Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2026-0337, **File Type:** Oral Report / Presentation **Agenda Number:** 4.

MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
JUNE 3, 2026

SUBJECT: ORAL REPORT ON THE FY27 BUDGET

ACTION: RECEIVE ORAL REPORT

RECOMMENDATION

RECEIVE oral report on review of the FY27 Budget.

ISSUE

California Public Utilities Code Section 130105 requires Metro to adopt an annual budget to manage the revenues and expenses of the Agency's projects and programs. The budget is the legal authorization to obligate and spend funds and to implement Board policy. It includes all operating, capital, planning and programming, subsidy funds, debt service requirements, and general fund activities for the fiscal year. The legal level of control is at the fund level. Total annual expenditures cannot exceed the final appropriation by the Board at the fund level except for capital expenditures, which are authorized on a life-of-project basis.

On May 5, 2026, the FY27 Proposed Budget was made available to the public on the Metro website and through the Records Management Center located on the plaza level of the Gateway building. Advanced public notification of the Budget Public Hearing was issued 30 days and 15 days prior to the scheduled date through advertisements posted in more than ten news publications in various languages. A public hearing of the proposed FY27 Budget was held on May 21, 2026. The Board adopted the FY27 Budget on May 28, 2026.

In addition to providing a report on the FY27 Budget, staff will provide information requested by the Committee during the March 4, 2026 meeting, regarding federal revenues budgeted in recent years and strategies for addressing fluctuations in Measure M fund balances.

EQUITY PLATFORM

Metro's commitment to equity is embedded in the FY27 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. The Office of Management and Budget will continue to assess the budget's impact on equity, sustainability, safety, and ADA accessibility, ensuring our system serves all residents effectively.

Leveraging the Equity Focus Communities (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. Per Board Direction, the EFC Budget Assessment was introduced with the FY23 Budget. It is a geographic equity analysis to identify the extent to which Metro's budget invests in EFCs, which comprise approximately 40% of Los Angeles County's population. The FY23 Budget established a baseline of 67.3% EFC Benefits. The FY27 Budget exceeds this baseline with EFC Benefits of 80.4% of the budget. 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 that are most reliant on the service.

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Metro Fiscal Year 2027 Proposed Budget

Metro

Agenda

1. PROGRAM HIGHLIGHTS

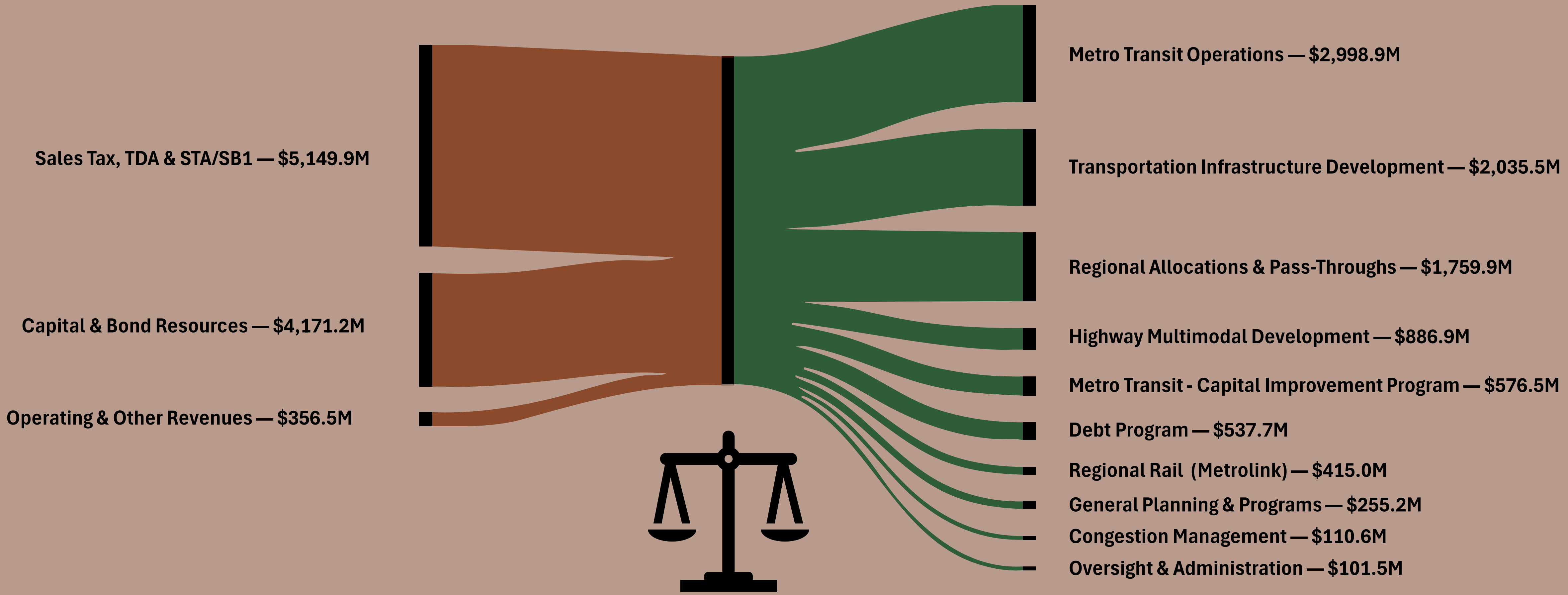
- FY27 Proposed Budget: Revenues vs Expenditures
- Metro Transit – Operations & Maintenance
  - Station Experience
  - Enhancing Customer Experience
- Metro Transit - Capital Improvement Program (CIP)
- Transportation Infrastructure Development (TID)
- Regional Allocation & Pass-throughs
- Other Programs
  - Highway Multimodal Development
  - Regional Rail
  - General Planning & Programming
  - Congestion Management
  - Debt Services
  - Oversight & Administration

