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3rd Floor, Metro Board Room*

Agenda - Final

Wednesday, June 18, 2025

9:00 AM

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Finance, Budget and Audit Committee

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Kathryn Barger

James Butts

Imelda Padilla

Gloria Roberts, non-voting member

Stephanie Wiggins, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES

(ALSO APPLIES TO BOARD COMMITTEES)

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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.

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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x2 *Español (Spanish)*

x3 *中文 (Chinese)*

x4 *한국어 (Korean)*

x5 *Tiếng Việt (Vietnamese)*

x6 *日本語 (Japanese)*

x7 *русский (Russian)*

x8 *Հայերէն (Armenian)*

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Live Public Comment Instructions:

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

The Meeting begins at 9:00 AM Pacific Time on June 18, 2025; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-978-8818 and enter
English Access Code: 5647249#
Spanish Access Code: 7292892#

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 9:00 AM, hora del Pacifico, el 18 de Junio de 2025. Puedes unirme a la llamada 5 minutos antes del comienso de la junta.

Marque: 888-978-8818 y ingrese el codigo
Codigo de acceso en ingles: 5647249#
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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

APPROVE Consent Calendar Items: 6, 7, 8, and 9.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

**6. SUBJECT: LICENSE AGREEMENTS FOR THREE MICROWAVE
RADIO STATION LOCATIONS**

[2025-0326](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO), or their designee, to execute three 5-year license agreements commencing August 1, 2025, with American Tower Corporation dba SpectraSite Communications, LLC; with up to three additional five-year options for each site for microwave radio stations located at the following sites:

- 5 Mt. Lukens Road, Tujunga - at an initial rate of approximately \$7,617.47 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$2,678,592.90 over the full 20-year term (including options).
- Oat Mountain Orcutt Ranch, Chatsworth - at an initial rate of approximately \$5,274.26 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$1,837,556.05 over the full 20-year term (including options).
- 1 Hauser Mountain, Acton - at an initial rate of approximately \$4,274.97 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$1,495,434.10 over the full 20-year term (including options).

Attachments: [Attachment B - Deal Points](#)
 [Presentation](#)

7. SUBJECT: EXCESS LIABILITY INSURANCE PROGRAM

[2025-0242](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits at a not-to-exceed premium of \$29.8 million for the 12-month period effective August 1, 2025, to August 1, 2026.

Attachments: [Attachment A - Options, Premiums, and Loss History](#)
 [Attachment B - Proposed Public Entity Carriers and Program Structure](#)
 [Presentation](#)

8. SUBJECT: FY25 LOCAL RETURN CAPITAL RESERVE ACCOUNTS

[2025-0292](#)

RECOMMENDATION

CONSIDER:

A. ESTABLISHING new Local Return funded Capital Reserve Accounts for the Cities of Hidden Hills (Measure M), Lakewood (Proposition C and Measure M), Long Beach (Proposition C), and amend the existing accounts for the Cities of Industry (Proposition A), Lynwood (Proposition A), South Pasadena (Proposition C, Measure R and Measure M), and Whittier (Proposition C) (Attachment A); and

B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities in Recommendation A for their Capital Reserve Accounts as approved.

Attachments: [Attachment A - Project Summary 2025 for Proposed Capital Reserve Accounts](#)
 [Presentation](#)

**9. SUBJECT: FY26 TRANSPORTATION DEVELOPMENT ACT (TDA)
ARTICLE 8 FUND PROGRAM**

[2025-0403](#)

RECOMMENDATION

ADOPT:

A. Findings and Recommendations (Attachment A) for allocating fiscal year 2026 (FY26), Transportation Development Act (TDA) Article 8 funds estimated (Attachment B) at \$33,368,313 as follows:

1. In the City of Avalon, there are no unmet transit needs that are reasonable to meet. Therefore, TDA Article 8 funds in the amount of \$156,044 may be used for street and road projects or transit projects;

2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale, and the unincorporated portions of the Antelope Valley, transit needs can be met by using other existing fund sources. Therefore, TDA Article 8 funds in the amount of \$8,131,009 for Lancaster and \$7,821,276 for Palmdale may be used for street and road projects or transit projects, provided that transit needs continue to be met;
 3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other fund sources. Therefore, \$10,853,278 in TDA Article 8 funds for the City of Santa Clarita may be used for street and road projects or transit projects, provided that transit needs continue to be met;
 4. In the Los Angeles County Unincorporated areas of North County, the areas encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other fund sources such as Proposition A and Proposition C Local Return. Therefore, TDA Article 8 funds in the amount of \$6,406,706 may be used for street and road projects or transit projects, provided that transit needs continue to be met; and
- B. A resolution (Attachment C) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

Attachments: [Attachment A - FY26 Proposed Findings and Recommended Actions](#)
 [Attachment B - TDA Article 8 Apportionments Estimates for FY26](#)
 [Attachment C - FY26 TDA Article 8 Resolution](#)
 [Attachment D - History of TDA Article 8 Definitions of Unmet Transit Needs](#)
 [Attachment E - TDA Article 8 Public Hearing Process](#)
 [Attachment F - Summary of Recommendations and Actions Taken](#)
 [Presentation](#)

NON-CONSENT

**10. SUBJECT: METROLINK FY2025-26 ANNUAL WORK PROGRAM AND
PASSENGER RAIL SUPPORTIVE ACTIONS**

[2025-0211](#)

RECOMMENDATION

CONSIDER:

- A. APPROVING programming the Los Angeles County Metropolitan Transportation Authority's ("Metro") share of the Southern California Regional Rail Authority's (SCRRA) Fiscal Year (FY) 2025-26 Operating, Rehabilitation, and Capital Budget in the amount of \$216,565,092 as described in Attachment A;
- B. EXTENDING the lapsing dates for funds previously allocated to SCRRA for State of Good Repair (SGR) and capital project Memoranda of Understanding (MOUs) as follows:
- Ticket Vending Machine (TVM) Replacement Project extended from June 30, 2025, to December 31, 2026
 - FY 2016-17 SGR Program extended from June 30, 2025, to December 31, 2026
 - FY 2017-18 SGR Program extended from June 30, 2025 to December 31, 2026
 - FY 2018-19 SGR Program extended from June 30, 2025 to June 30, 2027
 - FY 2019-20 SGR Program extended from June 30, 2025 to December 31, 2027
 - FY 2020-21 SGR Program extended from June 30, 2025 to June 30, 2027
 - Doran Street Grade Separation Project extended from March 31, 2025, to December 31, 2027
 - LINK US Task 2 Project extended from June 30, 2025, to December 31, 2026;
- C. APPROVING the FY 2025-26 Transfers to Other Operators' payment rate of \$1.10 per boarding to Metro and an EZ Pass reimbursement cap to Metro of \$5,592,000; and
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Metro and SCRRA for the approved funding.

Attachments: [Attachment A - SCRRA FY26 Budget Transmittal](#)

**11. SUBJECT: ACCESS SERVICES PROPOSED FISCAL YEAR 2026
BUDGET**

[2025-0398](#)

RECOMMENDATION

CONSIDER:

A. APPROVING local funding request for Access Services (Access) in an amount not to exceed \$203,170,329 for FY26. This amount includes:

- Local funds for operating and capital expenses in the amount of \$200,482,112
- Local funds paid directly to Metrolink for its participation in Access' Free Fare Program in the amount of \$2,688,217; and

B. AUTHORIZING the Chief Executive Officer (CEO) to negotiate and execute all necessary agreements to implement the above funding program.

Attachments: [Attachment A - FY26 Access Services ADA Program
Presentation](#)

12. SUBJECT: FISCAL YEAR 2025-26 TRANSIT FUND ALLOCATIONS

[2025-0404](#)

RECOMMENDATION

CONSIDER:

A. APPROVING \$2.9 billion in Fiscal Year 2025-26 (FY26) Transit Fund Allocations for Los Angeles County jurisdictions, transit operators, and Metro Operations as shown in Attachment A. These allocations comply with federal, state, and local regulations and Metro Board approved policies and guidelines. Federal and state fund allocations are subject to actual fund apportionments;

B. APPROVING fund exchanges in the estimated amount of \$3,140,305 of Metro's Transportation Development Act (TDA) Article 4 allocation with Municipal Operators' shares of the Low Carbon Transit Operations Program. Funding will be adjusted based on LCTOP actual allocations;

C. APPROVING fund exchanges in the estimated amount of \$1,035,635 of Metro's Proposition (Prop) C 40% allocation with Antelope Valley, Santa Clarita, Burbank, and Glendale's shares of the Low Carbon Transit Operations Program (LCTOP). Funding will be adjusted based on LCTOP actual allocations;

D. APPROVING fund exchange of Federal Section 5307 discretionary fund

-
- awarded to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit in the amount of \$360,000 with Metro's TDA Article 4 allocation subject to final federal apportionments. If federal funds are not available for this fund exchange, \$360,000 in FY27 TDA Article 4 funds will be allocated to Metro off the top as reimbursement;
- E. APPROVING fund exchanges in the amount totaling \$15.6 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339 subject to final federal apportionments;
- F. AUTHORIZING the Chief Executive Officer to adjust FY26 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities), and Section 5337 (State of Good Repair) allocations upon receipt of final apportionments from the Federal Transit Administration and amend the FY26 Budget as necessary to reflect the adjustments;
- G. APPROVING fund exchange in the amount of \$5 million of Metro's Prop C 40% allocations with the Local Transit Operators' share of federal Section 5307 funds to implement the Local Transit Systems Subcommittee's (LTSS) Zero Emission Vehicle (ZEV) Call for Projects subject to final federal apportionments;
- H. APPROVING revised Zero Emission Transit Capital Program (ZETCP) -Equivalent fund allocations to the Included and Eligible Transit Operators commensurate with current ZETCP fund availability to Metro (Attachment B), and delegate authority to the Chief Executive Officer to negotiate any future amendments if further adjustments are made in funding availability;
- I. ADOPTING a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations are in compliance with the terms and conditions of the allocations (Attachment C); and
- J. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements, amendments to existing agreements, and FY26 Budget amendments to implement the above funding programs.

Attachments: [Attachment A - FY26 Transit Fund Allocations](#)
 [Attachment B - Revised ZETCP-Equivalent Fund Allocations](#)
 [Attachment C - TDA and STA Resolution](#)
 [Attachment D - Sum. of Significant Info., Methodologies & Assumptions](#)
 [Presentation](#)

13. SUBJECT: ADDRESSING THE FISCAL CLIFF

[2025-0381](#)

RECOMMENDATION

CONSIDER:

A. RECEIVING AND FILING status report on the Workplan to Address the Fiscal Cliff; and

B. ADOPTING the Principles for Addressing the Fiscal Cliff (Attachment A).

Attachments: [Attachment A - Guidelines for Addressing the Fiscal Cliff](#)
 [Attachment B - Eligibility and Allocation of FY26 Funding](#)
 [Presentation](#)

SUBJECT: GENERAL PUBLIC COMMENT

[2025-0501](#)

RECEIVE General Public Comment

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.

**COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S
SUBJECT MATTER JURISDICTION**

Adjournment



Board Report

File #: 2025-0326, File Type: Agreement

Agenda Number: 6.

FINANCE, BUDGET & AUDIT COMMITTEE JUNE 18, 2025

SUBJECT: LICENSE AGREEMENTS FOR THREE MICROWAVE RADIO STATION LOCATIONS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO), or their designee, to execute three 5-year license agreements commencing August 1, 2025, with American Tower Corporation dba SpectraSite Communications, LLC; with up to three additional five-year options for each site for microwave radio stations located at the following sites:

- 5 Mt. Lukens Road, Tujunga - at an initial rate of approximately \$7,617.47 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$2,678,592.90 over the full 20-year term (including options).
- Oat Mountain Orcutt Ranch, Chatsworth - at an initial rate of approximately \$5,274.26 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$1,837,556.05 over the full 20-year term (including options).
- 1 Hauser Mountain, Acton - at an initial rate of approximately \$4,274.97 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$1,495,434.10 over the full 20-year term (including options).

ISSUE

Metro currently licenses microwave radio station facilities at three locations: Mt. Lukens Road in Tujunga, Oat Mountain Orcutt Ranch in Chatsworth, and Hauser Mountain in Acton (collectively, the "Towers") to support continuous communication and security across the agency's bus and rail network. The current license agreement for these sites expires on July 31, 2025. Given the critical operational role these towers play in maintaining Metro's communications infrastructure, continued access is essential. Board approval is required to authorize the execution of new agreements..

BACKGROUND

Metro has operated the three towers since 1995 under a single license agreement with SpectraSite Communications, originally executed on August 1, 1995. The License was amended on July 10,

1997, and on August 11, 2010, to extend the term through July 31, 2025. The Towers house critical equipment for Metro's Advanced Transportation Management System, which supports voice and data communication between buses and the Bus Operations Center, and rail communications, which facilitate real-time communication between rail lines and the Rail Operations Center. Both systems are essential for maintaining safe, reliable, and efficient public transportation services throughout Los Angeles County.

DISCUSSION

License Renewal and Structure

To continue uninterrupted use of these vital tower sites, Metro staff is proposing to renew the licenses for a 5-year term with three additional 5-year extension options for each location through 2045. As part of this renewal, staff negotiated a separation of the original single license into three distinct agreements, one per site, in alignment with best practices for asset-specific management, legal clarity, and financial tracking.

Financial Terms

The initial rate under the new proposed licenses is less than 1% higher than the current rental rate. Staff evaluated current lease rates for comparable communications towers in the greater Los Angeles region using third-party data (including CoStar) and internal leasing experience and found the rates to be within a normal market range for similar infrastructure, particularly when factoring in Metro's long-term occupancy and reliability of the sites. Metro has over 20 tower agreements with both governmental agencies and private tower landlords ranging from \$7,000.00 to \$150,465.00 per year. These three agreements range from \$52,880.16 to \$94,318.56 per year and are at or below the middle of that range.

Considerations

Continued use of these tower sites supports operational efficiency and cost control by leveraging Metro's existing, proven infrastructure. These sites have delivered reliable performance since 1995 and play a key role in providing redundancy and continuity across Metro's communications network. Retaining access ensures uninterrupted service and minimizes the risk of operational disruption. Additionally, by securing favorable long-term rates now, Metro can avoid higher future costs that could result from relocating to or negotiating with multiple alternative tower providers. Staff will continue to evaluate market conditions and operational needs at the conclusion of each term to ensure ongoing value and alignment with Metro's strategic goals.

DETERMINATION OF SAFETY IMPACT

This Board Action will help ensure continued safe and reliable bus and rail transportation throughout the system.

FINANCIAL IMPACT

The proposed agreements include an initial 5-year term for each site, with three additional 5-year renewal options, for a potential total term of 20 years. The rental rates include a 3.5% annual

escalation applied throughout the initial term and any exercised options. The cost of the first year is shown below.

Period	Location 308 (5 Mt. Lukens Rd.)	Location 313 (Oat Mtn. Orcutt Ranch)	Location 314 (1 Hauser Mt.)	Total
8/1/2025-7/31/2026	\$94,318.56	\$64,977.96	\$52,880.16	\$212,176.68

The total projected expenditure for all three sites over the full term (including options) is \$6,011,583.05.

Impact to Budget

Funding for the license payments in FY26 is included in the Real Estate Non-Departmental Cost Center (0651), under Bus Operations (306006). Future year obligations will be incorporated by staff into Metro's annual budget process and planned accordingly as ongoing operational costs.

EQUITY PLATFORM

The proposed actions would support Metro bus and rail operations and customer experience, which would benefit all Metro riders and employees. There are no specific equity benefits or impacts.

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. All Board items are assessed for their potential impact on VMT to ensure continued progress.

As part of these ongoing efforts, this item is expected to contribute to further VMT reductions. While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro transit operations, as communications throughout the Metro bus and rail system are critical to keeping these systems safe and on time. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #2: "Deliver outstanding trip experiences for all users of the transportation system."

ALTERNATIVES CONSIDERED

If the Board does not approve the License renewals, Metro would need to secure agreements at multiple alternative tower sites to maintain current coverage. This would result in higher rental costs, potential capital expenses to relocate equipment, and increased risk of service disruptions. Given the reliability and strategic locations of the current Towers, pursuing alternatives is not recommended.

NEXT STEPS

Upon Board approval, Metro will execute the three license agreements with American Tower Corporation dba SpectraSite Communications, LLC. This will secure continued use of the microwave radio station locations through July 31, 2045, including the option periods.

ATTACHMENTS

Attachment A - License Location Map
Attachment B - Deal Points

Prepared by: John Beck, Manager, Real Property Management, (213) 922-4435
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Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034

Dawn Jackson-Perkins, Chief People Officer, (213) 418-3166
Ray Sosa, Chief Planning Officer, (213) 547-4274


Stephanie Wiggins
Chief Executive Officer

Attachment B – Deal Points

New or renewal	License Renewal
Landlord/Owner	American Towers Corporation dba SpectraSite Communications, LLC
Location	5 Mr. Lukens Road, Tujunga Orcutt Ranch, Chatsworth 1 Hauser Mountain, Acton
Premises	Radio tower locations
Purpose	Radio tower for rail and bus communications.
Commencement and Duration (note any extensions)	5-years commencing August 1, 2025. There are three (3) options to extend the term for five (5) years each.
Total Cost	The total lease value is approximately \$6,011,583.03 over the five (5)-year terms including options.
Early Termination Clauses	None.
Determination of Lease Value	Real Estate staff.
Background with this Landlord	This will be the second transactions with the landlord at theses locations. Metro has a total of eight (8) tower agreements with this landlord.
Special Provisions	None.



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Finance, Budget & Audit Committee - June 16, 2025
Legistar File #2025-0326

Recommendation

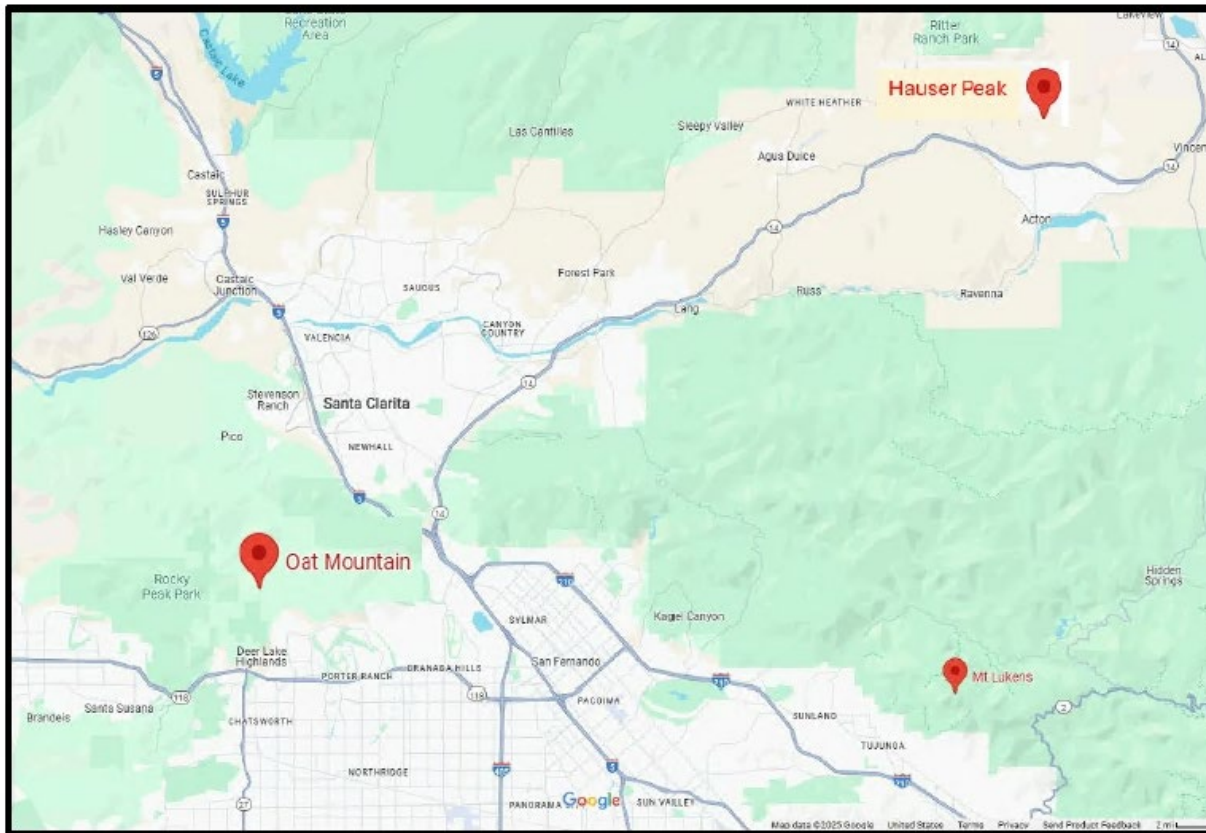
AUTHORIZE the Chief Executive Officer (CEO), or designee, to execute three separate five (5)-year license agreements commencing August 1, 2025, with American Tower Corporation dba SpectraSite Communications, LLC (Licensor); and **AUTHORIZE** the Chief Executive Officer (CEO), or designee, to execute up to three (3) additional five (5)-year options for each site for microwave radio stations located at the following sites:

- 5 Mt. Lukens Road, Tujunga - at an initial rate of approximately \$7,617.47 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$2,678,592.90 over the full 15-year term (including options).
- Oat Mountain Orcutt Ranch, Chatsworth - at an initial rate of approximately \$5,274.26 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$1,837,556.05 over the full term (including options).
- 1 Hauser Mountain, Acton - at an initial rate of approximately \$4,274.97 per month with 3.5% annual escalations, plus utilities, for a total estimated amount of \$1,495,434.10 over the full term (including options).

Background

- **Longstanding Use:** Metro has operated three microwave radio towers since 1995 under a license agreement with SpectraSite Communications.
- **License History:** The agreement was extended in 1997 and 2010, with the current term expiring on **July 31, 2025**.
- **System Integration:** The towers support Metro's Advanced Transportation Management System (ATMS) and Rail Communications (Rail Comm).
- **Operational Importance:** These systems provide essential voice and data communication between buses, trains, and their respective operations centers, ensuring safe and efficient service countywide.

Location Map



Mt. Lukens
Location 308
5 Mt. Lukens Road
Tujunga, CA
(AL000081)

Oat Mountain
Location 313
Orcutt Ranch
Chatsworth, CA
(AL000082)

Hauser Peak
Location 314
1 Hauser Mtn.
Acton, CA
(AL000083)

Financial Impact & Next Steps

Financial Impact:

Up to \$6,011,583 for all three sites for up to 20 years (five-year initial period plus three five-year options)

Upon Board approval:

Metro will execute the three license agreements with American Tower Corporation dba SpectraSite Communications, LLC. This will secure continued use of the microwave radio station locations through July 31, 2044, including the option periods.



Board Report

File #: 2025-0242, File Type: Program

Agenda Number: 7.

FINANCE, BUDGET, AND AUDIT COMMITTEE JUNE 18, 2025

SUBJECT: EXCESS LIABILITY INSURANCE PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits at a not-to-exceed premium of \$29.8 million for the 12-month period effective August 1, 2025, to August 1, 2026.

ISSUE

Metro's Public Entity excess liability insurance policies (which include transit rail and bus operations) will expire on August 1, 2025. Insurance underwriters will not commit to final pricing until two to three weeks before the current program expires on August 1st. Consequently, staff is requesting a not-to-exceed amount for this renewal, pending final pricing and carrier selection. Without this insurance, Metro would be subject to unlimited liability for bodily injury and property damage claims resulting primarily from bus and rail operations.

BACKGROUND

Metro's insurance broker, Marsh USA, LLC (Marsh), is responsible for marketing the excess liability insurance program to qualified insurance carriers. Quotes are currently being received from carriers with A.M. Best ratings indicative of acceptable financial soundness and ability to pay claims. The premium indication below is based on current market expectations. However, final pricing is not available until approximately 14 days prior to binding coverage.

Metro established a program of excess liability insurance to protect against insured losses. Each year, Risk Management meets with Metro's insurance broker to prepare for the upcoming marketing process.

Initial discussions begin in the third quarter of the fiscal year through an evaluation of market conditions to determine the availability of coverages and at what levels of premium. Marsh is the new insurance broker for Metro, and as such, an abbreviated stewardship meeting was conducted in March to identify the required data, including loss development, ridership projections, mileage, and revenue hour estimates. Risk Management obtained the data, including targeted completion dates of

various projects, to provide an accurate account of the agency's present and future liability exposures.

The data was then forwarded to Marsh to present to the domestic insurance marketplace as well as international markets in London and Bermuda. Due to timing requirements, Marsh approached underwriters in March and April to ensure that the data was deemed current. The initial indications of interest and costs became apparent in May.

