



Board Report

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MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE SEPTEMBER 13, 2023

SUBJECT: MEASURE M FIVE-YEAR COMPREHENSIVE ASSESSMENT AND EQUITY REPORT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the Measure M Five-Year Comprehensive Assessment and Equity Report (Attachment A); and
- B. MAKING findings and/or recommendations for improving the Measure M Program.

ISSUE

Measure M, also known as the Los Angeles County Traffic Improvement Plan Ordinance, establishes an Independent Taxpayer Oversight Committee and an oversight process to ensure that the Los Angeles County Metropolitan Transportation Authority (LACMTA) complies with the terms of the Ordinance. The Measure M Independent Taxpayer Oversight Committee (MMITOC) provides an enhanced level of accountability for expenditures of sales tax revenues made under the Expenditure Plan and plays a valuable and constructive role in the ongoing improvement and enhancement of project delivery contemplated under the Measure M Ordinance.

The Measure M Ordinance requires that every five (5) years, Metro conduct a comprehensive review of all projects and programs implemented under the Measure M Expenditure Plan to evaluate the performance of the overall program and make recommendations to improve its performance based on current practices, best practices, and organizational changes to improve coordination. In addition, the Measure M Ordinance and Guidelines require that the MMITOC review the Five Year Comprehensive Assessment and make findings and/or provide recommendations for improving the program. The Measure M Five-Year Comprehensive Assessment and Equity Report (Assessment) evaluates the performance of the overall Measure M program from Fiscal Year (FY) 2018 to FY 2022, including an assessment of the effectiveness of the Program on improving lives of people in Los Angeles.

BACKGROUND

The Measure M program (Program) is a local revenue source for many major multi-year capital projects that will bring mobility improvements across the Los Angeles region. The Expenditure Plan in the Program includes set-asides for operations, state of good repair, subregional programs, and other smaller but critical mobility programs such as active transportation and accessibility services. More broadly, Measure M strengthens the region's local funding power, further reinforcing Los Angeles's competitiveness for state and federal funding and representing a commitment from Los Angeles taxpayers to invest in themselves.

A five-year assessment is an interim opportunity to identify successful strategies to continue advancing, make adjustments where expectations are not being achieved, and institute a framework to assess the next five years of progress. Starting in 2022, Metro began initial research and outreach to identify preliminary objectives and criteria to analyze impacts from Measure M's first five years of funding (FY18 - FY22). In early 2023, Metro complied with Measure M Guidelines to propose Assessment objectives and criteria, in consultation with the MMITOC, for Board approval. The Board approved these objectives and criteria (Objectives) in February 2023 (Attachment B). Per Measure M guidelines, efforts to conduct the Assessment have been coordinated with Metro efforts to update the Short Range Transportation Plan (SRTP). The Assessment analysis framework focuses on benefits to the people of Los Angeles, resulting in five key themes for the analysis: Stewardship, Mobility, Experience, Community, and Regional.

Financial analysis, project delivery, and program management aspects are assessed with broader additional context from the pandemic and key benchmarks, such as the 2028 Olympics bid, Equity Platform framework adoption, and other drivers. The Assessment also draws from a combination of qualitative and quantitative data that demonstrates Metro's work to adapt to these changes.

DISCUSSION

In its first five years, Measure M has generated over \$4 billion in local sales tax dollars. These local dollars helped secure additional state and federal funding, initiated mega capital and transit projects, and secured funding for Metro operations, subregional communities, and local jurisdictions, agencies, and transit providers. Also, during the Assessment analysis period, the COVID-19 pandemic disrupted every aspect of our lives, upending the labor market, and altering travel behavior in the short-term and for the foreseeable future and impacting transit ridership. This period also experienced historic inflation, leading to corresponding economic and housing uncertainty for many local residents. Existing social and economic disparities became further exacerbated as Los Angeles underwent fluctuating employment, increases in people experiencing homelessness, and further hikes in housing and consumer prices.

Like the rest of the world, Metro continued to work and pivoted to adapt. To continue the nation's largest infrastructure program in Measure M, Metro sought further labor support from the contractor market to maintain project progress and modified project budgets based on skyrocketing construction costs and bid prices. Metro's capital program continued to move forward during this period of uncertainty. For active construction projects, work continued due to recognition that construction work was deemed essential.

While the pandemic brought unprecedented changes, Measure M continued to sustain Metro's service and project delivery through a generally consistent stream of local funding and over \$3 billion in state and federal funding (FY18 - FY22). Specifically, Measure M maintained a steady source of revenue for local jurisdictions through Local Return and subregional funding, which has further supported mobility projects and programs across the county. Regional transit service was also sustained through federal covid relief funding, and dedicated Measure M funding streams for Metro operations, State of Good Repair, and municipal transit providers across the county.

Metro also introduced new and innovative initiatives to continue improving delivery of the Measure M program. Some of these efforts were launched after, or at the end of, the five-year analysis period. However, they represent Metro's commitment to adapt to the many changes of the past five years as well as prepare for unforeseen changes in the future. These new approaches are outlined in the Assessment and included in recommendations to continue monitoring progress and impacts.

The Assessment recommendations are categorized to address the Assessment Objectives approved by the Metro Board in February 2023:

- Assess Metro's performance on the efficiency and effectiveness in delivering Measure M projects and programs
- Identify and evaluate any potential barriers in the delivery of the Expenditure Plan
- Identify and evaluate opportunities for process improvement
- Identify and evaluate best practices to be used going forward
- Identify and evaluate any organizational changes needed to improve coordination

The approved Objectives are outlined in Attachment B.

During the Measure M Five-Year Assessment period dramatic change and adaptation occurred. As a result, the Assessment highlights the importance of equity, partnerships, and adaptability as the region looks to continue meeting ambitious Measure M goals and emerging from the pandemic. The Assessment recommendations summarized below seek to operationalize these values and are categorized based on board approved Measure M Assessment objectives.

Efficiency and effectiveness in delivering - Conduct deeper analysis of Measure M investment benefits for marginalized and Equity Focus Communities (EFCs), to measure and quantify existing disparities in access to resources and opportunities and potential gaps in Measure M investments to reduce these disparities. Invest and budget for maintenance and operation for newly built capital projects that incorporate customer experience needs.

Potential barriers in delivery - Prioritize hiring and retention, reassess benchmarks to reflect environmental and economic impact.

Opportunities for process improvement - Report on community engagement and partnership, establish baseline to measure financial and labor impacts with regional partnerships, update Short Range Transportation Plan, review changes in public health practices resulting from pandemic and adopt permanent policies and integrate these recommendations into next Strategic Plan.

Best practices - Innovative ways to track and present data such as a public facing dashboard and

continue to prioritize youth engagement and elevate best practices from community-based organizations.

Organizational changes - Develop Measure M reporting protocols, develop performance indicators in advance of the decennial Measure M Assessment, develop interdepartmental reporting on Measure M impact on sustainability goals and improve equitable access.

In accordance with Measure M Ordinance and Guidelines, staff will present the Assessment to the MMITOC for their review and to make findings and/or recommendations for improving the Measure M Program. The results of the MMITOC review will be presented to the Metro Board as part of the adoption of the Comprehensive Program Assessment.

NEXT STEPS

Finding and/or recommendations to improve the Measure M Program received by the MMITOC will be included when the Assessment is presented to the Metro Board in accordance with the Measure M Ordinance and Guidelines.

ATTACHMENTS

Attachment A - Measure M Five-Year Comprehensive Assessment and Equity Report

Attachment B - Board Approved Assessment Objectives and Criteria

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