Los Angeles County
Metropolitan Transportation
Authority
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Los Angeles, CA

Metro

Board Report

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OPERATIONS, SAFETY & CUSTOMER EXPERIENCE COMMITTEE
FEBRUARY 18, 2021

SUBJECT: FY22 REVENUE SERVICE HOUR (RSH) PROGRAM PARAMETERS AND MOTION 11.1 FY21 SERVICE INCREASE MOTION UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on the FY22 revenue service hour parameters and provide an update on Motion 11.1 related to FY21 service increases.

ISSUE

At the September 2019 System Safety, Security and Operations Committee Meeting, the Board requested staff to report back on details regarding levels of scheduled revenue service hours along with adjustments necessary for initiatives such as NextGen and other board-mandated services to reflect actual “on-street” deployment. Staff reported the FY21 revenue service hour parameters at the February 2020 System Safety, Security and Operations Committee Meeting. This report will provide an update on FY22 revenue service hour parameters given COVID-19 and the various effects it has had on Operations. This report will also provide an update on Motion 11.1 relative to FY21 service increase planning and preparations.

BACKGROUND

Every year, Metro staff plans and prepares the annual budget which includes the needs for the agency to continue with regular transit service, multi-year programs, and any new plans, programs and initiatives. The budget process is comprehensive, year-round, and includes but is not limited to analysis of performance, programs, rate of milestone delivery, and available resources necessary for successful delivery or program completion. The budget process involves all departments working in collaboration towards fiscally responsible program budget planning and development to ensure alignment with agency goals. Ultimately, staff produces an annual budget plan within approved funding targets that is reviewed and approved by the CEO. After in-depth internal analysis and discussion, the budget progress report is provided to the board at the January Finance Budget and Audit Committee meeting, with service parameters and RSH discussed the following month, and State-of-Good Repair, subsidy funding, public hearing, board adoption and public outreach thereafter. The final agency budget is then presented at the May Finance Budget and Audit Committee meeting for board approval.

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DISCUSSION

The Board approved Motion 11.1 in January 2021 directing staff to reallocate a minimum of $24.3M in the FY21 mid-year budget adjustment for the restoration of transit service and immediately begin preparing to restore service no later than end of FY21 to increase the agency's capacity to run 7.0 million annual bus revenue service hours (RSH). FY22 service parameters will comply with the directives of Motion 11.1.

FY21 RSH Review
The board approved a FY21 RSH plan that accounted for adjusted service levels systemwide; which required multiple modifications throughout the fiscal year that addressed pandemic ridership levels due to Safer at Home restrictions and the implementation of NextGen service plan phase 1 in December 2020 coupled with the introduction of MicroTransit service across two service zones (LAX and Watts/Willowbrook). Rail service was also adjusted to 12-min headways throughout the day on most rail lines which is in line with the demand on rail service for FY21. Metro recognizes that Motion 11.1 aimed, by July 2021, to prepare the agency to operate at pre-COVID levels. After careful analysis, staff have determined the following logistical challenges, risks, and considerations associated with service planning and hiring, by July 2021, bus operators needed to run 7.0 million RSH:

Challenges

- The significant network changes involved with NextGen are being implemented across three shake ups (December 2020, June 2021, and December 2021). Full restoration of 7.0 million RSH will be best implemented by phasing in service level increases as the NextGen network changes are completed. Service increases on a hybrid (partial NextGen and partial pre-COVID network) system will create confusion and frustration for customers when the final NextGen network changes are implemented in December 2021. Therefore, restoring 7.0 million RSH in December 2021 will be more prudent as the changes would directly align with the NextGen phasing plan.
- To operate at 7.0 million RSH, Metro would need to recruit and train about 760 bus operators in the next 3 months. The recruitment process includes: application screenings, at least 2-person interview panels, Bus Operator Candidate Assessment Test (BOCAT), and verification/fingerprints/background checks. It takes approximately 2,000 applications to result in 760 operators joining the ranks. Metro does not currently have the capacity to process the 2,000 applications. New operator training typically takes 6 to 8 weeks. Also, due to room occupancy requirements from the CDC and LACDHS, Metro would need to identify additional instruction classrooms to accommodate this many trainees in a short time period.
- To train so many new operators, Metro would also need to hire approximately 150 instructors for a 6-week training program. These instructors would pull from the existing bus operator ranks, increasing the number of new operators needed.
- In addition to operators, Metro would need to recruit additional maintenance personnel, requiring 180 applications, application screening and testing, 3-person interviews, fingerprints/background checks, physicals for a 5-week instruction program taught by existing

staff.

