



Metro

*One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room*

Agenda - Final

Thursday, May 21, 2026

10:00 AM

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Budget Public Hearing

Tim Sandoval, Chair

Katy Yaroslavsky, Vice Chair

Kathryn Barger

Lindsey Horvath

Holly J. Mitchell

Gloria Roberts, non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES

(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the general public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this General Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

TECHNOLOGY DISRUPTIONS - Although staff will do their due diligence to restore service, if joining the meeting virtually, please be aware that the Committee or Board may continue its meeting notwithstanding a technical disruption that prevents members of the public from attending or observing the meeting via the two-way telephonic service or two-way audio visual platform.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding coming before an agency involving a license, permit, or other entitlement for use including all contracts (other than competitively bid contracts that are required by law, agency policy, or agency rule to be awarded pursuant to a competitive process , labor contracts, personal employment contracts, contracts valued under \$50,000, contracts where no party receives financial compensation, contracts between two or more agencies, the periodic review or renewal of development agreements unless there is a material modification or amendment proposed to the agreement, the periodic review or renewal of competitively bid contracts unless there are material modifications or amendments proposed to the agreement that are valued at more than 10 percent of the value of the contract or fifty thousand dollars (\$50,000), whichever is less, and modifications of or amendments to any of the foregoing contracts, other than competitively bid contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$500 made within the preceding 12 months by the party, or the party's agent, to any officer of the agency. When a closed corporation is party to, or participant in, such a proceeding, the majority shareholder must make the same disclosure. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 364-2837 or (213) 922-4600. Live Public Comment Instructions can also be translated if requested 72 hours in advance.



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Live public comment can be given by telephone or in-person.

The Meeting begins at 10:00 AM Pacific Time on May 21, 2026; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-978-8818 and enter
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

Instrucciones para comentarios publicos en vivo:

Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 10:00 AM, hora del Pacifico, el 21 de Mayo de 2026. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

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Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting. Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

Post Office Mail:

Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

CALL TO ORDER**ROLL CALL****Open Public Hearing.****SUBJECT: STATEMENT BY THE BOARD CLERK**[2026-0355](#)**RECOMMENDATION**

STATEMENT by the Board Clerk's Office concerning publication of notices and dissemination of public information.

FY2027 Proposed Budget:

(Recommendation for Budget approval will take place during the Finance, Budget, and Audit Committee immediately following the hearing)

SUBJECT: FISCAL YEAR 2027 (FY27) PROPOSED BUDGET[2026-0209](#)**RECOMMENDATION**

CONSIDER:

- A. ADOPTING the proposed FY27 Budget as presented in the budget document (provided in a separate transmittal and posted on [metro.net](https://www.metro.net) [<https://www.metro.net/about/financebudget/>](https://www.metro.net/about/financebudget/));
1. AUTHORIZING \$9.7 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals;
 2. AUTHORIZING a total of 12,321 FTEs, of which 10,024 are Represented FTEs and 2,297 are Non-Represented FTEs;
 3. AUTHORIZING an average 3% performance-based merit increase for Non-Represented employees. The wage increases for Represented employees, in accordance with the pre-negotiated Collective Bargaining Agreements, is an average 4.0%;
 4. AUTHORIZING a 5% adjustment to current Non-Represented job pay grade levels to reflect best practice (see Attachment A);
 5. APPROVING the Life of Project (LOP) budgets exceeding \$5.0 million for new capital projects and LOP budget increases for existing projects exceeding \$1.0 million. Project details are presented in Attachment B;
 6. AUTHORIZE the CEO to execute Metrolink's continuing resolution to extend FY26 budget authorization through first quarter of FY27 until

October 1, 2026, and execute all necessary agreements between Metro and SCRRA based on the continuing resolution;

7. AMENDING the proposed FY27 Budget document by including 76 additional FTEs for the Department of Public Safety (DPS), to support the phased start-up of the care-based, multi-layered safety unit, and \$5.6 million in non-labor budget;
 8. AUTHORIZE the CEO to execute contract modifications to extend the current transit law enforcement contracts annually (for up to three additional years), utilizing funds to be requested during future fiscal years' budget processes;
 9. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2026); and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY27 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.

Attachments:

[Attachment A - FY27 Compensation Adjustment](#)

[Attachment B - FY27 New Capital Projects & Existing Projects LOP Increases](#)

[Attachment C - FY27 Reimbursement Resolution](#)

[Attachment D - FY27 Public Outreach \(Public Comments\)](#)

[Attachment E - Metro EFC Budget Assessment Results Over Time](#)

22. SUBJECT: PUBLIC COMMENT

[2026-0356](#)

RECOMMENDATION

RECEIVE comments from the public on Metro's Fiscal Year 2027 Budget.

SUBJECT: CLOSE HEARING MOTION

[2026-0357](#)

RECOMMENDATION

APPROVE Motion to Close Hearing.

Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.



Board Report

File #: 2026-0209, File Type: Public Hearing

Agenda Number: 22.

**BUDGET PUBLIC HEARING
FINANCE, BUDGET, AND AUDIT COMMITTEE
MAY 21, 2026**

SUBJECT: FISCAL YEAR 2027 (FY27) PROPOSED BUDGET

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. ADOPTING the proposed FY27 Budget as presented in the budget document (provided in a separate transmittal and posted on [metro.net <https://www.metro.net/about/financebudget/>](https://www.metro.net/about/financebudget/));
 - 1. AUTHORIZING \$9.7 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals;
 - 2. AUTHORIZING a total of 12,321 FTEs, of which 10,024 are Represented FTEs and 2,297 are Non-Represented FTEs;
 - 3. AUTHORIZING an average 3% performance-based merit increase for Non-Represented employees. The wage increases for Represented employees, in accordance with the pre-negotiated Collective Bargaining Agreements, is an average 4.0%;
 - 4. AUTHORIZING a 5% adjustment to current Non-Represented job pay grade levels to reflect best practice (see Attachment A);
 - 5. APPROVING the Life of Project (LOP) budgets exceeding \$5.0 million for new capital projects and LOP budget increases for existing projects exceeding \$1.0 million. Project details are presented in Attachment B;
 - 6. AUTHORIZE the CEO to execute Metrolink’s continuing resolution to extend FY26 budget authorization through first quarter of FY27 until October 1, 2026, and execute all necessary agreements between Metro and SCRRA based on the continuing resolution;
 - 7. AMENDING the proposed FY27 Budget document by including 76 additional FTEs for the

Department of Public Safety (DPS), to support the phased start-up of the care-based, multi-layered safety unit, and \$5.6 million in non-labor budget;

8. AUTHORIZE the CEO to execute contract modifications to extend the current transit law enforcement contracts annually (for up to three additional years), utilizing funds to be requested during future fiscal years' budget processes;
 9. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2026); and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY27 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.

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 at www.metro.net <<http://www.metro.net>>, in printed copies through the Records Management Center (RMC) at RMC@metro.net <<mailto:RMC@metro.net>>, and on the plaza level of the Gateway building. The public hearing is scheduled for May 21, 2026. On April 21, 2026, advanced public notifications of the Budget Public Hearing were issued through advertisements posted in more than ten news publications and in various languages.

BACKGROUND

In preparation for the FY27 Budget development process, the Office of Management and Budget (OMB) initiated early engagement with the Board through a comprehensive presentation to the Finance, Budget, and Audit Committee on September 18, 2025. This analysis identified a growing structural deficit, driven by constrained revenue growth alongside rising operating and system expansion costs. In response, Metro approached FY27 as a disciplined budget reduction year, emphasizing cost control, operational efficiency, and the preservation of core services.

Metro is also advancing a forward-looking strategy to strengthen long-term financial resilience by actively evaluating and advancing opportunities to diversify and enhance revenue streams across the organization. These efforts, further elevated during the March 2026 Special Board Workshop, will continue to be refined over the coming fiscal year to support a more sustainable and adaptable

financial future.

Transparency and public engagement were central to the FY27 Budget development process, with a significant expansion of outreach beginning in September 2025. Through a dual-track strategy that included relaunching the My Metro Budget Activity Tool and introducing the youth-focused My Metro Priorities tool, Metro broadened participation and ensured more inclusive input, particularly from younger riders. These efforts resulted in high engagement, with more than 7,400 responses and 5,000 comments received, representing the highest level of public participation in Metro's budget process. This level of engagement not only strengthens transparency but also ensures that budget decisions are directly informed by the communities Metro serves. Additional details are provided in Attachment D.

This report represents the culmination of the FY27 Budget development process and the final in a series of monthly updates to the Board. Building on the transition from recovery to reinvention, the FY27 Proposed Budget reflects a measured and strategic response to near term fiscal constraints, advancing Metro's transit and transportation objectives in a fiscally responsible manner while embedding an equity centered approach led by the Office of Equity and Race (OER). Together, these actions position Metro to navigate current challenges while laying the foundation for a more resilient, equitable, and sustainable transit system.

DISCUSSION

FY27 Proposed Budget Overview

The FY27 Proposed Budget totals \$9.7 billion, reflecting a \$223 million increase (2.4%) over the prior year. This growth remains modest and below the current inflation rate of approximately 3%, underscoring Metro's commitment to cost discipline even as it addresses contractual obligations, system expansion, and rising operating costs.

Achieving a balanced budget this year proved exceptionally difficult, requiring a strategic reliance on fund balances to bridge the gap between projected revenues and rising expenditures. While this approach successfully preserves our existing workforce and avoids service cuts, it has significantly drawn down our fund balances, leaving limited flexibility for future fiscal years and highlighting the urgent need for long-term financial sustainability.

Despite these fiscal headwinds, the budget continues to advance critical multi-year capital investments already underway, while emphasizing efficiency, cost containment, and the preservation of the existing workforce.

Metro's Commitment to Preserving Service

The FY27 Proposed Budget marks a clear transition from recovery to reinvention, positioning Metro to move beyond stabilization and toward a more resilient, forward looking future. Under the direction of the CEO, Metro applied a disciplined and strategic approach to resource allocation, ensuring that limited funding is directed toward core operations and high value service delivery. This included a comprehensive reassessment of programs and expenditures to identify efficiencies, refine scopes, and align investments with the agency's strategic priorities. The budget balances equity centered decision making with disciplined fiscal stewardship, prioritizing essential operations, preserving

service quality, and aligning resources with the agency's core mission.