2. PUBLIC OUTREACH & ENGAGEMENT

FY27 Proposed Budget - $9.7B

Balanced Budget that demonstrates our commitment and continued investments to building a world-class transit system

Resources	Expenditures



Overview:

- FY27 Proposed Budget $9.7B reflects a $223.0M or 2.4% increase over FY26
- Balanced budget with three fund source categories and ten program expenditures

Metro Transit Operations – $2.99B

Service plans and initiatives to improve customer experience

Bus Service
$1,939.8M
(+$44.3M, +2.3%)

Rail Service
$1,035.3M
(+$37.7M, +3.8%)

Metro Micro
$23.8M
(+$1.4M, +6.1%)

Overview:

- Reflects an $83.3M or 2.9% increase from FY26
- Maintaining bus, rail, & Micro revenue service hours (8.8M in FY27)
- D Line Section 2 expansion opening
- Bus: Supports NextGen & special events
- Rail: Meets current demand & expands opportunities throughout the region

Station Experience

Redefining the station, reimagining the experience

Safe, Clean Restrooms

- ADA-accessible Throne restrooms
- Up to 64 restrooms by Summer 2026 World Cup
- Ensure responsible use

Tap-To-Exit & Taller Fare Gates

- Implementing at 16 stations in FY27
- Deter fare evasion & improve safety
- Better access control, less trespassing, smoother flow

Elevators/Escalators

- Continue modernization & replacement
- Upgrade elevator control systems
- Expand Open-Door Program to all elevators

Lighting Retrofit

- Improved lighting – enhances visibility & safety at stations
- Retrofits at Rail Stations and Transit Centers
- Deter crime and help with wayfinding

Overview:

- FY27 budget: $29.6M for Station Experience (SX) expansion & enhancements
- SX reduces crime & loitering; expanding systemwide
- Community input drives upgrades (lighting, ADA restrooms, elevators/escalators)

Enhancing Customer Experience

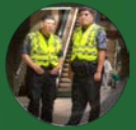
Elevating rider safety and cleanliness across the system

Multi-layered Public Safety Approach

Care-Based Services
Community Intervention Specialists (CIS), Crisis Response Program, Homeless Outreach, Transit Ambassadors

Department of Public Safety (DPS) & Contract Law Enforcement
Crime prevention & respond to calls for services