Risks

- A rewrite of operator & service work programs within a limited 8 weeks may lead to network inefficiencies resulting in higher operator costs, as well as customer complaints and service corrections. Scheduling bus and operator assignments is an iterative process to ensure that trip times are appropriate, timed transfers are maintained, and bus and operator usage is maximized by reducing unproductive layovers. Without proper vetting and iterations, scheduled will likely not be efficient, leading to extra bus and operator requirements for the same service plan.
- Hiring a large volume of frontline staff with variable space, class size, accelerated background checks with inadequate planning could compromise the recruitment process results. Accelerating parts of the recruitment process in order to hire a large volume of frontline staff may lead inaccuracies in various parts of the process, such as interviewer fatigue. Additionally, staff cannot ensure expediency on items like background checks and drug testing that require third-parties to execute.

Immediate Actions in Preparation for an Enhanced FY22 Service Plan
By maximizing the use of current resources, Operations can immediately deliver the following plan which begins in FY21 and continues through FY22 to restore service and fulfill the intent of Motion 11.1. This service plan will be coordinated with NextGen planning activities. Operations will immediately accelerate bus operator graduates from about 25-30 per month in February and March 2021 to 100 per month in April 2021; and continue with this monthly enhanced hiring plan until sufficient operators are onboarded to support our FY22 RSH plan. In addition, staff will continue to work closely with Human Capital & Development to return as many existing operators out on leaves as soon as possible.

Operations proposes the FY22 RSH Plan described below to incrementally raise the service levels over three shake-ups to reflect the annualized 7.0 million RSH by December 2021, allowing for adjustments and resource optimization based on customer demand. During this time, staff will continue hiring bus operators and maintenance personnel on an enhanced schedule in line with planned gradual service increases and load adjustments. This incremental approach also reflects the principals of the NextGen bus plan adopted by the Board in 2020.

FY22 RSH Plan
For FY22, staff is finalizing a comprehensive RSH plan, which complies with Motion 11.1, that will continue to deliver bus and rail service levels at approved budgeted levels, consistent with staffing level increases.

Bus

- July 2021 - FY22 is anticipated to begin with a base schedule of 6.0 million annualized RSH which includes 5.62 million from the December 2020 service change plus 380K in annualized

service increase. In addition, a significant amount of network changes based on NextGen will be implemented which would allow us to redeploy underutilized service to more frequency on Tier 1 and 2 lines, focusing on high ridership lines serving disadvantaged communities.

- Sept 2021 - Includes additional service enhancements to a total of 6.5 million annualized RSH to accommodate for schools fully reopening or partially in support of hybrid learning and a significant roll out of vaccinations. As such, our plan will be flexible to meet these demands.
- December 2021 - With full distribution of the vaccine anticipated in Fall 2021, staff expect another increase in demand as more businesses open and the economy recovers. Therefore, staff expect to fully restore the 7.0 million RSH in conjunction with full implementation of the NextGen network changes.

Rail

- Multiple service plans inclusive of a scenario to continue running 12-minute headways and building in additional scenarios for 10-min, 8-min, and 6-min peak based on demand have been developed, which can be easily changed as necessary during any of the planned bus service change periods.

FINANCIAL IMPACT

Staffing and all other resources required to run the service described in this report will be included in the FY22 budget request submitted to the Board for approval in May 2021.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This report supports strategic plan goals: 1) Provide high quality mobility options and 2) Provide outstanding trip experiences for all.

NEXT STEPS

Staff will return to the board in May with a proposed FY22 budget plan that will include final bus and rail funding necessary to deliver the service described in this report.

ATTACHMENTS

Motion 11.1 - Fiscal Year 2021 (FY21) Mid-Year Budget

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Board Report

File #: 2021-0010, **File Type:** Motion / Motion Response **Agenda Number:** 11.1.

