



Board Report

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**FINANCE, BUDGET, AND AUDIT COMMITTEE
APRIL 17, 2025**

SUBJECT: FISCAL YEAR 2026 BUDGET DEVELOPMENT STATUS UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Fiscal Year 2026 (FY26) Budget Development Status Update.

ISSUE

This report continues a series of monthly updates on the FY26 Budget development process, culminating in a planned May 2025 Board Adoption. The report focuses on the key areas of Metro’s Transit Operations and Maintenance (O&M) Program and Transit Capital Improvement Program (CIP) to maintain transit infrastructure in a state of good repair. These two programs combined make up 37% of Metro’s total budget. The projects in these programs rely on federal funding. With the uncertainties surrounding the federal funding program, this preliminary budget assumes no changes in the availability of these funds. As more information becomes available, service delivery will continue to be the highest priority as we conduct a comprehensive assessment to evaluate funding, schedule, and scope to mitigate the impact of the potential loss of federal funds.

Additionally, an overview of Congestion Management, General Planning and Programs, and Oversight and Administration, which make up about 5% of Metro’s total budget are included to complete the program budget discussions for the FY26 Budget development process. A recap of the latest update regarding Metro’s comprehensive budget outreach efforts is also included in this report.

BACKGROUND

This preliminary budget serves as the annual expenditures required to advance Transit Operations’ plans, fulfill Operations and Maintenance needs, repair and upgrade through the Capital Improvement Program (CIP), and enhance customer experience. While the Operations and Maintenance and Capital Improvement Program budgets reflect this annual cash flow, Capital Improvement Program is controlled at a Life of Project (LOP) budget level.

DISCUSSION

Metro Transit Operations and Maintenance Program Overview

Metro Transit’s Operations & Maintenance (O&M) program is committed to attracting and retaining riders by delivering best-in-class transit service that prioritizes core ridership groups like low-income and zero-vehicle households and uses the Equity Focus Communities (EFCs) Map to understand equity needs and impacts. This commitment is reflected in continued NextGen service improvements, expansion of our transit network with new rail services, enhanced customer experience, reimagined public safety, and expanded accessibility and affordability for all riders.

To achieve these goals, the FY26 Preliminary Budget for O&M is \$2.89 billion, reflecting a 5.8% increase or \$157.6 million over FY25. This budget supports 8.9 million revenue service hours (RSH) across bus and rail services, and the continuation of the Metro Micro Pilot program that provides flexible and responsive transit solutions. Additionally, the budget includes staffing increases to support new rail expansions and enhance safety, cleanliness, customer experience, and operational reliability across the system.

Figure 1:

	FY25	FY26	\$	%	% of
Operations & Maintenance (\$ in millions)	Budget	Preliminary	Change	Change	Total
1 Bus	\$ 1,792.9	\$ 1,897.6	\$ 104.8	5.8%	65.7%
2 Rail	896.2	968.1	71.8	8.0%	33.5%
3 Metro Micro	42.1	23.1	(19.0)	-45.2%	0.8%
4 Operations & Maintenance Total	\$ 2,731.2	\$ 2,888.8	\$ 157.6	5.8%	100.0%
5 Cost per RSH					
6 Bus	\$ 250.5	\$ 266.1	\$ 15.6	6.2%	
7 Rail	\$ 638.8	\$ 633.3	\$ (5.5)	-0.9%	
8 Metro Micro	\$ 155.1	\$ 91.2	\$ (63.8)	-41.2%	

Note: Totals may not add up because of rounding.

Service Plan Assumptions

Bus

The Board approved service plan serves as the foundation for estimating all costs necessary to operate the system in the upcoming fiscal year. Through NextGen, the bus service plan has been redesigned to provide an all-day, fast, frequent, and reliable network with an equity methodology placing more service in Equity Focus Communities that have historically been transit dependent.

In FY26, Metro Bus service is expected to operate 7.13 million RSH, maintaining the existing NextGen Bus Plan Service levels. Bus service also includes 7.2 thousand RSH planned for World Cup service in June 2026 which will continue into FY27. Efforts will continue to expand NextGen Bus Speed and Reliability initiatives including new bus priority lanes and transit signal priority. The continued expansion of these initiatives will be done alongside ongoing improvements to bus stops curb designs and terminals to reduce travel time and improve the rider experience.

Rail

Metro's FY26 rail service levels are planned to meet current demand while expanding service to accommodate ridership growth and increase access to opportunities throughout the region. The plan includes 1.53 million rail RSH, a 17.2% increase from FY25 estimated actuals. It includes service for four light rail lines (A, C, E, K) and two heavy rail lines (B, D), with increased service on the A, B and D Lines due to system expansion of the A Line to Pomona and the first segment of the Purple (D) Line Extension to La Cienega Bl.

With the opening of the first segment of the D Line Extension, the D Line will operate a 5- minutes peak and 10-minutes off-peak service, while the B Line's service frequency will improve from 12 minutes throughout the day to 10 minutes. This will accommodate ridership growth from the D Line extension and on-going rail ridership recovery. Additionally, the plan includes improved peak weekday service frequency on the C and K Lines from 10 minutes to 8 minutes.

Metro's rail network will continue to expand in FY26 with two major Rail extensions:

- **A Line Extension** - Extending 9.2 miles from Azusa to Pomona, adding four new stations: Glendora, San Dimas, La Verne, and Pomona.
- **D Line Extension** - Extending 3.8 miles from Koreatown through Miracle Mile, adding three new stations: Wilshire/La Brea, Wilshire/Fairfax, and Wilshire/La Cienega.

Additionally, 29.9 thousand pre-revenue service hours are allocated for testing Phase I and II of the D Line Extension, ensuring smooth service integration to revenue operation.

Metro Micro Pilot

Metro introduced a new Metro Micro Pilot business model featuring two separate contracts for service operations and software services to enhance control and financial sustainability. Under this model, Metro will no longer provide operators or supervisors, as staffing is included in the service operations contract. This model allows Metro to continue providing important first-last mile connections. Metro Micro service areas cover a variety of zones that all serve EFCs.

The FY26 Preliminary Budget for the Metro Micro Pilot is \$23.1 million, reflecting a \$19 million, or 45.2% decrease from FY25, driven by efficiency gains including a new delivery model contracting the operation of this service while maintaining the same geographical coverage, supporting 253 thousand RSH.

Increased Budget Resource Allocation for Enhanced Customer Experience

Cleaning

The FY26 Preliminary Budget allocates \$316.2 million for cleaning efforts, a 13.1% or \$36.6 million

increase over FY25. This funding supports 1,279 FTEs, an increase of 124 staff from FY25, dedicated to maintaining bus and rail vehicles, stations, stops, and facilities. include expanding End-of-Line (EOL) cleaning to three shifts, seven days and week, piloting a mid-line cleaning program, along with additional custodial staff to support the A and D Line expansions. Figure 2 summarizes the increases in FTEs and budget request from FY25 to FY26.

Figure 2:
(\$ in millions)

Area	FY25	FY26	Change	%	FY25	FY26	Change	%
	FTE	FTE			Budget	Preliminary		
Buses	398	398	-	0.0%	\$ 83.6	\$ 86.4	\$ 2.9	3.4%
Trains	208	292	84	40.4%	41.5	59.4	17.9	43.2%
Facilities	127	127	-	0.0%	34.0	35.6	1.6	4.8%
Stations	389	424	35	9.0%	105.5	120.0	14.4	13.7%
Stops	23	23	-	0.0%	4.5	4.7	0.16	3.4%
Station Experience (SE)	10	15	5	50.0%	10.4	10.0	(0.4)	-3.8%
Cleaning & SE Total	1,155	1,279	124	10.7%	\$ 279.5	\$ 316.2	\$ 36.6	13.1%

Station Experience

The CEO-established Station Experience (SE) unit has been highly effective in reducing crime and loitering at stations. Building on this success, SE is expanding to more locations with a focus on safety, cleanliness, mini-makeovers, and customer experience enhancements. Metro remains committed to community feedback, addressing key concerns such as safety, cleanliness, improved lighting, and mobile ADA-accessible restrooms. Metro prioritizes equity in station improvement initiatives by considering impacts on marginalized communities, ensuring accessibility, and engaging advisory groups for transparency and feedback.