Metro Transit Security
Fare & Code of Conduct enforcement



Private Security
Security of stations, divisions, & terminals

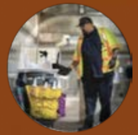
Cleaning

Bus
Daily @ four terminals seven days per week

Rail
Daily, End-of-Line (EOL) cleaning, three shifts seven days per week, continuing mid-line cleaning

Stations
Rail custodial staff @ 17 hot spots & support for D Line expansion

Facilities
Graffiti control & abatement, pest/bird control, weed control, power sweeping, trash and vegetation removal



Overview:

- $430M for Public Safety Resource Deployment
- $311M for cleaning initiatives

Capital Improvement Program - $576.5M

Serving riders with transit options that are sustainable, reliable, and innovative

Bus
$186.0M
(+$15.7M, +9.2%)

- Procure Zero-Emission Buses (ZEB) and charging infrastructure
- Midlife refurbishments & overhauls
- Facilities Improvements

Rail
$189.7M
(-$33.7M, -15.1%)

- Procure new rail vehicles for expansion & replacement
- Midlife refurbishments & overhauls
- Facilities and Wayside improvements

Other Asset Improvements
$200.8M
(-$25.4M, -11.2%)

- CCTV, intrusion detection, faregates, signage
- Olympic-related improvements
- Power, IT, and infrastructure upgrades (TPSS, EAMS)
- Transit Signal Priority, NextGen, TAP user interface

Overview:

- Reflects a $43.4M or 7% decrease from FY26
- CIP budget modernizes Metro infrastructure & assets
- Focus: maintenance, upgrades, and system reliability
- Investments: new technology, vehicles, stations, and systems
- Improve safety, service quality, and customer experience

Transit Infrastructure Development - $2.0B

Legacy projects to serve our communities

Planning
$229.3M

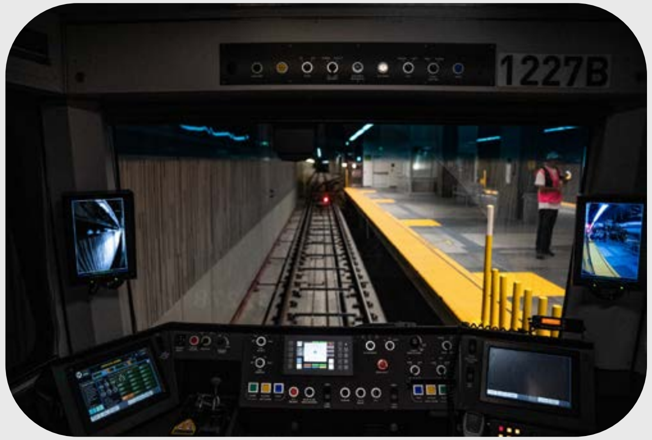
Countywide BRT Planning	$3.5M
E Line Eastside LRT Phase 2	$74.7M
K Line Extension to Torrance	$52.3M
Metro Command & Control Center	$20.6M
Sepulveda Corridor	$69.0M
SGV Forward	$0.9M
Vermont Rail Corridor	$8.2M

Construction
$1,739.9M

A Line Foothill Ext. 2B & 2B2	$93.9M
D Line Extension	$680.2M
East San Fernando Valley LRT	$319.2M
G Line BRT Improvements	$281.4M
Noho to Pasadena BR	$44.2M
Southeast Gateway Line	$188.2M
Vermont BRT	$132.8M

Closeout & Others
$66.3M

Closeout	$9.0M
Systemwide incl. Business Solution Center	$57.3M

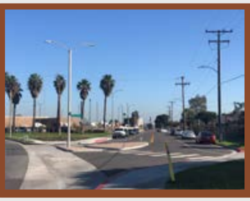


Overview:

- Planning efforts continue to move key projects toward shovel-ready delivery
- Advances bus & rail projects from Measure R/M despite rising costs
- Shift in FY27 toward bus projects (Vermont, NoHo–Pasadena, G Line)

Regional Allocations & Pass-Throughs - $1.76B

Transit investments across LA County



Local Agency Programs

- Local Return
- TDA 3
- TDA 8

$861.8M
+$17m (+2.0%)

