

Prop A and Prop C Local Return



Independent Citizen's Advisory and Oversight Committee

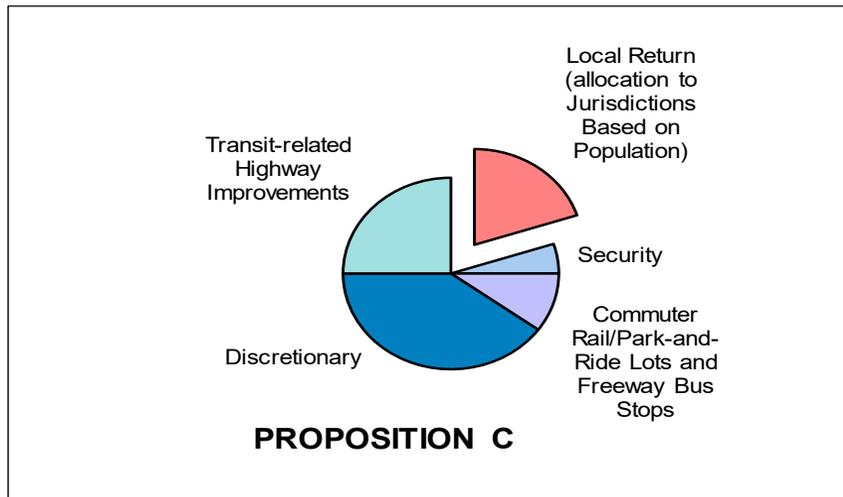
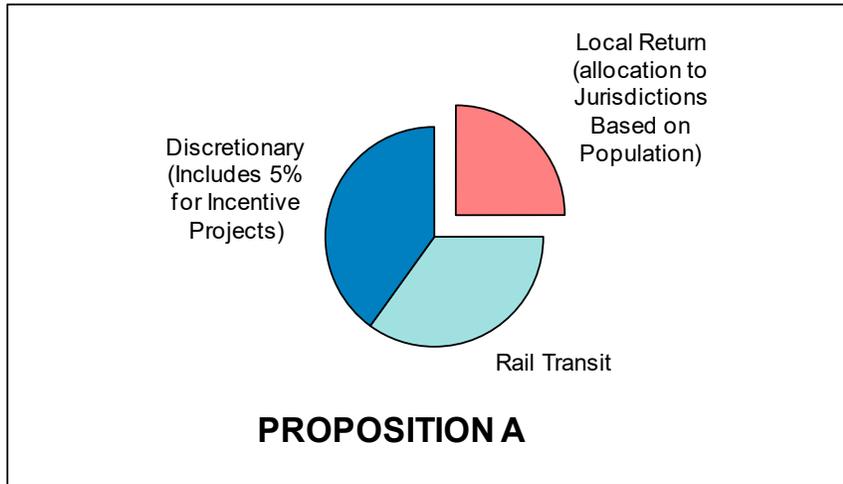
Local Programming

March 4, 2026 Update



Metro

Local Return (LR) – Prop A and Prop C



- **Prop A**
 - **LR share 25%**, approved 1980
 - Used exclusively to benefit public transit
- **Prop C**
 - **LR share 20%** Approved 1990
 - 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

FY2024-25 Audit began October 2025 and ended December 31, 2025

- Five cities with repeat findings from the previous fiscal year
- 28 cities with 37 audit findings
- Notifications 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 2026, cities are using Prop A and C LR funds for 164 bus stop/station projects
- This will inform planned Quality of Life Scorecard which will assess how pass-through funding supports local infrastructure including bus stops

Summary of Audit Findings

FY24-25 Audit		
City	# of findings	Finding
Artesia	1	Pavement Management System (PMS) not turned in on-time
Bell Gardens	1	Expenditures exceeded the 25% cap
Bradbury	1	Funds were expended before approval
Calabasas	1	Late submission Annual Project Update Report
Carson	1	Pavement Management System (PMS) not turned in on-time
Compton	2	1) Lapsed funds were resolved by extension; 2) Accounting procedures not done on-time (This is a repeat finding)
Covina	1	Accounting procedures were inadequate
Cudahy	1	Over Admin 20% cap. (This is a repeat finding)
El Segundo	1	Expenditures exceeded the 25% cap
Glendora	3	1) PA Funds were expended before approval; 2) Inadequate payroll tracking 3) Year end closing records not completed on time (This is a repeat finding)
Hawthorne	1	Pavement Management System (PMS) not turned in on-time
Huntington Park	5	1) PA and PC Funds were expended before approval 2) Expenditures exceeded the 25% of operating costs cap 3) Late submission of Annual Project Update Report 4) Recreational Transit form not turned in on-time (This is a repeat finding) 5) Accounting procedures are inadequate (This is a repeat finding)