The FY26 Preliminary Budget allocates \$10.0 million for SE initiatives and enhancements at additional stations. It also includes an increase of 5 Full-Time Equivalents (FTEs) from the FY25 Budget, bringing the total to 15 FTEs.

See Attachment A for more details on enhanced customer experience efforts.

Public Safety

Resource Deployment

One of the top priorities for Metro and our riders is safety. Metro’s Reimagining Public Safety Framework outlines a multi-layered approach to enhance public safety on the system. This multi-layered approach includes the Metro Transit Ambassadors, homeless outreach, Metro Transit Security (MTS), private security, and law enforcement.

Metro will transition 354 contracted Ambassador program staff to Metro Full-Time Equivalents and add 46 MTS Officers to cover the upcoming D Line (Purple) Subway Extension Sections 1, 2 and A Line to Pomona Extension. The five-year phased establishment of Metro’s Transit Community Public Safety Department (TCPD) will also begin with hiring 8 key leadership personnel and start-up

activities. The other requests allow deployment of Community Intervention Specialists (CIS) on the K Line, homeless outreach, enhanced private security and contract law enforcement services across the Metro expanding system. The preliminary budget for FY26 Public Safety Resource Deployment is \$392.5 million, a 1.9% increase from the FY25 Budget, shown in Figure 3 below.

Figure 3:

Public Safety Resource Deployment (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change
1 Transit Ambassadors ⁽¹⁾	\$ 25.5	\$ 26.0	\$ 0.5	2.0%
2 Community Intervention Specialists (CIS)	9.3	9.3	-	0.0%
3 Homeless Outreach	25.3	21.5	(3.8)	-15.0%
4 Metro Transit Security (MTS) ⁽²⁾	71.0	75.0	4.0	5.6%
5 Private Security	39.4	41.2	1.8	4.6%
6 Law Enforcement	214.6	214.6	-	0.0%
7 Transit Community Public Safety Department (TCPSPD) ⁽³⁾	-	4.8	4.8	N/A
8 Public Safety Resource Deployment Total	\$ 385.1	\$ 392.5	\$ 7.3	1.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ FY26 Budget will be updated at the conclusion of the in-house program labor negotiations.

⁽²⁾ Labor related budget including salaries, fringe benefits, workers' compensation, and other indirect costs.

⁽³⁾ Includes \$3M for start-up activities and \$1.8M for labor related costs in FY26.

Public Safety Capital Projects

Metro's public safety capital budget focuses on promoting a safer environment for all riders and Metro employees by maintaining, upgrading and modernizing technology and infrastructure related to transit security. The FY26 Preliminary Budget of \$34.5 million reflects an increase of \$17.5 million over the FY25 Budget (Figure 4) and covers fencing installations and enhancements, emergency communication improvements, security technology upgrades and acquisitions.

Figure 4:

Public Safety Capital Projects (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change
1 Union Station Fencing	\$ -	\$ 4.6	\$ 4.6	N/A
2 Metro Center Street Project (Close-out)	0.3	0.5	0.2	83.2%
3 SSLE LAUS CCTV Upgrades	0.7	0.7	-	0.0%
4 SSLE LAUS Patio Security Fence	0.7	0.7	-	0.0%
5 High-Security Fencing & Installation	-	4.5	4.5	N/A
6 CCTV Expansion	-	4.4	4.4	N/A
7 ESOC Alert Notifications	-	1.4	1.4	N/A
8 Transit Security Communication Enhancement	-	2.4	2.4	N/A
9 Faregates Pilot / TAP to Exit	15.4	-	(15.4)	-100.0%
10 Faregate Retrofit Phase 2	-	15.3	15.3	N/A
11 Public Safety Capital Projects Total	\$ 17.1	\$ 34.5	\$ 17.5	102.3%

Note: Totals may not add up due to rounding.

Metro Transit Capital Improvement Program (CIP) Budget

The CIP goal is to methodically renew and improve Metro Transit Systems while maximizing scarce bus and rail capital resources. The CIP budget focuses on maintaining, upgrading, and modernizing assets and infrastructure to provide high quality and reliable transit services. Capital asset improvements within this budget include the implementation of new technologies, rolling stock purchases, rolling stock modernization, station improvements, and other components.

The CIP preliminary budget for FY26 requests \$608.8 million to maintain Metro's bus, rail, regional, and critical information systems needed to manage and monitor system-wide performance. The budget reflects the necessary cash flow to complete FY26 milestones and deliverables. A profile of the CIP program is shown in figure 5 below.

Figure 5:

Capital Category (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 47.5	\$ 36.0	\$ (11.5)	-24.2%	5.9%
2 Fleet Maintenance	49.1	51.2	2.1	4.3%	8.4%
3 Facilities Improvements	48.8	89.1	40.4	82.8%	14.6%
4 Bus Subtotal	\$ 145.4	\$ 176.4	\$ 31.0	21.3%	29.0%
5 Fleet Procurement	\$ 58.5	\$ 74.6	\$ 16.1	27.6%	12.3%
6 Fleet Maintenance	94.2	106.6	12.4	13.2%	17.5%
7 Facilities Improvements	19.0	20.3	1.3	6.7%	3.3%
8 Wayside Systems	64.1	52.0	(12.1)	-18.9%	8.5%
9 Rail Subtotal	\$ 235.7	\$ 253.4	\$ 17.7	7.5%	41.6%
10 Regional and Hubs	\$ 77.9	\$ 61.4	\$ (16.5)	-21.2%	10.1%
11 Technology	69.8	66.4	(3.5)	-5.0%	10.9%
12 Non MR/MM Major Construction	39.6	36.8	(2.8)	-7.0%	6.1%
13 Non-Revenue Vehicles	8.9	14.4	5.5	61.8%	2.4%
14 Other Asset Improvements Subtotal	\$ 196.3	\$ 179.0	\$ (17.2)	-8.8%	29.4%
15 Total Proposed CIP Budget	\$ 577.4	\$ 608.8	\$ 31.4	5.4%	100.0%

Note: Totals may not add up due to rounding.

Metro will continue working toward achieving a zero-emission bus (ZEB) fleet in the coming years. This effort will require a \$3.5 billion to \$4.4 billion investment in buses and charging infrastructure. Although there is a decrease in bus acquisition expenditures this year, new ZEB acquisitions are in the pipeline and will increase as available technology and manufacturing capacity permits. A majority of the Bus Fleet Procurement, line 1 in figure 5, and Facilities Improvements, line 3 in figure 5, are dedicated to ZEB. See Attachment B for additional CIP budget details.

Total Bus Investment

Metro prioritizes its investments in bus services, which includes the cost of the operations, maintenance, NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY26 Budget includes \$2.47 billion in bus investments as shown in Figure 6 below.

See Attachment C for additional Bus Investment details.

Figure 6:

Bus Investments (\$ in Millions)		FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1	Bus Operations & Maintenance	\$ 1,792.9	\$ 1,897.3	\$ 104.4	5.8%	76.8%
2	Bus NextGen	44.8	43.4	(1.5)	-3.3%	1.8%
3	Bus Capital Improvements	159.4	175.3	15.9	10.0%	7.1%
4	Bus Transit Construction & Planning	245.8	327.0	81.2	33.1%	13.2%
5	LIFE Program/Bus	27.1	28.8	1.7	6.1%	1.2%
6	Total of Bus Investments	\$ 2,270.0	\$ 2,471.7	\$ 201.7	8.9%	100.0%

Note: Totals may not add up because of rounding.

General Planning & Programming, Congestion Management, and Oversight and Administration

Figure 7:

Expenditures by Program Type (\$ in millions)		FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1	General Planning & Programs	257.9	280.0	22.1	8.6%	3.1%
2	Congestion Management	124.4	129.9	5.5	4.4%	1.4%
3	Oversight & Administration	89.4	101.7	12.4	13.8%	1.1%
4	Total	\$ 471.7	\$ 511.6	\$ 39.9	8.5%	5.7%

General Planning & Programming

The FY26 Preliminary Budget for General Planning & Programs (GPP) Budget totals \$280 million, an increase of 8.6% or \$22.1 million from FY25. GPP encompasses a wide range of activities that support the agency's goal of delivering improved mobility, sustainability, as well as financial and technical support to Metro's partners throughout LA County. Activities under this program include long-range and systemwide financial planning and grants management, new and enhanced transit infrastructure, various aspects of Metro's bike program, unsolicited proposals and public private partnerships (P3), sustainability, joint development efforts and Union Station upgrades. Changes in the GPP budget reflect more progress on equity outcome-driven initiatives like the Joint Development 10K housing work, additional support for the Regional grants management program, and the continuing work for the Street Safety and Transit to Parks programs.