Metro will continue to proactively address near term financial challenges while remaining grounded in its guiding principles of preserving essential services and prioritizing quality service. In FY27, the agency will maintain approximately 7.13 million bus revenue service hours and 1.45 million rail revenue service hours, including expanded service for new stations along the D Line. Maintaining this level of service underscores Metro's commitment to delivering consistent, reliable mobility for the residents of Los Angeles County, even as the agency navigates a constrained fiscal environment.

FY27 Public Input and Alignment

The FY27 Proposed Budget is grounded in the delivery of a safer, cleaner, and improved transit system, shaped by an unprecedented level of public engagement. This input has directly informed strategic alignment across the agency, ensuring departments allocate resources in a manner that reflects the priorities of the riders. Key investments continue to enhance customer experience, including infrastructure improvements such as lighting retrofits and the modernization of elevators and escalators to improve reliability.

In addition, FY27 priorities include the expansion of Throne Restrooms pilot, continuation of the Tap-to-Exit pilot program, and the expansion of the taller faregate pilot to strengthen access control and reduce fare evasion. Metro's multi-layered approach to enhance public safety, which balances traditional security measures with care-based services, further reinforces its commitment to system quality. Collectively, these investments ensure the FY27 Proposed Budget reflects the safety, cleanliness, and accessibility priorities identified by Metro's riders.

Risks and Uncertainties

While the budget is balanced, Metro continues to operate in a complex and uncertain fiscal environment. Economic forecasts suggest a potential inflection point as investment in emerging sectors and fiscal stimulus begin to take hold; however, the recovery across California and Los Angeles County is expected to remain uneven, with modest job growth and unemployment levels continuing to exceed national averages.

At the local level, economic conditions present ongoing challenges to revenue stability. Los Angeles County continues to lag neighboring regions in sales tax growth, while out migration, high costs of living, and rising household expenses continue to repress consumer spending. These trends directly impact Metro's primary revenue sources, reinforcing uncertainty in sales tax projections and limiting near term revenue growth.

External risks, including federal funding, tariff-related impacts on procurement, and persistent inflation. Federal transit funding remains subject to ongoing reauthorization discussions, increasing the likelihood of short-term continuing resolutions, while inflation, influenced by geopolitical conditions, energy prices, and tariffs, remains elevated above historical targets and continues to exert pressure on both operating and capital costs.

Internal pressures, such as ongoing rail expansion and increasing capital needs, continue to place constraints on available operating resources. Preparations for upcoming mega events add further

uncertainty with a lack of additional funding. In response, Metro is maintaining a proactive and adaptive approach, closely monitoring economic conditions, revenue performance, and expenditure trends, and remains prepared to adjust projections and spending as necessary throughout FY27 to ensure continued fiscal stability and responsible program delivery.

FY27 Budget Summary & Proposed Budget can be accessed at:

[Budget Book | Metro Budget Portal <https://budget.metro.net/budget-book.html>](https://budget.metro.net/budget-book.html)

Resources Summary

The FY27 Proposed Budget ensures that resources are available to meet the planned Metro program and project delivery schedules for the upcoming fiscal year. Revenue projections are informed by the following socio-economic factors:

- Uncertainty over tariffs, inflation, and immigration, impacting overall economic stability
- Rising insurance, health care, and housing costs, which constrain consumer spending on taxable goods
- Gradual economic recovery projections for FY27
- Leading regional economic forecasting sources such as UCLA, Beacon Economics, and Muni Services

The total FY27 Proposed Budget planned resources are \$9.7 billion, which are a 2.4% increase from the FY26 Budget. The 1.8% projected increase in sales tax revenues assumes a moderate sales tax revenue growth.

Figure 1

	Resources (\$ in millions)	FY26 Budget	FY27 Proposed	\$ Change	% Change
1	Local and State Sales Tax	\$ 4,815.0	\$ 4,900.5	\$ 85.5	1.8%
2	STA and SB1	260.2	249.4	(10.8)	-4.2%
3	Sales Tax and STA/SB1 Revenues Subtotal	\$ 5,075.2	\$ 5,149.9	\$ 74.7	1.5%
4	Passenger Fares	174.7	149.6	(25.2)	-14.4%
5	Toll, Advertising, and Other	205.5	207.0	1.5	0.7%
6	Operating & Other Revenues Subtotal	\$ 380.2	\$ 356.5	\$ (23.7)	-6.2%
7	Grant Reimbursements	1,214.5	1,527.5	313.1	25.8%
8	Bond Proceeds & Prior Year Carryover ⁽¹⁾	2,784.8	2,643.7	(141.1)	-5.1%
9	Capital & Bond Resources Subtotal	\$ 3,999.3	\$ 4,171.2	\$ 172.0	4.3%
10	Resources Total	\$ 9,454.7	\$ 9,677.7	\$ 223.0	2.4%

Note: Totals may not add up due to rounding.

⁽¹⁾ Represents use of Bond Proceeds and sales tax revenues received and unspent in prior years.

Expenditure Summary

The FY27 Proposed Budget of \$9.7 billion reflects a deliberate and strategic rebalancing of resources, prioritizing investments to sustain essential operations while advancing critical capital projects already underway. This approach reinforces Metro’s commitment to maintaining reliable service today while building the system for tomorrow.

Growth is concentrated in operating and service-critical areas, with Metro Transit Operations & Maintenance increasing by \$83.3 million (2.9%), supporting service delivery and addressing rising cost pressures (Figure 2). These investments ensure the system remains responsive to rider needs.

Targeted capital investments also drives key program increases. The Highway Multimodal Development Program reflects progress on major initiatives, including the advancement of I-105 ExpressLanes construction and the transition of multiple I-605 Hotspot projects into construction. Similarly, growth in the Regional Rail program is driven by continued momentum on the Link Union Station project, as the team advances the Construction Manager/General Contractor (CM/GC) contract and initiates early construction.

At the same time, the Program Subtotal reflects a net reduction of \$201.6 million (2.5%), driven in part by CEO directed-targeted cost efficiency efforts by Cabinet members, as well as project phasing across capital and programmatic areas. These cost efficiency efforts include the reduction of discretionary spending, tighter controls on non-essential expenditures, and the prioritization of core service delivery with high-impact investments. Additionally, departments were directed to identify operational savings, streamline processes, and defer or rescope lower-priority activities where feasible. These actions reflect a disciplined approach to managing resources, ensuring funding is aligned with near-term priorities while improving overall cost effectiveness.

Each program, function, and departmental budget focused on aligning resources to current economic conditions, operational needs, and measurable progress on priority initiatives.

The table below presents expenditures by program type in the FY27 Proposed Budget, providing a detailed view of how resources are allocated across Metro to support these priorities.

Figure 2

Expenditures by Program Type (\$ in millions)		FY26 Budget	FY27 Proposed	\$ Change	% Change
1	Metro Transit - Operations & Maintenance (O&M)	\$ 2,915.5	\$ 2,998.9	\$ 83.3	2.9%
2	Metro Transit - Capital Improvement Program (CIP)	619.9	576.5	(43.4)	(7.0)%
3	Transit Infrastructure Development	2,205.6	2,035.5	(170.1)	(7.7)%
4	Regional Allocations and Pass Throughs	1,809.9	1,759.9	(49.9)	(2.8)%
5	General Planning & Programs	257.9	255.2	(2.7)	(1.1)%
6	Congestion Management	129.6	110.6	(19.1)	(14.7)%
7	Oversight and Administration	101.3	101.5	0.3	0.3%
8	Program Subtotal	\$ 8,039.8	\$ 7,838.2	\$ (201.6)	(2.5)%
9	Debt Program	481.2	537.7	56.5	11.7%
10	Highway Multimodal Development	637.7	886.9	249.1	39.1%
11	Regional Rail	295.9	415.0	119.0	40.2%
12	Grand Total	\$ 9,454.7	\$ 9,677.7	\$ 223.0	2.4%

Note: Totals may not add up because of rounding.

Board Appointee Budgets

This year’s budget reduction efforts include the Board appointed functions for County Counsel, Ethics, Board Admin, and Inspector General. As the agency faces tightening financial constraints, these functions, like all other departments, were tasked to undergo a review of prioritization of activities. There were no new FTE requests and includes withholding one FTE vacancy which resulted in cost reductions of -2.2%. Figure 3 includes the total non-labor and labor budgets. These reductions were achieved without compromising the fiduciary responsibilities as intended by these Board oversight functions.

Figure 3

SLT (\$ in millions)	FY26 Budget	FY27 Requested	FY27 Proposed	% Variance	
				FY27 Requested vs. FY26 Budget	FY27 Proposed vs. FY26 Budget
County Counsel	\$ 24.8	\$ 23.6	\$ 23.6	(4.9)%	(4.8)%
Ethics Office	\$ 2.9	\$ 3.0	\$ 2.9	3.6%	(1.7)%
Office of the Board Administration	\$ 8.8	\$ 8.8	\$ 9.1	(0.3)%	3.5%
Office of the Inspector General	\$ 8.5	\$ 8.7	\$ 8.4	2.5%	(0.7)%
Total	\$ 45.0	\$ 44.1	\$ 44.0	(2.1)%	(2.2)%

Full-Time Equivalent (FTE) Summary

The FY27 Proposed Budget includes 12,321, FTEs, an increase of 61 FTEs from FY26. FTE additions include 50 Non-Represented (33 are mostly cost-neutral by shifting from temporary to permanent) and 11 Represented (Figure 4).