Marsh provides a not-to-exceed number that serves two functions. First, the number provides an amount Risk Management may approach the CEO and Board to obtain approval for binding of the new program, which mitigates a potential gap in insurance coverage. Second, the number allows Marsh ample time to continue to negotiate with underwriters to ensure that Metro obtains the most competitive pricing available.

DISCUSSION

Staff and Marsh have identified three main objectives for the 2025-2026 excess liability renewal:

1) mitigating insurer concerns about Metro's risk exposure, 2) maintaining a diverse mix of insurers to foster competition, and 3) maintain total limits of \$300 million with an \$8 million self-insured retention (SIR) for rail claims and \$12.5 million for all other claims, while remaining open to alternative structures.

To achieve these objectives, Metro and Marsh will continue to emphasize the lower risk associated with light rail and subway services, along with safety enhancements, to obtain more favorable pricing. All potential insurers in the US, London, and Bermuda will be approached, and Marsh and Metro will work to find the best partners for this risk.

The global insurance market faces challenges for US Casualty risks, particularly for public entities in California. The firming market, primarily driven by loss development related to auto liability, is reducing carrier capacity and increasing rates, with average increases ranging from 10-15% for loss-free programs and over 20% for those with historical losses. Average rate increases vary based on rail vs. bus exposure, jurisdiction, and the market access point.

Staff attended meetings arranged by Marsh at the RIMS convention with all major underwriters on Metro's program. These encounters with the various markets and underwriters afforded an opportunity to respond directly to additional questions they had concerning operations, safety, risk management, and claims. These meetings also fostered deeper relationships with these partners to ensure they understand Metro.

Metro's August 1st insurance placement will see increased premiums due to stricter underwriting guidelines, adverse auto liability losses, and the overall state of the market discussed above. Marsh recommends maintaining a bifurcated program for bus and rail. Metro has an \$8M SIR for rail risks. Metro self-insures a total of \$20M for bus and all other non-rail risks, including an initial \$12.5M SIR and quota share layers. A higher SIR may offer Metro greater flexibility in managing premium costs. Marsh will continue to explore options, including alternative retentions up to \$25M, and quota share

arrangements, to achieve more favorable premiums until the renewal date. Separate from this action, Marsh and Risk Management will explore the formation of a Metro Captive Insurer as an alternative to traditional insurance placement.

Attachment A provides an overview of renewal options, premiums, and loss history, and Attachment B reflects the proposed 2025-2026 Excess Liability Program, which mirrors the current 2024-2025 program structure. Risk Management recommends proceeding with renewal at a minimum coverage limit of \$300 million and a not-to-exceed premium of \$29.8 million.

DETERMINATION OF SAFETY IMPACT

Approval of this recommendation positively impacts the safety of Metro's patrons and employees. Liability insurance carriers will perform certain facility inspections to mitigate potential risks or hazards and provide an overall risk assessment of Metro's assets as they underwrite the program. In addition, carriers may provide best-practice guidance to enhance Metro's risk profile.

FINANCIAL IMPACT

Funding of \$28.5M for this action is included in the FY26 Proposed Budget in cost center 0531, Non-Departmental - Operations Risk Management, under projects 300022 - Rail Operations - A Line, 300033 - Rail Operations - C Line, 300044 - Rail Operations - B Line, 300066 - Rail Operations - E Line, 300077 - K Line, 301012 - Bus Operations - G Line, 306001 - Operations Transportation, and 320011 - Union Station.

Metro's insurance premiums are amortized and span two fiscal years. The cost center manager and the Interim Chief Transit Safety Officer will be accountable for budgeting in FY27 costs not included in the FY26 budget.

Impact to Budget

The sources of funding for this action will come from federal, state, and local funding sources that are eligible for bus and rail operations, and capital projects.

EQUITY PLATFORM

The insurance policies cover all Metro-owned property, stations, tunnels, bridges, rolling stock fleet, right of ways, facilities, and buildings that provide transportation service and benefits to Metro riders. Metro's liability insurance program ensures that its facilities, rolling stock fleet, and infrastructure, which serve riders, are covered by insurance policies in the event of major loss or damage.

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.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it provides excess liability coverage for Metro's assets. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the agency's overall function, it is consistent with the goals of reducing VMT.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal # 5, "Provide responsive, accountable and trustworthy governance within the LA Metro organization." The responsible administration of Metro's risk management programs includes the use of insurance to mitigate large financial risks resulting from unlimited liability for bodily injury and property damage claims resulting from, primarily, bus and rail operations.

ALTERNATIVES CONSIDERED

Due to the continued hard market, there are no additional limits in coverage for consideration. SIRs above the current structure levels are being proposed and considered, and negotiations are ongoing. Attachment A reflects the proposed program structure, which mirrors the current 2024-2025 policy term. The only variation will be to the SIR, which may end up being higher than the current program structure.

NEXT STEPS

Upon Board approval of this action, staff will advise Marsh to proceed with the placement of the excess liability insurance program outlined herein, effective August 1, 2025.

ATTACHMENTS

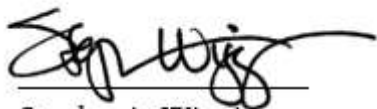
Attachment A - Options, Premiums, and Loss History

Attachment B - Proposed Public Entity Liability Carriers and Program Structure

Prepared by: William Douglas, Senior Manager Risk Financing, (213) 922-2105

Claudia Castillo del Muro, Executive Officer, Risk Management, (213) 922-4518

Reviewed by: Kenneth Hernandez, Interim Chief Transit Safety Officer, (213) 922-2990

A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins
Chief Executive Officer

ATTACHMENT A

**Options, Premiums and Loss History
Public Entity Program Insurance Premium and Proposed Options**

	Current 2024 / 2025 Program	2025 / 2026 OPTIONS (Estimated)	
		A	B
Self-Insured Retention (SIR)	\$8M rail, \$12.5M bus & other non-rail	\$8M rail, \$12.5M bus & other non-rail	\$8M rail, \$15M bus & other non-rail
Quota Share	Up to \$7.5M in \$25M bus & other non-rail layer	Up to \$7.5M in \$25M bus & other non-rail layer	Up to \$5M in \$25M bus & other non-rail layer
Limit of Coverage	\$300M	\$300M	\$300M
Terrorism Coverage	Yes	Yes	Yes
Premium	\$24.5M	\$29.8M	\$29.3M

**Premium History for Excess Liability Policies
Ending in the Following Policy Periods**

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Self-Insured Retention:									
Rail	\$7.5M	\$7.5M	\$8M	\$8M	\$8M	\$8M	\$8M	\$8M	\$8M
Bus + Other Non-Rail	\$7.5M	\$7.5M	\$8M	\$8M	\$10M	\$17.5M	\$20M	\$20M	\$20M
Insurance Premium	\$3.7M	\$4.1M	\$4.1M	\$6.2M	\$14.5M	\$16.7M	\$19.1M	\$22.2M	\$24.5M
Claims in Excess of Retention	1	1	2	1	TBD	TBD	TBD	TBD	TBD
Estimated Amount in Excess of Retention	\$10M	\$10M	\$10M	\$25M	TBD	TBD	TBD	TBD	TBD

Proposed Public Entity Liability Carriers and Program Structure

Liability Insurance Summary 2025-2026

Los Angeles County Metropolitan Transportation Authority



Excess Limit	Layer(s)		Participation	Carrier	Premium
12	\$300M	\$35M xs \$265M	\$5,000,000 \$2,500,000 \$4,000,000 \$6,000,000 \$2,500,000 \$5,500,000 \$7,000,000 \$2,500,000	Lloyds (Aspen) Lloyds (Convex) Lloyds (Ascot) Lloyds (Inigo) Lloyds (Argo) ARK Helix Lloyds (Arcadian)	
11	\$265M	\$10M xs \$255M	\$10,000,000	Lloyds (Munich Re)	
10	\$255M	\$40M xs \$215M	\$10,000,000 \$10,000,000 \$10,000,000 \$10,000,000	Liberty Specialty Chubb Bermuda Ins Ltd AIG AWAC	
9	\$215M	\$30M xs \$185M	\$10,000,000 \$5,000,000 \$10,000,000 \$5,000,000	Lloyds (Hiscox) Lloyds (Convex) Lloyds (Argo) Lloyds (Munich Re)	
8	\$185M	\$75 xs \$110M	\$7,500,000 \$7,500,000 \$5,000,000 \$7,500,000 \$5,000,000 \$7,500,000 \$15,000,000 \$2,500,000 \$12,500,000 \$5,000,000	Lloyds (Aspen) Lloyds (Apollo) Lloyds (Ascot) Lloyds (Canopus) Lloyds (Argo) Hamilton XL Bermuda Ltd. Lloyds (Convex) Lloyds (Inigo) Lloyds (Vantage)	
7	\$110M	\$17.5M xs \$92.5M	\$5,000,000 \$2,500,000 \$10,000,000	(Lloyds (Munich Re) Lloyds (Apollo) Hamilton	
6	\$92.5M	\$17.5M xs \$75M	\$7,500,000 \$5,000,000 \$5,000,000	Sompo Ark Helix	
5	\$75M	\$10M xs \$65M	\$10,000,000	AXA XL	
4	\$65M	\$15M xs \$50M	\$15,000,000	AWAC	
3	\$50M	\$10M xs \$40M	\$10,000,000	Great American	
2	\$40M	\$15M xs \$25M	\$2,500,000 \$2,000,000 \$2,500,000 \$2,000,000 \$2,500,000 \$2,000,000 \$1,500,000	Lloyds (Hiscox) Lloyds (MAP) Lloyds (Inigo) Lloyds (Ascot) Lloyds (QBE) ARK Helix	
1	\$25M	\$17M Rail - /Queens Island \$12.5M Bus/All Other - Gemini/Upland	\$17,000,000 \$2,500,000 \$5,000,000 \$5,000,000	Queens Island Rail Self-Insured Upland Specialty Quota Share w/Metro 50% Gemini Quota Share w/Metro 50%	
\$8M Rail SIR Per Occurrence					
\$12.5M Bus/All Other SIR Per Occurrence					
Totals					\$ 29,809,029.60

*Including Public Officials/EPLI – Excess \$75M excluding Public Officials/EPLI'



Excess Liability Insurance Program

Finance, Budget, and Audit Committee

June 18, 2025

File ID #2025-0242



Metro

Excess Liability Insurance Program Renewal

Recommendation:

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits at a not-to-exceed premium of \$29.8 million for the 12-month period effective August 1, 2025, to August 1, 2026.

Excess Liability Insurance Program Renewal

Background:

- Each year, Risk Management meets with Metro's insurance broker (Marsh USA, LLC) to prepare for the upcoming excess liability marketing process and obtain the most competitive coverage and premium available.
- Marsh provides a not-to-exceed premium amount to facilitate the Board's authority for binding the renewal program.
- With the Board's approval, Marsh can continue negotiating with underwriters to ensure Metro obtains the most competitive pricing.

Excess Liability Insurance Program Renewal

Current State of the Market:

- The firming market, primarily driven by loss development related to auto liability, is reducing carrier capacity and increasing rates, with average increases ranging from 10-15% for loss-free programs and over 20% for those with historical losses. Average rate increases vary based on rail vs. bus exposure, jurisdiction, and the market access point.
- Metro's August 1st insurance placement will see increased premiums due to stricter underwriting guidelines, adverse auto liability losses, and the overall state of the market.

Excess Liability Insurance Program Renewal

Proposed Coverage:

- Ongoing negotiations aim to maintain a similar coverage structure as the expiring policy.
- With minimum limits of \$300M.
- A not-to-exceed SIR of \$25M.
- For a total premium of up to \$29.8M.



Thank you.



Metro®



Board Report

File #: 2025-0292, **File Type:** Formula Allocation / Local Return

Agenda Number: 8.

FINANCE, BUDGET, AND AUDIT COMMITTEE JUNE 18, 2025

SUBJECT: FY25 LOCAL RETURN CAPITAL RESERVE ACCOUNTS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. ESTABLISHING new Local Return funded Capital Reserve Accounts for the Cities of Hidden Hills (Measure M), Lakewood (Proposition C and Measure M), Long Beach (Proposition C), and amend the existing accounts for the Cities of Industry (Proposition A), Lynwood (Proposition A), South Pasadena (Proposition C, Measure R and Measure M), and Whittier (Proposition C) (Attachment A); and
- B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities in Recommendation A for their Capital Reserve Accounts as approved.

ISSUE

A local jurisdiction may need additional time to accumulate sufficient Local Return funding to implement a project, or to avoid lapsing of funds. To avoid lapsing, a local jurisdiction may request that funding be dedicated in a Capital Reserve Account. Board approval is required to set up these Capital Reserve Accounts and any amendments to existing accounts.

BACKGROUND

Local Return Funds are generated from 4 half-cent sales taxes that are directly allocated to the 88 cities plus the County of Los Angeles based on population share for transit and transportation related projects. Proposition A (voter approved in 1980) local return has a 25% share; Proposition C (voter approved in 1990) local return has a 20% share; Measure R (voter approved in 2008) has a 15% share; and Measure M (voter approved in 2016) local return has a 17% share. Together, these 4 funding sources make up over \$800 million annually in revenue that support projects such as local bus and dial-a-ride services, bus stop improvements, street paving, active transportation, and much more. Each of these local return revenue sources has a timely use of funds requirement. As a mechanism to help cities avoid lapsing their local return funds and to allow for the accumulation of

funds for larger scale transportation projects Capital Reserve accounts are created on an annual basis if needed.

DISCUSSION

Staff uses a First-In-First-Out (FIFO) calculation to determine if a city may be in jeopardy of losing their Local Return funds. Proposition A and Proposition C utilize a “three year plus current year” period for a total of four years for the timely use of funds requirement. Measure R and Measure M utilize a five-year period for the timely use of funds requirement.

Considerations

Capital Reserve Accounts are permitted with approval from the Board of Directors. These accounts may be established so that Los Angeles County local jurisdictions may extend the life of their Local Return funds to accommodate longer term financial and planning commitments for specific capital projects.

Should Local Return funds lapse due to time constraints, per Local Return Guidelines, those lapsed funds would then be returned to Metro so that the Board may redistribute the funds to jurisdictions for discretionary programs of county-wide significance or redistribute to each Los Angeles County local jurisdiction by formula on a per capita basis.

The Cities of Hidden Hills, Lakewood, Long Beach, and South Pasadena are all working on large street improvement projects that are difficult to coordinate and construct. The Cities of Industry, Lynwood, and Whittier require time extensions or fund increases on existing Board Approved Capital Reserve accounts to complete the construction of their projects. The termination date for all these capital reserve accounts will be June 30, 2030, unless a city requests an additional time extension before then.

New Capital Reserve Accounts

City of Hidden Hills

The City of Hidden Hills is requesting a new Measure M 17% Local Return capital reserve account in the amount of \$100,000 for their Round Meadow/Mureau Road Entry Intersection Improvement project. The scope of this project includes pavement repairs, crack filling, microsurface (slurry seal), and traffic striping of the City owned roads outside the security gates (public access). Proposed resurfacing will increase safety, improve the riding surface for vehicles and bicycles, and extend the life of the asphalt. Work is considered road maintenance and rehabilitation as all improvements will be within the street right of way. Hidden Hills requires additional time to complete this project due to project delays. At the beginning of FY25 the city had a Measure M potential lapsing amount of \$46,775. Approval of this capital reserve will prevent these funds from lapsing. In FY24, Hidden Hills had no audit findings related to Measure M.

City of Lakewood

The City of Lakewood is requesting a new Proposition C 20% Local Return and Measure M 17% Local Return capital reserve account totaling \$2,300,000 for their Street Improvement Rehabilitation

and Engineering Project. The scope of this project includes citywide street paving and resurfacing at multiple locations, to maintain the streets and improve safety throughout the city. This is a long-term multi-year project, and the establishment of this capital reserve will assist in the accumulation of funds for the project. At the beginning of FY25 the City had a Proposition C potential lapsing amount of \$1,445,804 and a Measure M potential lapsing amount of \$798,230. Approval of this capital reserve will prevent these funds from lapsing. In FY24 Lakewood had no audit findings.

City of Long Beach

The City of Long Beach is requesting a new Proposition C 20% Local Return capital reserve account in the amount of \$3,200,000 for their Studebaker-Lyones Complete Streets Project. This project will synchronize 17 signals on Studebaker, running fiber-optic cable along the length of the corridor. After the underground work is complete, existing bus stops will be upgraded to boarding islands to avoid transit conflicts with a new median-separated bikeway. Long Beach requires extended time to both accumulate funds for the project and to complete construction of the multi-year project. Construction is scheduled to begin in the summer of 2025. At the beginning of FY25 the City had a Proposition C potential lapsing amount of \$9,816,483. Approval of this capital reserve will prevent these funds from lapsing. In FY24 Long Beach had no audit findings.

Amended Capital Reserve Accounts

City of Industry

The City of Industry is requesting a time extension to their Board approved Park and Ride Lot Proposition A 25% Local Return capital reserve account totaling \$289,325. The scope of this project involves relocating the Industry Park and Ride lot from the corner of Mayor Dave Way and Glendora Avenue to the Homestead Museum lot, located on the northwest corner of Parriott Place and Don Julian Road. This location is better suited to the express travel way due to the close proximity to the 60 freeway and serve Foothill Transit Line 495. The proposed lot will consist of a minimum of 117 parking spaces, including ADA accessible spaces. The project is in preliminary stages of planning and will require additional time to complete construction. At the beginning of FY25 the City had no potential lapsing Proposition A funds. In FY24 Industry had no Proposition A audit findings

City of Lynwood

The City of Lynwood is requesting a time extension to their Board approved Transit Center Improvement Proposition A 20% Local Return account totaling \$2,363,966. The scope of this project includes rehabilitation efforts of the Rosa Parks Transit Center located at the Lynwood Community Center, that primarily serves the Lynwood Trolley. Additional time is needed to complete the construction of this project; approval of this capital reserve amendment will allow for project completion. At the beginning of FY25 the City had no potential lapsing funds. In FY24 Lynwood had one audit finding where funds were expended on liability insurance prior to Metro approval and was resolved.

City of South Pasadena

The City of South Pasadena is requesting an amendment to their Board approved Street Repairs per Pavement Management System Measure R 15% Local Return account to add an additional: \$600,000 of Measure R funds, \$800,000 of Proposition C funds, and \$600,000 of Measure M funds. This project is a city-wide continuing street maintenance and repair project that includes road

rehabilitation, street paving, and restriping, as it pertains to the most current Pavement Management System certification. Additional funds are needed to assist in the completion of this long-term project. At the beginning of FY25 the City had a Measure R potential lapsing amount of \$437,167, a Proposition C potential lapsing amount of \$401,887, and a Measure M potential lapsing amount of \$305,160. Approval of this capital reserve will prevent these funds from lapsing. Per South Pasadena's FY24 audit, the City did not maintain nor provide accurate accounting records and documentation to facilitate the performance of the audit. The City experienced significant turnover in key personnel within the finance and public works departments which led to the aforementioned issues. To resolve these issues, the city engaged an external CPA firm to assist with the audit processes and year end closing activities.

City of Whittier

The City of Whittier is requesting a time extension to their Board approved Greenway Trail Bike Path Extension Gap Closure Proposition C 20% Local Return account totaling \$1,228,462. The scope of this project is to extend the Whittier Greenway trail to create a larger and more connected network for active transportation. The project aims to connect to the Orange County trail network and potentially link with La Habra and Brea which will greatly benefit the active transportation network in the community. Additional time is needed to complete the construction of this project. Approval of this capital reserve amendment will allow for the completion of this project. At the beginning of FY25 the City had no potential lapsing Proposition C funds. In FY24 Whittier had no audit findings.

DETERMINATION OF SAFETY IMPACT

Approval of the new Capital Reserve Accounts that include Street and Road improvement projects would provide additional safety features for local communities.

FINANCIAL IMPACT

Adoption of staff recommendations would have no impact on the Metro Budget, or on Metro's Financial Statements. The Capital Reserve Account funds originate from Propositions A and C, and Measures R and M funds. As specified by the ordinances, these funds are allocated to and held by each Los Angeles County local jurisdiction by formula.

Impact to Budget

Adoption of staff recommendations would have no impact on the Metro Budget as these funds have been previously disbursed to the cities. These funds are not eligible for Metro bus and rail operations.

EQUITY PLATFORM

Under Board-adopted guidelines, this item enables the programming of funds to recipients to support the implementation of various transportation projects and improvements throughout the region (see Attachment A). For Hidden Hills, Lakewood, Long Beach, and South Pasadena, these projects will provide better street conditions to enhance mobility for pedestrians, cyclists, transit users, and individuals with disabilities. The Cities of Industry and Lynwood's park and ride lot and transit center projects will greatly improve access to transit for residents and workers within the city. The City of

Whittier's Greenway Trail Bike Path Extension Gap Closure project will bring needed improvements to the active transportation network in the city of Whittier.

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.

The projects result from the funding adjustments presented in this report have mixed outcomes, but on a whole, most of the projects in this report will likely decrease VMT in LA County. Within this suite of projects, 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 within this status report include items that will ease congestion for cars and trucks resulting in the possibility of increased VMT. However, these projects also provide for carpooling infrastructure and reinvestment of funding towards transit projects. The projects' multi-modal benefits may contribute to offsetting the possible increase in VMT. The VMT-related effects of each of the projects in this board report are discussed in Attachment A.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Strategic Plan Goals by funding the improvement projects presented in Attachment A:

- Goal 1: Provide high-quality mobility options that enable people to spend less time traveling;
- Goal 2: Deliver outstanding trip experiences for all users of the transportation system; and
- Goal 3: Enhance communities and lives through mobility and access to opportunity

ALTERNATIVES CONSIDERED

Should the Board choose not to approve the recommendations above, which staff does not recommend, the cities may not be able to accumulate sufficient funds necessary to implement the capital projects as described in Attachment A and the projects may not be constructed in a timely manner.

NEXT STEPS

With the Board's approval of the recommendation, staff will negotiate and execute all necessary agreements between Metro and the listed cities for their Capital Reserve Accounts as approved.

Staff will continue to monitor the accounts, including the annual Local Return audit, to ensure that the cities comply with the Local Return Guidelines and the terms of the agreement.

ATTACHMENTS

Attachment A - Project Summary for FY25 Proposed Capital Reserve Accounts

Prepared by: Chelsea Meister, Manager, Transportation Planning, (213) 922-5638
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Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie Wiggins
Chief Executive Officer

ATTACHMENT A

PROPOSED CAPITAL RESERVE ACCOUNTS (Project Summary)

JURISDICTION	PROJECT	AMOUNT	FUND	AGREEMENT TERMINATION/ REVIEW DATE
City of Hidden Hills (New)	<p><u>Project:</u> Round Meadow/Mureau Road Entry Intersection Improvement</p> <p><u>Justification:</u> The City requires additional time to complete this project due to implementation delays preventing timely execution. This will prevent funds from lapsing.</p> <p><u>VMT:</u> This project will likely increase VMT</p>	\$100,000	Measure M 17% Local Return	6/30/30
City of Industry (Extension)	<p><u>Project:</u> Park and Ride Lot</p> <p><u>Justification:</u> Additional time needed to complete construction of the project.</p> <p><u>VMT:</u> This project will likely decrease VMT</p>	\$289,325	Prop A 25% Local Return	<p>Original date of termination 6/30/25</p> <p>New date of termination 6/30/30</p>
City of Lakewood (New)	<p><u>Project:</u> Street Improvement Rehabilitation and Engineering</p> <p><u>Justification:</u> The capital reserve will assist in the completion of this long-term project and prevent funds from lapsing.</p> <p><u>VMT:</u> This project will likely increase VMT</p>	<p>\$1,500,000</p> <p>\$800,000</p>	<p>Prop C 20% Local Return</p> <p>Measure M 17% Local Return</p>	6/30/30
City of Long Beach (New)	<p><u>Project:</u> Studebaker-Lyones Complete Streets</p> <p><u>Justification:</u> Additional time and fund accumulation needed for project with construction scheduled to begin summer of 2025.</p> <p><u>VMT:</u> This project will likely decrease VMT</p>	\$3,200,000	Prop C 20% Local Return	6/30/30

JURISDICTION	PROJECT	AMOUNT	FUND	AGREEMENT TERMINATION/ REVIEW DATE
City of Lynwood (Extension)	<u>Project:</u> Transit Center Improvement <u>Justification:</u> Additional time needed to complete construction of the project. <u>VMT:</u> This project will likely decrease VMT	\$2,363,966	Prop A 25% Local Return	Original date of termination 6/30/25 New date of termination 6/30/30
City of South Pasadena (Amended)	<u>Project:</u> Street Repairs per Pavement Management System <u>Justification:</u> Additional funds needed to assist in the completion of this long-term project and prevent funds from lapsing. <u>VMT:</u> This project will likely increase VMT	Existing Amount \$85,000 Amend to add \$600,000 Amend to add \$800,000 Amend to add \$600,000	Measure R 15% Local Return Prop C 20% Local Return Measure M 17% Local Return	Existing 6/30/29
City of Whittier (Extension)	<u>Project:</u> Greenway Trail Bike Path Extension Gap Closure Project <u>Justification:</u> Additional time needed to complete construction of the project. <u>VMT:</u> This project will likely decrease VMT	\$1,228,462	Prop C 20% Local Return	Original date of termination 6/30/25 New date of termination 6/30/30



Metro

FY25 Local Return Capital Reserve Accounts - Item# 2025-0292

Finance, Budget & Audit Committee

June 18, 2025

Issue & Background

- Metro annually allocates Local Return funds to LA County jurisdictions to implement local projects
 - › Proposition A
 - › Proposition C
 - › Measure R
 - › Measure M
- Local Return funds must be spent within 4 or 5 years, depending on fund source
 - › If not spent, funds could lapse and jurisdiction can lose revenues
- Jurisdictions may need additional time to accumulate funding to implement projects
- To prevent lapsing, jurisdiction may request Capital Reserve Account
- Board approval required to establish or amend Capital Reserve Accounts

Capital Reserve Account Projects

NEW CAPITAL RESERVES		
Jurisdiction Name	Amount	Project
Hidden Hills (Meas M)	\$ 100,000	NEW Project - Round Meadow/Mureau Rd Entry Intersection Improvement
Lakewood (Prop C & Meas M)	2,300,000	NEW Project - Street Improvement Rehabilitation & Engineering
Long Beach (Prop C)	3,200,000	NEW Project - Studebaker-Lyones Complete Streets
AMEND CAPITAL RESERVES		
Jurisdiction Name	Amount	Project
Industry (Prop A)	\$ 289,325	EXTENTION - Park-and-Ride Lot
Lynwood (Prop A)	2,363,966	EXTENTION - Transit Center Improvement
South Pasadena (Prop A, Meas R & M)	2,085,000	AMEND - Street Repairs per Pavement Management System
Whittier (Prop C)	1,228,462	EXTENTION - Greenway Trail Bike Path Extention Gap Closure Project

Recommendation

CONSIDER:

- A. ESTABLISHING new Local Return funded Capital Reserve Accounts for the Cities of Hidden Hills (Measure M), Lakewood (Proposition C and Measure M), Long Beach (Proposition C), and amend the existing accounts for the Cities of Industry (Proposition A), Lynwood (Proposition A), South Pasadena (Proposition C, Measure R and Measure M), and Whittier (Proposition C) (Attachment A); and
- B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities for their Capital Reserve Accounts as approved.