Congestion Management

The FY26 Preliminary Budget for Congestion Management totals \$129.9 million, an increase of 4.4% or \$5.5 million from FY25. The program consists of four major groups: ExpressLanes, Freeway Service Patrol (FSP), Motorist Services, and Rideshare Services. The expenditure increase in FY26 is mainly due to the procurement of a new ExpressLanes Back Office System to help ensure account security, system performance, and invoice accuracy.

Oversight and Administration

The FY26 Preliminary Budget for Oversight and Administration totals \$101.7 million, representing 1.1% of the Agency's total annual budget. This program consists of legal services, ethics compliance, internal investigations, regulatory environmental assessments as well as legally mandated financial and compliance audits. Agencywide support functions include investments in areas of customer experience to deliver transportation services for LA's key journeys as well as valuing the workforce by attracting and retaining the best employee base.

Continued investments are planned to value our workforce, which includes the Employee Engagement and Recognition Programs, Transportation School (SEED LA) and Workforce Initiative Now (WIN-LA) to create future employment opportunities in our communities. Other investments include software and hardware license renewals and maintenance support to help drive efficiency and performance.

Metro is creating a digital roadmap to enhance customer experience with our technology platforms and conducting traffic reduction study to deliver world class transportation. In addition, Metro will be enhancing the Customer Experience Plan to provide better ridership experience.

Early & Expanded Public Engagement Update

To ensure the FY26 Budget reflects community priorities and fosters public engagement, Metro has conducted a comprehensive and multi-faceted outreach strategy. This includes the 'My Metro Budget Activity,' a Telephone Town Hall, a dedicated Budget Portal (<https://budget.metro.net/>), targeted stakeholder meetings, and culminating in a formal public hearing. During February and March, all departments received My Metro Budget Activity input via a dashboard related to their programs and projects and incorporated the feedback into their budget development. This approach will provide Metro and the Board with critical community feedback and data to inform final budget decisions.

Throughout April and May, Metro will continue to have meetings with stakeholders to present and collect more feedback on the FY26 Budget, followed by the budget public hearing in May. Additional details on the comments received via the My Metro Budget activity and stakeholder meetings are in Attachment D.

DETERMINATION OF SAFETY IMPACT

This recommendation will not have an impact on safety standards at Metro.

EQUITY PLATFORM

Metro's commitment to equity is embedded in the FY26 Budget development process through the continued application of Equity Zero-Based Budgeting (EZBB). Guided by the pillars of 'Listen and Learn' and 'Focus and Deliver,' Metro is ensuring that resource allocation directly addresses the diverse needs of riders and results in meaningful outcomes that improve access to opportunity. These pillars are acted on by continuously learning from stakeholders and using needs-based analyses to develop targeted solutions to improve mobility in Los Angeles County and the surrounding region. Public feedback is meticulously documented and integrated into the budget, shaping priorities that reflect our community's values. OMB will continue to assess the budget's

impact on equity, sustainability, safety, and ADA accessibility, ensuring our system serves all residents effectively.

In summary, this month's budget update addresses increased access to opportunities throughout the region. Leveraging the EFC map, Metro has been able to understand regional equity needs and impact for low-income and zero-vehicle households and respond to them with first last-mile and community employment initiatives. As federal funding uncertainty remains, Metro recognizes the potential for disproportionate impacts on communities. The budget will continue to prioritize investments that maintain essential service levels and ensure that funds will be distributed in a way that prioritizes the needs of the communities who are most reliant on the service.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

Although this item is administrative, providing an update on the development of specific parts of Metro's upcoming proposed budget, the programs discussed in this item are expected to contribute to further reductions in VMT. They support Metro's systemwide strategy to reduce VMT through expanding transit services, improving accessibility and affordability, enhancing safety and cleanliness, and improving customer experience to attract and retain riders.

The budget allocations discussed in this item will support the delivery of 8.9 million revenue service hours (RSH) across bus, rail (including two rail line extensions), and the Metro Micro Pilot project. The preliminary budget funds efforts to provide a safe, reliable, affordable and clean transit service by enhancing the customer experience, such as more frequent bus and rail cleaning, multi-layered safety initiatives, the Station Experience program, upgrades to faregates, station lighting and cleanliness, and addition of mobile public restrooms. It also provides resources for infrastructure and fleet maintenance, rolling stock upgrades, and new technology implementation, ensuring a safe, affordable, high-quality transit system that encourages ridership growth. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Metro Strategic Plan Goal:
Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

NEXT STEPS

Staff continues to review and refine the FY26 Preliminary Budget as it advances through the process, carried out through the delivery of the Service Plan and Capital Improvement Plan, as well as planned Agency-wide initiatives. The FY26 Proposed Budget will be published on April 30, 2025. A public hearing will be held on May 15, 2025, for the Board's consideration to adopt the proposed FY26 Budget on May 22, 2025.

ATTACHMENTS

Attachment A - Enhanced Customer Experience

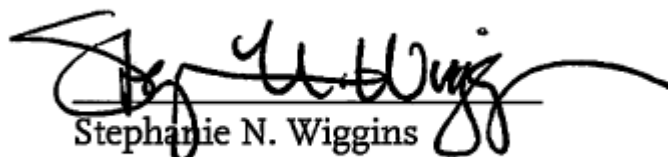
Attachment B - Metro Transit Capital Improvement Program Details

Attachment C - Total Bus Investments

Attachment D - Early, Improved & Expanded Public Engagement Update

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Attachment A : Enhanced Customer Experience

The FY26 Preliminary Budget allocates \$316.2 million for cleaning efforts, a 13.1% or \$36.6 million increase over FY25.

(\$ in millions)

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Trains	208	292	84	40.4%	41.5	59.4	17.9	43.2%
Facilities	127	127	-	0.0%	34.0	35.6	1.6	4.8%
Stations	389	424	35	9.0%	105.5	120.0	14.4	13.7%
Stops	23	23	-	0.0%	4.5	4.7	0.16	3.4%
Station Experience (SE)	10	15	5	50.0%	10.4	10.0	(0.4)	-3.8%
Cleaning & SE Total	1,155	1,279	124	10.7%	\$ 279.5	\$ 316.2	\$ 36.6	13.1%

Cleaning

Bus Cleaning

The FY26 Budget outlines a comprehensive plan for daily bus cleaning across four terminals, operating seven days a week. The terminals slated for cleaning include Terminal 17 (Maple Lot), Terminal 19 (El Monte), Terminal 26 (Washington/Fairfax), and Terminal 28 (18th St).

End of Line Rail Car Cleaning

The current coverage, two shifts over 7 days, will be expanded to include 7-day, three-shift coverage at 9 terminuses (B/NoHo, D/Wilshire & Western, E/Downtown Santa Monica, E/Atlantic, K/Westchester/Veterans, C/Redondo Beach, C/Norwalk, A/Downtown Long Beach, A/APU/Citrus College) and will pilot a mid-line cleaning program. This expansion ensures thorough cleaning of rail cars during revenue service and at rail yards.

Transit Centers and Rail Station Cleaning

Metro continues our Hot Spot cleaning initiative, which involves deploying extra custodial staff alongside supervisors to 17 stations. The stations include Compton, Downtown Long Beach, Firestone, Slauson, Norwalk, Harbor Freeway, Sierra Madre Villa, Lake, Soto, Allen, Mariachi, Downtown Santa Monica, Harbor Gateway Transit Center (J/Silver Line), PCH (J/Silver Line), 37th St/USC (J/Silver Line), Terminal 19 (El Monte Transit Center), and Terminal 27 (LAX Transit Center).

Facilities Cleaning

One of the customers' first perceptions of the Metro system is the condition of its facilities. Metro's facilities maintenance team and contractors perform a varied range of essential tasks, including graffiti control and abatement, pest, and bird control, weed

control, power sweeping, and trash and vegetation removal, to keep our facilities well-maintained.

Station Improvements

Metro will invest significantly in faregate upgrades, enhanced CCTV systems, various lighting retrofit, and improvements to signage and wayside features throughout the system to enhance the overall station experience.