Non-Represented FTEs for FY27 total 2,297, which include an additional 50 new positions (33 are mostly cost neutral), to serve the following areas:

- Operational Efficiencies
- Enhance the Transit Rider Experience
- Safety and Security
- Organizational Support: General Administration, Contract Management, Financial, and Legal Compliance
- Capital Project Support
- Workforce Initiatives
- Joint Development

Figure 4

Agencywide FTE s: Non-Represented	Organizational Support	Safety and Security	Operational Efficiencies	Enhance the Transit Rider Experience	Capital Project Support	New Positions	Cost Neutral	FY27 New Additions
1 Chief Executive Office					1	1	4	5
2 Chief Of Staff	2			1		3	0	3
3 Chief People Office						0	5	5
4 Countywide Planning & Development						0	2	2
5 Customer Experience Office				1		1	8	9
6 Department Of Public Safety		2				2	2	4
7 Information Technology And Services			2			2	0	2
8 Office Of The Board Administration	1					1	0	1
9 Operations		2				2	0	2
10 Risk, Corporate Safety, And Asset Management			2			2	0	2
11 Strategic Financial Management	2		1			3	12	15
12 Grand Total	5	4	5	2	1	17	33	50

Represented FTEs for FY27 total 10,024, which includes 11 new positions (Figure 5) for the following:

- Technical Support: Network Infrastructure, Databases, and Systems, administrative functions for Vehicle Operations, as well as invoice processing and resolution.
- Operational Maintenance: CCTV, HVAC and Electricals

Figure 5

Agencywide FTEs: Represented	Technical Support	Operational Maintenance	FY27 New Additions
1 Information Technology And Services	2		2
2 Operations	1	3	4
3 Strategic Financial Management	5		5
4 Grand Total	8	3	11

Labor Summary

The FY27 Proposed Budget includes contract wage increases of an average of 4.0% according to the negotiated Collective Bargaining Agreements (CBAs) with the represented union groups AFSCME, ATU, SMART, TCU, and Teamsters. An average 3.0% performance increase is included for non-represented employees which will be distributed on a merit-based system; this adjustment is intended to help align compensation with inflation and ensure competitive retention.

Health and welfare benefits for represented employees are determined by their respective CBAs. Non-represented employees receive medical and dental benefits at the carrier contract rates previously approved by the Board.

Non-Represented pay grade levels were last updated by 5% in July 2025. To remain competitive with the external market, the Chief People Office will adjust the current compensation pay grade levels by 5.0%. There will be a minimal impact of \$361,317 to the budget and current employees' salaries. Please refer to Attachment A for more details.

Budget Amendments through June 30, 2026

The proposed budget shall include any Board approved actions currently under consideration, from now to the end of the fiscal year (June 30, 2026).

Life of Project (LOP) Budgets

The Board must approve new capital projects with LOP budgets exceeding \$5.0 million; existing projects with LOP exceeding \$1.0 million requiring LOP amendment also requires Board approval as separate Board action. Attachment B details projects which fall under this category.

Metrolink Continuing Resolution

Metrolink is facing significant fiscal and operational challenges which have delayed the transmission of its budget to the Member (funding) Agencies. At Metrolink's request, the new fiscal year will begin under continuing resolutions to allow time for rigorous decision-making. When Metrolink transmits its official proposed budget to Metro, staff will return to the Board for consideration of the proposed Metro subsidy for the official FY27 Metrolink budget.

Department of Public Safety (DPS) Start-up

Implementation of the Department of Public Safety (DPS) is well underway, and FY27 represents a significant milestone as the Department initiates large-scale hiring of sworn personnel. In parallel, DPS will expand the broader public safety ecosystem by adding care-based teams. To support field operations, DPS will also add new operational and administrative FTEs, including dispatchers to

facilitate communication with sworn staff and technical personnel to support the implementation of core systems such as Computer-Aided Dispatch (CAD) and Records Management Systems (RMS). Additionally, several Metro departments have identified the need for incremental staffing to support DPS implementation. These include several CPO positions to manage recruitment, hiring, pensions, and benefits, as well as ITS staff to provide programming, systems support, and communications infrastructure. Collectively, these support FTEs are critical to successfully establishing and sustaining the DPS operating model.

Additional non-labor funding is required to support the implementation of the DPS, including various stages of the hiring process, uniforms, firearms, and other related safety equipment. In addition, supporting departments-particularly CPO and ITS-require non-labor resources to hire, recruit, and onboard DPS personnel, including funding for recruitment, live-scan fingerprinting, written assessments, and other hiring-related services. ITS costs include procuring computers, mobile devices, software, and associated licenses for all new DPS hires. These investments are necessary to ensure DPS staff are fully equipped and operational from the outset.

As DPS starts the initial stages of hiring and recruiting sworn officers, Metro will continue the existing law enforcement contracts, as there is still a need for sworn officers on the system to respond to calls for service requiring a sworn officer response, and address penal code violations and violation of local laws in jurisdictions throughout the Metro system. Sworn officers will be needed during this transition, and a gradual demobilization of both contracts is expected as Metro resources assume responsibility for stations and law enforcement patrols. DPS recognizes the need to maintain services and ensure consistency on the Metro system during the upcoming major events (FIFA World Cup, Super Bowl). Metro will extend the existing law enforcement contracts, utilizing funds to be requested during the annual budget process, consistent with the last three years, as DPS hires sworn resources and begins patrolling segments of the system.

Reimbursement Resolution

Per Federal tax law, bond proceeds can only be used for capital expenditures incurred after the issuance of bonds. Metro must pass a resolution indicating the intent to issue bonds at a later date to reimburse expenditures incurred prior to the bond issuance. See Attachment C for Reimbursement Resolution.

Debt Program

Debt financing is a cash management and budget tool Metro uses to help deliver projects. Debt issuance is authorized by applicable state and federal legislation and the local sales tax ordinances. The Board-adopted Debt Policy establishes prudent guidelines for the issuance and management of debt following industry best practices and ordinance-specific affordability limits.

Debt is not an additional source of revenue. It must be paid back with interest using existing and predetermined funding sources, in most cases, local sales tax revenues. However, it is a way to spread out the impact of large spikes in capital costs over multiple years. For this reason, most of Metro's large projects have been utilized or are expected to use debt financing to facilitate project delivery.

Beginning July 1, 2026, Metro has approximately \$4.3 billion in outstanding long-term debt. The

annual debt service cost in FY27 is estimated at \$535.7 million, an increase of 12.1% over the FY26 Budget of \$477.8 million, according to the debt service schedule. In FY27, it is anticipated that the I-105 Express Lanes will utilize toll revenue bond proceeds and other projects such as Westside D Line (Purple) Sections 3, East San Fernando Transit Corridor, Metro G Line Bus Rapid Transit (BRT) Improvements, Vermont BRT, E-Line Eastside Transit Corridor Phase 2, A-Line Foothill Extension Phase 2B2, Heavy Rail Vehicle Procurement, Bus Acquisition and Maintenance, and various other projects will utilize bond proceeds from future issuances.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The FY27 Proposed Budget, provided under separate submittal, totals \$9.7 billion and is balanced. This budget reflects Metro's continued commitment to meeting its capital and operational obligations, which are critical to maintaining eligibility for federal and state funding. It also supports the effective administration and distribution of regional transportation funds to local jurisdictions and municipal operators.

EQUITY PLATFORM

Metro's commitment to equity is embedded in the FY27 Budget development process through the continued application of Equitable Zero-Based Budgeting (EZBB) and equity assessments to understand and quantify potential impacts on marginalized communities and highlight budget requests that advance equitable outcomes. Staff used the Equity Focus Communities (EFC) Budget Assessment and the Budget Equity Principles Next Step Equity Initiatives for the FY27 Budget; staff did not apply the Metro Budget Equity Assessment Tool (MBEAT). The Offices of Equity and Race (OER) and Management and Budget (OMB) are working with consultants to complete an Agencywide Budget Equity Assessment (ABEA) to identify opportunities for improvement to the MBEAT and budget equity approach overall. A revised ABEA process will be implemented in the FY28 and FY29 Budget development processes.

Per Board Direction, the EFC Budget Assessment was introduced in 2022 for the FY23 Approved Budget. It is a geographic equity analysis to identify the extent that Metro's budget invests in EFCs, areas in very high and high need of mobility investment, which comprise approximately 40% of Los Angeles County's population. The FY23 Approved Budget established a baseline of 67.3% EFC Benefits. The FY27 Proposed Budget exceeds this baseline by 13.1 percentage points, increasing EFC Benefits to 80.4% of the budget. This represents roughly \$3.3 billion in targeted and \$4.7 billion in indirect benefits. Year-over-year fluctuations in Benefits to EFCs in the table below can be attributed to an evolving understanding of how to quantify expenses and major transit projects being developed or coming online. OER and OMB are working on continued improvements to staff training to ensure consistent application over time. See Attachment E for more details on the EFC Budget Assessment, including the results of the EFC Budget Assessment for the FY25 Actuals, completed in December 2025.

Figure 6

EFC Benefits	FY23 Baseline	FY24 Proposed	FY25 Proposed	FY26 Proposed	FY27 Proposed	% Change FY23 vs. FY27
Targeted	26.1%	29.6%	28.1%	30.9%	33.2%	7.1%
Indirect	41.2%	45.6%	45.5%	48.4%	47.2%	6.0%
Total	67.3%	75.2%	73.6%	79.2%	80.4%	13.1%

Staff also aligned their FY27 department budgets towards Metro’s Budget Equity Principles, using the Next Step Equity Initiatives Pilot, in support of Metro’s Equity Platform. The Pilot was part of the ABEA and sought to engage Metro’s Senior Leadership Team (SLT) in identifying the initiatives that are moving the needle the most on equity at Metro in FY27. All SLT members and their staff established measurable outcomes and identified a point person for each initiative. OER will meet with departments regularly in FY27 to check in on the progress of the initiatives.

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.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro’s systemwide strategy to reduce VMT through investment activities that will improve/benefit and further encourage transit ridership, ridesharing, and active transportation. Although projects and programs in this budget have mixed outcomes, taken as a whole, most of the investments described in this report will likely decrease VMT in LA County. Within the suite of projects funded in this budget, Metro seeks to reduce single-occupancy vehicle trips, provide a safe transportation system, and increase accessibility to destinations via transit, cycling, walking, and carpooling. Some of the projects funded include items that will ease congestion for cars and trucks, or expand vehicle capacity, resulting in the possibility of increased VMT. However, the investments Metro is making into programs such as rail, bus, active transportation and shared mobility will result in an overall decrease in VMT. 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 the highway performance monitoring system 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.

ALTERNATIVES CONSIDERED

The annual budget serves as the legal authority to obligate and spend funds. Failure to adopt the budget would severely impact Metro's goal of improving transportation in Los Angeles County.