Board Report

File #: 2025-0403, File Type: Resolution

Agenda Number: 9.

FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 18, 2025

SUBJECT: FY26 TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE 8 FUND PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT:

- A. Findings and Recommendations (Attachment A) for allocating fiscal year 2026 (FY26), Transportation Development Act (TDA) Article 8 funds estimated (Attachment B) at \$33,368,313 as follows:
1. In the City of Avalon, there are no unmet transit needs that are reasonable to meet. Therefore, TDA Article 8 funds in the amount of \$156,044 may be used for street and road projects or transit projects;
 2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale, and the unincorporated portions of the Antelope Valley, transit needs can be met by using other existing fund sources. Therefore, TDA Article 8 funds in the amount of \$8,131,009 for Lancaster and \$7,821,276 for Palmdale may be used for street and road projects or transit projects, provided that transit needs continue to be met;
 3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other fund sources. Therefore, \$10,853,278 in TDA Article 8 funds for the City of Santa Clarita may be used for street and road projects or transit projects, provided that transit needs continue to be met;
 4. In the Los Angeles County Unincorporated areas of North County, the areas encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other fund sources such as Proposition A and Proposition C Local Return. Therefore, TDA Article 8 funds in the amount of \$6,406,706 may be used for street and road projects or transit projects, provided that transit needs continue to be met; and

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- B. A resolution (Attachment C) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

ISSUE

State law requires that the Los Angeles County Metropolitan Transportation Authority (Metro) make findings regarding unmet transit needs in areas outside of Metro's service area. If any unmet transit needs are identified as reasonable to meet, they must be met before TDA Article 8 funds can be allocated for street and road purposes.

BACKGROUND

Under the State of California TDA Article 8 statute, state transportation funds are allocated to the portions of Los Angeles County outside Metro's service area. These funds are for "unmet transit needs that may be reasonable to meet." However, if no such needs exist, the funds can be spent for street and road purposes. See Attachment D for a summary of the history of TDA Article 8 and definitions of unmet transit needs.

Before allocating TDA Article 8 funds, the Act requires Metro to conduct a public hearing process (Attachment E). If there are determinations that there are unmet transit needs, which are reasonable to meet and Metro adopts such a finding, then these transit needs must be met before TDA Article 8 funds can be used for street and road purposes. By law, Metro must adopt a resolution annually that states our findings regarding unmet transit needs. Attachment C presents the FY26 Resolution. The proposed findings and recommendations are based on the results of the public hearing process and the recommendations of the Social Service Transportation Advisory Council (SSTAC) and the Hearing Board.

Antelope Valley Transit Authority Transit Service Updates

Antelope Valley Transit Authority (AVTA) is developing a new route called the High Desert Connector to link Antelope Valley with Victor Valley, to connect Lancaster/Palmdale Transit Centers to the Victor Valley Transit Center. They are also looking into an eco-friendly charging solution with solar farms and battery storage.

In addition, AVTA is enhancing bus stops in Lancaster and Palmdale by installing shelters, benches, and trash receptacles at several locations. Four additional sites are planned for installation, with completion scheduled for FY25/26. An internal committee has been established to review passenger feedback and recommend service changes. The committee meets every other month. AVTA is also starting a Regional Transit Plan Committee to address future transportation needs across various service types.

City of Santa Clarita Transit Service Updates

The City of Santa Clarita has continued its efforts to promote public transportation and develop the essential infrastructure needed to support public transit services now and in the future. Over the past year, the City has achieved several milestones, including the completion of its Transit Development Plan update, which incorporated community outreach to assess transit service demand. Ridership on local fixed-route services has surpassed pre-pandemic levels, and ridership for the City's on-demand service "Go! Santa Clarita" has also increased.

Santa Clarita also awarded a contract for four zero-emission fuel cell electric buses, bringing the total to seven buses scheduled for delivery in the third quarter. The City designed a hydrogen electrolyzer and fueling station at the Transit Maintenance Facility, with construction beginning in FY25. In addition, Santa Clarita received its first zero-emission electric transit vehicle through a partnership with Access Services to secure federal funding for zero-emission paratransit vehicles and added two new CNG-powered local buses to its fleet.

The City completed the replacement of 50 electronic signs, and installed vandal resistant placards with unique stop numbers and QR codes at over 700 bus stops system wide. These QR codes provide real-time arrival information for the routes serving the individual stop. The City also expects to complete another bus stop improvement project by the end of June 2025. This project will improve access and replace worn or damaged benches, shelters, and trash receptacles at 20 bus stop locations within the City.

DISCUSSION

Metro has complied with state law by conducting public hearings and obtaining input from the Social Service Transportation Advisory Council (SSTAC) regarding unmet transit needs. The SSTAC is comprised of riders representing seniors, individuals with disabilities, social service providers, and other interested parties from the North County areas.

- Attachment A presents the proposed FY26 SSTAC recommendations.
- Attachment F summarizes the recommendations made and actions taken by area transit agencies during FY2025 (for the FY26 allocation estimates).

On May 5, 2025, the TDA Article 8 Hearing Board convened on behalf of the Metro Board of Directors to conduct the required public hearing process. The Hearing Board developed findings and made recommendations for the use of TDA Article 8 funds based on input from the SSTAC and the public hearing process.

Funds will be released to eligible jurisdictions upon:

1. Transmittal of the Metro Board-adopted findings and recommendations,
2. Transmittal of public hearing documentation to Caltrans, and
3. Caltrans approval

A delay in adopting the findings, recommendations, and the resolution contained in Attachments A and C would delay the allocation of \$33,368,313 in TDA Article 8 funds to the recipient local jurisdictions.

DETERMINATION OF SAFETY IMPACT

Approval of this project will have no impact on Safety.

FINANCIAL IMPACT

The TDA Article 8 funds for FY26 are estimated at \$33,368,313 (Attachment B). Funding for this action is included in the FY26 Adopted Budget in cost center 0443, project number 410059 TDA Subsidies - Article 8. TDA Article 8 funds are state sales tax revenues designated by law for use by Los Angeles County local jurisdictions outside Metro's service area. Metro allocates these funds based on population and disburses them monthly, once each jurisdiction's claim form is received, reviewed, and approved.

EQUITY PLATFORM

This process is established by the State and requires Caltrans approval prior to release of the funds, including allocation of funds based on jurisdiction population and local control of eligible expenditure decisions. On March 4, 2025, in-person and virtual public hearings were conducted in Palmdale/Lancaster and Santa Clarita, and on March 18, 2025, in the City of Avalon during their city council meeting. Public hearing notices were posted in the Daily News and La Opinión for each jurisdiction, as well as in local newspapers serving the Antelope Valley, Santa Clarita, San Fernando Valley, Catalina Island, and Long Beach. In addition, notifications were sent to all businesses in the area. Santa Clarita Transit published the hearing notice across its system and posted it in public areas throughout the cities. Avalon shared the notice through their social media outlets. Spanish interpreters were available at all hearings, and all public hearing spaces were accessible in compliance with the American with Disabilities Act (ADA). Members of the public were also given the opportunity to participate virtually.

After the comment period, staff convened the SSTAC, consisting of representatives from the senior (65 and older) and disability communities. As required by law, staff also included representatives from community-based organizations that assist seniors, individuals with low incomes, and people with disabilities. The meeting was conducted in a hybrid format, allowing participants to attend either in-person or online, and a Spanish language interpreter was available. No members of the public attended the public hearings nor were there any comments submitted during the public comment period. Based on the public hearing process, no unmet transit needs were identified in the above jurisdictions.

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 effect on VMT.

The projects result from the funding adjustments presented in this report have mixed outcomes, but on a whole, most of the projects in this report will likely decrease VMT in LA County. Within this suite of projects, 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 within this status report include items that will ease congestion for cars and trucks, or expand vehicle capacity, resulting in the possibility of increased VMT. However, these projects also provide for carpooling infrastructure and reinvestment of funding towards transit projects. The projects' multi-modal benefits may contribute to offsetting the possible increase in VMT.

While TDA Article 8 funds are distributed based on population and the outcome of the unmet transit needs process, the investments they support have a meaningful impact on travel behavior. In FY26, the Antelope Valley Transit Authority (AVTA), the City of Santa Clarita, and the City of Avalon are advancing projects that expand access to public transit, improve service quality, and reduce reliance on single-occupancy vehicles. AVTA's High Desert Connector will link the Antelope and Victor Valleys, providing a regional transit option that helps reduce long-distance driving. AVTA is also improving local stops with shelters and seating, making transit more attractive for short trips. Santa Clarita continues to grow ridership on its fixed-route and on-demand services and is expanding its zero-emission fleet with new fuel cell electric buses and a hydrogen fueling station. Avalon, where private vehicle use is already limited, continues to enhance mobility options through improved transit access and public engagement. Collectively, these TDA Article 8-funded initiatives align with Metro's broader VMT reduction strategy by encouraging sustainable travel choices across the county.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The program advances several Strategic Plan Goals including:

- Goal #1: High-quality mobility options that enable people to spend less time traveling
- Goal #2: Deliver outstanding trip experiences for all users of the transportation system
- Goal #4: Transform LA County through collaboration and leadership

ALTERNATIVES CONSIDERED

The Board of Directors could adopt findings or conditions other than those developed in consultation with the Hearing Board, with input from the state required SSTAC (Attachment A), and through the public hearing process. However, this is not recommended because adopting the proposed findings and recommendations made by the SSTAC and adopted by the Hearing Board has been developed through a public hearing process, as described in Attachment E, and in accordance with the TDA statutory requirements.

NEXT STEPS

Once Caltrans reviews and approves the Board-adopted resolution and documentation of the hearing process, TDA Article 8 funds will be allocated to the recipient local jurisdictions.

ATTACHMENTS

Attachment A - FY26 Proposed Findings and Recommended Actions

Attachment B - TDA Article 8 Apportionments: Estimates for FY26

Attachment C - FY26 TDA Article 8 Resolution

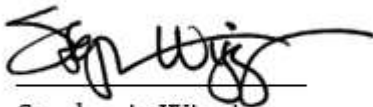
Attachment D - History of TDA Article 8 and Definitions of Unmet Transit Needs

Attachment E - TDA Article 8 Public Hearing Process

Attachment F - Summary of Recommendations and Actions Taken

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Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie Wiggins
Chief Executive Officer

FY26 TDA ARTICLE 8

HEARING BOARD AND

SOCIAL SERVICE TRANSPORTATION ADVISORY COUNCIL

PROPOSED FINDINGS AND RECOMMENDED ACTIONS

CATALINA ISLAND AREA

- Proposed Finding: In the City of Avalon, there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions: City of Avalon should maintain funding sources for transit services, if reasonable to meet.

ANTELOPE VALLEY AREA

- Proposed Finding: There are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions: Antelope Valley Transit Authority (AVTA) should continue to evaluate funding opportunities for transit services.

SANTA CLARITA VALLEY AREA

- Proposed Finding: There are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions: Santa Clarita Transit should continue to evaluate funding opportunities for transit services.

Los Angeles County Metropolitan Transportation Authority
FY26 TDA ARTICLE 8 APPORTIONMENTS
(Transit/Streets & Highways)

AGENCY	POPULATION [1]	ARTICLE 8 PERCENTAGE	ALLOCATION OF TDA ARTICLE 8 REVENUE
Avalon	3,313	0.47%	\$ 156,044
Lancaster	172,631	24.37%	8,131,009
Palmdale	166,055	23.44%	7,821,276
Santa Clarita	230,428	32.53%	10,853,278
LA County Unincorporated	[2] 136,022	19.20%	6,406,706
Total	708,449	100.00%	\$ 33,368,313
Estimated Revenues:			\$ 33,368,313

[1] Population estimates are based on the State of California Department of Finance's (DOF) 2024 population estimates.
[2] The Unincorporated Population figure is based on 2007 estimates by Urban Research.

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY MAKING A DETERMINATION AS TO
UNMET PUBLIC TRANSPORTATION NEEDS IN LOS ANGELES COUNTY
FOR FISCAL YEAR 2026**

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the designated Transportation Planning agency for the County of Los Angeles and is, therefore, responsible for the administration of the Transportation Development Act, Public Utilities Code Section 99200 et seq.; and

WHEREAS, under Sections 99238, 99238.5, 99401.5 and 99401.6, of the Public Utilities Code, before any allocations are made for local street and road use, a public hearing must be held and from a review of the testimony and written comments received and the adopted Regional Transportation Plan, make a finding that 1) there are no unmet transit needs; 2) there are no unmet transit needs that are reasonable to meet; or 3) there are unmet transit needs, including needs that are reasonable to meet; and

WHEREAS, at its meetings of June 25, 1998 and June 24, 1999, the Board of Directors approved definitions of unmet transit need and reasonable to meet transit need; and

WHEREAS, public hearings were held by LACMTA in Los Angeles County in Palmdale/Lancaster on March 4, 2025, Santa Clarita on March 4, 2025 and in Avalon on March 18, 2025, after sufficient public notice of intent was given, at which time public testimony had the opportunity to be made and received; and

WHEREAS, a Social Service Transportation Advisory Council (SSTAC) was formed by LACMTA and has recommended actions to meet the transit needs in the areas outside the LACMTA service area; and

WHEREAS, a Hearing Board was appointed by LACMTA, and has considered the results of the public hearing process and the recommendations of the SSTAC; and

WHEREAS, the SSTAC and Hearing Board reaffirmed the definitions of unmet transit need and reasonable to meet transit need; and

WHEREAS, staff in consultation with the Hearing Board recommends the finding that in the City of Avalon there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects; and

ATTACHMENT C

(Page 2 of 3)

WHEREAS, staff in consultation with the Hearing Board recommends the finding that in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects; and

WHEREAS, staff in consultation with the Hearing Board recommends the finding that there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

NOW THEREFORE,

- 1.0 The Board of Directors approves on an on-going basis the definition of Unmet Transit Needs as any transportation need, identified through the public hearing process, which could be met through the implementation or improvement of transit or paratransit services; and the definition of Reasonable to Meet Transit Need as any unmet transit needs that can be met, in whole or in part, through the allocation of available transit revenue and be operated in a cost efficient and service effective manner, without negatively impacting existing public and private transit options.
- 2.0 The Board hereby finds that, in the City of Avalon, there are no unmet transit needs that are reasonable to meet; therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- 3.0 The Board hereby finds that in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- 4.0 The Board hereby finds that in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

CERTIFICATION

The undersigned, duly qualified and acting as the Board Clerk of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, June 26, 2025.

COLLETTE LANGSTON
LACMTA Board Clerk

DATED: June 26, 2025

History of Transportation Development Act (TDA) 8

The Mills-Alquist-Deddeh act, better known as the Transportation Development Act (SB325), was enacted in 1971 to provide funding for transit or non-transit related purposes that comply with regional transportation plans. Funding for Article 8 was included in the original bill.

In 1992, after the consolidation of SCRTD and LACTC, AB1136 (Knight) was enacted to continue the flow of TDA 8 funds to outlying cities which were outside of the SCRTD's service area.

Permanent Adoption of Unmet Transit Needs Definitions

Definitions of Unmet Transit Need and Reasonable to Meet Transit Need were originally developed by the SSTAC and Hearing Board and adopted by Metro Board Resolution in May 1997 as follows:

- Unmet Transit Need - any transportation need, identified through the public hearing process, that could be met through the implementation or improvement of transit or paratransit services.
- Reasonable to Meet Transit Need - any unmet transit need that can be met, in whole or in part, through the allocation of additional transit revenue and be operated in a cost-efficient and service-effective manner, without negatively impacting existing public and private transit options.

Based on discussions with and recommendations from Caltrans Headquarters' staff, these definitions have been adopted on an ongoing basis by the resolution. The Metro Board did approve the definitions of unmet transit need and reasonable to meet transit needs at its meetings held on June 25, 1998 and June 24, 1999.

These definitions will continue to be used each year until further action by the Metro Board.

ATTACHMENT E

TDA ARTICLE 8 PUBLIC HEARING PROCESS

Article 8 of the California Transportation Development Act (TDA) requires annual public hearings in those portions of the County that are not within the Metro transit service area. The purpose of the hearings is to determine whether there are unmet transit needs which are reasonable to meet. We established a Hearing Board to conduct the hearings on its behalf in locations convenient for the residents of the affected local jurisdictions. The Hearing Board, in consultation with staff, also makes recommendations to the Board of Directors for adoption: 1) a finding regarding whether there are unmet transit needs that are reasonable to meet; and 2) recommended actions to meet the unmet transit needs, if any.

In addition to public hearing testimony, the Hearing Board received input from the Social Service Transportation Advisory Council (SSTAC), created by state law and appointed by staff, to review public hearing testimony and written comments and, from this information, identify unmet transit needs in the jurisdictions.

FY26 Hearing Board:

Dave Perry represented Supervisor Kathryn Barger
Marvin Crist, Vice Mayor, City of Lancaster
Richard Loa, Mayor, City of Palmdale represented the North County
Eric Ohlsen, Councilmember, City of Palmdale
Marsha McLean, Councilmember, City of Santa Clarita
Jason Gibbs, Councilmember, City of Santa Clarita represented Santa Clarita Valley

Also, membership was formed on the FY26 Social Service Transportation Advisory Council (SSTAC) required of the *Transportation Development Act Statutes and California Code of Regulations*. Staff had adequate representation of the local service providers and represented jurisdictions, therefore the SSTAC meeting convened with proposed recommendations as included in Attachment A.

Hearing and Meeting Dates

In-person and virtual public hearings were held by the Hearing Board in Santa Clarita and the North County areas on March 4, 2025, as well as in Avalon in conjunction with the Council meeting on March 18, 2025. No members of the public attended the public hearings nor were there any comments submitted during the public comment period.

The SSTAC met on April 14, 2025. Attachment A contains the SSTAC's recommendations, which were considered by the Hearing Board at its May 5, 2025 meeting.



Board of Directors

Chairman
Marvin Crist
City of Lancaster

Vice Chair
Dianne M. Knippel
County of Los Angeles

Director
Richard Loa
City of Palmdale

Director
Eric Ohlsen
City of Palmdale

Director
Raj Malhi
City of Lancaster

Director
Michelle Royal
County of Los Angeles

Executive Director/CEO
Martin J. Tompkins

March 04, 2025

TDA Article 8 Hearing Board Chair
Juan Miranda, Program Manager
Metropolitan Transit Authority
One Gateway Plaza
Los Angeles, California 90012

RE: Fiscal Year 2024/2025 TDA Article 8 Unmet Needs Hearings

Dear Mr. Miranda:

At the 2024 TDA Article 8 Unmet Needs Hearing, the Board found that the Antelope Valley Transit Authority (AVTA) had no unmet needs that could not be addressed through existing funding sources. The hearing provided no new recommendations, and no public comments were received. Listed below are updates on FY 24/25 projects and Bus Stop Improvements.

FY24 Projects:

AVTA is pleased to announce that it has completed our efforts to replace all existing gas-powered services and support vehicles with Electric Vehicles. AVTA has 19 electric paratransit vehicles in service, 14 battery-electric road supervisor vehicles, and two hybrid special ADA support vehicles.

AVTA continues to promote the LA Metro GoPass program to high school and community college students in the Antelope Valley. AV Union High School District and Antelope Valley College (AVC) renewed in the 24/25 GoPass year, providing bus passes to all students enrolled in AV Union High School District or at AVC. AVTA encourages middle schools in the Antelope Valley to consider the GoPass program for their students. AVTA had 1,350 total students registered in the 23/24 GoPass Year, with 25,163 AVTA system boardings and 1,536 AVTA students boarding non-AVTA transit systems.

AVTA completed the installation of high-power wireless inductive chargers at five locations in the Antelope Valley, and 14 chargers are available for our zero-emission buses serving our local routes.

Inductive charging is available for local buses at all five transit centers, Sgt. Steve Owen Memorial Park, Scott Thomas Wilk Transit Center, Palmdale Transportation Center, Tom Lackey Transit Center, and the new Dianne Knippel Transit Center at Antelope Valley College.

In September 2024, AVTA celebrated a significant milestone: 10 years of operating electric buses in revenue service. This marked the anniversary of our first electric bus entering local service in 2014. Over the past decade, we've been proud to lead sustainable transportation, consistently innovating and expanding our fleet to better serve our community with eco-friendly transit options. By December 2024, AVTA ended with over 16 million electric miles traveled.

FY25 Projects:

In response to a suggested community need, AVTA continues to develop a new route connecting Antelope Valley to Victor Valley. The proposed route, the High Desert Connector, would run between Lancaster/Palmdale Transit Centers and the Victor Valley Transit Center. AVTA continues conversations with Victor Valley Transit and is evaluating options and vehicle types for this service.

AVTA continues to evaluate an "off-the-grid" charging solution using a solar farm and battery storage. AVTA is working with Participate Energy and City of Lancaster Energy on this solution.

Bus Stop and Service Improvements:

AVTA is actively working with the cities of Lancaster and Palmdale to enhance bus stops throughout our service area. Recently, we have installed various amenities, such as shelters, benches, and trash receptacles, at the following locations: Avenue I & 20th Street West, Avenue I & 25th Street West, 47th Street East & Avenue R (Northwest and Southeast corners), and 6th Street East & Palmdale Blvd. We are currently identifying additional locations with our jurisdictional partners, and four more sites have been selected in both cities to install these amenities. These improvements are scheduled for completion in FY25/26.

AVTA has established an internal committee comprising Bus Operators and Customer Service Staff to discuss passenger feedback. Meetings are held every other month, and recommendations are shared with the Operations Staff at AVTA for potential service changes and improvements. Additionally, AVTA has launched a Regional Transit Plan planning committee to identify and address immediate and future transportation needs across all service modes: Local Transit, Commuter, Dial-A-Ride, Microtransit, and Non-Emergency Medical Transportation. This initiative will result in service changes in the coming years.