Public restrooms

Throne bathrooms, which are ADA accessible, offer a safe, clean, and technology-equipped restroom experience that helps prevent misuse and enhances safety and hygiene in the system. Metro plans to continue expanding these bathrooms, with about five new units being added every three months as part of the Board-approved plan. In FY26, Metro is aiming for up to 50 units by the Summer 2026 World Cup and a total of 64 units by early 2027. Once fully operational, an updated Go Metro map will highlight their locations.

Elevators/Escalators

The FY26 Preliminary Budget includes additional funds to modernize and replace aging elevators and escalators for improved reliability and accessibility. Newer elevators have been reprogrammed to keep doors open when not in use, enhancing cleanliness and safety, but most older elevators lack this feature. To address this, the plan includes adding elevator attendants using Return-to-Work employees to monitor elevator activity and assist customers. This approach is similar to BART's use of elevator attendants at their most problematic elevators.

Tap-To-Exit and Taller Fare Gates

The TAP-to-Exit program, which started at North Hollywood and expanded to Union Station in February, now covers both B Line end-of-line stations with positive rider feedback. Reprogrammed faregates automatically correct unpaid exits, enhancing access control, while the CX team's initiatives improved station circulation and supported LIFE program enrollments. A new passenger flow plan has reduced entry/exit conflicts, particularly for Metrolink riders.

To enhance security and ensure fare compliance, the budget allocates funds to modernize the fare collection system by installing taller faregates, beginning with the LAX/Metro Transit Center Station. This upgrade will improve access control, reduce trespassing, and streamline passenger movement while adhering to the installation schedule. The initial pilot has been expanded to retrofit ten high-fare-evasion stations in Phase 1, supported by \$14.4 million in funding in FY25 Budget. Phase 2 will include \$15.3 million in FY26 Preliminary Budget for the retrofit of 11 additional stations by October 2025. New rail services will feature taller gates, which have been tested for

usability and integration to enhance security, prevent fare evasion, and optimize passenger flow.

Weapons Detection Systems Pilot Program

The concealed weapons detection solution can provide an extra layer of security for riders boarding Metro's transportation system and enhance the agency's overall security posture. The pilot program will continue into FY26 as the Metro Board approved extending it for 12 months in its February 2025 meeting to include additional key high-traffic transit stations and buses. As a passenger walks through this detection system, the system uses its advanced sensors, AI, and other technologies to detect concealed weapons without requiring them to stop and remove any belongings.

Attachment B : Metro Transit Capital Improvement Program Details

Metro Transit : Capital Improvement Program (CIP)

To provide world class bus and rail service, assets and infrastructure are maintained in a state of good repair through the CIP program. Projects within the CIP focus on keeping the system assets safe and reliable to ensure Board approved service levels are delivered. CIP program is designed to replace assets that have met or exceeded their useful life, or to propose additions for service expansion and enhancement.

Capital Category (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 47.5	\$ 36.0	\$ (11.5)	-24.2%	5.9%
2 Fleet Maintenance	49.1	51.2	2.1	4.3%	8.4%
3 Facilities Improvements	48.8	89.1	40.4	82.8%	14.6%
4 Bus Subtotal	\$ 145.4	\$ 176.4	\$ 31.0	21.3%	29.0%
5 Fleet Procurement	\$ 58.5	\$ 74.6	\$ 16.1	27.6%	12.3%
6 Fleet Maintenance	94.2	106.6	12.4	13.2%	17.5%
7 Facilities Improvements	19.0	20.3	1.3	6.7%	3.3%
8 Wayside Systems	64.1	52.0	(12.1)	-18.9%	8.5%
9 Rail Subtotal	\$ 235.7	\$ 253.4	\$ 17.7	7.5%	41.6%
10 Regional and Hubs	\$ 77.9	\$ 61.4	\$ (16.5)	-21.2%	10.1%
11 Technology	69.8	66.4	(3.5)	-5.0%	10.9%
12 Non MR/MM Major Construction	39.6	36.8	(2.8)	-7.0%	6.1%
13 Non-Revenue Vehicles	8.9	14.4	5.5	61.8%	2.4%
14 Other Asset Improvements Subtotal	\$ 196.3	\$ 179.0	\$ (17.2)	-8.8%	29.4%
15 Total Proposed CIP Budget	\$ 577.4	\$ 608.8	\$ 31.4	5.4%	100.0%

Bus Program

Fleet Procurement, Fleet Maintenance, and Facilities Improvements make up \$176.4 million or 29.0% of the total CIP budget.

Bus – Fleet Procurement

Metro is continuing its pursuit of a truly sustainable bus fleet. The Board has adopted a goal of converting Metro's entire fleet of buses from Compressed Natural Gas (CNG) to Zero Emission electric Buses (ZEB). This is an ambitious goal considering Metro has the second largest bus fleet in the United States, and places high mileage and vehicle performance demand on its 2,100 buses. Metro anticipates continued deliveries of 100 forty-foot Battery Electric Buses (BEB) buses and finalizing payment for prior procurements of 40' and 60' BEB and CNG buses.

Bus - Fleet Maintenance

Bus fleet maintenance projects represent \$51.2 million or 8.4% of the CIP budget. Bus maintenance projects include bus midlife refurbishment and integrated engine replacement. Midlife refurbishment ensures that our buses are operational for their designated useful life, which includes structural integrity checks and change-out of

critical system components. The refurbishment program also consists of installation of fare box upgrades and upgraded ADA wheelchair securement equipment. All buses scheduled for midlife refurbishment are based on bus age, revenue service miles, and reliability measurements of each bus series.

Bus - Facilities Improvements

Bus facilities improvements make up \$89.1 million or 14.6% of the CIP budget. These projects include electric charging infrastructure, development of master plans for facility upgrades, site refurbishment, and site reconfigurations to upgrade and maintain facilities. Upgrades include regulatory compliance mandates, such as replacement of underground fuel storage tanks, roofs, building ventilation, upgrade of fire alarm systems, bus division pavement replacement, and security fence installation. Establishing an Operations Central Instruction (OCI) campus which will create a consolidated training location for bus operators and front-line staff. In total, this is an increase of \$40.4 million from last year, of which a significant portion is related to electric charging infrastructure installation.

Zero Emissions Bus (ZEB) Initiative

Electric and ZEB technology is still in the development stage. Metro will partner with electric bus manufacturers to test, develop, and improve electric bus and charging infrastructure technology to the point of full technological maturity. The FY26 Budget represents a step towards realizing this goal. Approximately \$92.2 million or 15.1% of the CIP budget is allocated for these efforts. In total, this is an increase of \$8.6M or 10.3% from the FY25 Budget and reflects continued efforts to acquire ZEB buses and develop commensurate infrastructure. Metro is procuring ZEB buses as quickly as technology and vehicle availability allow. Metro is also investing in BEB charging infrastructure. Placement of new electric charging equipment and infrastructure will continue at stations on the J Line (Silver) alignment, as well as operating divisions.

Rail Program

Rail Fleet Procurement, Vehicle Maintenance, Facilities Improvements, and Wayside Systems repair and replacement total \$253.4 million or 41.6% of the CIP budget.

Rail - Fleet Procurement

Light and heavy rail vehicle procurement is allocated \$74.6 million or 12.3% of the CIP budget. It is dedicated to vehicle deliveries for both rail expansion and existing vehicle replacement. A new Light Rail Vehicle (LRV) procurement begins this year for vehicles to be used on new line openings and replacement of 52 Siemens LRV's that are approaching the end of their useful life. The procurement of Heavy Rail Vehicles (HRV) that includes the purchase of 64 vehicles for replacement of A650 vehicles and 34 for the Purple Line Extension (PLE), Section 1, is in progress. This is a major milestone in the process of replacing the original B (Red) Line cars that began service in 1992. These new vehicles will replace the existing vehicles and will have many amenities that

will enhance the transit customer experience. Procurement is also underway of an additional 182 vehicles for PLE Sections 2 & 3, and system service expansion.

Rail - Fleet Maintenance

Rail Vehicle Maintenance projects are allocated \$106.6 million or 17.5% of the CIP budget. This is an increase of 13.2% from \$94.2 million last year predominantly due to increased refurbishment and overhaul efforts. Vehicle subsystem overhauls will include refurbishment of gearboxes, Heating, Ventilation, and Air Conditioning (HVAC) systems.