NEXT STEPS

Upon Board authorization and adoption of the FY27 Proposed Budget, Metro will make funds available for the planned transit and transportation programs outlined in the proposed budget document and program funding to regional transit/transportation partnering agencies, cities, and recipients.

Staff will closely monitor the financial situation and provide regular performance updates to the Board.

ATTACHMENTS

FY27 Budget Summary & Proposed Budget can be accessed at:

[Budget Book | Metro Budget Portal <https://budget.metro.net/budget-book.html>](https://budget.metro.net/budget-book.html)

Attachment A - FY27 Compensation Adjustment

Attachment B - FY27 New Capital Projects and Existing Projects LOP Increases

Attachment C - FY27 Reimbursement Resolution

Attachment D - FY27 Public Outreach (Public Comments)

Attachment E - Metro EFC Budget Assessment Results Over Time

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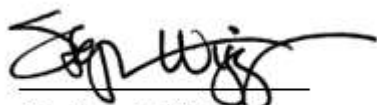
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Compensation Adjustment

Effective July 1, 2026, the Chief People Office (CPO) will be adjusting the current non-represented compensation pay grade levels by 5.0%. Below are the new FY27 pay grades:

FY27 HOURLY RATES			
Pay Grade	Minimum (Hourly)	Midpoint (Hourly)	Maximum (Hourly)
HFF	\$194.10	\$242.77	\$291.45
HEE	\$155.28	\$194.09	\$232.91
HDD	\$123.99	\$155.28	\$186.57
HC2	\$112.99	\$141.38	\$169.77
HC1	\$101.99	\$127.47	\$152.96
HBB	\$88.64	\$110.67	\$132.69
HAA	\$79.03	\$99.08	\$119.12
H1Q	\$71.25	\$89.05	\$106.86
H1P	\$64.13	\$80.16	\$96.18
H1O	\$57.96	\$72.46	\$86.94
H1N	\$52.63	\$65.77	\$78.94
H1M	\$47.99	\$59.97	\$71.95
H1L	\$43.92	\$54.90	\$65.88
H1K	\$40.38	\$50.48	\$60.57
H1J	\$37.38	\$46.71	\$56.07
H1I	\$34.70	\$43.38	\$52.04
H1H	\$32.37	\$40.44	\$48.53
H1G	\$29.36	\$36.69	\$44.03
H1F	\$26.68	\$33.35	\$40.04
H1E	\$24.38	\$30.46	\$36.56
H1D	\$22.40	\$27.97	\$33.56
H1C	\$20.67	\$25.83	\$31.01
H1B	\$19.11	\$23.89	\$28.67
H1A	\$17.81	\$22.27	\$26.73

FY27 ANNUAL RATES			
Pay Grade	Minimum (Annual)	Midpoint (Annual)	Maximum (Annual)
HFF	\$403,728.00	\$504,961.60	\$606,216.00
HEE	\$322,982.40	\$403,707.20	\$484,452.80
HDD	\$257,899.20	\$322,982.40	\$388,065.60
HC2	\$235,019.20	\$294,070.40	\$353,121.60
HC1	\$212,139.20	\$265,137.60	\$318,156.80
HBB	\$184,371.20	\$230,193.60	\$275,995.20
HAA	\$164,382.40	\$206,086.40	\$247,769.60
H1Q	\$148,200.00	\$185,224.00	\$222,268.80
H1P	\$133,390.40	\$166,732.80	\$200,054.40
H1O	\$120,556.80	\$150,716.80	\$180,835.20
H1N	\$109,470.40	\$136,801.60	\$164,195.20
H1M	\$99,819.20	\$124,737.60	\$149,656.00
H1L	\$91,353.60	\$114,192.00	\$137,030.40
H1K	\$83,990.40	\$104,998.40	\$125,985.60
H1J	\$77,750.40	\$97,156.80	\$116,625.60
H1I	\$72,176.00	\$90,230.40	\$108,243.20
H1H	\$67,329.60	\$84,115.20	\$100,942.40
H1G	\$61,068.80	\$76,315.20	\$91,582.40
H1F	\$55,494.40	\$69,368.00	\$83,283.20
H1E	\$50,710.40	\$63,356.80	\$76,044.80
H1D	\$46,592.00	\$58,177.60	\$69,804.80
H1C	\$42,993.60	\$53,726.40	\$64,500.80
H1B	\$39,748.80	\$49,691.20	\$59,633.60
H1A	\$37,044.80	\$46,321.60	\$55,598.40

FY27 New Capital Projects and Existing Projects LOP Increases

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FY27 NEW CAPITAL PROJECTS

Capital Improvement Program (CIP)

1	PROJECT: Bus Division CNG Equipment Replacement
	PROJECT OWNER: Operations - Bus - Facilities Improvements
	LOP: \$26,600,000 Budget Request: \$500,000
	SCOPE: Replacement of CNG infrastructure equipment at the following bus divisions: 1; 2; 3; 5; 7; 8; 9; 10; and 18.
	JUSTIFICATION: The underground CNG (Compressed Natural Gas) fueling compounds used by the Bus Divisions have reached a critical point in their operational lifecycle, necessitating immediate replacement of key components. These systems, originally installed during Metro's initial CNG infrastructure build-out in the 1990s, are now exhibiting frequent mechanical failures due to age-related degradation, including corrosion, wear, and outdated technology. Such failures have directly impacted on the timely rollout of buses, causing delays in fueling operations and reducing fleet availability for scheduled routes. This not only disrupts public transit service but also increases maintenance costs and safety risks, as aging infrastructure is more prone to leaks and pressure irregularities. Furthermore, continued reliance on obsolete equipment jeopardizes compliance with evolving safety and environmental regulations. Replacing these critical components will restore reliability, enhance operational efficiency, and support the divisions' commitment to safe, sustainable, and uninterrupted transit service.
ELIGIBLE FUNDING SOURCE: Transportation Development Act (TDA) Article 4	
2	PROJECT: FY27 Environmental Capital Program
	PROJECT OWNER: Program Management - Bus - Facilities Improvements
	LOP: \$35,750,000 Budget Request: \$6,696,431
	SCOPE: Installation of an above-ground storage tank and retirement of the existing underground tank, which is at the end of its life. This project also includes the replacement of all Veeder Root systems with INCON monitoring systems.
	JUSTIFICATION: New above ground Storage Tank is required due to Consent Decree and to ensure compliance with AQMD/CARB regulations. This is also necessary to ensure compatibility with HVAC systems, stormwater, industrial wastewater, and for expedited response to notices of violation.
ELIGIBLE FUNDING SOURCE: Transportation Development Act (TDA) Article 4	
3	PROJECT: El Dorado & New Flyer 60 Ft Bus Midlife
	PROJECT OWNER: Operations - Bus - Fleet Maintenance
	LOP: \$206,872,469 Budget Request: \$45,574,796
	SCOPE: For regular midlife fleet maintenance for the ENC El Dorado series 3850-4199 and 1800-2058/60ft New Flyer series 8700-8764.

JUSTIFICATION: The Bus Midlife Program improves the safety, performance, and reliability of Metro buses. The improved overall condition of the program's vehicles also helps to reduce ongoing maintenance costs and the amount of maintenance work performed at the Metro Bus Operating divisions. The program promotes the efficient use of Metro and Central Maintenance resources by having each bus series go through a planned production process in which labor, material and facilities are scheduled, versus reacting to unplanned problems as they arise. The planned maintenance program also enables Central Maintenance to manage demand for heavy bus repairs.

ELIGIBLE FUNDING SOURCE: Federal & Transportation Development Act (TDA) Article 4

4	PROJECT: Systemwide Line Status Monitor
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$15,450,420 Budget Request: \$257,000
	SCOPE: For installation of Line Status Monitoring (LSM) systemwide for public-facing phones at Metro rail line stations.
	JUSTIFICATION: The existing public-facing telephones are aging, and they use 20-year-old analog technology. These phones do not have the capability to monitor the status of Rail Operation Control (ROC). A Line Status Monitoring (LSM) system is needed for remote monitoring capability. The LSM systems are part of the safety system to ensure that public-facing phones are always working properly.
	ELIGIBLE FUNDING SOURCE: Proposition A 35%

5	PROJECT: Direct Fixation Concrete Plinths Replacement
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$9,277,837 Budget Request: \$170,000
	SCOPE: For the repair of concrete plinths within the seismic section of the B line tunnel.
	JUSTIFICATION: The existing plinths are over 27 years old and require repair due to constant use and water that caused deterioration. Plinths are an integral part of the system that the tracks sit upon.
	ELIGIBLE FUNDING SOURCE: Proposition A 35%

6	PROJECT: Light Detection and Ranging (LiDAR) Intrusion Detect System
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$41,037,708 Budget Request: \$68,000
	SCOPE: For systemwide Installation of LiDAR Intrusion Detection System at Interlocks to detect intruders and provide alarms and visual video streaming.
	JUSTIFICATION: High voltage copper wires are frequently stolen along the ROW located at Interlocks. The LiDAR system is required to detect the intruders and provide alarms and video streaming to ROC and Metro Security to monitor and respond to these incidents.
	ELIGIBLE FUNDING SOURCE: Proposition A 35%

7	PROJECT: E Line West & D Line Fiber Replacement
	PROJECT OWNER: Operations - Rail - Wayside Systems
	LOP: \$122,360,662 Budget Request: \$1,000,000
	SCOPE: For installation of new fiber cables & associated communication equipment on E Line West (7th/Metro to Downtown Santa Monica) and D Line (Wilshire/Vermont to Wilshire/Western).
	JUSTIFICATION: Existing fiber cables are about 20 years and are not reliable. In addition, existing fiber cables have limited capacity and cannot accommodate additional network capacity (high bandwidth) systems such as new CCTV systems & Security Improvements.
	ELIGIBLE FUNDING SOURCE: Proposition A 35%