Note: Majority of audit findings were resolved during the audit

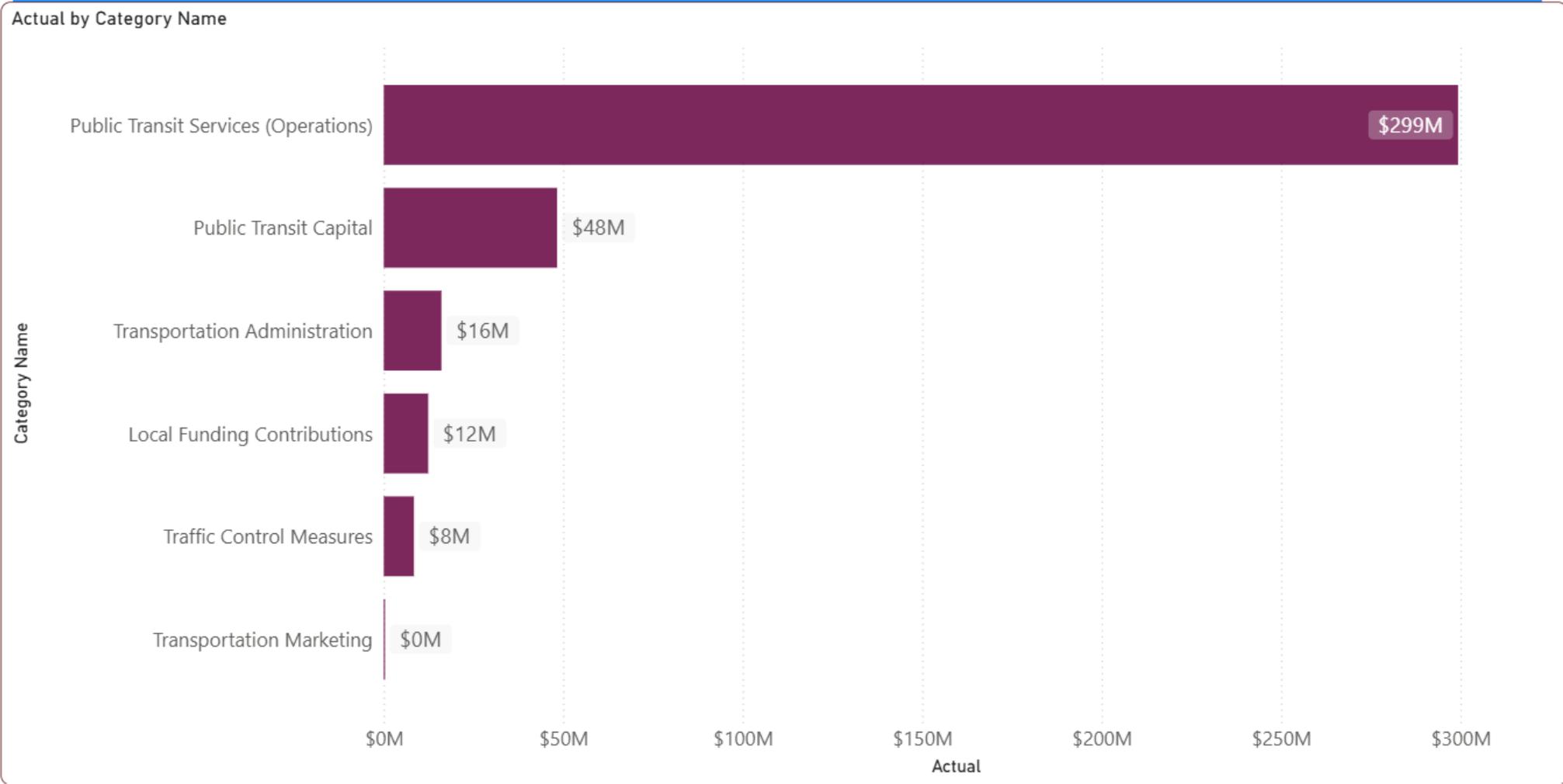
Summary of Audit Findings (continued)

FY24-25 Audit		
City	# of findings	Finding
La Verne	1	Expenditures exceeded the 25% cap
Lancaster	1	Lapsed funds were resolved by extension
Lawndale	1	Pavement Management System (PMS) not turned in on-time
Lynwood	1	Expenditures exceeded the 25% cap
Montebello	1	Pavement Management System (PMS) not turned in on-time
Palmdale	1	Pavement Management System (PMS) not turned in on-time
Palos Verdes Estates	2	1) Funds were expended before approval; 2) Accounting procedures were inadequate
Redondo Beach	1	Accounting procedures were inadequate
San Dimas	1	Lapsed funds were resolved by extension
San Marino	1	Accounting procedures were inadequate
Santa Fe Springs	1	PA/PC accounting procedures not met in a timely manner
Signal Hill	2	1) PC funds were expended before approval; 2) Pavement Management System (PMS) not turned in on time
South Gate	1	PA/PC retroactive approval
Temple City	1	Accounting procedures were inadequate
Vernon	1	Lapsed funds were resolved by extension
West Covina	1	Accounting procedures were inadequate