The heavy rail vehicle midlife modernization consists of the change out of critical system components to extend the vehicle useful life on B Line (Red) vehicles. Vehicles scheduled for midlife will be sent offsite and be brought back for testing, inspection, and final acceptance to improve operational reliability.

Rail - Facilities Improvements

Rail facilities improvements projects make up \$20.3 million or 3.3% of the CIP budget. Projects are slated to maintain existing rail facilities with mandated regulatory and safety upgrades such as station/facility fire control panel installation, CCTV installation, platform gate replacement, various lighting retrofits, roof replacements, ventilation, HVAC system repairs, pavement replacement, elevator modernization, and art projects.

Rail - Wayside Systems

Wayside system improvements make up \$52.0 million or 8.5% of the CIP budget. Projects include the on-going replacement of the Supervisory Control and Data Acquisition (SCADA) system, as well as track system replacement, Overhead Catenary System (OCS) inspection/refurbishment, train control track circuits, tunnel corrosion mitigation, replacement of old wood track ties with composite ties, and replacement of mainline fasteners and many other maintenance projects.

Other Asset Improvements

Other Asset Improvements total \$179.0 million, 29.4% of the CIP budget. These projects are slated for regional construction improvements, replacement of maintenance vehicles/equipment, and technology upgrades. Metro will be making significant investments in safety related projects: track and tunnel intrusion technology, faregate retrofits, enhanced CCTV systems, transit security communications enhancements, ESOC alert notifications, improvements to signage throughout the system, along with projects to enhance the station experience. It will also include Traction Power Substation (TPSS) improvements for operational support, and technology upgrades for agency IT infrastructure and customer support systems. A significant technology project is continuing efforts with development and integration of the Enterprise Asset Management System (EAMS). Significant investments will also be made in Transit Signal Priority (TSP) and, as a part of NextGen. There will also be continued TAP Salesforce User Interface improvements. Metro is also consolidating various facilities

into an Operations Downtown Hub. Rail to Rail project work is nearing completion. Its FY26 Budget has led to the overall decrease in Non-MR/MM Major Construction Expenditures.

Attachment C : Total Bus Investments

Total Bus Investment in FY26 Preliminary Budget

Metro prioritizes its investments in bus services, which includes the cost of the operations, maintenance, NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY26 Budget includes \$2.47 billion in bus investments as shown in the table below.

	Bus Investments (\$ in thousands)	FY25 Budget	FY26 Preliminary	\$ Change	% Change	Life Of Project
1	Operations & Maintenance					
2	Directly Operated Service Delivery - Labor	\$ 701,590.6	\$ 741,490.7	\$ 39,900.2	5.7%	
3	Directly Operated Service Delivery - Parts, Supplies, CNG, Other	580,101.9	623,148.9	43,047.0	7.4%	
4	Cleanliness	116,303.8	120,691.6	4,387.7	3.8%	
5	Public Safety					
6	Security (LE/Private/Metro)	\$ 104,346.3	\$ 108,849.8	\$ 4,503.5	4.3%	
7	Transit Ambassador Program	4,744.0	5,071.4	327.4	6.9%	
8	Homeless Outreach	7,808.2	6,651.7	(1,156.4)	-14.8%	
9	Public Safety Subtotal	\$ 116,898.5	\$ 120,572.9	\$ 3,674.5	3.1%	
10	Other Operating and Support					
11	Workers Compensation	\$ 76,870.9	\$ 85,232.3	\$ 8,361.4	10.9%	
12	PLPD	44,660.6	45,294.5	633.9	1.4%	
13	Customer Care Call Center	24,085.3	27,147.1	3,061.7	12.7%	
14	Supply Chain, Warehouse & Inventory Management	59,708.6	65,190.8	5,482.2	9.2%	
16	Purchased Transportation	72,644.2	68,487.5	(4,156.7)	-5.7%	
15	Other Operating and Support Subtotal	\$ 277,969.6	\$ 291,352.1	\$ 13,382.5	4.8%	
17	Operations & Maintenance Subtotal	\$ 1,792,864.4	\$ 1,897,256.2	\$ 104,391.9	5.8%	
18	NextGen					
19	Bus Mobile Validators (BMV) (All Door Boarding)	\$ 1,711.3	\$ -	\$ (1,711.3)	-100.0%	\$ 18,100.0
21	Camera Bus Lane Enforcement	\$ 2,500.0	\$ 2,001.6	\$ (498.4)	-19.9%	\$ 11,000.0
20	Transit Signal Priority	\$ 3,569.3	\$ 4,624.6	\$ 1,055.2	29.6%	\$ 25,620.0
22	NextGen Bus Priority Lanes	\$ 4,788.6	\$ 4,776.1	\$ (12.5)	-0.3%	\$ -
23	NextGen Curb Improvements	\$ 8,130.1	\$ 7,741.0	\$ (389.1)	-4.8%	\$ -
24	NextGen Bus Stops and Shelters	16,401.8	16,429.2	27.4	0.2%	-
25	Bus Termini and Layover Improvement	3,000.0	3,570.8	570.8	19.0%	-
26	NextGen Bus Lanes	4,740.2	4,209.9	(530.3)	-11.2%	-
27	NextGen Subtotal	\$ 44,841.4	\$ 43,353.2	\$ (1,488.1)	-3.3%	\$ 54,720.0





Table Continues on next page.