8	PROJECT: CSP – Cloud Transition
	PROJECT OWNER: Operations - OAI- Systemwide & Hubs
	LOP: \$11,521,510 Budget Request: \$4,059,988
	SCOPE: The purpose of this project is to support the board-adopted NextGen Bus Plan. This project will deploy cloud-based transit signal priority to all existing corridors and expand the current footprint. It includes the installation and upgrade of hardware and software, leverages regional GTFS (general transit feed specification) data, and invests in a scalable cloud-based solution.
	JUSTIFICATION: This project is an essential bus speed and reliability improvement project needed to support Metro board-adopted NextGen Bus Plan. This project will deploy cloud-based transit signal priority to all existing corridors and expand the current footprint with a scalable cloud-based platform.
	ELIGIBLE FUNDING SOURCE: Proposition C 40%

9	PROJECT: Systemwide Solar Panel & Renewable Energy Replacement
	PROJECT OWNER: Program Management - OAI - Systemwide & Hubs
	LOP: \$27,000,000 Budget Request: \$442,355
	SCOPE: This project will remove and replace aging solar photovoltaic (PV) parts and systems that have been in service for almost 15 years. This includes field verification, decommissioning, and disposal of the existing solar panels, associated racking, and the balance-of-system components in accordance with applicable safety and environmental regulations.
	JUSTIFICATION: Existing panels are about 15 years old, inefficient, and unreliable. The new system will meet current codes and updated system requirements and will help achieve Climate Action and Adaptation Plan (CAAP) organizational goals.
	ELIGIBLE FUNDING SOURCE: Proposition C 40%

10	PROJECT: Bus Lane Enforcement Expansion
	PROJECT OWNER: Operations - OAI - Technology
	LOP: \$52,050,210 Budget Request: \$250,000
	SCOPE: Metro has implemented the installation of the pilot program of handsfree cameras for 90 dedicated buses. LADOT has started issuing tickets and collecting fines along the routes of the dedicated fleet. Metro will expand and install handsfree cameras to an additional planned total 437 bus vehicles in 12 additional bus routes throughout Los Angeles County.
	JUSTIFICATION: The existing Bus Lane Enforcement project has been found to be effective in reducing vehicles from stopping on bus lanes/stops and improving the transit headway speeds on the current routes. Installation of cameras on the additional bus vehicles will result in the same improvement and effectiveness through the affected corridors.
	ELIGIBLE FUNDING SOURCE: Transportation Development Act (TDA) Article 4

11	PROJECT: Financial Process Improvements
	PROJECT OWNER: Strategic Financial Management - OAI - Technology
	LOP: \$20,000,000 Budget Request: \$500,000
	SCOPE: Automate manual processes with online validation and exception handling in billing, budgeting, and payroll processes, ensuring Metro's financial data is secure and complying with best practices.
	JUSTIFICATION: Ensuring Metro's financial data is secure and complying with best practices by automating manual processes with online validation and exception handling in billing, budgeting, and payroll processes.
	ELIGIBLE FUNDING SOURCE: Transportation Development Act (TDA) Article 4

12	PROJECT: Human Capital Management (HCM) Phase II
	PROJECT OWNER: Information Technology Services - OAI - Technology
	LOP: \$6,998,000 Budget Request: \$350,000
	SCOPE: Identify business needs and pain points (redundancies, inefficiencies, etc.) through stakeholder interviews and workshops; define measurable outcomes; and quantify potential benefits of expanded HCM capabilities (e.g., talent development, analytics, automation). Also includes business process reengineering; HCM configuration and integration; implementation and training; transition and risk mitigation; and post-implementation support.
	JUSTIFICATION: Phase 2 aims to significantly increase efficiency and streamline operations by reducing administrative burdens in our HR processes. Additionally, with the upcoming Olympics, there is an urgent need for heightened focus and efficiency to ensure our workforce is well-prepared and capable of meeting the increased demands and expectations during this period. HCM Phase 2 will expand Metro's capabilities across talent management, learning, performance, and analytics, enabling a unified platform for managing the employee lifecycle. This integration will improve the employee experience by eliminating fragmented HR processes, improving data consistency, and supporting agency-wide goals for operational efficiency and service delivery. By leveraging Oracle's advanced analytics and AI capabilities, Metro will gain real-time insights into workforce trends, succession planning, and employee engagement by empowering data-driven decision-making and enabling predictive modeling for future workforce needs. Phase 2 will strengthen Metro's compliance posture by aligning HIPAA and NIST standards, improving data governance, and reducing cyber vulnerabilities associated with legacy systems. Additionally, it will simplify Metro's integration layer by consolidating HR data into a unified ERP database, allowing seamless, near real-time data sharing across departments.
	ELIGIBLE FUNDING SOURCE: Transportation Development Act (TDA) Article 4

LOP INCREASES

13	PROJECT: SR-91 East Bound Atlantic to Cherry Auxiliary Lane Improvements
	PROJECT OWNER: Program Management - Highway Multimodal Development Program
	LOP: \$174,187,000 Additional LOP: \$24,333,000 Revised LOP: \$198,520,000
	SCOPE: The project consists of adding a 0.86-mile auxiliary lane in the eastbound direction, between Atlantic Avenue on-ramp and Cherry Avenue off-ramp, along with modifications to on- and off-ramps, higher soundwalls and new retaining walls within the 1.4-mile project limits. These improvements will enhance safety by minimizing weaving, reducing traffic incidents, and improving traffic flow. The project includes accommodation of deeper freeway retaining walls that will provide additional usable space to assist the City of Long Beach in building the Hamilton Loop Community Park, partly within the project limits to benefit the North Long Beach community.
	JUSTIFICATION: The adjustment in the LOP is attributed to additional costs incurred to mitigate and address stakeholder and community concerns, which resulted in an approximately 20-month suspension of the project. These added costs include increases in labor, materials, and equipment, as well as supplemental mitigation measures and expenses incurred during the suspension period.

FUNDING SOURCE: Measure R Highway 20%, Trade Corridor Enhancement Program (TCEP), Surface Transportation Block Grant (STBG)

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PROJECT: D Line Public Safety Center	
PROJECT OWNER: Program Management - Transit Infrastructure Development Program	
LOP: \$2,000,000	Additional LOP: \$2,000,000 Revised LOP: \$4,000,000
SCOPE: Build Public Safety Center at northwest corner of Wilshire / La Cienega Plaza.	
JUSTIFICATION: Construction costs are higher than initial projection.	
FUNDING SOURCE: City of Beverly Hills will assume full cost per license agreement.	

REIMBURSEMENT RESOLUTION
OF THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
FOR FISCAL YEAR 2027

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the “Metro”) desires and intends to finance certain costs relating to (i) the design, engineering, construction, equipage and acquisition of light rail lines; (ii) the design, engineering, construction, equipage and acquisitions for the Rail and Bus State of Good Repair Program including station improvements and rail gating installations; (iii) the design, engineering, construction, equipage of heavy rail lines; (iv) the engineering, construction, renovation, maintenance, and/or acquisition of various capital facilities and equipment, including buses and rail cars, related to service operation; (v) the engineering, construction, renovation, maintenance, and/or acquisition of various highway/surface transportation assets; and (vi) other transit related projects (each a “Project” and collectively, the “Projects”);

WHEREAS, to the extent that federal and/or state grant funding budgeted to be received during FY27 is delayed or reduced, the Los Angeles County Metropolitan Transportation Authority desires and intends to finance certain costs relating to the Projects.

WHEREAS Metro expects to issue debt through the issuance of tax-exempt indebtedness to pay for these expenditures, each bond issue will have its own separate security source, Proposition A, Proposition C, Measure R and Measure M sales tax revenues, respectively, grant revenues, or toll revenues to finance the costs of the Projects on a permanent basis (the “Debt”);

WHEREAS Metro expects to expend money of the Enterprise Fund (other than money derived from the issuance of Debt) on expenditures relating to the costs of the Projects prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles.

Whereas Metro reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt.

WHEREAS Metro expects that the amount of Debt that will be issued to pay for the costs of the Projects will not exceed \$150 million for Proposition A, \$400 million for Proposition C, \$300 million for Measure R, \$850 million for Measure M and \$400 million for toll revenues.

WHEREAS, at the time of each reimbursement, Metro will evidence the reimbursement in writing, which identifies the allocation of the proceeds of the Debt to Metro, for the purpose of reimbursing Metro for the capital expenditures made prior to the issuance of the Debt;

WHEREAS, Metro expects to make reimbursement allocations no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure for the Project is paid or (ii) the date on which the Project is placed in service (or abandoned), but in no event

later than three (3) years after the date on which the earliest original expenditure for the Project is paid;

WHEREAS, Metro will not, within one (1) year of the reimbursement allocation, use the proceeds of the Debt received by way of a reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (e.g., Metro will not pledge or use the proceeds received as reimbursement for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

WHEREAS this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations.

NOW THEREFORE, BE IT RESOLVED, that (i) all of the foregoing recitals are true and correct and (ii) in accordance with Section 1.150-2 of the Treasury Regulations, Metro declares its intention to issue Debt in an amount not to exceed \$150 million for Proposition A, \$400 million for Proposition C, \$300 million for Measure R, \$850 million for Measure M and \$400 million for toll revenues; the proceeds of which will be used to pay for the costs of the Projects, including the reimbursement to Metro for certain capital expenditures relating to the Projects made prior to the issuance of the Debt.

FY27 Public Outreach (Public Comments)

Overview

Public outreach launched in September 2025 with a new youth-focused initiative, *My Metro Priorities*, marking a strategic expansion of Metro's engagement approach. In November, the *My Metro Budget Activity* was released to a broader audience, initiating a multi-channel, data-driven outreach campaign. Participation exceeded last year's levels by 16%, marking the highest level of public engagement achieved to date.

My Metro Budget Activity / My Metro Priorities

Following the launch, Metro executed a robust communications strategy reaching hundreds of thousands of Los Angeles County residents. This included targeted eblasts, distribution of over 39,500 QR-coded outreach materials, on-the-ground engagement, live demonstrations, and presentations to various Metro groups. Outreach was further amplified through Metro's *The Source* blog and social media platforms including TikTok, Facebook, Instagram, NextDoor, and LinkedIn.

Stakeholder engagement deepened through Regional Service Councils in all five regions and continued through sustained coordination with advisory bodies, community-based organizations, and Metro-led groups.

