

# Proposition A 5% of 40% Incentive Guidelines



Item # 2024-0998



Metro

Finance, Budget, and Audit Committee  
November 21, 2024

# Prop A Incentive Program Background



- Earmarks 5% of Prop A Discretionary revenues to fund:
  - ❑ coordinated subregional paratransit
  - ❑ eligible fixed-route services
  - ❑ locally funded community-based transportation services and
  - ❑ other specialized transportation services
- Developed to:
  - ❑ promote system effectiveness by meeting standards to receive funds
  - ❑ divert demand from costlier Access Services by operating cost-effective local services
- Guidelines govern this program

# Amendment Purpose and Proposed Revisions

## Purpose

- ❑ Guidelines last updated in 2001
- ❑ Local operators requested criteria be amended last 4 years due to pandemic
- ❑ Permanent changes needed to adjust to new conditions & maintain services

## Current Program

- ❑ Receive 15% of operating costs if report to National Transit Database (NTD)
- ❑ Up to 25% of operating costs if pass 3 standards

## Proposed Program

- ❑ Receive 20% of operating costs if report to NTD
- ❑ Additional 5% attained if pass 1 of 2 performance standards

# Collaboration and Benefits



- Collaboration
  - Local Transit Systems Subcommittee (LTSS) formed Working Group to review guidelines
  - Worked with Metro staff to propose guideline amendments
  - LTSS & Technical Advisory Committee (TAC) both approved proposed guidelines
- Benefits
  - Operators prefer streamlined two-standard approach
  - Better aligns with NTD data currently submitted by operators
  - Increased base funding provides more consistent & reliable funding stream

# Recommended Board Action

## CONSIDER:



- ADOPTING the revised Proposition A 5% of 40% Incentive Guidelines (Attachment A)
- AUTHORIZING the Chief Executive Officer to amend existing agreements between Los Angeles County Metropolitan Transportation Authority (Metro) and Local Transit Operators to incorporate guideline amendments and execute all necessary future agreements as pertains to this program.