Bus Investments (Continued)		FY25	FY26	\$	%	Life Of
(\$ in thousands)		Budget	Preliminary	Change	Change	Project
28	Bus Fleet Procurement					
29	40' Battery Electric Zero Emission Buses	\$ 41,118.3	\$ 21,497.1	\$ (19,621.2)	-47.7%	\$ 163,534.0
30	40' Compressed Natural Gas Buses	692.9	604.0	(89.0)	-12.8%	420,913.3
31	60' Battery Electric Zero Emission Buses	1,971.7	7,525.9	5,554.2	281.7%	80,003.3
32	60' Battery Electric Zero Emission Buses - Grant Funded	680.7	196.9	(483.8)	-71.1%	8,109.5
33	60' Compressed Natural Gas Buses	441.9	378.7	(63.2)	-14.3%	149,311.4
34	40' Battery Electric Zero Emission Buses & En-Route Charging Infrastructure	1,500.0	4,111.4	2,611.4	174.1%	-
35	Battery Electric Buses & Chargers	1,142.0	1,708.0	566.0	49.6%	-
36	Bus Fleet Procurement Subtotal	\$ 47,547.6	\$ 36,022.0	\$ (11,525.6)	-24.2%	\$ 821,871.6
37	Bus Facilities Improvements					
38	Bus Division Improvements IV	\$ 4,773.9	\$ 2,224.0	\$ (2,549.9)	-53.4%	\$ 28,000.0
39	Division 1 Street Closure	1,893.2	1,960.4	67.2	3.6%	9,500.0
40	Metro G Line (Orange) Reclaimed Water Project	92.7	122.8	30.1	32.4%	655.4
41	Electric Bus Charging Infrastructure J (Silver) Line	16,374.9	8,434.0	(7,940.9)	-48.5%	50,000.0
42	Division 8 Charging Infrastructure	8,000.0	2,505.2	(5,494.8)	-68.7%	65,150.0
43	Resilience Charging System	5,000.4	2,430.0	(2,570.4)	-51.4%	22,450.0
44	Division Zero Emission Bus Infrastructure Transition	2,000.0	3,175.8	1,175.8	58.8%	-
45	Environmental Compliance Capital Project (FY23-FY27)	4,941.5	13,084.7	8,143.2	164.8%	35,000.0
46	Fire Alarm Panel Replacement Throughout Metro Facilities	1,174.8	1,513.4	338.5	28.8%	9,830.0
47	Energy Resiliency	-	550.0	550.0	N/A	-
48	Division 7, ZEB Charging Infrastructure	500.0	22,186.9	21,686.9	4337.4%	218,410.0
49	Division 18, ZEB Charging Infrastructure	500.0	16,213.8	15,713.8	3142.8%	350,000.0
50	Bus Facilities Improvements Subtotal	\$ 45,251.5	\$ 74,400.9	\$ 29,149.4	64.4%	\$ 788,995.4
51	Bus Fleet Maintenance					
52	Bus Engine Replacements	\$ 3,287.9	\$ 3,379.4	\$ 91.4	2.8%	\$ 13,518.0
53	New Flyer/EI Dorado Bus Midlife	44,816.1	46,535.1	1,719.0	3.8%	205,000.0
54	Bus Maintenance Equipment Acquisition	1,000.0	1,291.7	291.7	29.2%	3,900.0
55	Collision Avoidance Demo	-	-	-	100.0%	-
56	Bus Fleet Maintenance Subtotal	\$ 49,104.0	\$ 51,206.2	\$ 2,102.2	4.3%	\$ 222,418.0
57	Regional & Hubs					
58	Passenger Screen-Facility Hardening	\$ 78.5	\$ -	\$ (78.5)	-100.0%	\$ 3,448.8
59	Validators For Muni Buses	2,722.1	-	(2,722.1)	-100.0%	4,912.0
60	Patsaouras Bus Plaza Station Improvements	15.0	15.0	-	0.0%	50,913.0
61	Bus Division Improvements V	2,818.0	1,786.2	(1,031.8)	-36.6%	35,000.0
62	Bus Stop Lighting	340.3	250.0	(90.3)	-26.5%	-
63	Regional & Hubs Subtotal	\$ 5,973.9	\$ 2,051.2	\$ (3,922.8)	-65.7%	\$ 94,273.8
64	Technology					
65	Advanced Transportation Management System II (ATMS) Replacement	\$ 10,807.3	\$ 11,207.3	\$ 400.0	3.7%	\$ 117,000.0
66	Technology Subtotal	\$ 10,807.3	\$ 11,207.3	\$ 400.0	3.7%	\$ 117,000.0
67	Non MR/MM Major Construction					
68	Rosa Parks/Willowbrook Station	\$ 739.9	\$ 405.0	\$ (334.9)	-45.3%	\$ 128,348.4
69	Non MR/MM Major Construction Subtotal	\$ 739.9	\$ 405.0	\$ (334.9)	-45.3%	\$ 128,348.4
70	Bus Capital Improvements Subtotal	\$ 159,424.2	\$ 175,292.6	\$ 15,868.4	10.0%	\$ 2,172,907.1
71	Transit Construction					
72	G Line (Orange) Bus Rapid Transit (BRT) Improvements	\$ 106,859.9	\$ 214,896.2	\$ 32,249.3	101.1%	\$ 149,683.0
73	North Hollywood to Pasadena BRT Connector	114,433.2	84,492.6	(53,703.5)	-26.2%	-
74	Transit Construction Subtotal	\$ 221,293.1	\$ 299,388.8	\$ 78,095.7	35.3%	\$ 149,683.0
75	Transit Planning					
76	Countywide BRT Planning	\$ 2,404.5	\$ 3,473.4	\$ (598.1)	44.5%	\$ -
77	North San Fernando Valley BRT	1,150.8	409.7	(1,317.2)	-64.4%	-
78	San Gabriel Valley (SGV) Feasibility Study	956.7	1,402.7	(978.2)	46.6%	-
79	Vermont Transit Corridor	19,945.5	22,326.9	13,683.5	11.9%	-
80	Other Bus Planning & Studies	37.2	32.4	(4.8)	-13.0%	-
81	Transit Planning Subtotal	\$ 24,494.7	\$ 27,645.1	\$ 3,150.4	12.9%	
82	Bus Transit Construction & Planning Subtotal	\$ 245,787.8	\$ 327,033.9	\$ 81,246.1	33.1%	\$ 149,683.0
83	LIFE Program/Bus	\$ 27,104.4	\$ 28,765.6	\$ 1,661.1	6.1%	
84	Bus Investments Total	\$ 2,248,193.2	\$ 2,471,701.5	\$ 223,508.3	9.9%	\$ 2,377,310.1

Attachment D : Early, Improved & Expanded Public Engagement Update

My Metro Budget Activity – Update

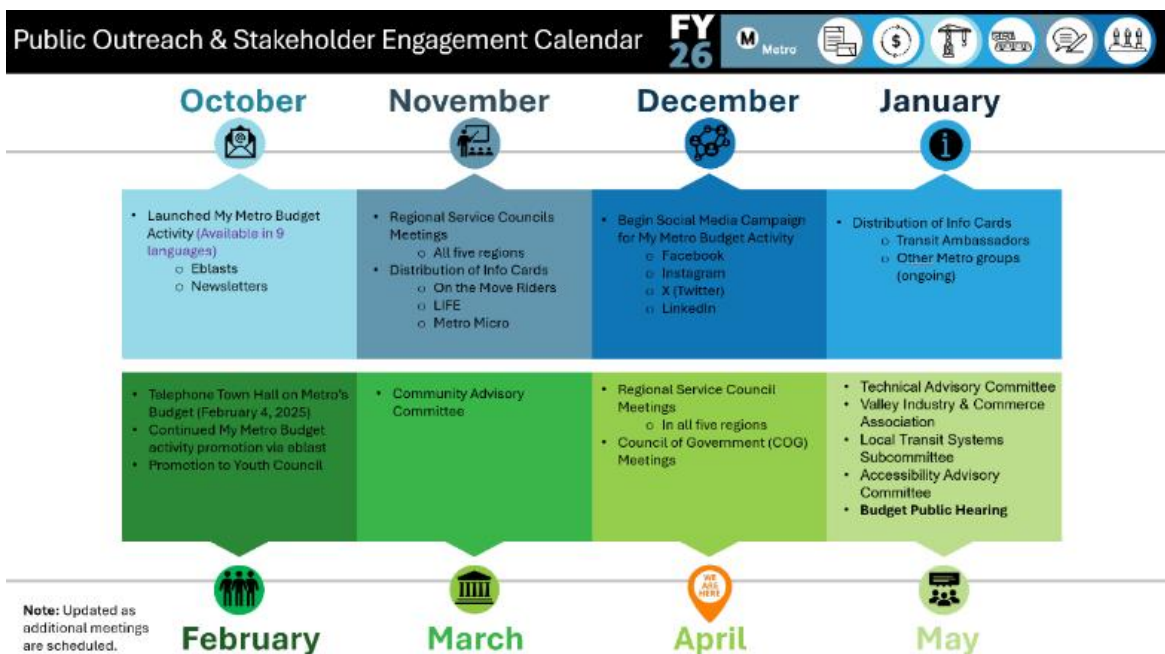
The 'My Metro Budget' online feedback platform remains open for public comment on the FY26 Budget through the end of May. As of March 19, 2025, Metro has exceeded our goal and has received over 6,000 responses, including over 4,100 unique comments. In March, Metro engaged Community Based Organizations (CBOs) using its established database through its Opportunity Center. AI-assisted comment summaries and responses for key programs are included in this month's budget update.

Program	What We Heard	What Metro is Doing (FY26 Budget)
 <p>Metro Transit Operations (1,784 Comments)</p>	<p>Advocate funding emphasis on:</p> <ul style="list-style-type: none"> ○ Increased bus & rail service ○ Increased bus & rail cleanliness 	<ul style="list-style-type: none"> ● Station Experience (\$10M) ● NextGen, Bus Speed & Reliability, bus priority lanes (\$29M) ● Improved C Line, K Line, & B/D Line frequency (\$68M) ● A Line to Pomona / D Line Extension Phase 1 (\$92M) ● 40 service attendant positions to expand EOL & mid-line rail car cleaning 7 days/week, 3 shifts/day (\$8.3M) ● 34 custodial positions - A & D Line (\$4.8M)
 <p>Capital Improvement Program (CIP) (120 Comments)</p>	<p>Advocate funding emphasis on:</p> <ul style="list-style-type: none"> ○ Increase safety on the system ○ Continuing fleet electrification ○ Improving reliability ○ Maintenance of existing infrastructure 	<ul style="list-style-type: none"> ● Safety (\$16.6M) ● Electrification <ul style="list-style-type: none"> ○ Zero Emissions Buses (ZEB) and Charging Infrastructure (\$92.2M) ● Improve Bus & Rail Car Reliability <ul style="list-style-type: none"> ○ Overhaul/Midlifes (\$151.4M) ○ New Vehicles (\$111.2M) ● Maintenance & Repair (\$155.5M)
 <p>Public Safety (901 Comments)</p>	<p>Advocate funding emphasis on:</p> <ul style="list-style-type: none"> ○ Improve mental health & homeless issues ○ Code of conduct enforcement ○ Faregate improvements/TAP-to-Exit expansion ○ Increase law enforcement & TSO visibility 	<ul style="list-style-type: none"> ● Faregate improvements (\$15.3M) ● Metro Center Street Project / ESOC Capital (\$1.92M) ● ESOC Operating (\$2.6M) ● TCPPSD Start up (\$4.8M) ● Homeless outreach (\$21.5M) ● Transit Security Officers (\$75.0M) ● Transit Ambassador Program (\$26.0M) ● Community Intervention Specialists (\$9.3M)
 <p>General Planning and Programming (804 Comments)</p>	<p>Advocate funding emphasis on:</p> <ul style="list-style-type: none"> ○ Expanding bike lanes, hubs, and storage ○ Active transportation projects ○ Improve LA Union Station 	<ul style="list-style-type: none"> ● Expand Bikeshare – Operating & Capital (\$30.7M) ● Bike Path projects (\$17.0M) ● Bike hub/lockers (\$1.4M) ● Transit to Parks (\$2.1M) ● Rail to River (\$1.4M) ● LA Union Station infrastructure capital (\$14.4M)

