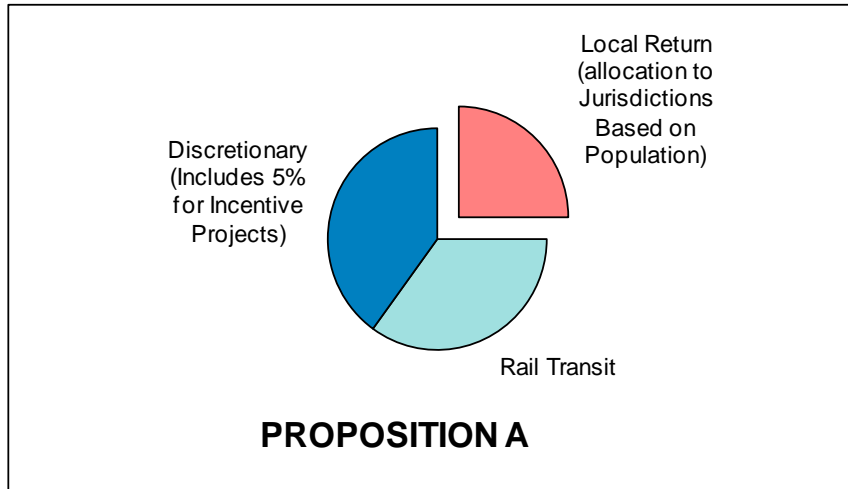
Local Programming

March 2025 update



Metro

Local Return (LR) – Prop A and Prop C



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

Local Return – Updates

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

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

Metro Board Bus Shelters Motion (March 2023)

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

Summary of Audit Findings

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

Summary of Audit Findings (continued)

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

FY25 Prop A and Prop C Local Return Fund Usage

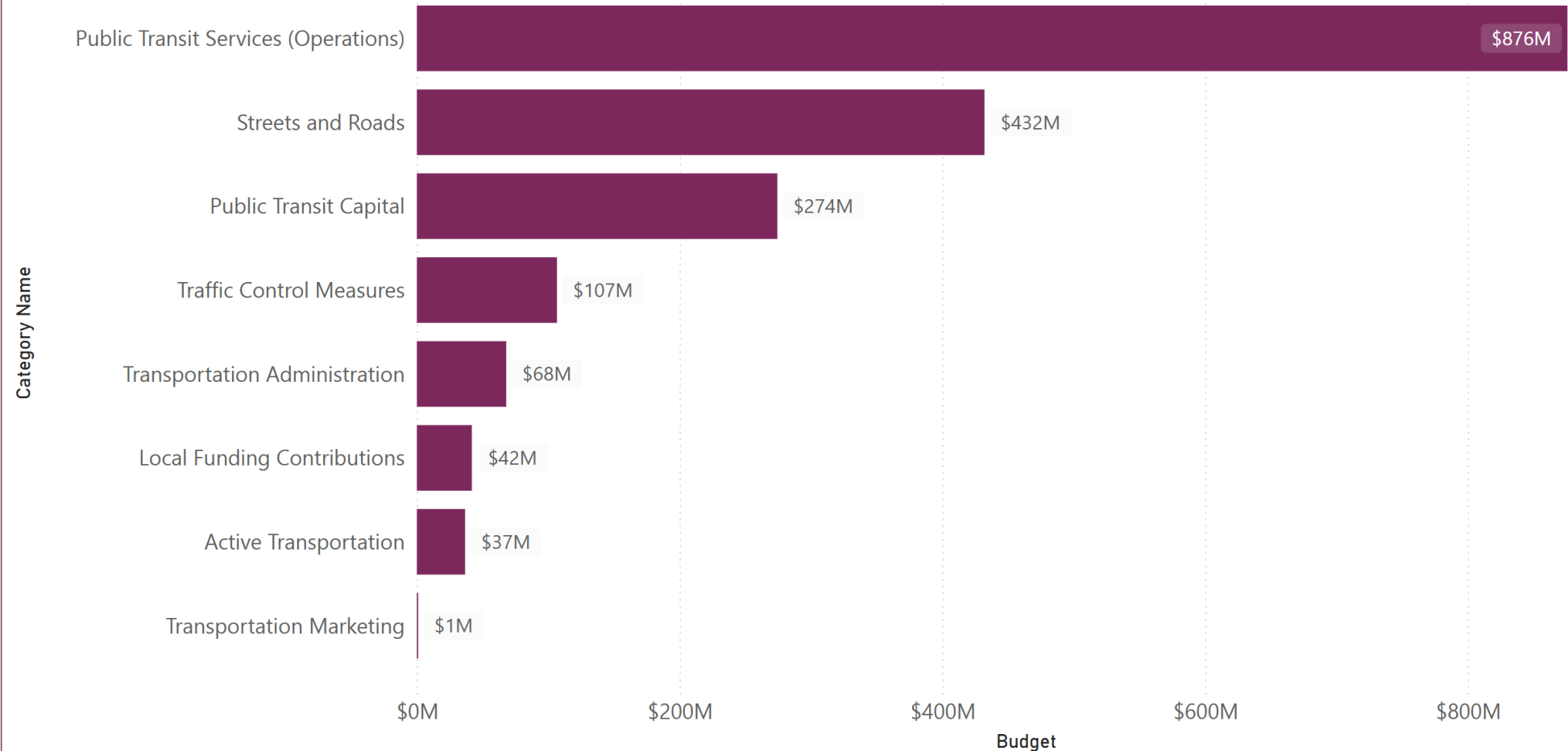
Approved Budget 2025

\$1,836M

Total No of Projects in 2025

1611

Budget by Category Name



THANK YOU

Questions?

Local Programming

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