Regional Transit

- Municipal & Local Operator Funds
- Access Services

$730.1M
-$32.1m (-4.2%)

Major Projects

- AV Metrolink Line
- ITC

$23.3M
-$49.2m (-67.9%)

Other Local Programs

- Call for Projects
- ATP-Transit
- CRD Toll
- Federal Pass-Thru
- TOD Grants

$86.3M
+$14.0m (19.3%)

Regional Federal Grants

- JARC
- New Freedom
- 5310
- Federal Exchange

$21.8M
-$0.3m (-1.4%)

Fare Assistance

- LIFE

$36.7M
+$0.4m (+1.2%)

Overview:

- Reflects a $49.9M or 2.8% decrease from FY26
- Sales Taxes drive most funding; 86% to agencies/jurisdictions, 14% to Access & LIFE
- Funding distributed to regional transit partners and municipalities to carry out local transportation needs

Other Programs - $2.3B

Other investments that support living, working, and playing in LA

Highway Multimodal Development
$886.9M
(+$249.1M, +39.1%)

- Bus Only Lane projects
- Capacity improvements
- ExpressLanes/ HOV improvements

Regional Rail
$415.0M
(+$119.0M, +40.2%)

- Link Union Station
- Double Tracking & Grade Separation projects
- Metrolink (FY27 Proposed Budget is pending transmittal of the official budget request)

General Planning & Programming
$255.2M
(-$2.7M, -1.1%)

- Bike Hubs & Lockers
- LA River Bike Path
- Bike share program expansion
- Joint Development initiatives

Congestion Management
$110.6M
(-$19.1M, -14.7%)

- ExpressLanes
- Freeway Service Patrol
- Motorist Services
- Rideshare Services

Debt Program
$537.7M
(+$56.5M, +11.7%)

- Debt financing to advance major capital investment projects
- Debt issuance is authorized by state/federal legislation & local sales tax ordinances

Oversight & Admin
$101.5M
(+$0.3M, +.3%)

- Legal Services
- Ethical Compliance
- Internal Investigations
- Regulatory Environmental Assessments
- Finance & Compliance Audits

Overview:

- Highway Multimodal Development, Regional Rail, Oversight & Admin, and Debt Program increasing over FY26
- General Planning & Programming and Congestion Management decreasing over FY26

Public Outreach & Engagement

Engaging communities, informing decisions

Key Demographics

48% EFC

10% Under 18

44% Income <$25,000

71% Ride 1+ day/week

Note: Based on combined responses from My Metro Budget Activity & My Metro Priorities

Participation

	My Metro Budget Activity	My Metro Priorities
Respondents	5,900+ Respondents	1,550+ Respondents
Comments	4,800+ Comments	200+ Comments

Collection Period: Sept 2025 – May 2026

Key Themes

- Public Safety
- Service Frequency & Reliability
- System Cleanliness

Reach

CBO Engagement
650+ Reached

E-blasts/Newsletters
20+ Distributed

Social Media
4 platforms total

Newsprint
20 agencies

Stakeholder Meetings
28 held

QR Infocards
39,500+ distributed

Overview:

- Base participation increased by 1,000 responses over FY26
- My Metro Budget Activity is an ICMA multi-award-winning initiative
- Introduced “impacts” feature
- **NEW** youth-focused My Metro Priorities
- Increased youth participation over 650%
- Utilized various marketing methods

We Want Your Feedback!