Stakeholder Meetings & Outreach Efforts

Metro is committed to aligning its FY26 Budget with its Pillars of Equity, emphasizing 'Listen and Learn' and 'Focus and Deliver.' The 'Listen and Learn' pillar was advanced through comprehensive budget outreach, resulting in the collection and analysis of significant public input. 'Focus and Deliver' is reflected in the integration of data-driven decision-making throughout the budget development process.

April and May will continue to be essential months for public outreach. Stakeholders and community meetings will be held across the county, to ensure stakeholders, riders, and the public will be heard. Visit the Finance and Budget portal <https://budget.metro.net> for the most up-to-date information on Metro's budget development.



Telephone Town Hall

Following public feedback from the February 4, 2025, Telephone Town Hall, the Board of Directors passed Motion 25 at their February 20, 2025, meeting. This motion directs staff to address concerns regarding lighting, transit cleanliness, elevator maintenance, business engagement (SBE/DBE), Metro Bikeshare, and fare programs. Staff are required to report back within 90 days on improvement initiatives, with an update scheduled for May.



FY26 Budget Development Status Update

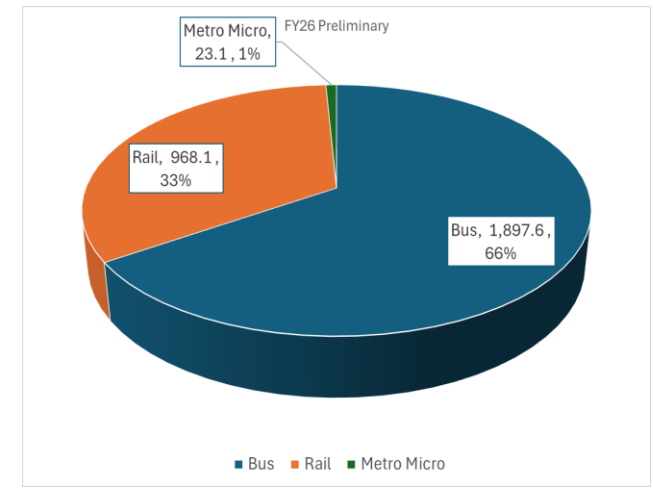
April 17th, 2025 | Finance, Budget and Audit Committee





Operations & Maintenance (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,792.9	\$ 1,897.6	\$ 104.8	5.8%	65.7%
2 Rail	896.2	968.1	71.8	8.0%	33.5%
3 Metro Micro	42.1	23.1	(19.0)	-45.2%	0.8%
4 Operations & Maintenance Total	\$ 2,731.2	\$ 2,888.8	\$ 157.6	5.8%	100.0%

Note: Totals may not add up because of rounding.

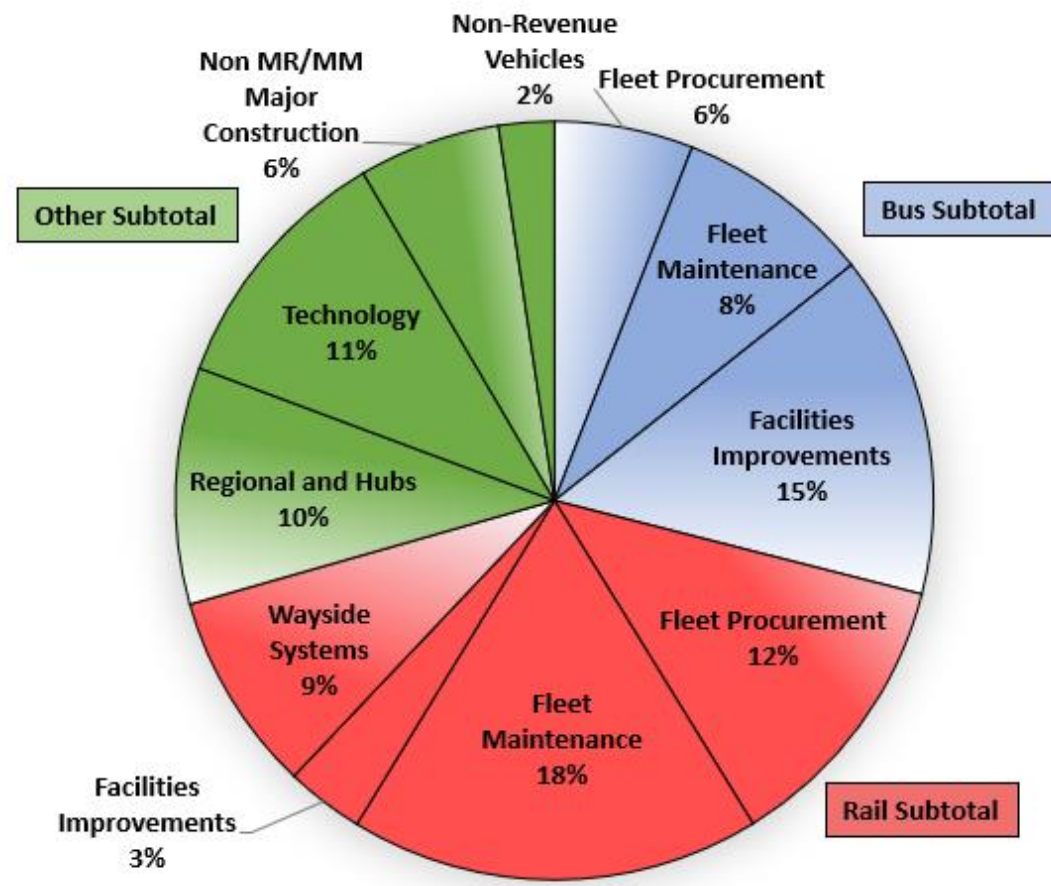


- Metro Transit Operation & Maintenance Preliminary Budget: **\$2.89B**, increase of \$157.6M (5.8%) over FY25
- Attract and retain ridership by delivering best in class transit services with **8.9M RSH** on bus, rail, and Metro Micro service.

- **Bus:** Maintain existing NextGen Bus Plan service levels, continuing to expand NextGen speed and reliability initiatives
- **Rail:** A Line to Pomona & D Line Section 1 extensions and improved service frequencies
- **Enhanced customer experience**
 - ❑ Station improvement strategies (Public Restroom, Station Lighting, Elevators Modernizations).
 - ❑ Cleaning Initiatives: Cleaning of Buses, End of Line Rail Cars, Transit Centers, Rail Stations and other Facilities (13.1% increase over FY25)
 - ❑ Continued investment in multi-layered public safety resource deployment and in safety infrastructure projects (6.7% increase over FY25)
- **New Metro Micro Pilot Business Model:** New service operations and software services contracts, enhancing control and financial sustainability while maintaining the same geographical coverage.