Community Outreach Efforts:

AVTA is dedicated to serving the community and to providing excellent customer service. Community outreach is a high-priority goal, and we continually seek to improve our efforts:

- To maintain a close relationship with our riders and potential riders, AVTA actively participates in all in-person community events hosted by the cities of Lancaster and Palmdale. These events allow us to connect with our riders and the AV community to address potential transportation needs. Additionally, AVTA conducts community outreach to rural Los Angeles County communities within our service area to reach transit-dependent populations and raise awareness of AVTA's available services.
- Our community outreach and travel training programs continue to educate and connect our residents, especially veterans, seniors, those with disabilities, and students, to our transportation system.
- AVTA engages with the high school and community college-age students in the Antelope Valley in an ongoing effort to raise awareness of AVTA's and LA Metro's GoPass program.
- AVTA continues to reach out to the local business community and its customers regarding transportation needs. AVTA actively engages with representatives from senior centers, veterans' organizations, rural communities, transportation vendors, adult disabled groups, and other rider groups. This ongoing communication helps AVTA to identify unmet needs, understand the strengths and weaknesses of our transportation services, and enhance our offerings for all passengers.
- AVTA personnel share information on LA Metro's LIFE program at all community events to raise awareness of this low-income fare assistance program.
- AVTA continues to promote our Non-Emergency Medical Transport program to the health care service providers in the Antelope Valley. We also provide transportation assistance to health fairs for those who are low-income and/or homeless to connect them with the vital services that are offered there.
- Each year, AVTA, the cities of Lancaster and Palmdale, and other community partners provide meal boxes, frozen turkeys, toys, and gifts to needy families in the AV.

AVTA values the input of our customers and stakeholders and continues to take a proactive approach to address the transit needs in the Antelope Valley. If you have any questions, please contact me on (661) 729-2206.

Sincerely,



Martin Tompkins
Executive Director/CEO



City of
SANTA CLARITA

23920 Valencia Boulevard • Santa Clarita, California 91355-2196
Phone: (661) 259-2489 • FAX: (661) 259-8125
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March 4, 2025

Santa Clarita Valley Area
TDA Article 8 Hearing

During last year's Article 8 public hearings, there were no requests for additional transit service, nor comments received related to the transit service operated by Santa Clarita Transit.

Never the less, the City of Santa Clarita (City) has continued its efforts to promote public transportation and build the vital infrastructure needed to support public transit now and in the future. Ridership aboard the City's local fixed-route service has continued to increase, exceeding pre-pandemic levels. Additionally, we continue to see ridership growth aboard the City's on-demand service known as Go! Santa Clarita.

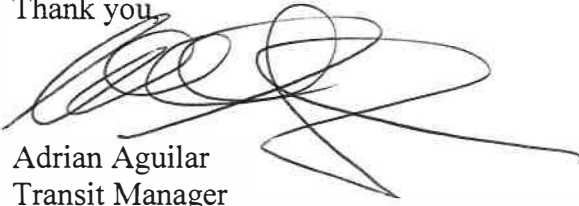
In the 12 months since the last TDA Article 8 hearing, the City has accomplished a number of key milestones, such as:

- Completed the City's Transit Development Plan update. This project included extensive community outreach and a detailed analysis of current and proposed development to assess demand for Transit services.
- Experienced ridership growth aboard the local fixed-route service that is exceeding pre-pandemic levels.
- Continued to experience ridership growth on the City's on-demand service, Go! Santa Clarita.
- Awarded a contract for the purchase of four zero-emission fuel cell electric buses. This brings the total of fuel cell buses on order to seven, all of which are scheduled for delivery in the third quarter this year.
- Completed the design of a hydrogen electrolyzer and fueling station at the City Transit Maintenance Facility. Construction is scheduled to begin this month and is scheduled to be completed before the end of the year.
- The City took delivery of its first zero emission electric Transit vehicle. The Ford E-Transit van is used to transport Go! Santa Clarita passengers throughout Santa Clarita.
- Partnered with Access Services to apply for federal funding to offset the cost of purchasing zero-emission paratransit vehicles.
- Took delivery of two CNG powered local buses.

This is just a snapshot of what the City and Santa Clarita Transit have accomplished over the past 12 months.

In the coming year, the City and Santa Clarita Transit will continue to evaluate local, state, and federal funding opportunities for transit services as it develops a strategy for implementing the recommendations included in the City Transit Development Plan. Additionally, the City will work closely with our transportation partners as we strive towards our goal of providing effective and efficient service that improves the quality of life for all residents within the Santa Clarita Valley.

Thank you,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Adrian Aguilar
Transit Manager



Item #2025-0403

Fiscal Year 2026 TDA Article 8 Fund Program

Finance, Budget & Audit Committee
June 18, 2025

2018

Transportation Development Act (TDA) Statutes and California Code of Regulations



Division of Rail and Mass Transportation
July 2018

Background

- TDA Article 8 state funds allocated to:
 - LA County jurisdictions outside Metro's service area
 - Avalon, Lancaster, Palmdale, Santa Clarita & LA County Unincorporated
 - Address "unmet transit needs reasonable to meet"
- Funds may be used for street & roads if no such need identified
- TDA requires Metro to:
 - Conduct a public hearing process
 - Collect comments in person, electronically or by mail
- Proposed findings & recommendations based on:
 - Public Hearing Process
 - Social Service Transportation Advisory Council (SSTAC)
 - Hearing Board



FY26 Proposed TDA Article 8 Allocations

FY26 TDA Article 8 Fund Allocations	
Jurisdiction Name	Amount
Avalon	\$ 156,044
Lancaster	8,131,009
Palmdale	7,821,276
Santa Clarita	10,853,278
LA County Unincorporated	6,406,706
Total	\$ 33,368,313

Recommendations

ADOPT:

- A. Findings and Recommendations (Attachment A) for allocating FY26 TDA Article 8 funds estimated (Attachment B) at \$33,368,313 as follows:
 - 1. City of Avalon, no unmet transit needs that are reasonable to meet – allocate \$156,044 for street & road or transit projects
 - 2. Cities of Lancaster and Palmdale, no unmet transit needs that are reasonable to meet – allocate \$8,131,009 to Lancaster and \$7,821,276 to Palmdale for street & road or transit projects
 - 3. City of Santa Clarita, no unmet transit needs that are reasonable to meet - allocate \$10,853,278 for street & road or transit projects
 - 4. Los Angeles County Unincorporated areas of North County, transit needs are met with other fund sources - allocate \$6,406,706 for street & road or transit projects
- B. A Resolution (Attachment C) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.



Board Report

File #: 2025-0211, File Type: Program

Agenda Number: 10.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 18, 2025

**SUBJECT: METROLINK FY2025-26 ANNUAL WORK PROGRAM AND PASSENGER RAIL
SUPPORTIVE ACTIONS**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING programming the Los Angeles County Metropolitan Transportation Authority's ("Metro") share of the Southern California Regional Rail Authority's (SCRRA) Fiscal Year (FY) 2025-26 Operating, Rehabilitation, and Capital Budget in the amount of \$216,565,092 as described in Attachment A;
- B. EXTENDING the lapsing dates for funds previously allocated to SCRRA for State of Good Repair (SGR) and capital project Memoranda of Understanding (MOUs) as follows:
- Ticket Vending Machine (TVM) Replacement Project extended from June 30, 2025, to December 31, 2026
 - FY 2016-17 SGR Program extended from June 30, 2025, to December 31, 2026
 - FY 2017-18 SGR Program extended from June 30, 2025 to December 31, 2026
 - FY 2018-19 SGR Program extended from June 30, 2025 to June 30, 2027
 - FY 2019-20 SGR Program extended from June 30, 2025 to December 31, 2027
 - FY 2020-21 SGR Program extended from June 30, 2025 to June 30, 2027
 - Doran Street Grade Separation Project extended from March 31, 2025, to December 31, 2027
 - LINK US Task 2 Project extended from June 30, 2025, to December 31, 2026;
- C. APPROVING the FY 2025-26 Transfers to Other Operators' payment rate of \$1.10 per boarding to Metro and an EZ Pass reimbursement cap to Metro of \$5,592,000; and
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between Metro and SCRRA for the approved funding.

ISSUE

Metro is a member of the SCRRA Joint Powers Authority (JPA), operator of the "Metrolink" regional

commuter rail service. The JPA requires member agencies, on an annual basis, to approve their share of the SCRRA budget, comprising Metrolink Operations, SGR, and New Capital projects. SCRRA transmitted the FY 2025-26 budget to the JPA member agencies on April 30, 2025 (Attachment A). SCRRA is seeking member agency approval before adopting its FY 2025-26 budget on June 27, 2025. This report includes staff recommendations for funding Metro's contribution to the FY 2025-26 Metrolink budget.

BACKGROUND

SCRRA operates the Metrolink commuter rail service within Los Angeles (LA) County, the surrounding counties of Orange, Riverside, San Bernardino, and Ventura, and northern San Diego County. Metrolink service is complemented by the Los Angeles-San Diego-San Luis Obispo (LOSSAN) intercity rail corridor operated by Amtrak. Metrolink and LOSSAN service will connect directly into the future high-speed rail network being built by the California High-Speed Rail Authority. Metrolink will also connect with the future Brightline West system that will operate between Las Vegas and Rancho Cucamonga.

Metro, as the regional transportation planning agency for LA County, works with Metrolink and other passenger rail operators to plan and develop a more holistic, seamless, and multimodal approach to moving people throughout LA County and Southern California between local communities and regional destinations. The Metro Board annually allocates Metro's member agency subsidy to support Metrolink operations, which is 51.3% of Metrolink's total operations budget. SCRRA utilizes an established "all share" formula approved by all the member agencies based on train miles attributed to each respective member agency. Metro's share is based on 151 miles of Metro owned ROW. The Metro Board appoints four of the Metrolink Board's eleven voting members.

Metro's ability to deliver better mobility, air quality, and economic opportunity for LA County residents and reduce greenhouse gas (GHG) emissions and vehicle miles traveled (VMT) in the region depends in part on an effective working relationship with Metrolink, LOSSAN, and other transit operators in the region. To that end, the CEO created the Multimodal Integrated Planning (MIP) unit in the Countywide Planning and Development Department (CPD) to better align and coordinate planning for and with Metrolink, LOSSAN, and other passenger rail operators so that Metro can better serve local communities and improve LA County's regional transportation system and air quality.

DISCUSSION

PROGRAMMING FOR METRO'S SHARE OF SCRRA'S FY 2025-26 BUDGET

Metrolink is requesting that Metro provide \$216,565,092 in funding for Metro's JPA member agency share of SCRRA's FY 2025-26 Budget, consisting of \$141,356,992 for Metrolink Commuter Rail Operations and \$75,208,100 combined for SGR and New Capital projects.

Metrolink Commuter Rail Operations - \$141,356,992

SCRRA's total FY 2025-26 Budget request for Metrolink Commuter Rail Operations from all JPA Member Agencies is \$275,508,494. Metro's share of Metrolink Commuter Rail Operations is \$141,356,992 (51.3%). This total is a \$3,597,160 increase (2.6%) over FY 2024-25 funding levels. The FY 2025-26 budget increase is due to costs necessary to implement new FRA regulations and 2028 Olympic readiness.

As part of the FY 2025-26 budget, Metrolink has executed the consolidation of train operations, equipment, and facilities maintenance functions into one contract which will increase efficiency by having one vendor responsible for these functions which were previously delivered through separate contracts. In addition, Metrolink's new Optimized Service Schedule will be fully implemented; this schedule is designed to increase accessibility and convenience by attracting new riders, restore service eliminated during the COVID pandemic, and respond to the changing commuter patterns in the post-COVID environment by becoming an all-day and weekend regional rail operator instead of strictly a commuter rail (peak hour) service. This service optimization will allocate resources and crews more efficiently by operating more midday and off-peak service which is anticipated to result in higher ridership per service route. The member agencies continue to work collaboratively with SCRRA to ensure that appropriate and cost-effective service levels are implemented. In addition, for efficiency and cost-savings purposes, Metro contracts with SCRRA to maintain Metro-owned ROW that is beyond the 20-foot center of track up to Metro's property line; this Metro-only cost is now included in the SCRRA operations funding annual budget amount.

While Metro staff appreciate SCRRA's cost containment efforts by keeping the FY26 operating funding request to a minimal increase of 2.6%, Metro does have concerns that SCRRA's costs as well as the amount of member subsidy requested to support operations continues to increase. Member agency subsidies have increased to 78% since the COVID pandemic due to Metrolink's decreased revenues and fare box recovery because of decreased ridership. Pre-COVID, member agencies only contributed 49% of Metrolink operating costs. This trend is not sustainable as Metro's share of Metrolink's rapidly increasing operating requests exceeds Metro's annual sales tax revenues dedicated to Metrolink Operations (Proposition C 10% and Measure M 1%), which are further impacted by lower sales tax receipts than forecasted. Over the past five years, SCRRA's operating costs have increased \$103 million but have not resulted in a commensurate increase in ridership or fare revenues.

Metro staff recommends working with SCRRA and the other member agencies to identify cost savings opportunities and new external funding sources to supplement constrained sales tax revenues. The current member agency subsidy requirements are unsustainable, especially as service expands and capacity-enhancing projects are implemented across the system in support of realizing Metrolink's Southern California Optimized Rail Expansion (SCORE) program. Reduced office building occupancy rates as well as the continued trend of telecommuting suggest Metrolink ridership will continue to have difficulty reaching pre-COVID levels without adding significant costs associated with more service. Metro staff are in the process of developing a strategic plan that will include as part of its scope a review of Metrolink operations and capital needs and identify future cost savings, sustainable investments, service improvements, and new revenue streams for Metrolink operations and capital needs. To that end, Metro has encouraged Metrolink to develop a cohesive, necessary and thoughtful development of a Metrolink strategic plan to target non-returning riders,

identify new markets, and implement new fare media strategies and modified service to respond to the “new normal” of changing trip patterns. To begin this process, Metrolink is implementing a new fare structure in FY26 to bring more riders and revenue onto Metrolink’s system using existing service to increase ridership beyond simply adding more service.

The Student Adventure Pass (SAP) Metrolink operated in recent years has made a positive impact on increasing ridership by offering free fares for K-12, technical school, college, and university students in the Southern California region. However, due to the demand for SAP usage exceeding available grant funding received through the Low Carbon Transit Operations Program (LCTOP), Metrolink FY 2025-26 student fares will no longer be free and students will now have to pay 50% of the fare costs going forward to make the new Student Youth Discount program more sustainable in the long run. Prior to launching the SAP, Metrolink offered a 25% discount to students. Metro is supportive of the Student Youth Discount program but has requested that Metrolink adopt a regional approach to partner with the universities and colleges in its service area to develop a cost-sharing arrangement to offset potential future member agency contributions given the Student Youth Discount program’s rising costs and the potential for LCTOP funds not being available in future years for this program.

Ridership

Metrolink has recovered 70% of its pre-pandemic ridership, steadily making gains despite the impacts of work-from-home and lower office occupancy rates over the past five years (see Table 1). In April 2025 Metrolink ridership set a new post-pandemic record with over 715,000 boardings. This growth in ridership is the result of several trends, including student ridership growth (up 77% from the prior year), better on-time performance, improved optimized scheduling, and more trains in service. Metrolink seeks to build on these positive trends with service improvements to be implemented in FY26.

Table 1

Metrolink Pre-Pandemic Ridership and Post-Pandemic Recovery by Line

LINE	PRE-PANDEMIC MONTHLY RIDERSHIP	APRIL 2025 RIDERSHIP	% RECOVERY BY LINE
91/Perris Valley	76,247	75,835	99%
Antelope Valley	158,409	133,224	84%
IEOC	111,099	65,702	59%
Orange County	244,672	142,796	58%
Riverside	79,983	28,051	35%
San Bernardino	254,709	185,214	73%
Ventura	93,342	69,553	75%
Arrow	N/A	15,051	N/A

TOTALS	1,018,460	715,428	70%
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SGR and New Capital Projects - \$75,208,100

Through the annual budget process, SCRRA requests SGR and New Capital project funding which will maintain the Metrolink commuter rail system ensuring a healthy safety culture, creating better service reliability, and improving service along the ROW, of which Metro owns 151 miles. Metrolink's FY 2025-26 total SGR and New Capital budget request from all member agencies is \$153,080,000, consisting of \$137,502,000 for SGR and \$15,578,000 for New Capital Projects (see SGR and New Capital Project List in Attachment A). Metro's member agency share is \$75,208,100 (49.1% of the total \$153,080,000) for the FY 2025-26 Rehabilitation and Capital projects, consisting of the following:

- \$37,214,350 for 26 systemwide SGR projects, with costs to be shared by all member agencies, for projects such as rebuilding and rehabilitating locomotives, overhauling railcars, replacing the Central Maintenance Facility roof, rehabilitating bridges, culverts, tunnels and building facilities, replacing the LA Union Station backup generator, upgrading Metrolink's server, upgrading signal, conducting track rehabilitation, making positive train control enhancements, and replacing maintenance of way vehicles and equipment;
- \$30,594,200 for 12 line-specific projects within Los Angeles County on the San Bernardino and Antelope Valley Lines to rehabilitate signal system, conduct Tunnel 25 Geotechnical testing and design, upgrade customer information systems, rehabilitate five culverts and six bridge structures, upgrade control points, signals, crossings, rail, ballast and tie replacement, and implement grade crossing improvements;
- \$7,399,550 for nine New Capital Projects comprised of a mobile train dispatch operations center, construction of a positive train control training center, electric vehicle (EV) infrastructure for Metrolink yards and non-revenue vehicles, Union Station West Portal ticket office refurbishment, new budget system and portable wheel true and rotor change out equipment.

Metro staff have been working collaboratively with SCRRA and the other member agencies to review Metrolink's FY 2025-26 SGR and New Capital programs, which align with the member agencies' funding commitments. Staff continue to work with SCRRA to prioritize urgent SGR track, bridges, culverts, structures, and signal projects to maintain safety and service reliability.

Extend Lapsing Dates for Eight SGR and Capital Project MOUs

SCRRA rehabilitation/renovation and capital projects maintain Metrolink's system safety and safety culture, ensure state of good repair, and modernize the Metrolink system. SCRRA's project delivery schedule for rehabilitation/renovation projects spans over a five-year period.

This Recommendation will extend eight MOUs (five for SCRRA SGR projects and three for capital projects) that would otherwise lapse on or before June 30, 2025. Due to unforeseen material supplier

and project work delays, SCRRA is requesting time extensions. SCRRA has indicated their work is in progress, that many projects are close to completion, and that these eight projects will be completed and invoiced by the requested extension dates.

Transfers to Other Operators

Metro provides transfers of Metrolink passengers to other LA County operators via the EZ pass program (e.g. Big Blue Bus, OCTA, Dash, etc.) which is a seamless and convenient transfer process for riders utilizing the Metrolink service to make first/last mile connections within LA County. In exchange for the transfers, Metrolink reimburses Metro at the rate of \$1.10 per boarding. This recommendation is requesting that the maximum reimbursement amount Metrolink can bill Metro not exceed \$5,592,000. This amount is sufficient to fund the EZ pass program.

Granting CEO Authority

Upon the Board approving this item, a corresponding MOU will be required to be executed clarifying responsibilities and expectations of Metro and SCRRA entering into this funding agreement. This recommendation is requesting Board approval for the CEO to negotiate all necessary terms and execute the MOU funding agreement.

DETERMINATION OF SAFETY IMPACT

Approval of these recommendations will improve safety for Metrolink passengers and the local communities in which Metrolink operates. All Metrolink operations, SGR, and new capital projects will comply with the applicable Federal Railroad Administration, California Public Utilities Commission, and other regulatory standards. Through approval of this item Metro will be funding safety-related improvements on the Metrolink system to support safer travel of LA County residents and visitors.

FINANCIAL IMPACT

The funding for this action is included in the FY26 budget in Cost Center 0444, Non-Dept. - Subsidies to Metrolink, under projects 410064 - Commuter Rail OS, and 460064 - Metrolink Transit Capital. The state of good repair and capital costs programmed for in this action will require multi-year funding beyond the FY26 budgeted amounts. The Cost Center Manager will be responsible for annual budget funding allocations for future fiscal years. The Extending Lapsing Dates, Transfers to Other Operators and Granting CEO Authority recommendations have no financial impact.

Impact to Budget

The source of funding for this action will come from Proposition C 10%, Measure M 1% and Measure R 3% that are dedicated funding for Metrolink operations, maintenance, state of good repair and capital projects.

EQUITY PLATFORM

The recommendations support SCRRA's Metrolink commuter rail operations, providing residents,

workers, students, and families with a regional public transportation option to access jobs, resources, and services across the Greater Los Angeles region. Metrolink enables residents who may not be able to afford to live in high-cost areas to access quality jobs and services in those areas while living in more affordable neighborhoods. These neighborhoods include Equity Focused Communities in Palmdale/Lancaster, the East San Fernando Valley, El Monte, Pomona, and Gateway Cities. Metro funds its share of Metrolink's overall operations as a member agency. Metrolink establishes its equity-based programs separate from Metro.

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 in Metrolink operations and equipment purchase of Tier 4 low emission locomotives that will improve and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations support the Metro Vision 2028 Strategic Plan goals 1, 4 and 5 as follows:

- Goal 1.2: Invest in a world-class transit system that is reliable, convenient, and attractive to more users for more trips;
- Goal 4.1 Work with partners to build trust and make decisions that support the goals of the Vision 2028 Plan;
- Goal 5.2 Exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

The Metro Board could authorize a different budget amount than what SCRRA has transmitted for FY 2025-26. However, staff do not recommend a different budget amount since Metro has worked closely with SCRRA and the member agencies to create a balanced FY 2025-26 budget request that supports Metrolink's post-COVID service plans and ensures sufficient SGR to meet safety, service,

and reliability needs.

Metrolink has suggested that Metro provide 5307, 5337, and SB 125 funds to cover the funding gap. While other member agencies with smaller transit systems may take this approach, Metro proactively crafted its sales tax measures to include dedicated Metrolink funding carveouts (Proposition C 10%, Measure M 1% and Measure R 3%). However, while these carveouts were more than sufficient to cover Metrolink's budget ask in years past, Metrolink's funding request now exceeds the amounts generated by the dedicated carveouts while preserving 5307, 5337 and SB 125 funds for Metro operations and other uses as determined by the Metro Board. Any diversion of these funds for Metrolink use would reduce funding available for Metro operations.

NEXT STEPS

The SCRRA Board is scheduled to adopt their FY 2025-26 budget on June 27, 2025. Upon SCRRA's Board adopting their budget, Metro will execute the corresponding funding agreement. Metro staff will monitor the implementation of SCRRA's budget and report back to the Board with any issues requiring action. Metro is firmly supportive and committed to being a strategic partner with SCRRA.

ATTACHMENT

Attachment A - SCRRA FY 26 Budget Transmittal

Prepared by: Yvette Ford, Senior Manager, Passenger Rail Planning,
(213) 418-3176
Michael Cano, Senior Executive Officer (interim), Countywide Planning and
Development, (213) 418-3010
Nicole Ferrara, Deputy Chief Planning Officer, (213) 547-4322

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274


Stephanie Wiggins
Chief Executive Officer

ATTACHMENT A

METROLINK

SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
900 Wilshire Blvd. Suite 1500 Los Angeles, CA 91767

metrolinktrains.com

April 30, 2025

TO: Martin Erickson, *Executive Director, VCTC*
Darrell Johnson, *Chief Executive Officer, OCTA*
Aaron Hake, *Executive Director, RCTC*
Stephanie N. Wiggins, *Chief Executive Officer, LA METRO*
Dr. Raymond Wolfe, *Executive Director, SBCTA*

FROM: Darren M. Kettle, *Chief Executive Officer, SCRRA* 

SUBJECT: SCRRA Request for Adoption of the Authority's FY 2025-26
(FY26) Budget

On April 25, 2025, the SCRRA Board approved the transmission of the Proposed FY26 Budget for your consideration and adoption.

The FY26 Budget operating revenue is projected to be \$76.9M while the operating expenses are projected to be \$352.4M. The total operating support requested from Member Agencies is \$275.5M. The FY26 Capital Program includes \$137.5M for State of Good Repair (SGR), and \$15.6M for New Capital.

We continue to focus on achieving a sustainable operating budget into the future given our financial challenges as we navigate through reimagining Metrolink.

Our strategic vision for meeting these challenges includes such initiatives as:

- The Optimized Service schedule which increases accessibility and convenience.
- Reduced Fares for all Students attracting our next generation of riders.
- Continue intense pursuit of non-riders and broadening from Commuters to Leisure riders.
- Fare structure study implementation.
- Promoting awareness of Metrolink throughout the region.

On the side of efficiency

- Execution of the consolidation of Train Operators, Equipment and Facilities Maintenance agreement with Alstom.

Staff will continue monitoring and reporting Ridership, Farebox Revenues and Expenses.