A key advancement in this cycle was an intentional expansion of youth engagement. Metro prioritized presence at youth-centered events and institutions, including Youth Council initiatives, the Women & Girls Governing Council, SEED School, and TCAP, ensuring early and meaningful input from the next generation of transit riders. The under-18 demographic saw a seven-fold increase in participation, from 92 to 676 responses.

Outreach efforts were reinforced through recurring communications across GoPass, TAP, and Community Relations channels, alongside new partnerships with social media content creators to strengthen resonance with both youth and general audiences. Additional visibility was achieved through placements on the Metro Micro app, reflecting a continued commitment to meeting customers where they are.

Metro equipped departments with enhanced tools to integrate public input into budget decision-making. Since January, a continuously updated internal dashboard has included AI-enabled comment analysis, expanded scenario questions, refined categories, and integrated insights from *My Metro Priorities*. The dashboard guided departments in developing budgets that aligned with riders' priorities.

Public Feedback Analysis

Analysis of the collective quantitative and qualitative input revealed ongoing priorities for the Metro community. These core themes, validated by riders year after year, will be central to Metro's budgetary decision-making:

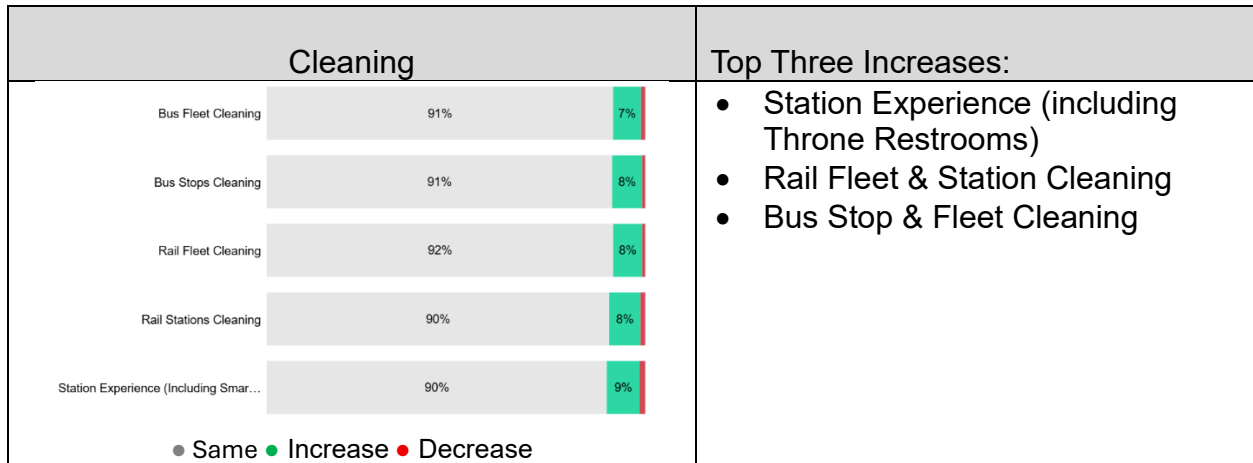
- **Public Safety:** Prioritizing enhanced security measures, including traditional and care-based approaches.

- **Service Frequency & Reliability:** Committing resources to ensure transit remains efficient, frequent, and accessible.
- **Infrastructure & Cleanliness:** Maintaining high standards for vehicle and station upkeep to ensure a consistently clean and dependable riding experience.

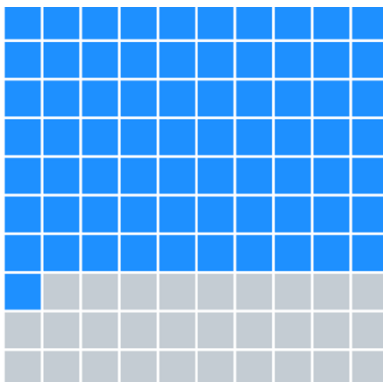
My Metro Budget Activity Quantitative Results

Below are the results of the add/subtract categories and scenario questions. Generally, respondents kept budget items unchanged. Like last year, the statistical rigor of this sample confirms its high representativeness; these findings are robust and unlikely to shift materially with additional participation.

Operations		Top Three Increases:
Bus Lanes & Improvements	89% 	<ul style="list-style-type: none"> • Rail Service • Bus Lanes & Improvements • Bus Service
Bus Service	92% 	
Metro Micro (MicroTransit)	88% 	
Rail Service	90% 	
Special Events Service	91% 	
<p>● Same ● Increase ● Decrease</p>		
Public Safety		Top Three Increases:
Community Intervention Specialists	89% 	<ul style="list-style-type: none"> • Metro Law Enforcement • Homeless Outreach & Crisis Intervention • Metro Transit Security
Contracted Law Enforcement	89% 	
Homeless Outreach & Crisis Interven...	86% 	
Metro Ambassadors	88% 	
Metro Law Enforcement	87% 	
Metro Transit Security	87% 	
Private Security	89% 	
Public Safety Investments	90% 	
<p>● Same ● Increase ● Decrease</p>		

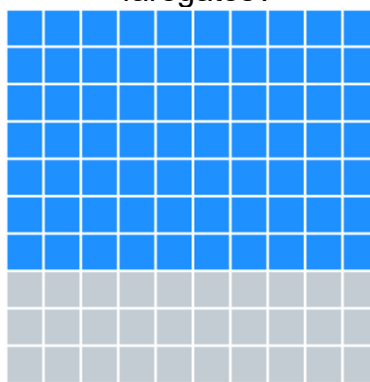


Should Metro invest in retail amenities?



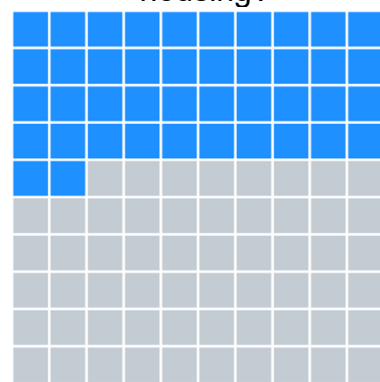
71% Yes / 29% No
N = 3,419

Should Metro invest in code of conduct enforcements & taller faregates?



70% Yes / 30% No
N = 3,284

Should Metro focus its real estate on revenue generation or affordable housing?

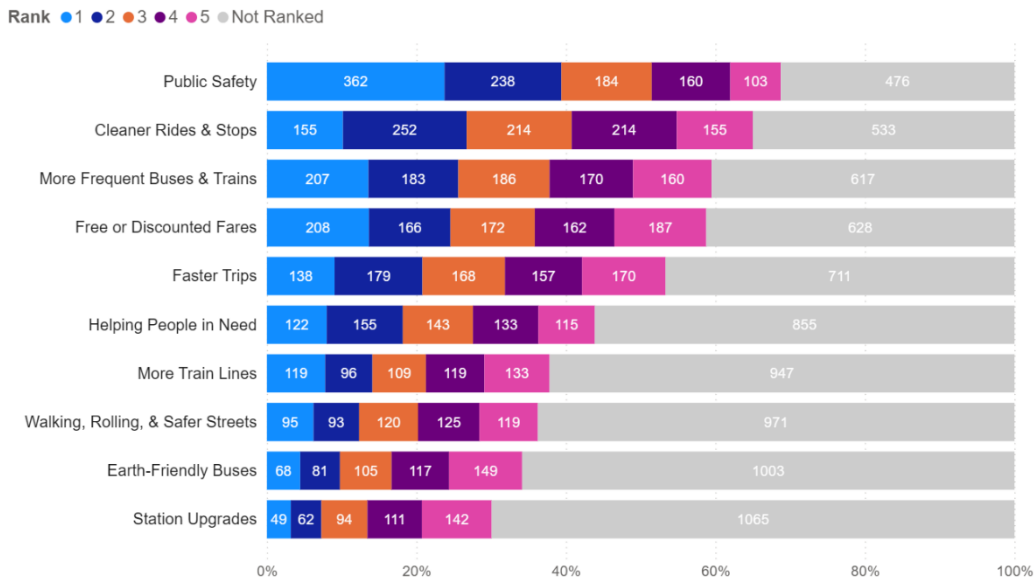


42% Revenue / 58% Housing
N = 3,230

My Metro Priorities Quantitative Results

The new *My Metro Priorities* initiative delivered forward-looking insights directly from younger riders. Utilizing a streamlined, preference-based system, participants were given five 'tokens' to allocate across ten priority options and then rank them. Each rank corresponds to a weighted value: where the most important selection yields five points and the least important yields one. The top five priorities, ranked by most to least important, are: Public Safety, Cleaner Rides & Stops, More Frequent Buses & Trains, Free or Discounted Fares, and Faster Trips. Below are the results.