REGULAR BOARD MEETING
JANUARY 28, 2021

Motion by:

DIRECTORS GARCETTI, BONIN, SOLIS, HAHN, AND GARCIA

Related to Item 11: Fiscal Year 2021 (FY21) Mid-Year Budget

Metro's budget must stay flexible to ensure the agency can deploy enough service to meet transit demand through the end of Fiscal Year 2021 (FY21).

In September 2020, the Board approved Motion 10.1, directing staff to create an FY21 Operations Recovery Plan to restore full bus service as soon as practicable based on on-street conditions, projected demand, and NextGen performance standards. As stated in the motion, "maintaining current service levels for the remainder of the fiscal year is not acceptable for riders nor is it consistent with the agency's strategic priorities, including NextGen. At a time when COVID-19 has exposed all of the region's underlying inequities, Metro must plan for and facilitate an equitable recovery that prioritizes the mobility needs of our county's most vulnerable populations, who disproportionately rely on bus service."

The FY21 Operations Recovery Plan was to prepare Metro for an anticipated restoration of service as soon as could be supported by public health measures, economic conditions, and the agency's financial status. This month's mid-year budget amendment includes an unanticipated net $58.6 million in additional transit operations-eligible funding. This funding could allow Metro to reverse some painful cuts made in the original FY21 budget adopted in September.

Additionally, in December, Congress passed the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which included an additional $14 billion in nationwide relief funding for transit service above what was previously provided in the CARES Act. The Board is expected to allocate this funding in February 2021, at the next Board meeting. The Board should ensure that this funding is prioritized for transit service in FY21 and FY22.

Earlier this week, Governor Newsom ended the statewide Stay At Home Order, returning Los Angeles County to a tier that allows for a limited reopening of some economic sectors much sooner than had been expected. With L.A. County moving to reopen and vaccination well underway, Metro should reserve funding to restore transit service and ensure enough funding is budgeted to both

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anticipate and respond to evolving service demands. If additional transit service is required before the next regular bus service shakeup, Metro must be able to put it on the street.

There is a minimum of $24.3 million in State of Good Repair expenses recommended in the FY21 Mid-Year budget to be funded from operations-eligible sources. These expenses may instead be funded from capital sources, preserving operations funding for transit service expansion. Shifting the funding source for these expenses can help ensure Metro is able to meet evolving ridership demand between now and the beginning of FY22.

SUBJECT: AMENDMENT TO FISCAL YEAR 2021 (FY21) MID-YEAR BUDGET

RECOMMENDATION

APPROVE Motion by Directors Garcetti, Bonin, Solis, Hahn, and Garcia that the Board adopt as policy that any additional operations-eligible funding received in FY21 and FY22 shall be prioritized for the restoration of transit service, including but not limited to federal CRRSA funding, any future federal operations-eligible COVID-19 relief funding, and any additional unanticipated eligible sales tax revenues.

WE FURTHER MOVE that the Board direct the Chief Executive Officer to:

A) Within the recommended Operations expenses of the FY21 Mid-Year Budget, reallocate a minimum of $24.3 million in capital funding-eligible expenses from the “Capital State of Good Repair” and “Other Operational Needs” categories, and budget this funding for the restoration of transit service with priority for high-ridership lines and an emphasis on disadvantaged communities;

B) Identify a minimum of $24.3 million in reciprocal non-operations-eligible funding for projects de-budgeted under directive A, or shift these expenses to the FY22 budget as appropriate;

C) Immediately begin preparing to restore service no later than the end of the fiscal year, including the hiring, maintenance, and procurement activities needed to restore the agency’s capacity to run 7 million annual bus revenue service hours;

D) Coordinate with the County of Los Angeles and State of California to support vaccination of Metro’s workforce as soon as possible, including vaccination drives at Metro’s bus and rail divisions, if feasible;

E) Continue to prioritize the safe return to work of operators and maintenance personnel, and continue to ensure industry-standard protective measures are in place to minimize virus transmission in the workplace; and

F) Immediately explore collaborating with the County of Los Angeles to provide transportation assistance to seniors and other individuals to help them get to their vaccination appointments, including by providing pre-loaded TAP cards.

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