Metro wants to Listen and Learn

My Metro Budget Activity

> Submit your own budget at mybudget.metro.net

Public Hearing

> May 21, 2026, 10AM @ Metro HQ

Email

> Send an email to budgetcomments@metro.net

My Metro Priorities

> Submit your priorities at mybudget.metro.net/prioritize

Budget Portal

> Visit the budget portal at budget.metro.net

Mail

> LACMTA
One Gateway Plaza, MS99-3-1
Los Angeles, CA 90012-2932
Atten: Board Clerk

Strategies for Maintaining Project Funding

- State, Federal and Other Fund Sources Fund Expenditure Plan Projects
- Metro Short-Term Borrowing Program
- Annual Equitable Zero-Based Budget (EZBB) Process
- Measure M Decennial Review
- Project Cost Control Strategies
  - Value Engineering
  - Phasing
- Long Range Transportation Plan

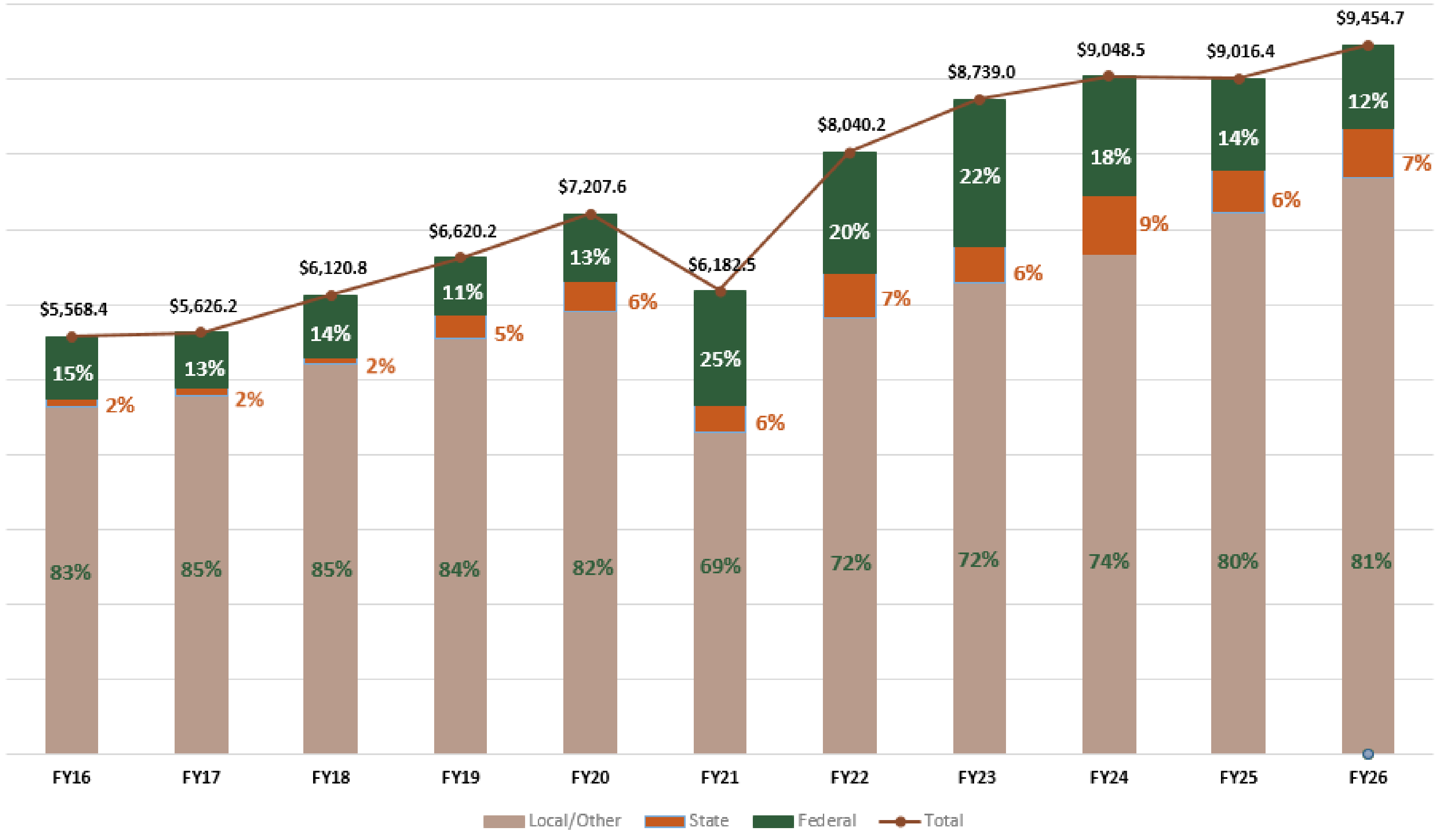
For Reference Only	Project (Final Project to be Defined by the Environmental Process)	Notes	Schedule of Funds Available: Ground-breaking Start Date‡	Schedule of Funds Available: Expected Opening Date (3 year range)	Subregion*	2016 - 2067 Local, State, Federal, Other Funding 2015$	Measure M Funding 2015$	Most Recent Cost Estimate 2015$**	Modal Code
	Expenditure Plan Major Projects			1st yr of Range					
1	Airport Metro Connect 96th St. Station/Green Line Ext LAX ®	a,p	FY 2018	CY 2021	sc	$233,984	$347,016	$581,000	T
2	Westside Purple Line Extension Section 3 ®	b	FY 2018	FY 2024	w	$986,139	$994,251	$1,980,390	T
3	High Desert Multi-Purpose Corridor (HDMC)®	q	FY 2019	FY 2021	nc	$100,000	$170,000	$270,000	H
4	I-5 N Cap. Enhancements (SR-14 to Lake Hughes Rd) ®		FY 2019	FY 2023	nc	$544,080	$240,000	$784,080	H
5	Gold Line Foothill Extension to Claremont ®	c	FY 2019	FY 2025	sg	$78,000	$1,019,000	$1,097,000	T
6	Orange Line BRT Improvements	n	FY 2019	FY 2025	sf	$0	$286,000	$286,000	T