Top Priorities by Count of Respondents



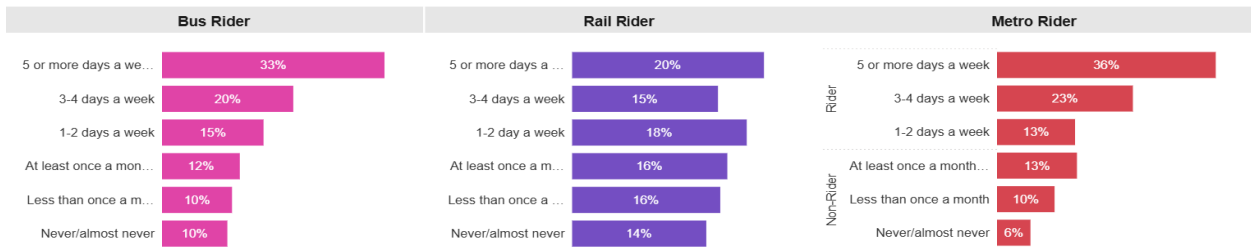
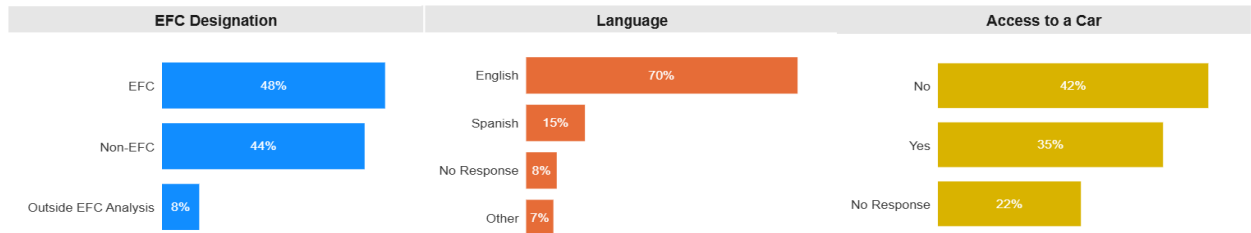
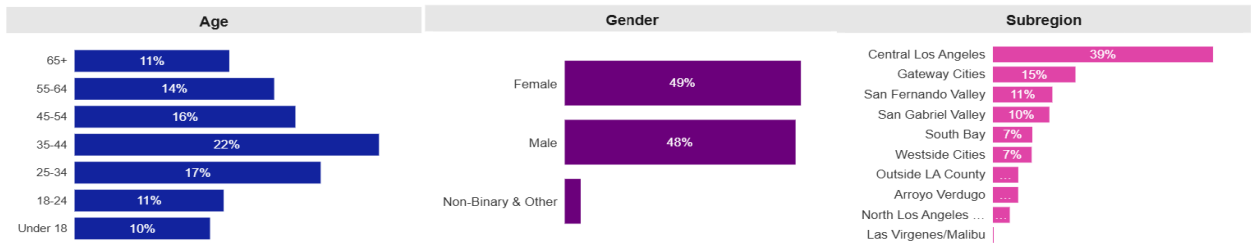
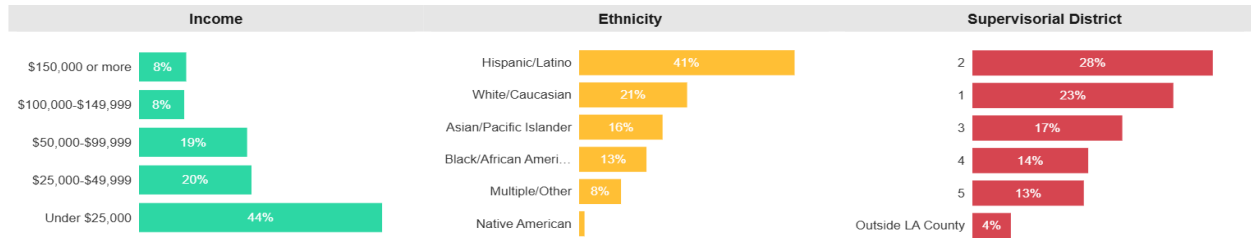
Demographic Results (Combined)

The demographic profile of survey respondents is statistically valid and aligns with the broader population of LA County and Metro ridership. This year’s participation highlights significant engagement within key communities:

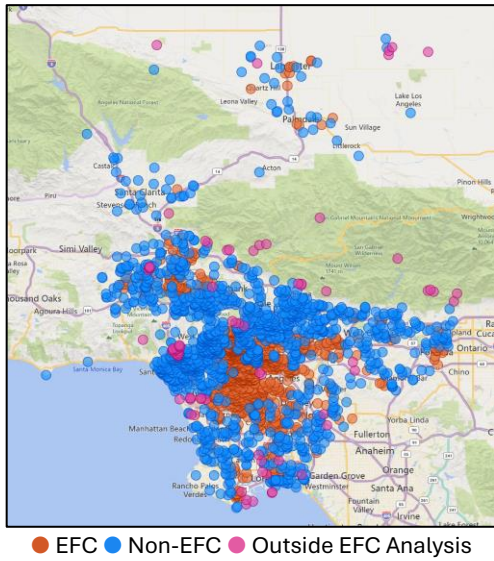
- 48% of respondents reside within an Equity Focus Community (up 2% from FY26)
- 44% report household incomes under \$25,000
- 41% identify as Hispanic
- 72% utilize Metro services at least weekly

For the first time, female participants represent the largest proportion of the sample, at 49%, a shift attributable to youth outreach efforts through *My Metro Priorities*. Spanish speakers represent 15.5% of respondents (up from 14.5% in FY26), an increase of over 200 respondents. Notable from the demographic information is the increase in youth (under 18) participation, at 10% overall (1.4% in FY26). Below are all the demographic results.

ATTACHMENT D



EFC Analysis



The accompanying map illustrates the precise geographic footprint of participation, with orange markers specifically denoting residents within designated Equity Focus Communities (EFCs). This visualization underscores Metro’s strategic imperative: maintaining deep and targeted engagement within these areas. Metro remains committed to strengthening outreach infrastructure across all EFCs to ensure that the voices and needs of the most impacted communities are not only heard but integrated into Metro’s operational and financial planning.

Metro’s Response to Feedback

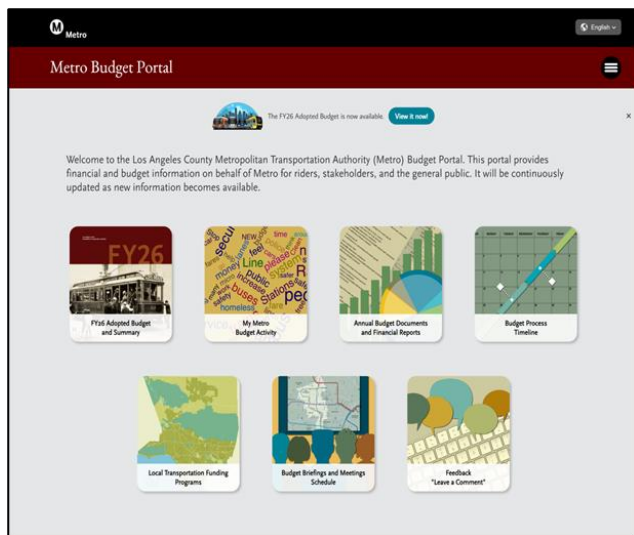
Between January 2026 and May 2026, OMB has provided transparent updates on community input and addressing all submitted commentary throughout March and April. Metro is strategically managing fiscal constraints to maintain a resilient budget position while vigorously protecting and sustaining the delivery of essential services. The proposed allocations for FY27 are not merely fiscal line items; they represent a direct translation of comprehensive public sentiment, successfully integrating both nuanced stakeholder feedback and the foundational priorities established earlier in this report.

Outreach Strategy - Metrics

Public Engagement	Participation
My Metro Budget Activity Responses	>5,900
My Metro Budget Activity Comments	>4,800
My Metro Budget QR Info Cards	>33,000 distributed
My Metro Priorities Responses	>1,500
My Metro Priorities Comments	>200
My Metro Priorities QR Info Cards	>6,500 distributed
Budget Portal Views (https://budget.metro.net)	>8,300
Community Based Organizations	>650 reached

Email Blasts/Community Newsletters	>20 sent
<i>The Source/El Pasajero</i> Posts	4
Social Media Platforms	4 – Facebook, Instagram, LinkedIn, NextDoor
Newsprint Publications – Public Hearing Announcements	20
Stakeholder & Public Engagement Meetings	28

Budget Portal



The Metro Budget Portal (<https://budget.metro.net>) remains the definitive source for all fiscal information. Under the continuous enhancement by OMB, this centralized hub provides comprehensive access to official documentation, key timelines, and system notifications. It features an integrated dashboard where data from outreach initiatives is made publicly available, alongside dedicated channels for public feedback and personalized subscription alerts.

Stakeholder Meetings

Continuous stakeholder dialogues guided budget development to the final, legally mandated public hearing (California PUC § 130106) and potential FY27 budget adoption by the Board of Directors. All meeting details, agendas, and up-to-date financial data were transparently provided via the Finance and Budget portal: <https://budget.metro.net>. The following is a schedule of the meetings.

ATTACHMENT D

FY27 Budget – Outreach Meeting Schedule			
2025			
Meeting	Date	Time	Completed
Youth Council Summit	Sept 13	8am	X
SEED School presentation	Nov 12	4:30pm	X
Regional Service Councils Meet & Confer	Dec 15	5pm	X
2026			
Outreach – Flintridge Sacred Heart Academy	Feb 24	11:30am	X
Community Advisory Committee – General Assembly	Feb 25	6pm	X
Independent Citizens Advisory Committee	Mar 4	9am	X
Measure M Independent Taxpayers Oversight Committee	Mar 4	10am	X
Measure R Independent Taxpayers Oversight Committee	Mar 9	1pm	X
Regional Service Council – San Fernando Valley	Apr 1	6:30pm	X
Regional Service Council – South Bay Cities	Apr 6	5pm	X
Regional Service Council – Westside Cities	Apr 8	6pm	X
Regional Service Council – Gateway Cities	Apr 9	5pm	X
Regional Service Council – San Gabriel Valley	Apr 13	5pm	X
Community Advisory Council	Apr 23	6pm	X
Technical Advisory Committee	May 6	9:30am	X
Local Transit Systems Subcommittee	May 6	1:30pm	X
Gateway Cities COG	May 6	4pm	X
South Bay COG	May 11	10:30am	X
Valley Industry Commerce Association	May 12	8:30am	X
Accessibility Advisory Committee	May 12	1pm	X
SEED LA Career Fair	May 13	11am	X
Bus Operators Subcommittee	May 19	9:30am	X
Streets & Freeways Committee	May 21	9:30am	
Budget Public Hearing	May 21	10am	
San Gabriel Valley COG	June 3	4pm	
Independent Citizens Advisory Committee	TBD	TBD	
Measure M & R Independent Taxpayers Oversight Committees	TBD	TBD	

Looking Ahead

The roadmap for FY27 outreach ends with two key commitments to transparency and refinement. First, OMB will publicly release the aggregated results from both engagement platforms via a dedicated dashboard hosted on the Finance & Budget Portal (<https://budget.metro.net>). Second, a brief, two-minute exit survey will be conducted to gauge public perception of this year's outreach effectiveness and identify actionable improvements for future cycles. Metro remains steadfast in its dedication to capturing a diverse and representative audience, while continuously advancing the technological and user experience of outreach to rigorously uphold the "Listen and Learn" equity principle.

Metro EFC Budget Assessment Results Over Time

The EFC Budget Assessment responds to the Board's direction to utilize Metro's EFC Map to prioritize budget expenditures. To develop the EFC Budget Assessment Baseline, staff assigned an EFC Impact Category to every cost center and project of the FY23 Adopted Budget. Table 1 includes the categories and examples of their use.