Capital Category (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 47.5	\$ 36.0	\$ (11.5)	-24.2%	5.9%
2 Fleet Maintenance	49.1	51.2	2.1	4.3%	8.4%
3 Facilities Improvements	48.8	89.1	40.4	82.8%	14.6%
4 Bus Subtotal	\$ 145.4	\$ 176.4	\$ 31.0	21.3%	29.0%
5 Fleet Procurement	58.5	74.6	16.1	27.6%	12.3%
6 Fleet Maintenance	94.2	106.6	12.4	13.2%	17.5%
7 Facilities Improvements	19.0	20.3	1.3	6.7%	3.3%
8 Wayside Systems	64.1	52.0	(12.1)	-18.9%	8.5%
9 Rail Subtotal	\$ 235.7	\$ 253.4	\$ 17.7	7.5%	41.6%
10 Regional and Hubs	77.9	61.4	(16.5)	-21.2%	10.1%
11 Technology	69.8	66.4	(3.5)	-5.0%	10.9%
12 Non MR/MM Major Construction	39.6	36.8	(2.8)	-7.0%	6.1%
13 Non-Revenue Vehicles	8.9	14.4	5.5	61.8%	2.4%
14 Other Asset Improvements Subtotal	\$ 196.3	\$ 179.0	\$ (17.2)	-8.8%	29.4%
15 Total Proposed CIP Budget	\$ 577.4	\$ 608.8	\$ 31.4	5.4%	100.0%



- Metro Transit CIP Preliminary Budget: **\$608.8M**, increase of \$31.4M (5.84) over FY25
 - Maintaining the system in a state of good repair
 - Focused on maintaining, upgrading, and modernizing assets to ensure equipment and peripheral systems provide reliable and high-quality service

- Program highlights include:
 - Bus Zero Emissions Buses (ZEB): Continue procurement of buses (\$35.0M) & infrastructure (\$57.2M)
 - Rail Cars: Major investment of \$153.8M in new vehicles and refurbishment of existing vehicles
 - Safety: \$16.6M Enhancements for Fire & Life Safety, communication, and monitoring systems
 - NextGen: \$43.4M for Bus Mobile Validators for all door boarding, Transit Signal Priority, and Bus stops in CIP and related programs
 - Customer Experience: \$19.2M in tech enhancements to improve the customer experience



Expenditures by Program Type (\$ in millions)	FY25 Budget	FY26 Preliminary	\$ Change	% Change	% of Total
1 General Planning & Programs	257.9	280.0	22.1	8.6%	3.1%
2 Congestion Management	124.4	129.9	5.5	4.4%	1.4%
3 Oversight & Administration	89.4	101.7	12.4	13.8%	1.1%
4 Total	\$ 471.7	\$ 511.6	\$ 39.9	8.5%	5.7%

General Planning and Programs (GPP)

- Active Transportation, Bike & Other Studies \$99.1
- Property Management \$87.6
- Financial, Grants Management and Admin \$51.5
- Unsolicited Proposals, P3, and other \$41.8



Congestion Management (CM)

- Express Lanes \$62.1
- Freeway Service Patrol \$38.2
- Motorist Services \$15.9
- Rideshare Services \$13.6



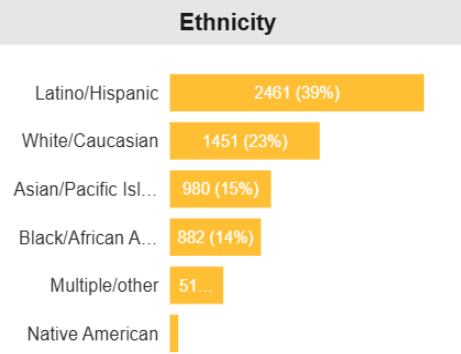
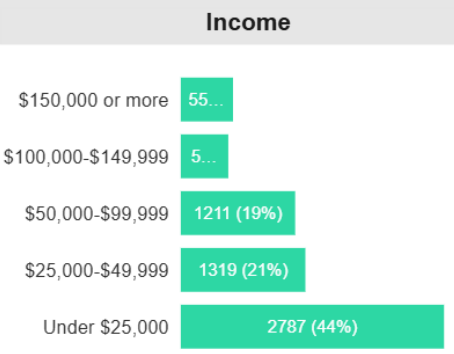
Oversight and Administration (O&A)

- Ongoing Activities \$65.2
- Valuing Workforce \$25.3
- Customer Experience \$11.2



My Metro Budget Activity Demographic Questions – Results to Date

FY 26



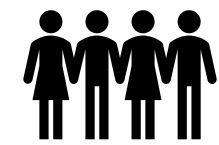
Female Funding Priorities

- Sustainability & ZEB
- Homeless Outreach & Ambassadors
- Metro Micro



Overall Funding Priorities

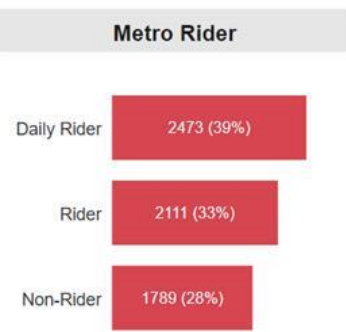
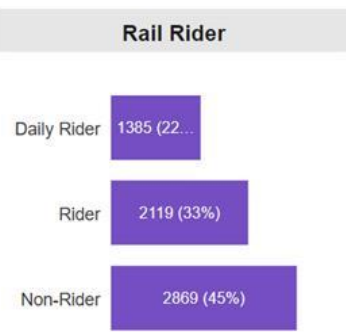
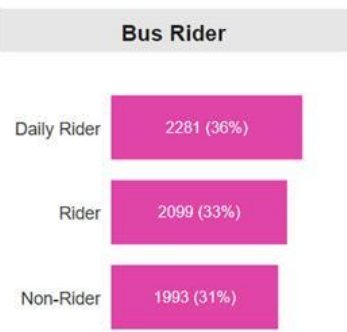
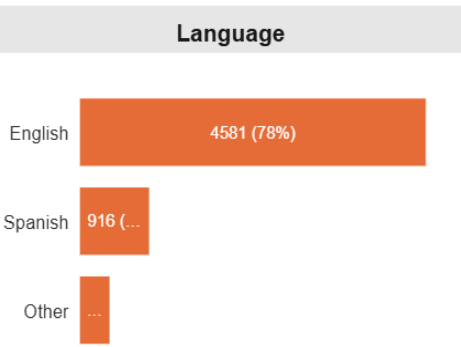
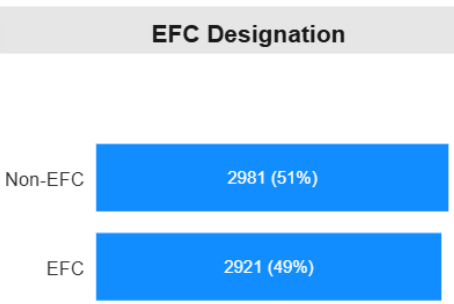
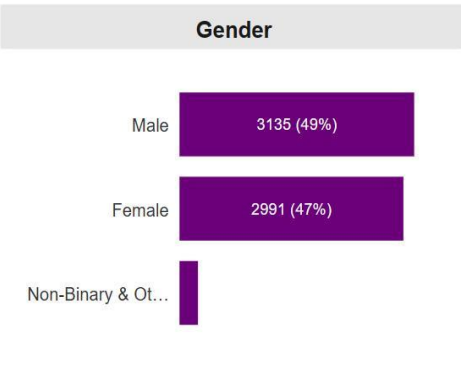
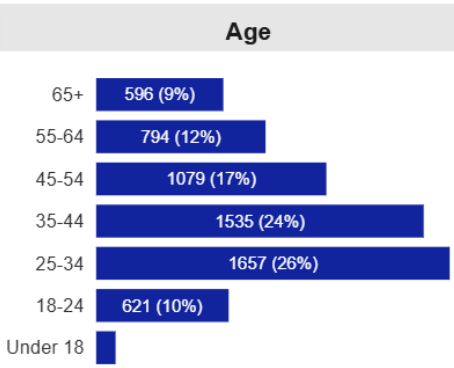
- Rail Service & Reliability
- Bus Lanes & Improvements
- System Cleanliness
- Metro Transit Security
- Homeless Outreach



6200+
Total Respondents
4,200+ Comments

EFC Funding Priorities

- Bus Service
- Bus Lanes & Improvements



Note: Results from October 31, 2024 – March 25, 2025. Actively working to increase youth group participation.

Daily Rider: 5+ days a week
Rider: 1-4 days a week
Non-Rider: <1 day a week



- Metro Transit – Operations & Maintenance (O&M)
Capital Improvement Program (CIP)
- General Planning and Programs
- Congestion Management
- Oversight and Administration



FY26 Proposed Budget:

- Public Hearing and Board Adoption