The Proposed FY26 Budget documentation, which was presented at the Board of Directors Meeting on April 25, 2025, is attached for your review. It includes:

- Board Item # 6B Approved at the Board of Director's Meeting on April 25, 2025
- Board item # 6B attachments, which includes:

- Attachment A – Operating Budget
- Attachment B - Historical Budget
- Attachment C - Budget by Member Agency
- Attachment D - Budget by Line
- Attachment E - Support by Member Agency
- Attachment F - FY26 Proposed SGR Projects by Member Agency, Line, and Project Detail List
- Attachment G - FY26 Proposed New Capital by Member Agency, Line, and Project Detail List
- Attachment H - FY26 SGR Carryover Projects
- Attachment I - FY26 New Capital Carryover Projects
- Attachment J - FY26 Proposed Capital Program Cashflow
- Attachment K
 - K-1 - FY27 Forecast
 - K-2 - FY28 Forecast
 - K-3 - FY29 Forecast
 - K-4 - FY30 Forecast
- Attachment L - FY26 Annual Contract Authority Renewal

Next Steps

April - June 2025	Staff present at Member Agencies' Committees and/or Board meetings as requested
June 27, 2025	Proposed FY26 Budget to SCRRA Board for Adoption

Thank you for your ongoing support and active participation in the development of the FY26 Proposed Metrolink Budget. If you have any comments or concerns, please do not hesitate to contact me directly at (213) 452-0405. You may also contact Tom Schamber, Interim Chief Financial Officer at 213-452-0348.



Board Report

File #: 2025-0398, File Type: Budget

Agenda Number: 11.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 18, 2025

SUBJECT: ACCESS SERVICES PROPOSED FISCAL YEAR 2026 BUDGET

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING local funding request for Access Services (Access) in an amount not to exceed \$203,170,329 for FY26. This amount includes:
- Local funds for operating and capital expenses in the amount of \$200,482,112
 - Local funds paid directly to Metrolink for its participation in Access' Free Fare Program in the amount of \$2,688,217; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to negotiate and execute all necessary agreements to implement the above funding program.

ISSUE

The total FY26 Proposed Budget for Americans with Disabilities Act (ADA) paratransit service for Los Angeles County is \$370,816,402. This includes a not to exceed amount of \$368,128,185 in funds for Access to support their operating and capital needs, and \$2,688,217 for Metrolink's participation in Access' Free Fare Program.

Access' proposed budget will be funded with federal and local funding sources. Of this total, \$139,711,636 will be funded by federal grants, including federal Surface Transportation Block Grant (STBG) Program funds, Sections 5317 and 5310 (Enhanced Mobility of Seniors & Individuals with Disabilities Program) funds. The remaining amount of \$231,104,766 will be funded with Measure M ADA Paratransit Service (MM2%) funds, Proposition C 40% Discretionary (PC40%) funds, passenger fares and other funding sources generated by Access. See Attachment A for complete funding details.

BACKGROUND

As the Regional Transportation Planning Authority, Metro provides funding to Access to administer the delivery of regional ADA paratransit service. This service is provided on behalf of Metro and the forty-five other public fixed route operators in Los Angeles County. The provision of compliant ADA mandated service is considered a civil right under federal law and must be appropriately funded.

Access' service area spans more than 1,950 square miles of Los Angeles County. Next fiscal year, Access is forecasted to provide more than 4 million trips serving approximately 118,000 qualified ADA paratransit riders. Access contracts out its paratransit services to six different regional contractors, each serving a specific area: Eastern, Southern, West Central, Northern, Santa Clarita, and Antelope Valley. Access' contractors use a mixed fleet of wheelchair accessible vehicles and sedans to provide service.

DISCUSSION

Ridership

Each year, Access' budget is based on a paratransit ridership forecast provided by an independent third-party consulting firm, Hollingsworth Consulting (Hollingsworth). This forecast, along with the paratransit demand analysis, historical data and other variables are used to form the basis for the projected number of annual trips. The demand analysis projects over 5 million passengers (riders, Personal Care Assistants (PCA), and guests), a 3% increase over FY25, resulting in over 4 million trips for FY26. The FY26 Proposed budget will fund Access' request for over 4 million trips, a 3.1% increase over FY25.

Cost Per Trip

The estimated cost per trip for FY26 is \$65.15, a 4.2% increase over FY25 cost of \$62.53. This increase in the cost per trip is largely due to contractual Consumer Price Index (CPI) adjustments embedded in Access' current agreements with their regional contractors, rising insurance costs and anticipated cost growth in operating contracts that will be finalized in the coming fiscal year.

Fares

Access has a two-tiered fare structure in the Los Angeles basin: \$2.75 each way for trips up to 19.9 miles and \$3.50 for trips of 20 miles or more. In Santa Clarita and Antelope Valley, the fare is \$2.00 each way, reflecting the lower base fare of the local fixed-route systems. For FY26, Access projects fare revenues of \$11.4 million, a \$345,256 or 3.1% increase over FY25.

Access customers have the ability to ride free on fixed-route services and Metrolink within Los Angeles County through Access' Free Fare program.

FY26 Proposed Budget

Access' total operating and capital budget is \$368.1 million, a 9% increase from FY25. See the table below.

Access Services		FY25	FY26		
Expenses (\$ in millions)		Adopted	Proposed	\$ Change	% Change
1	Direct Transportation	\$ 259.9	\$ 281.6	\$ 21.7	8.3%
2	Contracted Support	15.0	15.7	0.7	4.7%
3	Management/Administration	16.3	18.5	2.2	13.7%
4	Total Operating Costs	291.2	\$ 315.8	24.6	8.5%
5	Capital Rolling Stock - Prior Year	16.3	-	-	0.0%
6	Capital Rolling Stock - New	22.3	37.1	14.8	66.4%
7	Capital Construction/Non-Metro Funds	8.0	15.2	7.2	90.0%
9	Total Capital Program	46.6	52.3	5.7	12.1%
10	Total Expenses	\$ 337.8	\$ 368.1	\$ 30.3	9.0%

Note: Totals may not add up because of rounding

Operating Costs

Direct Transportation are costs for the delivery of paratransit service in Los Angeles County. The total for Direct Transportation is \$281.6 million, an 8.3% increase from FY25, due to the 3% increase in paratransit demand and contractual CPI adjustments for service delivery contractors. Contracted Support costs are for Access' customer service, eligibility and appeals contractors. The total for Contracted Support is \$15.7 million, a 4.7% increase from FY25, due to contractual CPI adjustments for Access' eligibility provider and projected increase in new eligibility applicants. Management & Administration costs are for professional services, salaries and related expenses incurred by Access. The total for Management & Administration is \$18.5 million, a 13.7% increase from FY25, due to legal expenses, increased insurance premiums, contractual CPI adjustments, and Cost of Living Adjustments (COLA) for Access' staff.

Capital Program - Rolling Stock and Facilities Development & Construction

Access' total capital program is \$52.3 million, a 12.1% increase from FY25. A total of \$37.1 million, is for new rolling stock to replace 248 vehicles, about 33% of their fleet. These vehicles have all exceeded their useful life of 250,000 miles, significantly beyond the Federal Transit Administration (FTA) vehicle replacement standard of 100,000 miles per vehicle. The capital program also includes funds, not provided by Metro, for paratransit facility construction and development. Access' Strategic Plan prioritizes the development of Access-owned operating facilities in each of its six service regions to enhance long-term fiscal and operational effectiveness.

Capital Program Updates

Southern Region Facility: As previously reported, Access acquired a 6.09-acre property in the Southern region to develop a paratransit operations and maintenance facility, including an office

building and two warehouses. Due to funding constraints, the property renovations will be completed in phases. This future facility will not only provide essential paratransit services but also help support the trip demand associated with major events coming to Los Angeles County, such as the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games. Access anticipates this legacy project will have lasting positive impacts on paratransit services in the region.

Antelope Valley Region Facility: The National Environmental Policy Act (NEPA) review for the proposed 6.8-acre facility in the City of Lancaster is nearing completion. Following the NEPA review, Access will finalize the design and engineering plans for the facility. This year, Access plans to release a Request for Proposals (RFP) for construction services, with the goal of awarding the contract in early 2026. The facility is projected to be fully operational by early 2027.

Electric Vehicles: Access has received two electric vehicles manufactured in Southern California and will be testing them in both the Eastern (San Gabriel Valley) and Southern regions. This pilot demonstration, expected to run for approximately twelve months (Summer 2025 - Summer 2026), will compare the performance of these electric vehicles to standard gasoline vehicles, focusing on operating efficiency, particularly vehicle range, and overall operating costs.

FY26 Operating Reserve

Access' forecasting firm projects a 3% ridership increase in FY26. Metro will hold \$10 million in reserve and will make it available to Access should FY26 demand meet the ridership projections.

FY25 Performance

As of April 2025, Access has provided 3.1 million paratransit trips in the current fiscal year (10 months). To ensure optimal and efficient service levels countywide, the following Key Performance Indicators (KPIs) are in place. Overall, many operational statistics show improvement in FY25 when compared to FY24. These are reported monthly, and a year-over-year comparison including data through April 2025 is shown below:

Key Performance Indicators	Standard	FY24	FY25*
On-Time Performance	≥ 91%	92.3%	92.6%
Excessively Late Trips	≤ 0.10%	0.02%	0.02%
Excessively Long Trips	≤ 5.0%	3.8%	3.4%
Missed Trips	≤ 0.75%	0.33%	0.31%
Denials	0	6	1
Access to Work - On-Time Performance	≥ 94%	95.8%	96.2%
Average Hold Time (Reservations)	≤ 120	54	55
Calls On Hold > 5 Min (Reservations)	≤ 5%	2.6%	2.8%
Calls On Hold > 5 Min (ETA)	≤ 10%	2.7%	2.9%
Complaints Per 1,000 Trips	≤ 4.0	2.0	2.0
Preventable Incidents per 100,000 miles	≤ 0.25	0.21	0.25
Preventable Collisions per 100,000 miles	≤ 0.75	0.80	0.84
Miles Between Road Calls	≥ 25,000	47,940	48,961

*Statistical data through April 2025

To ensure high service standards, Access establishes aggressive performance goals for its contractors. Failure to meet certain Key Performance Indicators (KPIs) necessitates the submission of a service improvement plan, and contractors may face liquidated damages as outlined in their agreements. The preventable collision's goal, with a result of 0.84, fell short of the target, largely due to minor incidents like curb strikes and collisions while reversing.

Access Update in FY25:

- Initiated development of Access' 5-year Strategic Plan (FY 2026 - FY 2030)
- Obtained additional grant funding for Access-owned operations and maintenance facilities
- Concluded the Access Flex pilot program (using Uber) in the Southern Region after a period of evaluation
- Acquired Access' first two electric vehicles for pilot demonstration

In FY26, Access plans to:

- Continue collaboration with Metro staff, Games Mobility Executive (GME) Accessibility Committee and LA28 on preparation of the 2028 Olympic and Paralympic games and seek federal funding for a facility legacy project in the Southern region
- Continue collaboration with Metro staff on FIFA World Cup
- Begin integration/testing of electric vehicles in the Eastern and Southern regions
- Continue development of the Antelope Valley and Southern region paratransit operations and maintenance facilities
- Provide results from the recent customer technology survey in the first quarter FY26
- Issue an RFP for paratransit operations and maintenance service for Access' West Central region

Metro Oversight Function

Metro fulfills its oversight function for Access to ensure system cost efficiency, accountability, equity, and inclusion in the delivery of ADA paratransit service in Los Angeles County. This includes active participation and representation by Metro on Access' Board of Directors and the Transportation Professionals Advisory Committee. Moreover, Access will remain part of Metro's Consolidated Audit process. Additionally, Access provides semiannual updates on its performance outcomes and service initiatives to the Metro's Finance, Budget & Audit Committee, as requested.

FINANCIAL IMPACT

Access' proposed budget for FY26 is included in Cost Center 0443, Project 410011, and Account

54001 in Metro Annual Budget for FY26 as adopted at the May 2025 Board meeting.

Impact on Budget

Access' funding will include \$15,809,250 from Measure M 2% funds and \$187,361,079 from Proposition C 40% funds, totaling \$203,170,329. Given that the region is fully funding its forecasted ADA paratransit obligation, there will be no budgetary impact on Metro's bus and rail operations.

EQUITY PLATFORM

By federal mandate, Access exclusively serves people with disabilities and seniors to provide regional ADA paratransit service. Access' service region is divided into six regions, and all have similar Key Performance Indicators (KPIs), which are measured and monitored by Access' staff. Access has analyzed its service area map to determine the percentage of riders served in Equity Focus Communities (EFCs). From July 1, 2024, through April 30, 2025, approximately 45% of all trips taken by 55,785 Access riders originated in EFCs. The introduction of electric vehicles, as discussed above, is anticipated to bring significant benefits to served communities, including improved air quality due to lower emissions and reduced noise pollution from quieter vehicles.

On a semi-annual basis, Access conducts two virtual countywide community meetings to ensure all customers and stakeholders can receive information and directly communicate with staff about their service experiences. Advance notice of these meetings is provided on Access' website and social media platforms, and flyers are distributed in vehicles. To ensure accessibility for all customers throughout Los Angeles County, closed captioning, language translation services, Braille, and large print materials are available upon request.

Access hosted its latest virtual community meeting on Saturday, March 15, 2025, which saw strong participation with over 100 guests joining via Zoom. The key takeaways from the meeting included appreciation for the continued availability of virtual meeting options; concerns about new vehicle configurations; the review of grocery package policies; challenges with region-to-region transfers; and the need for expanded transfer times between the North County and the Los Angeles basin. The next community meeting is planned for summer 2025.

Furthermore, Access conducted a technology usage survey among its customers in both English and Spanish via text and phone. A language line service was also utilized to offer translation of the survey into any language requested. The results of this survey are anticipated to be available in the summer of 2025.

VEHICLE MILES TRAVELED OUTCOME

Vehicle Miles Traveled (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.

This item supports Metro's systemwide strategy to reduce VMT through operational activities that will benefit and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 2: Deliver outstanding trip experiences for all users of the transportation system.

Goal 3: Enhance communities and lives through mobility and access to opportunity

ALTERNATIVES CONSIDERED

Not fully funding Access to provide the mandated ADA paratransit services for FY26 would place Metro and the other 45 Los Angeles County fixed route operators in violation of the ADA, which mandates that fixed route operators provide complementary paratransit service within three-fourths of a mile of local rail and bus lines. Not fully funding ADA service would impact Metro's as well as the region's ability to compete for federal grants and to receive federal funding. If individual transit operators were required to provide these services, the overall cost of the program would increase and the mobility options of people with disabilities throughout Los Angeles County would be significantly limited.

NEXT STEPS

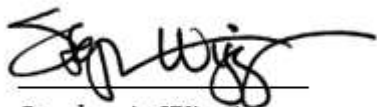
Upon approval, staff will execute an MOU for FY26 to ensure proper disbursement of funds.

ATTACHMENTS

Attachment A - FY26 Access Services ADA Program

Prepared by: Fayma Ishaq, Senior Manager, Budget, 213-922-4925
Giovanna Gogreve, Senior Director, Budget, 213-922-2835

Reviewed by: Nalini Ahuja, Chief Financial Officer, 213-922-3088

A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins
Chief Executive Officer

Attachment A

FY26 ACCESS SERVICES ADA PROGRAM		
(\$ in millions)		
EXPENSES		
1	FY26 Access Services Proposed Budget	\$ 368.1
2	Metrolink Free Fare Program (paid by Metro)	2.7
3	Total Expenses	\$ 370.8
4		
REVENUES		
5		
6	<u>Federal Funds - Operating & Capital</u>	
7	STBG Program & Section 5317	\$ 128.1
8	Section 5310 - Capital Rolling Stock	11.6
9	Subtotal Federal Funds	\$ 139.7
10		
11	<u>Local Funds - Operating & Capital</u>	
12	Measure M 2%	
13	Subtotal Measure M	\$ 15.8
14		
15	Proposition C 40%	
16	Operating ¹	\$ 149.2
17	Ridership Reserve	10.0
18	Capital Rolling Stock - New ¹	25.5
19	Metrolink Free Fare Program (paid by Metro)	2.7
20	Subtotal Proposition C	\$ 187.4
21		
22	Total Local Funds	\$ 203.2
23	<u>Local Carryover or Non-Metro Funds</u>	
24	Passenger Fares & Misc. Income	\$ 12.8
25	Facilities Development & Construction Fund (Non-Metro)	15.2
26	Subtotal Local Carryover/Non-Metro Funds	\$ 27.9
27		
28	Total FY26 Local Funds	\$ 231.1
29		
30	Total Revenues	\$ 370.8

Note: Totals may not add up because of rounding

¹ Operating & Capital - portions of these funds maybe replaced with federal STBG Program funds



Access Services Fiscal Year 2026 Proposed Budget

June 2025 | Finance, Budget and Audit Committee

Proposed Budget

FY
26

M
Metro



Access Services			FY25 Adopted	FY26 Proposed	\$ Change	% Change	Notes
Expenses (\$ in millions)							
1	Direct Transportation		\$ 259.9	\$ 281.6	\$ 21.7	8.3%	Forecasted trip demand is 3%, 4.2% increase in cost per trip and increase in auto liability insurance
2	Contracted Support		15.0	15.7	0.7	4.7%	Projected increase in new eligibility applicants
3	Management/Administration		16.3	18.5	2.2	13.7%	Normal annual adjustments influenced by CPI, COLA and legal expenses
4	Total Operating Costs		291.2	315.8	24.6	8.5%	
5	Capital Rolling Stock - Prior Year		16.3	-	-	0.0%	All replacement vehicles delivered
6	Capital Rolling Stock - New		22.3	37.1	14.8	66.4%	Replace 248 vehicles over 250,000 miles
7	Capital Construction/Non-Metro Funds		8.0	15.2	7.2	90.0%	Antelope Valley and Compton Facility Development
9	Total Capital Program		46.6	52.3	5.7	12.1%	
10	Total Expenses		\$ 337.8	\$ 368.1	\$ 30.3	9.0%	

Note: Totals may not add up because of rounding



Proposed Funding Request

FY
26

M Metro



FY26 ACCESS SERVICES ADA PROGRAM		
(\$ in millions)		
EXPENSES		
1	FY26 Access Services Proposed Budget	\$ 368.1
2	Metrolink Free Fare Program (paid by Metro)	2.7
3	Total Expenses	\$ 370.8
REVENUES		
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Missed Trips	$\leq 0.75\%$	0.33%	0.31%
Denials	0	6	1
Access to Work - On-Time Performance	$\geq 94\%$	95.8%	96.2%
Average Hold Time (Reservations)	≤ 120	54	55
Calls On Hold > 5 Min (Reservations)	$\leq 5\%$	2.6%	2.8%
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Complaints Per 1,000 Trips	≤ 4.0	2.0	2.0
Preventable Incidents per 100,000 miles	≤ 0.25	0.21	0.25
Preventable Collisions per 100,000 miles	≤ 0.75	0.80	0.84
Miles Between Road Calls	$\geq 25,000$	47,940	48,961

*Statistical data through April 2025



FY25 Accomplishments

-  Initiated development of 5-year Strategic Plan (FY 2026 - FY 2030)
-  Obtained additional funding for Access-owned operations & maintenance facilities
-  Concluded Flex pilot program (using Uber) in Southern Region
-  Acquired first two electric vehicles for pilot demonstration



FY26 Initiatives



Continue collaboration with Metro on:

- GME Accessibility Committee & LA28 for 2028 Olympic & Paralympic games
- FIFA World Cup
- Seek federal funding for facility legacy project in Southern region



Integrate/test electric vehicles in Eastern & Southern regions



Continue development of Antelope Valley & Southern region paratransit facilities



Provide results of customer technology survey available in FY26



Issue RFP in West Central region for paratransit service



A. APPROVING local funding request for Access Services (Access) in an amount not to exceed \$203,170,329 for FY26. This amount includes:

- Local funds for operating and capital expenses in the amount of \$200,482,112
- Local funds paid directly to Metrolink for its participation in Access' Free Fare Program in the amount of \$2,688,217

B. AUTHORIZING the Chief Executive Officer (CEO) to negotiate and execute all necessary agreements to implement the above funding program.





File #: 2025-0404, File Type: Budget

Agenda Number: 12.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 18, 2025

SUBJECT: FISCAL YEAR 2025-26 TRANSIT FUND ALLOCATIONS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING \$2.9 billion in Fiscal Year 2025-26 (FY26) Transit Fund Allocations for Los Angeles County jurisdictions, transit operators, and Metro Operations as shown in Attachment A. These allocations comply with federal, state, and local regulations and Metro Board approved policies and guidelines. Federal and state fund allocations are subject to actual fund apportionments;
- B. APPROVING fund exchanges in the estimated amount of \$3,140,305 of Metro's Transportation Development Act (TDA) Article 4 allocation with Municipal Operators' shares of the Low Carbon Transit Operations Program. Funding will be adjusted based on LCTOP actual allocations;
- C. APPROVING fund exchanges in the estimated amount of \$1,035,635 of Metro's Proposition (Prop) C 40% allocation with Antelope Valley, Santa Clarita, Burbank, and Glendale's shares of the Low Carbon Transit Operations Program (LCTOP). Funding will be adjusted based on LCTOP actual allocations;
- D. APPROVING fund exchange of Federal Section 5307 discretionary fund awarded to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit in the amount of \$360,000 with Metro's TDA Article 4 allocation subject to final federal apportionments. If federal funds are not available for this fund exchange, \$360,000 in FY27 TDA Article 4 funds will be allocated to Metro off the top as reimbursement;
- E. APPROVING fund exchanges in the amount totaling \$15.6 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339 subject to final federal apportionments;
- F. AUTHORIZING the Chief Executive Officer to adjust FY26 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities), and Section 5337 (State of Good Repair) allocations upon receipt of final apportionments from the Federal Transit Administration and amend the FY26 Budget as necessary to reflect the adjustments;

- G. APPROVING fund exchange in the amount of \$5 million of Metro's Prop C 40% allocations with the Local Transit Operators' share of federal Section 5307 funds to implement the Local Transit Systems Subcommittee's (LTSS) Zero Emission Vehicle (ZEV) Call for Projects subject to final federal apportionments;
- H. APPROVING revised Zero Emission Transit Capital Program (ZETCP)-Equivalent fund allocations to the Included and Eligible Transit Operators commensurate with current ZETCP fund availability to Metro (Attachment B), and delegate authority to the Chief Executive Officer to negotiate any future amendments if further adjustments are made in funding availability;
- I. ADOPTING a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations are in compliance with the terms and conditions of the allocations (Attachment C); and
- J. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements, amendments to existing agreements, and FY26 Budget amendments to implement the above funding programs.

ISSUE

Each year, transit operating and capital funds consisting of federal, state, and local revenues are allocated to Metro Operations, transit operators, and Los Angeles County local jurisdictions for programs, projects, and services according to federal guidelines, state laws, and established funding policies and procedures. The Board of Directors must approve allocations for FY26 prior to fund disbursement. As in prior years, the proposed transit allocations include fund exchanges of Metro funding for municipal and local transit operator shares of federal and state grant programs to enable them to draw down funding quickly with fewer requirements, contingent on federal and state fund availability.

BACKGROUND

The Los Angeles County Metropolitan Transportation Authority (Metro), as the Regional Transportation Commission for Los Angeles County, is responsible for planning, programming, and allocating transportation funding to Los Angeles County jurisdictions, transit operators, and Metro Operations. The Metro Board approval will allow the continued funding of transportation projects, programs, and services in Los Angeles County.

The recommended FY26 Transit Fund Allocations are developed according to federal, state, and local requirements, as well as policies and guidelines previously approved by the Metro Board. Details of significant information, methodologies, and assumptions are described in Attachment D.

Staff has reviewed the recommended allocations, related methodologies, and assumptions with Metro Operations, transit operators, Los Angeles County local jurisdictions, Technical Advisory Committee (TAC), Bus Operations Subcommittee (BOS), and the Local Transit Systems Subcommittee (LTSS). The TAC, BOS, and LTSS have all formally adopted the recommended FY26

Transit Fund Allocations.

DISCUSSION

Fund Exchanges

Metro has been requested to facilitate fund exchanges with the municipal and local transit operators to help them access funding more rapidly and with fewer administrative requirements as follows:

- The Municipal operators are requesting fund exchanges of their Federal Sections 5339 and 5337 allocations with Metro's share of Federal Section 5307 allocation to minimize the impact on administrative processes associated with these funding programs. These exchanges are subject to federal fund availability.
- The Municipal Operators, Burbank, and Glendale are requesting fund exchanges of their LCTOP allocations with Metro's TDA Article 4 and Prop C 40% fund allocations to minimize the impact on administrative processes associated with these funding programs.
- Long Beach Transit is requesting a fund exchange of their share of Section 5307 15% Discretionary funds with Metro's TDA Article 4 funds for the Southern California Regional Transit Training Consortium (SCRTTC). In April 2023, BOS awarded \$360,000 a year for three years for the regional training program through an award to Long Beach Transit. If federal funds are not available for this fund exchange, \$360,000 in FY27 TDA Article 4 funds will be allocated to Metro off the top as reimbursement.
- Fifteen (15) Los Angeles County Low Carbon Transit Operations Program (LCTOP) recipients (Contributing Sponsors) have submitted "Letters of Intent" to transfer \$4,175,940 in PUC 99314 FY 2024-25 LCTOP funds to Metro which was approved by the Metro Board on April 24, 2025, to fund Metro's FY 2024-25 LCTOP A Line Operations Project.
- To expedite grant approval and fund disbursement by the Federal Transit Administration, Metro will exchange the \$5 million allocated to the Local Transit Operators under Section 5307 grants with its Prop C 40% funds to implement the LTSS ZEV program, subject to federal fund availability.