Table 1. EFC Budget Assessment Categories, Definitions, and Examples

EFC Impact Category	Definition	Example
1. Targeted Benefits to EFCs	Demonstrate positive impacts from Metro's projects, programs, policies, and services that are <u>intentionally focused</u> on EFCs	<ul style="list-style-type: none"> New or updated station improvements located in or adjacent to EFCs Services or programs that demonstrate prioritization for EFCs
2. Indirect Benefits to EFCs	Projects, programs, or services that <u>disproportionately serve but are not targeted</u> to groups comprising the EFC criteria: low-income, people of color, no car.	<ul style="list-style-type: none"> Expenses that fund service to the general public or ridership without intentional inclusion for people living and working in EFCs
3. No EFC Benefits or Service	No demonstrated benefit or service to EFCs	<ul style="list-style-type: none"> Projects not located within EFCs or within a service area of EFCs General/countywide services (not qualified as Indirect Benefits)
4. Formula-Based	Allocations based on formulas and laws	<ul style="list-style-type: none"> Local Return programs Pass-through funds
5. Admin. or Technical	Strictly administrative or technical support	<ul style="list-style-type: none"> Treasury activity costs Copy machine repair, payroll systems

Table 2 demonstrates that Metro has maintained or increased Total Benefits to EFCs (Targeted and Indirect categories). The actuals for FY25 were almost two percentage points higher than the proposed budget for that fiscal year. Minor differences between actual and proposed results for every fiscal year are expected, as Metro does not spend its entire budget and the total dollar amount (denominator) may differ when calculating percentages.

Table 2. EFC Budget Assessment Results FY25

	FY25 Proposed	FY25 Actuals
Targeted Benefits	28.1%	28.3%
Indirect Benefits	45.5%	47.1%
Total Benefits	73.6%	75.4%



Metro Fiscal Year (FY) 2027 Proposed Budget

May 21st, 2026 | Public Hearing





Cost Inflation & Uncertainties



ECONOMIC OUTLOOK

- Recovery strengthening, driven by AI and fiscal stimulus
- Uneven growth, led by high-tech and aerospace
- Slow job growth and elevated unemployment



REVENUE AND FISCAL PRESSURES

- Lagging sales tax growth and revenue uncertainty
- Population decline and constrained consumer spending
- Rising costs and debt limiting taxable activity
- Uncertain federal funding and increased grant competition



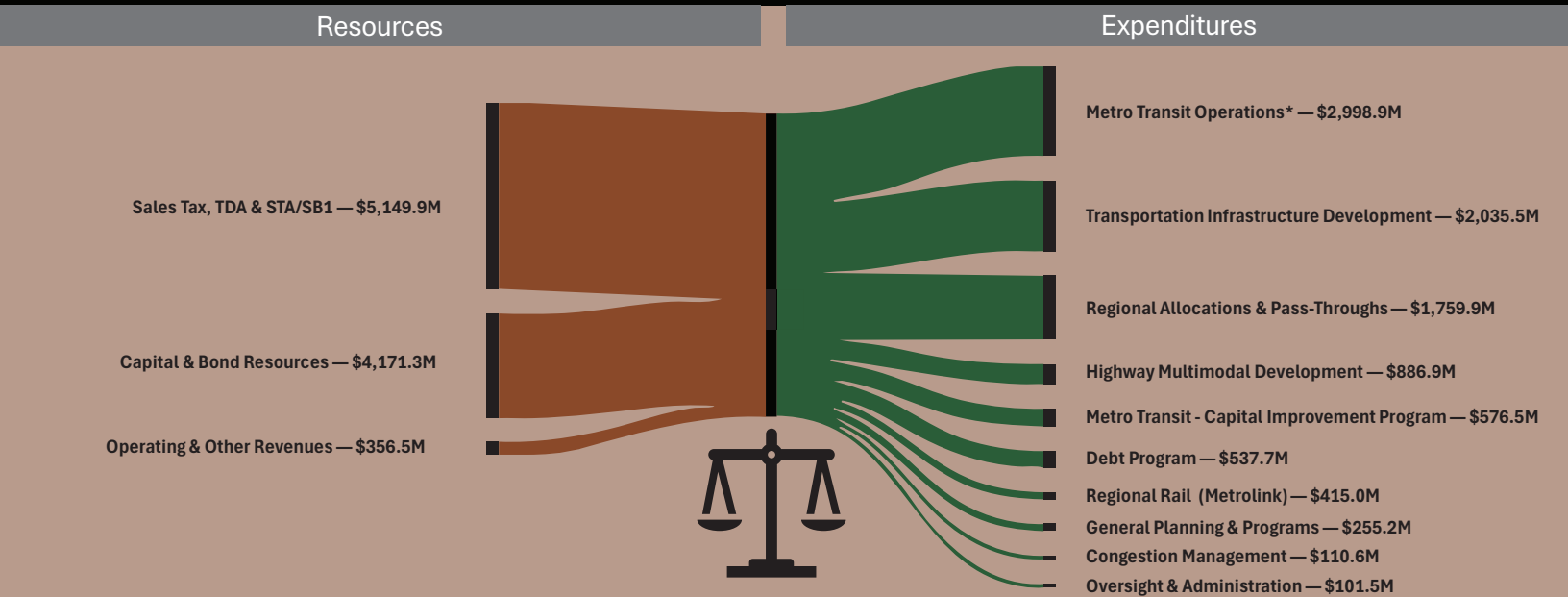
INFLATION AND STRATEGIC RESPONSE

- Inflation near 3%, above target
- Persistent external pressures including tariffs, energy, and global instability
- Limited near-term relief on interest rates
- Focus on flexibility and disciplined spending



FY27 Proposed Budget - \$9.7B*

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



* 76 proposed additional FTEs and \$5.6 million in non-labor budget for the Department of Public Safety (DPS) not incorporated into total

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

Note: Pending May Board Approval



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%)



* 76 proposed additional FTEs and \$5.6 million in non-labor budget for the Department of Public Safety (DPS) not incorporated into total

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

Note: Pending May Board Approval



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)

Note: Pending May Board Approval



Enhancing Customer Experience

Elevating rider safety and cleanliness across the system

Multi-layered Care-Based Approach

Cleaning



Care-Based Approach

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



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:

- Continuing transition to Metro's Department of Public Safety (DPS)
- 2.2% (\$6.7M) increase in cleaning budget

Note: Pending May Board Approval



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

Note: Pending May Board Approval



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

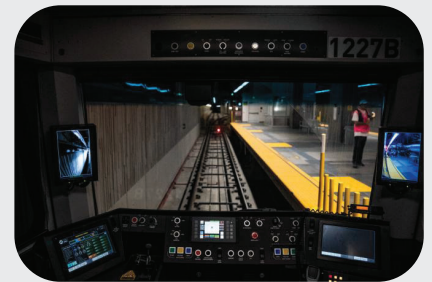
Construction \$1,739.9M

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)

Note: Pending May Board Approval



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

Note: Pending May Board Approval



Other Programs - \$2.3B

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

<p>Highway Multimodal Development \$886.9M (+\$249.1M, +39.1%)</p>	<p>Regional Rail \$415.0M (+\$119.0M, +40.2%)</p>	<p>General Planning & Programming \$255.2M (-\$2.7M, -1.1%)</p>	<p>Congestion Management \$110.6M (-\$19.1M, -14.7%)</p>	<p>Debt Program \$537.7M (+\$56.5M, +11.7%)</p>	<p>Oversight & Admin \$101.5M (+\$0.3M, +.3%)</p>
<ul style="list-style-type: none"> • Bus Only Lane projects • Capacity improvements • ExpressLanes/HOV improvements 	<ul style="list-style-type: none"> • Link Union Station • Double Tracking & Grade Separation projects • Metrolink (FY27 Proposed Budget is pending transmittal of the official budget request) 	<ul style="list-style-type: none"> • Bike Hubs & Lockers • LA River Bike Path • Bike share program expansion • Joint Development initiatives 	<ul style="list-style-type: none"> • ExpressLanes • Freeway Service Patrol • Motorist Services • Rideshare Services 	<ul style="list-style-type: none"> • Debt financing to advance major capital investment projects • Debt issuance is authorized by state/federal legislation & local sales tax ordinances 	<ul style="list-style-type: none"> • 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

Note: Pending May Board Approval



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

5,900+ Respondents
4,800+ Comments



My Metro Priorities

1,550+ Respondents
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



Board Report on FY27 Budget Adoption

Proposed FY27 Budget for Consideration and Approval

- A. ADOPTING the proposed FY27 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net);
1. AUTHORIZING \$9.7 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals;
 2. AUTHORIZING a total of 12,321 FTEs, of which 10,024 are Represented FTEs and 2,297 are Non-Represented FTEs;
 3. AUTHORIZING an average 3% performance-based merit increase for Non-Represented employees. The wage increases for Represented employees, in accordance with the pre-negotiated Collective Bargaining Agreements, is an average 4.0%;
 4. AUTHORIZING a 5% adjustment to current Non-Represented job pay grade levels to reflect best practice (see Attachment A);
 5. APPROVING the Life of Project (LOP) budgets exceeding \$5.0 million for new capital projects and LOP budget increases for existing projects exceeding \$1.0 million. Project details are presented in Attachment B;
 6. AUTHORIZE the CEO to execute Metrolink's continuing resolution to extend FY26 budget authorization through first quarter of FY27 until October 1, 2026, and execute all necessary agreements between Metro and SCRRA based on the continuing resolution;
 7. AMENDING the proposed FY27 Budget document by including 76 additional FTEs for the Department of Public Safety (DPS), to support the phased start-up of the care-based, multi-layered safety unit, and \$5.6 million in non-labor budget;
 8. AUTHORIZE the CEO to execute contract modifications to extend the current transit law enforcement contracts annually (for up to three additional years), utilizing funds to be requested during future fiscal years' budget processes;
 9. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2026); and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY27 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.

Thank You!

✉ Los Angeles County
Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2952

☎ 213.922.6000

🌐 budget.metro.net

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“Go Metro!”