7	BRT Connector Orange/Red Line to Gold Line	o	FY 2020	FY 2022	av	$0	$240,300	$240,300	T
8	BRT Connector Orange/Red Line to Gold Line	o	FY 2020	FY 2022	sf	$0	$26,700	$26,700	T
9	East SF Valley Transit Corridor Project ®	d	FY 2021	FY 2027	sf	$520,500	$810,500	$1,331,000	T
10	West Santa Ana Transit Corridor LRT ®	b,d	FY 2022	FY 2028	gc	$500,000	$535,000	$1,035,000	T
11	Crenshaw/LAX Track Enhancement Project	e,p	FY 2022	FY 2026	sc	$0	$49,599	$49,599	T
12	SR-71 Gap from I-10 to Rio Rancho Rd.		FY 2022	FY 2026	sg	$26,443	$248,557	$275,000	H
13	LA River Waterway & System Bikepath		FY 2023	FY 2025	cc	$0	$365,000	$365,000	H
14	Complete LA River Bikepath		FY 2023	FY 2025	sf	$0	$60,000	$60,000	H
15	Sepulveda Pass Transit Corridor (Ph 1) ®	b,f	FY 2024	FY 2026	sf	$0	$130,000	$130,000	H
16	Sepulveda Pass Transit Corridor (Ph 1) ®	b,f	FY 2024	FY 2026	w	$0	$130,000	$130,000	H
17	Vermont Transit Corridor	o	FY 2024	FY 2028	cc	$400,000	$25,000	$425,000	T
18	SR-57/SR-60 Interchange Improvements	d	FY 2025	FY 2031	sg	$565,000	$205,000	$770,000	H
19	Green Line Extension to Crenshaw Blvd in Torrance ®	d,g	FY 2026	FY 2030	sb	$272,000	$619,000	$891,000	T
20	I-710 South Corridor Project (Ph 1) ®	d,h	FY 2026	FY 2032	gc	$150,000	$250,000	$400,000	H
21	I-105 Express Lane from I-405 to I-605	p	FY 2027	FY 2029	sc	$0	$175,000	$175,000	H

Federal & State Budgeted Revenues

FY16 – FY26

FY16-26 Budgeted Revenues - Federal & State Percentages

(annual totals in millions)



* Federal COVID Recovery Grants Included in FY21, FY22 & FY23

Local/Other includes sales tax revenues

Thank You!

Los Angeles County
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Los Angeles, CA 90012-2952

213.922.6000

budget.metro.net

@metrolosangeles

Losangelesmetro

Scan the QR Code to access:

Metro

“Go Metro!”