Reallocation of Federal Section 5307 Capital Revenues for LTSS ZEV Call for Projects

In June 2022, the Board approved a reallocation of greater than anticipated Federal Section 5307 Capital revenues made available by the Federal Infrastructure Investment and Jobs Act (IIJA), to fund a zero-emission vehicle capital call for projects available to local transit operators and administered by the LTSS. Staff, working with members of the BOS, and Los Angeles County Municipal Operators Association (LACMOA), agreed to collectively set aside the Section 5307 funding as follows: \$10 million in FY22, \$5 million in FY24 and \$5 million in FY26, for the purpose of addressing the capital needs of local operators, particularly the mandated conversion to electric or other zero emission vehicles. This will total \$20 million for the life of the IIJA. Metro is then exchanging local funds with

Section 5307 funds to help expedite project delivery by reducing administrative requirements for the local operators. The Metro Board approved a fund exchange in June 2022 for the first \$10 million allocation and in June 2023 for the second \$5 million allocation. Staff is requesting approval of a fund exchange this year for the final \$5 million allocation in FY26 Section 5307 funds, subject to federal fund availability.

The first call for projects was conducted during FY23 and the Board approved fund awards for seven projects totaling \$13.9 million in June 2023. It is anticipated that LTSS will conduct the final call for projects during FY26 with a total of \$6.1 million available for eligible competitive projects. The proposed awards will be brought before the Board for consideration in June 2026.

Revision to ZETCP-Equivalent Allocations

As reported to the Board last month, Governor Newsom's recent revision to the State budget cuts \$201.1 million from Metro's Zero Emission Transit Capital Program (ZETCP) funding. As part of last year's State budget, Metro was set to receive \$320 million in ZETCP funding and to date, Metro has received \$119.5 million of which will be used to advance Metro's transition to zero emission buses. In support of the Los Angeles County Regional Zero Emission Bus Procurement Policy, the Board approved an advance of ZETCP-Equivalent funding to the Included and Eligible Operators in September 2024 with amounts predicated on Metro receiving the full ZETCP fund allocation. Staff is requesting approval to revise the Included and Eligible Operator's ZETCP-Equivalent funding commensurate with the ZETCP funding being made available to Metro utilizing the same Board-adopted allocation formula. The revised commensurate amount for the Included and Eligible Operators is \$18.58 million as shown in Attachment B. The change in funding estimates will necessitate amending existing agreements with the Included and Eligible Operators. These allocations could be further adjusted either upward or downward, in the event the State makes further revisions to Metro's ZETCP allocation.

DETERMINATION OF SAFETY IMPACT

Adoption of this item will provide funding for increased safety efforts.

FINANCIAL IMPACT

The FY26 Transit Fund Allocations are included in the FY26 Budget in multiple cost centers and multiple projects. Approval of these recommendations authorizes Metro to disburse these funds to the Los Angeles County jurisdictions and transit operators.

EQUITY PLATFORM

Under Board-adopted guidelines, this item enables the programming of funds to recipients to support the implementation of various transportation projects and improvements throughout the region. The FY26 Transit Fund Allocations referenced in Attachment A are intended to enhance mobility for pedestrians, cyclists, transit users, and individuals with disabilities. Through the process of public input and engagement, local decision-making, and project implementation, cities and unincorporated

areas of the county and transit operators have control to appropriately and equitably address the needs of their communities.

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 as a whole is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment activities that will maintain and further encourage transit ridership, ridesharing, and active transportation. Los Angeles County's Transit Fund allocation formula directs 50 percent of funding to each transit operator based on fare units (normalized boardings) and 50 percent based on vehicle service miles. This performance-based structure ties half of the subsidy directly to ridership levels: operators that attract more riders receive proportionally more funding, reinforcing the shift away from single occupant car trips. At the same time, the service-mile component ensures that coverage is maintained and expanded only where service is productive, incentivizing agencies to concentrate service on high demand corridors where each vehicle mile carries the most passengers.

By this program's design, agencies that grow both ridership and efficient service span see their allocations rise. As a result, this allocation framework drives continuous efficiency gains in the system and measurable declines in per-capita VMT in Los Angeles County. 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 goals of the Strategic Plan by funding the improvement projects presented in Attachment A:

- Goal 1: Provide high-quality mobility options that enable people to spend less time traveling
- Goal 2: Deliver outstanding trip experiences for all users of the transportation system
- Goal 3: Enhance communities and lives through mobility and access to opportunity

ALTERNATIVES CONSIDERED

The Board may choose not to approve the FY26 Transit Fund Allocations and instruct staff to use an

alternative methodology for allocation. This alternative is not recommended as federal, state, and local requirements, as well as prior Metro Board policies and guidelines require an annual allocation of funding to Los Angeles County jurisdictions, transit operators, and Metro Operations for programs, projects, and services. Allocation methodologies and assumptions comply with federal, state, and local requirements, as well as policies and guidelines previously approved by the Metro Board and have been agreed upon by affected operators and jurisdictions.

NEXT STEPS

Upon Board approval of the recommended allocations and adoption of the resolution, we will work with Los Angeles County jurisdictions, transit operators, Southern California Association of Governments (SCAG) and Metro Operations to ensure the proper disbursement of funds.

ATTACHMENTS

Attachment A - FY26 Transit Fund Allocations

Attachment B - Revised ZETCP-Equivalent Fund Allocations

Attachment C - TDA and STA Resolution

Attachment D - Summary of Significant Information, Methodologies and Assumptions

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Michelle Navarro, Deputy Chief Financial Officer (Interim), Finance, (213) 922-3056

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie Wiggins
Chief Executive Officer



Los Angeles County Metropolitan Transportation Authority

Fiscal Year 2026

Transit Fund Allocations

PROPOSED

July 1, 2025 – June 30, 2026

FY 2026
Transit Fund Allocations

PROPOSED

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

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I. BUS TRANSIT SUBSIDIES

STATE & LOCAL FUNDS

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

PRELIMINARY REVENUE ESTIMATES

STATE AND LOCAL		FY26 Estimated Revenue	Carryover FY24 Budget vs Actual	Interest FY24 Actual	FY26 Total Funds Available	N O T E	FY25 Total Funds
<u>Transportation Development Act:</u>							
Planning & Administration:							
1	Planning - Metro	\$ 5,350,000			\$ 5,350,000		\$ 5,780,000
2	Planning - SCAG	4,012,500			4,012,500		4,335,000
3	Administration - Metro	4,378,855			4,378,855		4,378,855
4	Sub-total	13,741,355			13,741,355		14,493,855
5	Article 3 Pedestrian & Bikeways 2.0000%	10,425,173	(1,598,533)	427,756	9,254,395		11,812,301
6	Article 4 Bus Transit 90.7887%	473,243,718	(72,564,350)	19,417,677	420,097,045		535,884,080
7	Article 8 Streets & Highways 7.2113%	37,589,754	(5,763,787)	1,542,346	33,368,313		42,918,656
8	Total	535,000,000	(79,926,671)	21,387,779	476,461,108		605,108,891
<u>Proposition A:</u>							
9	Administration 5.0000%	53,500,000	(5,348,377)		48,151,623	a	61,768,890
10	Local Return 25.0000%	254,125,000	n/a		254,125,000	b	274,550,000
11	Rail Development 35.0000%	355,775,000	(35,566,705)		320,208,295		410,763,121
Bus Transit: 40.0000%							
12	95% of 40% Capped at CPI 3.00%	296,353,239	n/a		296,353,239	c	287,721,591
13	95% of 40% Over CPI	89,916,761	n/a		89,916,761	d	129,594,409
14	Sub-total	386,270,000	-		386,270,000		417,316,000
15	5% of 40% Incentive	20,330,000	(2,032,383)		18,297,617		23,472,178
16	Total	1,070,000,000	(42,947,464)		1,027,052,536		1,187,870,190
<u>Proposition C:</u>							
17	Administration 1.5000%	16,050,000	(1,604,439)		14,445,561	a	18,530,661
18	Rail/Bus Security 5.0000%	52,697,500	(5,267,906)		47,429,594		60,842,336
19	Commuter Rail 10.0000%	105,395,000	(10,535,813)		94,859,187		121,684,671
20	Local Return 20.0000%	210,790,000	n/a		210,790,000	b	227,732,000
21	Freeways and Highways 25.0000%	263,487,500	(26,339,532)		237,147,968		304,211,678
22	Discretionary 40.0000%	421,580,000	(42,143,251)		379,436,749		486,738,685
23	Total	1,070,000,000	(85,890,941)		984,109,059		1,219,740,030
<u>State Transit Assistance:</u>							
24	Bus (PUC 99314 Rev Base Share)	69,251,143	38,010,616	3,460,617	110,722,375	e	111,892,986
25	Rail (PUC 99313 Population Share)	52,489,994	4,691,459	2,152,296	59,333,749		84,324,124
26	Total	121,741,137	42,702,074	5,612,913	170,056,124		196,217,110
<u>SB 1 State Transit Assistance:</u>							
27	Bus (PUC 99314 Rev Base Share)	55,906,109	30,547,982	2,835,194	89,289,284	e,f	90,953,959
28	Rail (PUC 99313 Population Share)	42,374,916	3,394,744	1,763,321	47,532,980	g	68,535,839
29	Total	98,281,025	33,942,725	4,598,514	136,822,265		159,489,798
<u>SB 1 State Of Good Repair</u>							
30	Bus (PUC 99314 Rev Base Share)	22,848,330	9,707,251	1,082,299	33,637,880	f	22,898,478
31	Rail (PUC 99313 Population Share)	17,318,253	1,257,408	170,290	18,745,950	g	16,914,482
32	Total	40,166,583	10,964,659	1,252,588	52,383,830		39,812,960

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

PRELIMINARY REVENUE ESTIMATES (Continued)

STATE AND LOCAL		FY26 Estimated Revenue	Carryover FY24 Budget vs Actual	Interest FY24 Actual	FY26 Total Funds Available	N O T E	FY25 Total Funds
Measure R:						a	
33 Administration	1.5000%	16,050,000	(1,606,866)	1,659,035	16,102,169		19,098,928
34 Transit Capital - "New Rail"	35.0000%	368,882,500	(36,931,130)	17,893,682	349,845,052		424,837,150
35 Transit Capital - Metrolink	3.0000%	31,618,500	(3,165,525)	447,205	28,900,180		36,828,107
36 Transit Capital - Metro Rail	2.0000%	21,079,000	(2,110,350)	1,596,746	20,565,396		24,678,339
37 Highway Capital	20.0000%	210,790,000	(21,103,503)	5,078,253	194,764,750		246,542,546
38 Operations "New Rail"	5.0000%	52,697,500	(5,275,876)	4,327,789	51,749,413		62,503,829
39 Operations Bus	20.0000%	210,790,000	(21,103,503)	17,845,481	207,531,978		249,828,104
40 Local Return	15.0000%	158,092,500	n/a	n/a	158,092,500	b	170,799,000
41 Total		1,070,000,000	(91,296,753)	48,848,191	1,027,551,438		1,235,116,003
Measure M:						a	
Local Return Supplemental & Administration:							
42 Administration	0.5000%	5,510,500	(560,993)	340,211	5,289,718		6,442,633
43 Supplemental transfer to Local Return	1.0000%	10,539,500	n/a	n/a	10,539,500	b,h	11,386,600
44 Sub-total		16,050,000	(560,993)	340,211	15,829,218		17,829,233
45 Local Return Base	16.0000%	168,632,000	n/a	n/a	168,632,000	b,h	182,185,600
46 Metro Rail Operations	5.0000%	52,697,500	(5,364,838)	993,411	48,326,073		61,340,215
47 Transit Operations (Metro & Municipal Providers)	20.0000%	210,790,000	(21,459,353)	15,957,038	205,287,685		248,860,518
48 ADA Paratransit/Metro Discounts for Seniors & Students	2.0000%	21,079,000	(2,145,935)	531,336	19,464,401		24,383,919
49 Transit Construction	35.0000%	368,882,500	(37,553,867)	2,099,947	333,428,580		428,781,536
50 Metro State of Good Repair	2.0000%	21,079,000	(2,145,935)	1,666,902	20,599,967		24,871,322
51 Highway Construction	17.0000%	179,171,500	(18,240,450)	30,483,921	191,414,971		219,506,318
52 Metro Active Transportation Program	2.0000%	21,079,000	(2,145,935)	3,387,471	22,320,536		25,452,162
53 Regional Rail	1.0000%	10,539,500	(1,072,968)	364,467	9,830,999		12,368,029
54 Total		1,070,000,000	(90,690,275)	55,824,704	1,035,134,429		1,245,578,852
55 Total Funds Available		\$ 5,075,188,745	\$ (303,142,645)	\$ 137,524,690	\$ 4,909,570,789		\$ 5,888,933,834
Total Planning & Admin Allocations:							
56 (Lines 4, 9, 17, 33 and 42)		\$ 104,851,855	\$ (9,120,674)	\$ 1,999,246	\$ 97,730,427		\$ 120,334,966

Notes:

- a) Sales tax is projected to be \$1,070.0 million per ordinance.
- b) Local Return Subfunds are not reflected with carryover balances. The distribution of these funds occurs within the same period they are received.
- c) The Consumer Price Index (CPI) increase of 3.0% represents the average anticipated growth rate, as derived from a range of forecasting sources and historical trends. This rate is specifically applied to the Proposition A discretionary funds allocated to Included operators.
- d) Proposition A 95% of 40% Bus Transit growth over CPI estimate will be used to fund Eligible and Tier 2 operators. No carryover per Board Policy, amounts transferred to Prop C 40% to fund various Board-approved regional discretionary programs.
- e) The STA revenue estimates (including SB1/STA) from the State Controller's Office have been adjusted downward by 5% for the purposes of FAP allocation, in anticipation of a revenue shortfall in FY26. The actual funds will be revised two years from now, once we have received the concrete figures from the state.
- f) To qualify for SB1-SGR funds, eligible agencies are required to fulfill a number of reporting obligations.
- g) STA and SGR portion of SB1 will be allocated based on Measure R allocation methodology.
- h) Measure M provides for a total of 17% net revenues for Local Return. Supplement of 1% to be funded by 1.5% Administration.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

SUMMARY OF STATE AND LOCAL FUNDS

Operators		Formula Allocation Procedure				Proposition C 5% Security	Proposition C 40% Discretionary	Measure R		Measure M	Senate Bill 1		Total
		TDA Article 4 + Interest	STA + Interest	Proposition A 95% of 40 % Discretionary	Sub-Total FAP			20% Bus Operations	Clean Fuel & Facilities		STA	State of Good Repair	
1	<u>Included Operators:</u> Metro Bus Operations	\$ 309,064,593	\$ 82,380,794	\$ 220,495,767	\$ 611,941,153	\$ 34,952,937	\$ 19,328,893	\$ 144,114,288	\$ 6,447,665	\$ 142,555,807	\$ 62,004,236	\$ 23,305,689	\$ 1,044,650,669
2	<u>Municipal Operators:</u> Arcadia	401,029	98,177	262,774	761,980	5,734	117,105	171,747	17,338	169,890	73,893	27,774	1,345,461
3	Claremont	137,801	34,184	91,496	263,482	1,724	31,731	59,801	2,141	59,155	25,729	9,671	453,433
4	Commerce	601,322	138,667	371,147	1,111,136	65,204	1,461,932	242,579	36,547	239,956	104,368	39,229	3,300,951
5	Culver City	6,089,441	1,533,463	4,104,379	11,727,283	335,179	1,910,179	2,682,590	137,292	2,653,580	1,154,167	433,820	21,034,089
6	Foothill Transit	27,604,741	7,275,610	19,473,487	54,353,838	1,048,986	9,613,662	12,727,717	895,860	12,590,077	5,476,017	2,058,285	98,764,442
7	Gardena	5,983,883	1,512,690	4,048,780	11,545,354	251,897	2,436,790	2,646,251	104,746	2,617,634	1,138,532	427,943	21,169,146
8	La Mirada	105,319	23,665	63,341	192,326	3,500	21,967	41,399	6,332	40,952	17,812	6,695	330,983
9	Long Beach	27,694,157	6,920,997	18,524,348	53,139,502	2,147,886	10,124,990	12,107,367	682,588	11,976,436	5,209,116	1,957,964	97,345,850
10	Montebello	8,580,481	2,261,504	6,053,014	16,895,000	324,816	3,715,905	3,956,202	148,947	3,913,419	1,702,130	639,784	31,296,204
11	Norwalk	3,362,212	843,162	2,256,760	6,462,134	132,407	849,675	1,475,001	69,139	1,459,050	634,609	238,532	11,320,548
12	Redondo Beach	762,132	187,274	501,247	1,450,653	30,252	178,590	327,611	33,273	324,068	140,953	52,980	2,538,380
13	Santa Monica	22,442,277	5,692,496	15,236,213	43,370,987	998,784	6,233,513	9,958,269	410,967	9,850,578	4,284,480	1,610,418	76,717,996
14	Torrance	7,267,655	1,819,692	4,870,484	13,957,831	238,005	3,804,068	3,183,310	124,613	3,148,885	1,369,598	514,794	26,341,103
15	Sub-Total	111,032,452	28,341,582	75,857,473	215,231,506	5,584,375	40,500,105	49,579,844	2,669,782	49,043,677	21,331,405	8,017,890	391,958,585
16	<u>Eligible Operators:</u> Antelope Valley	-	-	7,124,280	7,124,280	181,087	2,005,105	3,218,148	208,744	3,183,347	1,384,587	520,428	17,825,726
17	LADOT	-	-	30,819,045	30,819,045	1,709,976	7,196,087	7,216,714	491,382	7,138,671	3,104,944	1,167,063	58,843,882
18	Santa Clarita	-	-	4,584,559	4,584,559	258,260	1,209,614	1,961,691	182,427	1,940,477	844,005	317,238	11,298,270
19	Foothill BSCP	-	-	6,155,058	6,155,058	-	648,751	1,441,294	-	1,425,707	620,107	233,081	10,523,999
20	Sub-Total	-	-	48,682,942	48,682,942	2,149,322	11,059,558	13,837,846	882,552	13,688,201	5,953,643	2,237,811	98,491,876
21	<u>Tier 2 Operators:</u> LADOT Community Dash	-	-	7,079,834	7,079,834	-	-	-	-	-	-	-	7,079,834
22	Glendale	-	-	1,167,155	1,167,155	-	-	-	-	-	-	-	1,167,155
23	Pasadena	-	-	479,860	479,860	-	-	-	-	-	-	-	479,860
24	Burbank	-	-	185,491	185,491	-	-	-	-	-	-	-	185,491
25	Sub-Total	-	-	8,912,341	8,912,341	-	-	-	-	-	-	-	8,912,341
26	Lynwood Trolley	-	-	-	-	-	257,064	-	-	-	-	-	257,064
27	Total Excluding Metro	111,032,452	28,341,582	133,452,755	272,826,789	7,733,697	51,816,727	63,417,690	3,552,335	62,731,878	27,285,049	10,255,701	499,619,865
28	County of Los Angeles											76,490	76,490
29	Grand Total	\$ 420,097,045	\$ 110,722,375	\$ 353,948,522	\$ 884,767,942	\$ 42,686,634	\$ 71,145,620	\$ 207,531,978	\$ 10,000,000	\$ 205,287,685	\$ 89,289,284	\$ 33,637,880	\$ 1,544,347,024

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

BUS TRANSIT FUNDING PERCENTAGE SHARES

Operators	Vehicle Service Miles (VSM) FY24 Data (1)	Passenger Revenue	Base Fare	Fare Units	Fare Units Prior to Fare Increase/decrease	Fare Units Used in FAP (2)	Sum 50% VSM + 50% Fare Units	Proposition A Base Share	DAR Cap Adjustment (3)	TDA/STA Share
Included Operators										
1 Metro Bus Operations (4)	71,217,974	\$ 100,805,519	\$ 1.75	57,603,154	197,161,600	197,161,600	134,189,787	74.4030%	0.0000%	74.4030%
2 Arcadia DR	72,004	4,475	0.50	8,950	72,829	72,829	72,417	0.0402%	0.0000%	0.0402%
3 Arcadia MB	167,370	3,818	0.50	7,636	-	7,636	87,503	0.0485%	0.0000%	0.0485%
4 Claremont	29,526	4,392	2.50	1,757	81,840	81,840	55,683	0.0309%	0.0000%	0.0309%
5 Commerce	451,747	-	-	-	-	-	225,874	0.1252%	0.0000%	0.1252%
6 Culver City	1,322,496	1,610,419	1.00	1,610,419	3,673,208	3,673,208	2,497,852	1.3850%	0.0000%	1.3850%
7 Foothill Transit	9,481,433	7,409,609	1.75	4,234,062	14,221,000	14,221,000	11,851,217	6.5710%	0.0000%	6.5710%
8 Gardena	1,224,431	1,363,343	1.00	1,363,343	3,703,600	3,703,600	2,464,016	1.3662%	0.0000%	1.3662%
9 La Mirada	53,433	23,664	1.00	23,664	-	23,664	38,549	0.0214%	0.0000%	0.0214%
10 Long Beach	6,574,719	9,408,152	1.25	7,526,522	15,972,456	15,972,456	11,273,588	6.2508%	0.0000%	6.2508%
11 Montebello	1,511,957	1,978,682	1.10	1,798,802	5,855,556	5,855,556	3,683,757	2.0425%	0.0000%	2.0425%
12 Norwalk	652,780	606,942	1.25	485,554	2,094,068	2,094,068	1,373,424	0.7615%	0.0000%	0.7615%
13 Redondo Beach DR	58,311	9,903	1.00	9,903	-	9,903	34,107	0.0189%	0.0000%	0.0189%
14 Redondo Beach MB	344,473	197,413	1.00	197,413	-	197,413	270,943	0.1502%	0.0000%	0.1502%
15 Santa Monica	3,883,642	6,351,059	1.25	5,080,847	14,661,333	14,661,333	9,272,488	5.1412%	0.0000%	5.1412%
16 Torrance	1,418,179	888,428	1.00	888,428	4,510,000	4,510,000	2,964,090	1.6435%	0.0000%	1.6435%
17 Sub-Total	98,464,475	130,665,818		80,840,453		262,246,106	180,355,291	100.0000%	0.0000%	100.0000%
Eligible Operators										
18 Antelope Valley	2,859,603	2,198,306	1.50	1,465,537	3,543,241	3,543,241	3,201,422	1.6615%	0.0000%	1.6615%
19 Santa Clarita (5), (6)	2,263,524	1,408,606	1.25	1,126,885	1,639,466	1,639,466	1,951,495	1.0128%	0.0000%	1.0128%
20 LADOT Local	2,839,576	71,716	0.50	143,432	6,727,520	6,727,520	4,783,548	2.4825%	0.0000%	2.4825%
21 LADOT Express	1,638,482	662,474	1.50	441,649	3,152,832	3,152,832	2,395,657	1.2433%	0.0000%	1.2433%
22 Foothill - BSCP	1,239,103	962,609	1.75	550,062	1,650,000	1,650,000	1,444,552	0.7441%	0.0000%	0.7441%
23 Sub-Total	10,840,288	5,303,711		3,727,566		16,713,059	13,776,674	7.1442%	0.0000%	7.1442%
24 Total	109,304,763	\$ 135,969,529		84,568,019		278,959,165	194,131,964			

Notes:

(1) Operator statistics exclude BSIP, TSE, Base Restructuring, and MOSIP services funded from PC 40% Discretionary. Services funded from other sources, such as federal funds, are also excluded.

(2) Fare units in **bold** remain frozen at their pre-fare change levels in accordance with the Funding Stability Policy adopted by the Board in November 2007.

(3) TDA cap of 0.25% is applied for DAR operators - Arcadia, Claremont, La Mirada and Redondo Beach DR.

(4) MTA Statistics include contracted services with LADOT for Lines 422, 601 and 602 (Consent Decree Lines), Glendale and Palos Verdes Peninsula Transit Authority (PVPTA).

(5) Santa Clarita increased their base fare from \$1.00 to \$1.25 in FY24.