Note: Majority of audit findings were resolved during the audit

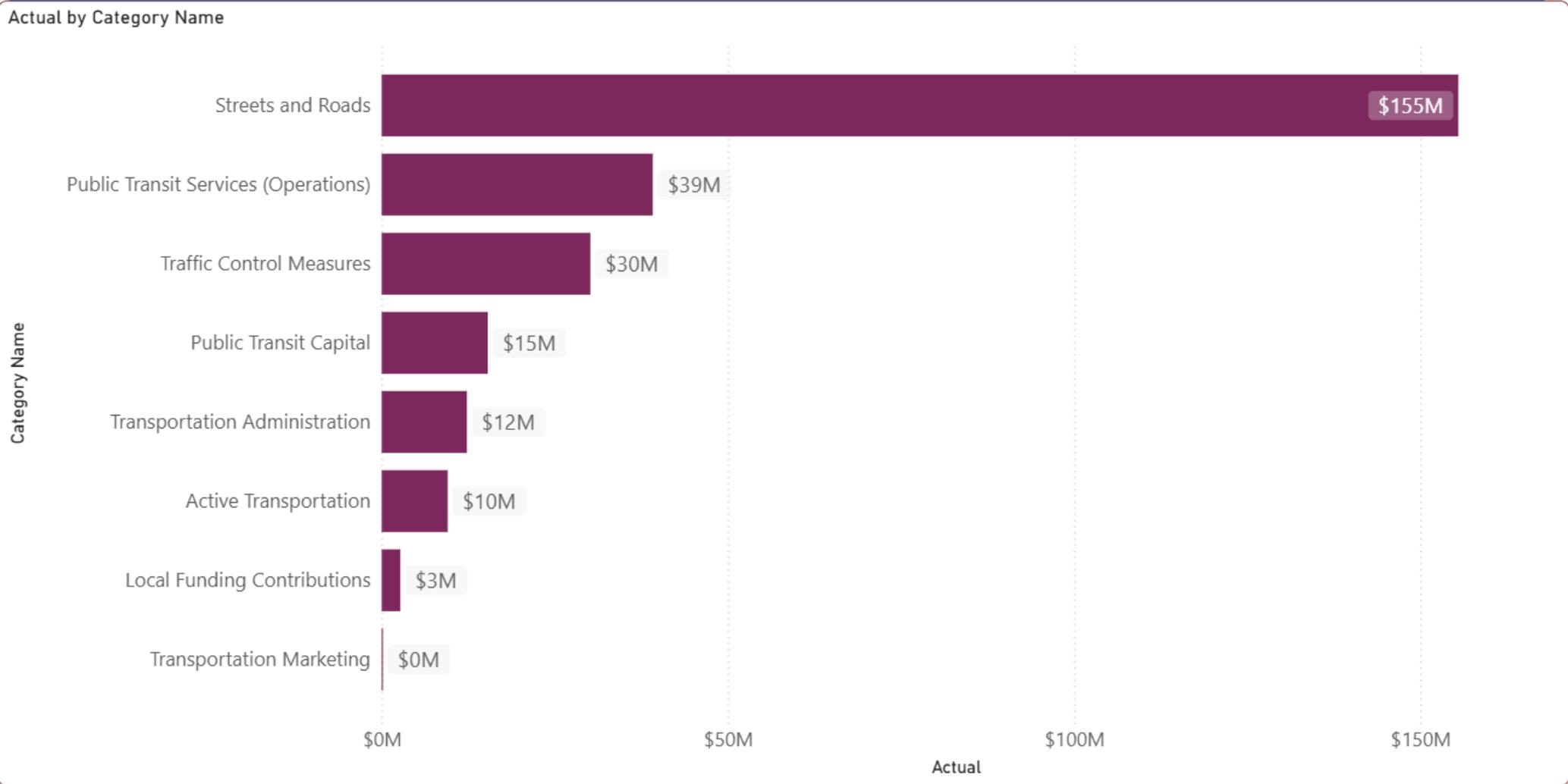
FY25 Prop A Local Return Actual Fund Usage

Actual Spend 2025 **\$384M** **% of Budget** **30.60%**



FY25 Prop C Local Return Actual Fund Usage

Actual Spend 2025 **\$265M** **% of Budget** **33.76%**



THANK YOU

Questions?

Local Programming

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