(6) Santa Clarita experienced a two-month strike in FY24. Adjustments were made for FTA apportionment and FAP allocations as follows: The average data from the nine unaffected months of the reporting year will be used to estimate the data loss during the strike period.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

INCLUDED & ELIGIBLE OPERATORS ESTIMATED FUNDING LEVELS

	Operators	TDA & STA % Shares	TDA Article 4 plus interest			STA	Prop A	Prop A	Total
			Allocated	Fund Exchange (1)	Net	Rev Base Share	Discretionary % Shares	Discretionary Allocations (2)	Formula
						Plus Interest			Funds
	Included Operators								
1	Metro Bus Operations	74.4030%	\$ 312,564,898	\$ (3,500,305)	\$ 309,064,593	\$ 82,380,794	74.4030%	\$ 220,495,767	\$ 611,941,153
2	Arcadia DR	0.0402%	168,678	-	168,678	44,457	0.0402%	118,992	332,127
3	Arcadia MB	0.0485%	203,819	28,533	232,352	53,719	0.0485%	143,782	429,852
4	Claremont	0.0309%	129,701	8,100	137,801	34,184	0.0309%	91,496	263,482
5	Commerce	0.1252%	526,121	75,201	601,322	138,667	0.1252%	371,147	1,111,136
6	Culver City	1.3850%	5,818,184	271,257	6,089,441	1,533,463	1.3850%	4,104,379	11,727,283
7	Foothill Transit	6.5710%	27,604,741	-	27,604,741	7,275,610	6.5710%	19,473,487	54,353,838
8	Gardena	1.3662%	5,739,369	244,514	5,983,883	1,512,690	1.3662%	4,048,780	11,545,354
9	La Mirada	0.0214%	89,790	15,529	105,319	23,665	0.0214%	63,341	192,326
10	Long Beach (3)	6.2508%	26,259,284	1,434,873	27,694,157	6,920,997	6.2508%	18,524,348	53,139,502
11	Montebello	2.0425%	8,580,481	-	8,580,481	2,261,504	2.0425%	6,053,014	16,895,000
12	Norwalk	0.7615%	3,199,082	163,130	3,362,212	843,162	0.7615%	2,256,760	6,462,134
13	Redondo Beach DR	0.0189%	79,445	-	79,445	20,939	0.0189%	56,043	156,427
14	Redondo Beach MB	0.1502%	631,101	51,587	682,688	166,335	0.1502%	445,204	1,294,227
15	Santa Monica	5.1412%	21,598,172	844,105	22,442,277	5,692,496	5.1412%	15,236,213	43,370,987
16	Torrance	1.6435%	6,904,179	363,476	7,267,655	1,819,692	1.6435%	4,870,484	13,957,831
17	Sub-Total Excluding Metro	100.0000%	420,097,045	-	420,097,045	110,722,375	100.0000%	296,353,239	827,172,660
	Eligible Operators		Formula Equivalent Funded from Proposition A 95% of 40% Growth over CPI (4)						
18	Antelope Valley (5)	1.6615%	-	\$ 360,886	\$ 360,886	\$ 1,839,607	1.6615%	\$ 4,923,787	\$ 7,124,280
19	Santa Clarita (5)	1.0128%	-	461,788	461,788	1,121,371	1.0128%	3,001,399	4,584,559
20	LADOT Local	2.4825%	10,429,090		10,429,090	2,748,731	2.4825%	7,357,097	20,534,918
21	LADOT Express	1.2433%	5,223,011		5,223,011	1,376,597	1.2433%	3,684,520	10,284,128
22	Foothill - BSCP	0.7441%	3,125,976		3,125,976	823,894	0.7441%	2,205,188	6,155,058
23	Sub-Total	7.1442%	18,778,077	822,674	19,600,751	7,910,199	7.1442%	21,171,992	48,682,942
24	Total FAP		\$ 420,097,045		\$ 420,097,045	\$ 110,722,375	107.1442%	\$ 296,353,239	\$ 875,855,601
Proposition A Discretionary (95% of 40%) Growth Over CPI:									
25	Revenue								\$ 89,916,761
Uses of Fund:									
26	Eligible Operators - Formula Equivalent Funds								48,682,942
27	Tier 2 Operators (6)								8,912,341
28	Total Uses of Funds								57,595,283
29	Proposition A Discretionary (95% of 40%) GOI Transfer to PC 40% based on Board policy.								
30	Backfill from (Transfer to) PC40% Discretionary								
31	Total								(32,321,478)
									\$ -

Notes:

- (1) Included Operators' share of LCTOP fund will be exchanged with Metro's TDA Article 4 allocation.
- (2) Prop A Discretionary funds (95% of 40%) allocated to Included Operators have been capped at 3.00% CPI for FAP allocation.
- (3) Funds allocated to the SCRTTC through Long Beach Transit will be exchanged with Metro's share of TDA Article 4 funds.
- (4) Formula Equivalent funds are allocated by formula to Eligible Operators based on PUC 99207.5. Fund source is Prop A 95% of 40% growth over CPI.
- (5) Antelope Valley and Santa Clarita's LCTOP fund will be exchanged with Metro's Prop C 40% Discretionary transfer to Proposition A Discretionary GOI.
- (6) In FY24, the Board approved increasing the funding cap to Tier 2 operators, from \$6 million to \$8.2 million, with annual increases indexed to CPI.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

PROPOSITION C 5% TRANSIT SECURITY FUNDING ALLOCATION

	Operators	FY24 Unlinked Passengers	Percent of Total Unlinked Passengers	Total ⁽¹⁾
1	Antelope Valley	1,560,004	0.4242%	\$ 181,087
2	Arcadia	49,400	0.0134%	5,734
3	Claremont	14,853	0.0040%	1,724
4	Commerce	561,711	0.1528%	65,204
5	Culver City	2,887,456	0.7852%	335,179
6	Foothill Transit	9,036,679	2.4574%	1,048,986
7	Gardena	2,170,007	0.5901%	251,897
8	LADOT Local/Express	14,730,889	4.0059%	1,709,976
9	La Mirada	30,153	0.0082%	3,500
10	Long Beach	18,503,348	5.0318%	2,147,886
11	Montebello	2,798,186	0.7609%	324,816
12	Norwalk	1,140,644	0.3102%	132,407
13	Redondo Beach DR/MB	260,615	0.0709%	30,252
14	Santa Clarita	2,224,825	0.6050%	258,260
15	Santa Monica	8,604,201	2.3398%	998,784
16	Torrance	2,050,332	0.5576%	238,005
17	Sub-Total	66,623,303	18.1174%	7,733,697
18	Metro Bus/Rail Operations ⁽²⁾	301,108,263	81.8826%	34,952,937
19	Total	367,731,566	100.0000%	\$ 42,686,634

Notes:

(1) Total funding is 90% of Prop C 5% Transit Security:

Estimated Revenue: \$	47,429,594
90% Thereof: \$	42,686,634

(2) Metro operations data includes unlinked passengers for bus and rail.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

PROPOSITION C 40% DISCRETIONARY PROGRAMS

	Operators	MOSIP			Zero-fare Compensation ⁽¹⁾	Foothill Transit Mitigation	Transit Service Expansion	Discretionary Base Restructuring	BSIP Overcrowding Relief	Total
		Prop A % Share	% Share	\$ Allocation						
	<u>INCLUDED OPERATORS</u>									
1	Metro Bus Operations					\$ 11,598,920	\$ -	\$ -	\$ 13,765,608	\$ 25,364,528
2	Metro Exchange ^{(2),(3)}					(1,035,635)			\$ (5,000,000)	(6,035,635)
3	Metro Sub-total					10,563,285			\$ 8,765,608	19,328,893
4	Arcadia	0.0887%	0.2708%	77,306	1,035,935	13,823	-	-	25,975	117,105
5	Claremont	0.0309%	0.0943%	26,918		4,813	-	-	-	31,731
6	Commerce	0.1252%	0.3825%	109,189		19,524	-	297,284	-	1,461,932
7	Culver City	1.3850%	4.2300%	1,207,480		215,906	286,550	-	200,243	1,910,179
8	Foothill Transit	6.5710%	20.0697%	5,728,967		-	396,610	2,380,015	1,108,069	9,613,662
9	Gardena	1.3662%	4.1727%	1,191,124		212,981	823,649	-	209,037	2,436,790
10	La Mirada	0.0214%	0.0653%	18,635		3,332	-	-	-	21,967
11	Long Beach	6.2508%	19.0915%	5,449,737		974,451	2,719,266	-	981,535	10,124,990
12	Montebello	2.0425%	6.2383%	1,780,756		318,412	-	1,357,643	259,095	3,715,905
13	Norwalk	0.7615%	2.3259%	663,923		118,714	-	-	67,037	849,675
14	Redondo Beach DR/MB	0.1691%	0.5166%	147,463		26,368	-	-	4,759	178,590
15	Santa Monica	5.1412%	15.7027%	4,482,390		801,483	-	-	949,640	6,233,513
16	Torrance	1.6435%	5.0196%	1,432,863		256,206	964,404	863,869	286,726	3,804,068
17	Sub-Total	25.5970%	78.1798%	22,316,752	1,035,935	2,966,013	5,190,480	4,898,811	4,092,115	40,500,105
	<u>ELIGIBLE OPERATORS</u>									
18	Antelope Valley	1.6615%	5.0745%	1,448,545		50,474	449,088	-	56,998	2,005,105
19	Santa Clarita	1.0128%	3.0933%	882,991		30,767	234,887	-	60,969	1,209,614
20	LADOT Local/Express	3.7258%	11.3797%	3,248,369		542,638	3,226,369	-	178,712	7,196,087
21	Foothill - BSCP	0.7441%	2.2727%	648,751		-	-	-	-	648,751
22	Sub-Total	7.1442%	21.8202%	6,228,656		623,879	3,910,344	-	296,680	11,059,558
23	City of Lynwood Trolley						257,064	-	-	257,064
24	Total Municipal Operators	32.7412%	100.0000%	28,545,408	1,035,935	3,589,892	9,357,887	4,898,811	4,388,795	51,816,727
25	Total	32.7412%	100.0000%	\$ 28,545,408	\$ 1,035,935	\$ 14,153,176	\$ 9,357,887	\$ 4,898,811	\$ 13,154,403	\$ 71,145,620
26	Last Year			27,713,988			\$ 9,085,327	\$ 4,756,127	\$ 17,625,634	
27	% Increase			3.00%		CPI	3.00%	3.00%	3.00%	
28	Current Year			\$ 28,545,408			\$ 9,357,887	\$ 4,898,811	\$ 18,154,403	

Note:

(1) Allocated as part of FAP to Commerce as compensation for having zero passenger revenues.

(2) The LCTOP funds of Antelope Valley, Santa Clarita, Burbank, and Glendale, totaling \$1,035,635, are set to be swapped with Metro's "Foothill Mitigation" fund / Prop A Discretionary GOI fund.

(3) The Infrastructure Investment Jobs Act (IIJA) resulted in greater than expected Federal 5307 grant funding. Thus, the Board approved in June 2022 to allocate these funds to LTSS, as follows: \$10 million (FY22), \$5 million (FY24), and \$5 million (FY26). Metro will exchange these funding amounts with PC 40.

MEASURE R 20% BUS OPERATIONS AND CAPITAL ALLOCATIONS

Operators	20% Bus Operations			Clean Fuel Bus Capital Facilities and Rolling Stock Fund ⁽¹⁾	
	Proposition A Base Share %	MR Percentage Share	Bus Operations Allocation	Federal Section 5307 Capital Allocation Formula Share	\$ Allocation
<u>Included Operators:</u>					
1 Metro Bus Operations	74.4030%	69.4420%	\$ 144,114,288	64.4767%	\$ 6,447,665
2 Arcadia	0.0887%	0.0828%	171,747	0.1734%	17,338
3 Claremont	0.0309%	0.0288%	59,801	0.0214%	2,141
4 Commerce	0.1252%	0.1169%	242,579	0.3655%	36,547
5 Culver City	1.3850%	1.2926%	2,682,590	1.3729%	137,292
6 Foothill Transit ⁽²⁾	6.5710%	6.1329%	12,727,717	8.9586%	895,860
7 Gardena	1.3662%	1.2751%	2,646,251	1.0475%	104,746
8 La Mirada	0.0214%	0.0199%	41,399	0.0633%	6,332
9 Long Beach	6.2508%	5.8340%	12,107,367	6.8259%	682,588
10 Montebello	2.0425%	1.9063%	3,956,202	1.4895%	148,947
11 Norwalk	0.7615%	0.7107%	1,475,001	0.6914%	69,139
12 Redondo Beach DR	0.0189%	0.0177%	36,630		
13 Redondo Beach MB	0.1502%	0.1402%	290,982	0.3327%	33,273
14 Santa Monica	5.1412%	4.7984%	9,958,269	4.1097%	410,967
15 Torrance	1.6435%	1.5339%	3,183,310	1.2461%	124,613
<u>Eligible Operators:</u>					
16 Antelope Valley	1.6615%	1.5507%	3,218,148	2.0874%	208,744
17 Santa Clarita	1.0128%	0.9452%	1,961,691	1.8243%	182,427
18 LADOT Local	2.4825%	2.3170%	4,808,540		
19 LADOT Express	1.2433%	1.1604%	2,408,173	4.9138%	491,382
20 Foothill BSCP	0.7441%	0.6945%	1,441,294	-	-
21 Total Municipal Operators	32.7412%	30.5580%	63,417,690	35.5233%	3,552,335
22 Total Funds Allocated	107.1442%	100.0000%	\$ 207,531,978	100.0000%	\$ 10,000,000

Notes:

(1) Clean Fuel Capital Facilities and Rolling Stock Funds of \$10M will be allocated every even fiscal year.

(2) Foothill Transit Clean Fuel allocation includes the allocation for the Foothill BSCP.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

MEASURE M 20% TRANSIT OPERATIONS

(Metro and Municipal Providers)

Operators		Measure M Percentage Share ⁽¹⁾	\$ Allocation
<u>Included Operators:</u>			
1	Metro Bus Operations	69.4420%	\$ 142,555,807
2	Arcadia	0.0828%	169,890
3	Claremont	0.0288%	59,155
4	Commerce	0.1169%	239,956
5	Culver City	1.2926%	2,653,580
6	Foothill Transit	6.1329%	12,590,077
7	Gardena	1.2751%	2,617,634
8	La Mirada	0.0199%	40,952
9	Long Beach	5.8340%	11,976,436
10	Montebello	1.9063%	3,913,419
11	Norwalk	0.7107%	1,459,050
12	Redondo Beach DR	0.0177%	36,233
13	Redondo Beach MB	0.1402%	287,835
14	Santa Monica	4.7984%	9,850,578
15	Torrance	1.5339%	3,148,885
<u>Eligible Operators:</u>			
16	Antelope Valley	1.5507%	3,183,347
17	Santa Clarita	0.9452%	1,940,477
18	LADOT Local	2.3170%	4,756,540
19	LADOT Express	1.1604%	2,382,131
20	Foothill BSCP	0.6945%	1,425,707
21	Total Municipal Operators	30.5580%	62,731,878
22	Total Funds Allocated	100.0000%	\$ 205,287,685

Notes:

(1) Metro adheres to the Measure R allocation methodology for Measure M 20% fund allocations.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

Senate Bill 1 - Road Repair and Accountability Act of 2017

	Operators	Measure R % Share ⁽¹⁾	State Transit Assistance	State of Good Repair ⁽²⁾	Total
	<u>Included Operators:</u>				
1	Metro Bus Operations	69.4420%	\$ 62,004,236	\$ 23,305,689	\$ 85,309,925
2	Arcadia	0.0828%	73,893	27,774	101,667
3	Claremont	0.0288%	25,729	9,671	35,400
4	Commerce	0.1169%	104,368	39,229	143,597
5	Culver City	1.2926%	1,154,167	433,820	1,587,986
6	Foothill Transit	6.1329%	5,476,017	2,058,285	7,534,302
7	Gardena	1.2751%	1,138,532	427,943	1,566,475
8	La Mirada	0.0199%	17,812	6,695	24,507
9	Long Beach	5.8340%	5,209,116	1,957,964	7,167,080
10	Montebello	1.9063%	1,702,130	639,784	2,341,914
11	Norwalk	0.7107%	634,609	238,532	873,142
12	Redondo Beach DR	0.0177%	15,760	5,924	21,683
13	Redondo Beach MB	0.1402%	125,193	47,057	172,250
14	Santa Monica	4.7984%	4,284,480	1,610,418	5,894,899
15	Torrance	1.5339%	1,369,598	514,794	1,884,393
	<u>Eligible Operators:</u>				
16	Antelope Valley	1.5507%	1,384,587	520,428	1,905,016
17	Santa Clarita	0.9452%	844,005	317,238	1,161,243
18	LADOT Local	2.3170%	2,068,843	777,621	2,846,465
19	LADOT Express	1.1604%	1,036,101	389,442	1,425,543
20	Foothill BSCP	0.6945%	620,107	233,081	853,188
21	Total Municipal Operators	30.5580%	27,285,049	10,255,701	37,540,749
22	County of Los Angeles		-	76,490	76,490
23	Total Funds Allocated	100.0000%	\$ 89,289,284	\$ 33,637,880	\$ 122,927,164

Notes:

(1) The STA and SGR portions of SB1 fund will be distributed based on Measure R allocation methodology.

(2) Preliminary estimates. Subject to the submittal of eligible projects.

LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
Fund Exchange between LA County Transit Operators & Metro

	Operators	LCTOP Share ⁽¹⁾	TDA 4 Fund Exchange ⁽²⁾	Prop A GOI / Prop C 40% Fund Exchange ⁽³⁾	Net Funds Available
1	Metro Bus Ops.		\$ (3,140,305)	\$ (1,035,635)	\$ (4,175,940)
2	Antelope Valley	\$ (360,886)		360,886	-
3	Arcadia	(28,533)	28,533		-
4	Claremont	(8,100)	8,100		-
5	Commerce	(75,201)	75,201		-
6	Culver City	(271,257)	271,257		-
7	Foothill Transit	-	-		-
8	Gardena	(244,514)	244,514		-
9	La Mirada	(15,529)	15,529		-
10	Long Beach	(1,074,873)	1,074,873		-
11	Montebello	-	-		-
12	Norwalk	(163,130)	163,130		-
13	Redondo Beach	(51,587)	51,587		-
14	Santa Clarita	(461,788)		461,788	-
15	Santa Monica	(844,105)	844,105		-
16	Torrance	(363,476)	363,476		-
17	Tier Two Operators				
18	Burbank	(66,930)		66,930	-
19	Glendale	(146,031)		146,031	-
20	Pasadena	-		-	-
21	TOTAL	\$ (4,175,940)	\$ -	\$ -	\$ (4,175,940)

Note:

(1) Estimated - To be adjusted based on actual allocations.

(2) Included Operators' share of LCTOP fund will be exchanged with Metro's TDA Article 4 allocation.

(3) LCTOP fund will be exchanged with Metro's "Foothill Mitigation Fund" share. Metro will allocate Proposition A Discretionary (95% of 40%) GOI fund to these operators.

Los Angeles County Metropolitan Transportation Authority
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ATTACHMENT A

TIER 2 OPERATORS ESTIMATED FUNDING LEVELS

Operators		Vehicle Service Miles FY24 data	Passenger Revenue	Base Fare	Fare Units (1)	50% VSM + 50% Fare Units	% Share		
1	LADOT Community Dash	3,786,526	\$ 1,003	\$ 0.50	16,808,232	10,297,379	4.9798%		
2	Glendale	782,544	490,286	1.00	2,187,836	1,485,190	0.7182%		
3	Pasadena	724,016	503,899	0.75	671,865	697,941	0.3375%		
4	Burbank	232,511	112,376	1.00	112,376	172,444	0.0834%		
5	Sub-Total	5,525,597	1,107,564		19,780,309	12,652,953	6.1189%		
6	Included and Eligible Operators	109,304,763	135,969,529		84,568,019	194,131,964	93.8811%		
7	Total	114,830,360	\$ 137,077,093		104,348,328	206,784,917	100.0000%		
			% Share	TDA Article 4 + Interest	STA + Interest	Proposition A 95% of 40% Discretionary	Total		
8	Funds Allocated to Included Operators			\$ 420,097,045	\$ 110,722,375	\$ 296,353,239	\$ 827,172,660		
Formula Equivalent Calculation									
9	LADOT Community Dash		4.9798%	\$ 20,919,797	\$ 5,513,701	\$ 14,757,661	\$ 41,191,159		
10	Glendale		0.7182%	3,017,260	795,241	2,128,496	5,940,997		
11	Pasadena		0.3375%	1,417,912	373,710	1,000,252	2,791,874		
12	Burbank		0.0834%	350,330	92,334	247,137	689,802		
13	Total		6.1189%	\$ 25,705,300	\$ 6,774,987	\$ 18,133,545	\$ 50,613,831		
Funds Allocated to Tier 2 Operators 17.19% (2)							MTA Allocations (3)	LCTOP fund Exchange (4)	FY26 Total Funds Available
Actual Allocation									
14	LADOT Community Dash		\$ 3,595,643	\$ 947,681	\$ 2,536,510	\$ 7,079,834	\$ -	\$ 7,079,834	
15	Glendale		518,599	136,684	365,841	1,021,124	146,031	1,167,155	
16	Pasadena		243,707	64,232	171,921	479,860	-	479,860	
17	Burbank		60,214	15,870	42,477	118,561	66,930	185,491	
18	Total		\$ 4,418,163	\$ 1,164,468	\$ 3,116,749	\$ 8,699,380	\$ 212,961	\$ 8,912,341	

		Prop A Incentive Allocation (5)	Before Tier 2 GOI Allocation	GOI Allocation Deduction	Net Prop A Incentive Allocation
19	LADOT Community Dash	\$ 2,865,746	\$ (492,557)	\$ 2,373,188	
20	Glendale	492,811	(84,703)	408,108	
21	Pasadena	426,911	(73,376)	353,534	
22	Burbank	132,188	(22,720)	109,468	
23	Total	\$ 3,917,656	\$ (673,357)	\$ 3,244,299	

Notes:

(1) Funding Stability Policy is applied on LADOT and Glendale Fare Units.

(2) This percentage is applied as a deduction from Tier 2 Operators' Incentive Program allocations.

(3) The Board approved increasing the Tier 2 funding from \$6 million to \$8.2 million in FY24, with annual adjustments indexed to CPI. The CPI for FY26 is 3.0%.

(4) Burbank and Glendale's LCTOP fund will be exchanged with Metro's "Foothill Mitigation" Fund. Metro will allocate Prop A Discretionary (95% of 40%) GOI funds to these operators.

(5) Estimated - to be Adjusted to Actual apportionment.

II. LOCAL SUBSIDIES

PROPOSITION A 5% OF 40% DISCRETIONARY PROGRAMS

PRIORITY I: EXISTING SUB-REGIONAL PARATRANSIT PROJECTS ⁽¹⁾		Total Allocation
1	Agoura Hills	\$ 63,562
2	Antelope Valley, Elderly & Disabled	1,155,120
3	Culver City Community Transit and LA County	135,791
4	Gardena, Hawthorne and LA County	175,324
5	Glendale Paratransit and La Canada Flintridge	303,894
6	Inglewood Transit and Hawthorne	266,475
7	LA County (Whittier et al)	187,096
8	LA County (Willowbrook)	73,597
9	Los Angeles Taxi & Lift Van, City Ride ⁽²⁾	541,635
10	Los Angeles Dial-a-Ride, City Ride ⁽²⁾	1,939,700
11	Monrovia D.A.R. and LA County	284,900
12	Palos Verdes PTA D.A.R.	6,454
13	Palos Verdes PTA - PV Transit	702,850
14	Pasadena Community Transit, San Marino and LA County	650,775
15	Pomona Valley TA - E&D (Get About)	969,971
16	Pomona Valley TA General Public (VC)	93,167
17	Santa Clarita D.A.R.	2,018,673
18	West Hollywood (DAR)	218,627
19	Whittier (DAR)	485,596
20	TOTAL EXISTING SUB-REGIONAL PARATRANSIT PROJECTS	\$ 10,273,206
PRIORITY II: SERVICES THAT RECEIVE GROWTH OVER INFLATION (IF PROP A DISC. CANNOT FULLY FUND THESE SYSTEMS)		
21	City of L.A. - Bus Service Continuation Project/DASH/Central City Shuttle	\$ -
22	Santa Clarita - Local Fixed Route	-
23	Antelope Valley - Local Fixed Route	-
24	Foothill - Bus Service Continuation Project	-
25	(IF PROP A DISC. CANNOT FULLY FUND THESE	\$ -
26	PRIORITY III: APPROVED EXISTING EXPANDED PARATRANSIT	\$ -
27	PRIORITY IV: APPROVED NEW EXPANDED PARATRANSIT SERVICES	\$ -

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ATTACHMENT A

PROPOSITION A 5% OF 40% DISCRETIONARY PROGRAMS (Continued)

(In Order of Priority)

Priority V: VOLUNTARY NTD DATA REPORTING (Estimated - to be Adjusted to Actual apportionment) FY23 NTD Report Year		Estimate	Tier 2 Deduction	Total Allocation
28	City of Alhambra (MB and DR)	\$ 160,719		\$ 160,719
29	City of Artesia (DR)	15,927		15,927
30	City of Azusa (DR)	47,431		47,431
31	City of Baldwin Park (MB and DR)	126,301		126,301
32	City of Bell (MB, DR and DT)	20,953		20,953
33	City of Bell Gardens (MB and DR)	71,636		71,636
34	City of Bellflower (MB and DR)	48,795		48,795
35	City of Burbank (MB)* (2)	132,188	(22,720)	109,468
36	City of Calabasas (MB and DR)	53,344		53,344
37	City of Carson (MB, DR and DT)	67,719		67,719
38	City of Cerritos (MB and DR)	80,183		80,183
39	City of Compton (MB and DR)	102,926		102,926
40	City of Covina (DR)	28,531		28,531
41	City of Cudahy (MB and DR)	26,615		26,615
42	City of Downey (MB and DR)	82,441		82,441
43	City of Duarte (MB)	-		-
44	City of El Monte (MB and DR)	134,167		134,167
45	City of Glendora (MB and DR)	52,917		52,917
46	City of Glendale (MB)* (2)	492,811	(84,703)	408,108
47	City of Huntington Park (MB)	70,353		70,353
48	City of Los Angeles -- Community DASH* (MB) (2)	2,865,746	(492,557)	2,373,188
49	City of Los Angeles -- Department of Aging (DR) (2)	177,695		177,695
50	LA County Dept. of Public Works -- Avocado Heights (MB)	21,992		21,992
51	LA County Dept. of Public Works -- East Valinda (MB)	24,993		24,993
52	LA County Dept. of Public Works -- East LA (MB and DR)	144,857		144,857
53	LA County Dept. of Public Works -- Willowbrook (MB)	42,058		42,058
54	LA County Dept. of Public Works -- King Medical (MB)	19,277		19,277
55	LA County Dept. of Public Works -- Athens (MB)	20,888		20,888
56	LA County Dept. of Public Works -- Lennnox (MB)	16,203		16,203
57	LA County Dept. of Public Works -- South Whittier (MB)	109,816		109,816
58	LA County Dept. of Public Works -- Florance/Firestone (MB)	33,254		33,254
59	City of Lakewood (DR)	27,638		27,638
60	City of Lawndale (MB)	50,657		50,657
61	City of Lynwood (MB)	80,610		80,610
62	City of Malibu (DT)	2,891		2,891
63	City of Manhattan Beach (DR)	12,533		12,533
64	City of Maywood (MB and DR)	28,880		28,880
65	City of Monterey Park (MB and DR)	168,067		168,067
66	City of Pasadena (MB)*	426,911	(73,376)	353,534
67	City of Pico Rivera (DR)	12,983		12,983
68	City of Rosemead (MB and DR)	88,591		88,591
69	City of Santa fe Springs (DR)	9,654		9,654
70	City of South Gate (DT and MB)	134,944		134,944
71	City of South Pasadena (DR)	14,152		14,152
72	City of West Covina (MB and DR)	106,893		106,893
73	City of West Hollywood (MB)	63,600		63,600
74	TOTAL VOLUNTARY NTD DATA REPORTING	\$ 6,521,739	\$ (673,357)	\$ 5,848,382

PROPOSITION A 5% OF 40% DISCRETIONARY PROGRAMS (Continued)
(In Order of Priority)

PRIORITY VI: SPECIAL DEMONSTRATION PROJECTS		Total Allocation
75	Avalon Ferry Subsidy (3)	\$ 800,000
76	Avalon Transit Services (Jitney and Dial-a-Ride) (3)	200,000
77	Hollywood Bowl Shuttle Service	1,057,000
78	TOTAL SPECIAL DEMONSTRATION PROJECTS	\$ 2,057,000
79	Total funds	\$ 18,178,589
80	Reserves for contingencies (4)	119,028
81	TOTAL ESTIMATED REVENUE	\$ 18,297,617
82	Surplus (Deficit)	\$ -

NOTES:

- (1) Priority I allocations are now based on new Board approved Prop A Incentive guidelines.
- (2) Tier 2 Operators' share have been reduced by % of GOI Funding per Tier 2 Operators Funding Program.
- (3) Avalon's subsidy total remains unchanged. The City has requested that Metro adjust the Ferry and Land Transit subsidy from a \$7K/\$3K split to an \$8K/\$2K split, reflecting the increase in ferry fares.
- (4) These funds are held in reserve for future contingency purposes such as deficit years, growth over inflation, approved new or existing expanded paratransit services, and new NTD reporters.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

LOCAL RETURN

& TDA Article 3 & 8

LOCAL JURISDICTION	Population DOF Report 2024 data ⁽¹⁾	Population as % of County	Proposition A Local Return Estimate ⁽²⁾	Proposition C Local Return Estimate ⁽²⁾	Measure R Local Return Estimate ⁽²⁾	Measure M Local Return Estimate	TDA Article 3 Ped & Bike (A)	TDA Article 8 (S & H)		Total
								Population	Article 8 Allocation	
1 AGOURA HILLS	19,841	0.2020%	\$ 513,238	\$ 425,717	\$ 319,288	\$ 361,860	\$ 15,859		\$ -	\$ 1,635,961
2 ALHAMBRA	81,811	0.8328%	2,116,249	1,755,373	1,316,529	1,492,067	65,351			6,745,568
3 ARCADIA	55,783	0.5678%	1,442,969	1,196,904	897,678	1,017,369	44,564			4,599,484
4 ARTESIA	16,019	0.1631%	414,372	343,711	257,783	292,154	12,806			1,320,826
5 AVALON	3,313	0.0337%	85,699	71,085	53,314	60,422	5,000	3,313	156,044	431,565
6 AZUSA	49,420	0.5030%	1,278,373	1,060,377	795,283	901,321	39,482			4,074,836
7 BALDWIN PARK	70,660	0.7193%	1,827,800	1,516,112	1,137,084	1,288,695	56,445			5,826,136
8 BELL	33,301	0.3390%	861,415	714,521	535,891	607,343	26,609			2,745,777
9 BELLFLOWER	76,990	0.7837%	1,991,541	1,651,931	1,238,948	1,404,141	61,500			6,348,063
10 BELL GARDENS	38,381	0.3907%	992,822	823,520	617,640	699,992	30,666			3,164,638
11 BEVERLY HILLS	31,806	0.3238%	822,743	682,443	511,833	580,077	25,415			2,622,510
12 BRADBURY	898	0.0091%	23,229	19,268	14,451	16,378	5,000			78,326
13 BURBANK	105,603	1.0749%	2,731,689	2,265,864	1,699,398	1,925,985	84,352			8,707,288
14 CALABASAS	22,742	0.2315%	588,279	487,962	365,972	414,768	18,176			1,875,157
15 CARSON	91,924	0.9357%	2,377,847	1,972,362	1,479,271	1,676,507	73,427			7,579,415
16 CERRITOS	47,806	0.4866%	1,236,623	1,025,746	769,310	871,885	38,193			3,941,757
17 CLAREMONT	37,686	0.3836%	974,844	808,607	606,455	687,316	30,111			3,107,333
18 COMMERCE	12,124	0.1234%	313,618	260,138	195,103	221,117	9,696			999,672
19 COMPTON	93,671	0.9535%	2,423,038	2,009,846	1,507,385	1,708,369	74,823			7,723,460
20 COVINA	50,485	0.5139%	1,305,922	1,083,228	812,421	920,744	40,332			4,162,648
21 CUDAHY	22,210	0.2261%	574,518	476,547	357,411	405,065	17,751			1,831,292
22 CULVER CITY	40,213	0.4093%	1,040,211	862,828	647,121	733,404	32,129			3,315,692
23 DIAMOND BAR	53,335	0.5429%	1,379,645	1,144,379	858,284	972,722	42,609			4,397,639
24 DOWNEY	111,493	1.1349%	2,884,049	2,392,243	1,794,182	2,033,406	89,056			9,192,936
25 DUARTE	23,656	0.2408%	611,922	507,573	380,680	431,437	18,906			1,950,519
26 EL MONTE	106,786	1.0870%	2,762,290	2,291,247	1,718,435	1,947,560	85,297			8,804,830
27 EL SEGUNDO	16,964	0.1727%	438,817	363,987	272,990	309,389	13,561			1,398,744
28 GARDENA	60,028	0.6110%	1,552,776	1,287,987	965,990	1,094,789	47,954			4,949,496
29 GLENDALE	191,586	1.9502%	4,955,857	4,110,753	3,083,065	3,494,140	153,022			15,796,837
30 GLENORA	51,209	0.5213%	1,324,651	1,098,763	824,072	933,948	40,911			4,222,344
31 HAWAIIAN GARDENS	13,560	0.1380%	350,764	290,949	218,212	247,307	10,842			1,118,074
32 HAWTHORNE	85,566	0.8710%	2,213,381	1,835,942	1,376,956	1,560,550	68,350			7,055,179
33 HERMOSA BEACH	19,088	0.1943%	493,759	409,560	307,170	348,126	15,257			1,573,874
34 HIDDEN HILLS	1,727	0.0176%	44,673	37,055	27,791	31,497	5,000			146,017
35 HUNTINGTON PARK	53,219	0.5417%	1,376,644	1,141,890	856,418	970,607	42,516			4,388,075

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

LOCAL RETURN

& TDA Article 3 & 8 (Continued)

LOCAL JURISDICTION	Population DOF Report 2023 data ⁽¹⁾	Population as % of County	Proposition A Local Return Estimate ⁽²⁾	Proposition C Local Return Estimate ⁽²⁾	Measure R Local Return Estimate ⁽²⁾	Measure M Local Return Estimate	TDA Article 3 Ped & Bike (A)	TDA Article 8 (S & H)		Total
								Population	Article 8 Allocation	
36 INDUSTRY (B)	426	0.0043%	11,020	9,140	6,855	7,769	-			34,785
37 INGLEWOOD	106,065	1.0796%	2,743,640	2,275,777	1,706,833	1,934,411	84,721			8,745,381
38 IRWINDALE	1,499	0.0153%	38,775	32,163	24,122	27,339	5,000			127,400
39 LA CANADA-FLINTRIDGE	20,048	0.2041%	518,592	430,159	322,619	365,635	16,024			1,653,029
40 LA HABRA HEIGHTS	5,488	0.0559%	141,961	117,753	88,315	100,090	5,000			453,119
41 LAKEWOOD	80,162	0.8160%	2,073,593	1,719,991	1,289,993	1,461,992	64,034	172,631	8,131,009	6,609,603
42 LA MIRADA	48,077	0.4894%	1,243,633	1,031,561	773,671	876,827	38,409			3,964,102
43 LANCASTER	172,631	1.7572%	4,465,538	3,704,046	2,778,035	3,148,439	137,883			22,364,951
44 LA PUENTE	37,459	0.3813%	968,972	803,737	602,803	683,176	29,929			3,088,617
45 LA VERNE	31,697	0.3226%	819,923	680,105	510,079	578,089	25,327			2,613,523
46 LAWDALE	30,855	0.3141%	798,143	662,038	496,529	562,733	24,655			2,544,098
47 LOMITA	20,320	0.2068%	525,628	435,995	326,996	370,596	16,241			1,675,456
48 LONG BEACH	458,813	4.6703%	11,868,361	9,844,493	7,383,370	8,367,819	366,441			37,830,482
49 LOS ANGELES CITY	3,814,318	38.8262%	98,666,997	81,841,678	61,381,258	69,565,426	3,461,663			314,917,023
50 LYNWOOD	66,271	0.6746%	1,714,267	1,421,940	1,066,455	1,208,649	52,940			5,464,250
51 MALIBU	10,621	0.1081%	274,739	227,889	170,917	193,706	8,495			875,745
52 MANHATTAN BEACH	34,195	0.3481%	884,540	733,703	550,277	623,647	27,322			2,819,490
53 MAYWOOD	24,451	0.2489%	632,487	524,631	393,474	445,937	19,541			2,016,069
54 MONROVIA	38,087	0.3877%	985,217	817,211	612,909	694,630	30,431			3,140,397
55 MONTEBELLO	61,930	0.6304%	1,601,976	1,328,797	996,598	1,129,478	49,473			5,106,322
56 MONTEREY PARK	59,347	0.6041%	1,535,160	1,273,375	955,031	1,082,369	47,410	166,055	7,821,276	4,893,346
57 NORWALK	101,172	1.0298%	2,617,070	2,170,791	1,628,093	1,845,172	80,813			8,341,939
58 PALMDALE	166,055	1.6903%	4,295,433	3,562,949	2,672,212	3,028,506	132,632			21,513,008
59 PALOS VERDES ESTATE	12,974	0.1321%	335,605	278,376	208,782	236,619	10,374			1,069,757
60 PARAMOUNT	52,153	0.5309%	1,349,069	1,119,018	839,263	951,165	41,665			4,300,180
61 PASADENA	139,692	1.4219%	3,613,487	2,997,293	2,247,970	2,547,699	111,577			11,518,025
62 PICO RIVERA	60,820	0.6191%	1,573,263	1,304,981	978,735	1,109,233	48,586			5,014,799
63 POMONA	152,166	1.5489%	3,936,159	3,264,940	2,448,705	2,775,199	121,539			12,546,543
64 RANCHO PALOS VERDES	40,919	0.4165%	1,058,474	877,976	658,482	746,280	32,693			3,373,904
65 REDONDO BEACH	68,239	0.6946%	1,765,175	1,464,166	1,098,124	1,244,541	54,511			5,626,517
66 ROLLING HILLS	1,677	0.0171%	43,380	35,982	26,987	30,585	5,000			141,934
67 ROLLING HILLS ESTATES	8,534	0.0869%	220,754	183,109	137,332	155,643	6,829			703,666
68 ROSEMEAD	50,541	0.5145%	1,307,371	1,084,430	813,322	921,765	40,377			4,167,266
69 SAN DIMAS	33,920	0.3453%	877,427	727,802	545,852	618,632	27,103			2,796,816
70 SAN FERNANDO	23,643	0.2407%	611,586	507,295	380,471	431,200	18,895			1,949,447

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

LOCAL RETURN

& TDA Article 3 & 8 (Continued)

LOCAL JURISDICTION	Population DOF Report 2023 data ⁽¹⁾	Population as % of County	Proposition A Local Return Estimate ⁽²⁾	Proposition C Local Return Estimate ⁽²⁾	Measure R Local Return Estimate ⁽²⁾	Measure M Local Return Estimate	TDA Article 3 Ped & Bike (A)	TDA Article 8 (S & H)		Total
								Population	Article 8 Allocation	
71 SAN GABRIEL	38,613	0.3930%	998,823	828,497	621,373	704,223	30,851			3,183,767
72 SAN MARINO	12,379	0.1260%	320,214	265,609	199,207	225,768	9,899			1,020,698
73 SANTA CLARITA	230,428	2.3455%	5,960,604	4,944,164	3,708,123	4,202,539	184,043	230,428	10,853,278	29,852,751
74 SANTA FE SPRINGS	18,640	0.1897%	482,171	399,948	299,961	339,956	14,900			1,536,935
75 SANTA MONICA	92,912	0.9458%	2,403,404	1,993,561	1,495,170	1,694,526	74,216			7,660,878
76 SIERRA MADRE	10,909	0.1110%	282,189	234,068	175,551	198,958	8,725			899,492
77 SIGNAL HILL	11,448	0.1165%	296,132	245,633	184,225	208,788	9,156			943,934
78 SOUTH EL MONTE	19,441	0.1979%	502,891	417,135	312,851	354,564	15,539			1,602,980
79 SOUTH GATE	92,729	0.9439%	2,398,670	1,989,634	1,492,226	1,691,189	74,070			7,645,789
80 SOUTH PASADENA	26,270	0.2674%	679,540	563,661	422,745	479,112	20,993			2,166,051
81 TEMPLE CITY	35,975	0.3662%	930,585	771,895	578,922	656,111	28,744			2,966,257
82 TORRANCE	142,910	1.4547%	3,696,729	3,066,340	2,299,755	2,606,389	114,147			11,783,359
83 VERNON	205	0.0021%	5,303	4,399	3,299	3,739	5,000			21,739
84 WALNUT	27,867	0.2837%	720,851	597,927	448,445	508,238	22,269			2,297,728
85 WEST COVINA	109,105	1.1106%	2,822,277	2,341,005	1,755,754	1,989,854	87,149			8,996,038
86 WEST HOLLYWOOD	35,075	0.3570%	907,304	752,585	564,438	639,697	28,025			2,892,049
87 WESTLAKE VILLAGE	7,902	0.0804%	204,405	169,549	127,162	144,116	6,324			651,556
88 WHITTIER	87,527	0.8909%	2,264,108	1,878,018	1,408,513	1,596,315	69,916			7,216,869
89 UNINCORP LA COUNTY	997,587	10.1545%	25,805,115	21,404,664	16,053,498	18,193,964	1,765,933	136,022	6,406,706	89,629,879
90 TOTAL	9,824,091	100.0000%	\$ 254,125,000	\$ 210,790,000	\$ 158,092,500	\$ 179,171,500	\$ 9,254,395	708,449	\$ 33,368,313	\$ 844,801,708

NOTES:

(1) Population estimates are based on State of California Department of Finance's (DOF) 2024 population estimates. The Unincorporated Population figure for TDA Article 8 is based on 2007 estimates by Urban Research.

(2) Proposition A, Proposition C, Measure R and Measure M Local Return funds are allocated their share of estimated revenues (minus administration) without carryover since payments are made based on actual revenues received.

TDA Article 3 Allocation:

(A) 15% of the estimated revenue is first awarded to the City of Los Angeles and Los Angeles County (30%-70% split) as Supplemental Allocation.

(B) City of Industry has opted out of the TDA Article 3 program indefinitely.

III. BUS TRANSIT SUBSIDIES

Federal Formula Grants

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

FEDERAL FORMULA GRANTS REVENUE ESTIMATES ⁽¹⁾

Los Angeles County Share of Los Angeles-Long Beach-Anaheim UZA

1	<u>Section 5307 Urbanized Area Formula Grants:</u>		
	Estimated Revenue		\$ 317,393,172
2		Estimated Revenue	\$ 317,393,172
3		Off the Top:	
		1% Enhancement Allocation	<u>(3,173,932)</u>
4			\$ 314,219,240
5		85% Formula Allocation	\$ 267,086,354
6		Allocated to LTSS	\$ 5,000,000
7		Allocated to Munis	\$ 262,086,354
8		15% Discretionary Allocation	<u>47,132,886</u>
9			\$ 314,219,240
10	<u>Section 5339 Bus and Bus Facilities Formula Grants:</u>		
	Estimated Revenue		\$ 24,345,031
	<u>Section 5337 State of Good Repair (LA County Share of LA UZA 2):</u>		
	High Intensity Fixed Guideway:		
11	Directional Route Miles (DRM) Generated	\$ 51,565,413	
12	Vehicle Revenue Miles (VRM) Generated	<u>90,613,988</u>	
13		\$ 142,179,401	
	High Intensity Motorbus:		
14	Directional Route Miles (DRM) Generated	\$ 3,862,677	
15	Vehicle Revenue Miles (VRM) Generated	<u>5,455,677</u>	
16		\$ 9,318,354	
17	Section 5337 State of Good Repair Total Estimated Revenue		\$ 151,497,755
18	Total Federal Formula Funds Available		\$ 493,235,958

Note:

(1) Funding based on assumption of full Congressional authorization of the Infrastructure Investment and Jobs Act (IIJA).

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

FEDERAL FORMULA GRANTS (Estimated - to be Adjusted to Actual apportionment)

Operators	Urbanized Formula Program (Section 5307)			Bus & Bus Facilities (Section 5339)			State of Good Repair (Section 5337)			Total
	Allocation	Fund Exchanges	Adjusted Allocation	Allocation	Fund Exchange	Adjusted Allocation	Allocation	Fund Exchange	Adjusted Allocation	
Included Operators:										
1 Metro Bus Operations	\$ 203,799,416	\$ (15,211,542)	\$ 188,587,874	\$ 16,315,317	\$ 8,029,714	\$ 24,345,031	\$ 143,955,928	\$ 7,541,829	\$ 151,497,755	\$ 364,430,660
Municipal Operators:										
2 Arcadia	476,515	44,263	520,778	44,263	(44,263)	-	-	-	-	520,778
3 Claremont	58,801	5,462	64,263	5,462	(5,462)	-	-	-	-	64,263
4 Commerce	6,777,406	92,351	6,869,757	92,351	(92,351)	-	-	-	-	6,869,757
5 Culver City	6,130,565	348,179	6,478,744	348,179	(348,179)	-	-	-	-	6,478,744
6 Foothill Transit	27,349,401	8,320,625	35,670,025	2,280,378	(2,280,378)	-	6,040,247	(6,040,247)	-	35,670,025
7 Gardena	2,858,835	265,555	3,124,390	265,555	(265,555)	-	-	-	-	3,124,390
8 La Mirada	173,912	16,155	190,067	16,155	(16,155)	-	-	-	-	190,067
9 Long Beach	23,729,546	1,585,774	25,315,320	1,729,558	(1,729,558)	-	216,215	(216,215)	-	25,315,320
10 Montebello	6,918,472	377,817	7,296,289	377,817	(377,817)	-	-	-	-	7,296,289
11 Norwalk	4,539,235	175,583	4,714,818	175,583	(175,583)	-	-	-	-	4,714,818
12 Redondo Beach	912,263	84,740	997,003	84,740	(84,740)	-	-	-	-	997,003
13 Santa Monica	13,799,155	1,132,055	14,931,210	1,042,316	(1,042,316)	-	89,739	(89,739)	-	14,931,210
14 Torrance	3,407,937	316,561	3,724,498	316,561	(316,561)	-	-	-	-	3,724,498
15 Sub-Total	97,132,044	12,765,117	109,897,162	6,778,917	(6,778,917)	-	6,346,201	(6,346,201)	-	109,897,162
Eligible Operators:										
16 Antelope Valley	-	-	-	-	-	-	-	-	-	-
17 LADOT	16,461,712	2,446,425	18,908,137	1,250,797	(1,250,797)	-	1,195,628	(1,195,628)	-	18,908,137
18 Santa Clarita	-	-	-	-	-	-	-	-	-	-
19 Foothill BSCP	-	-	-	-	-	-	-	-	-	-
20 Sub-Total	16,461,712	2,446,425	18,908,137	1,250,797	(1,250,797)	-	1,195,628	(1,195,628)	-	18,908,137
21 Total Excluding Metro	113,593,756	15,211,542	128,805,299	8,029,714	(8,029,714)	-	7,541,829	(7,541,829)	-	128,805,299
22 Grand Total	\$ 317,393,172	\$ -	\$ 317,393,172	\$ 24,345,031	\$ -	\$ 24,345,031	\$ 151,497,755	\$ -	\$ 151,497,755	\$ 493,235,958

Note: Totals may not add due to rounding.

**Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations**

ATTACHMENT A

**Federal Section 5307 Capital Allocation
FISCAL YEAR 2026**

FEDERAL SECTION 5307 CAPITAL ALLOCATION

(Estimated - to be Adjusted to Actual apportionment)

	OPERATOR	LA UZA 2 NET FORMULA SHARE (1)	85% FORMULA ALLOCATION	LTSS Fund Exchange	15% DISCRETIONARY ALLOCATION ⁽²⁾		1% ENHANCEMENT ALLOCATION ⁽²⁾		TOTAL	TDA Fund Exchange	S5339/S5337 Fund Exchange ⁽³⁾	Total Funds Available
					Project Title	\$ Amount	Project Title	\$ Amount				
1	Antelope Valley	0.0000%	\$ -	\$ 5,000,000					\$ -		\$ -	\$ -
2	Arcadia	0.1818%	476,515						476,515		44,263	520,778
3	Claremont	0.0224%	58,801						58,801		5,462	64,263
4	Commerce	0.3793%	994,203		Zero-Emissions Bus Operations, Maintenance, and Administration Facility	\$ 5,560,000	Public Information Project	\$ 223,203	6,777,406		92,351	6,869,757
5	Culver City	1.4302%	3,748,318		40' Bus Replacement	2,382,247			6,130,565		348,179	6,478,744
6	Foothill Transit	9.3669%	24,549,401		Battery-Electric Bus Charger Replacement	2,800,000			27,349,401		8,320,625	35,670,025
7	Gardena	1.0908%	2,858,835						2,858,835		265,555	3,124,390
8	LADOT	5.1378%	13,465,452		Sylmar Bus Yard Electrification	2,096,410	Universal Bike Rack	899,850	16,461,712		2,446,425	18,908,137
9	La Mirada	0.0664%	173,912						173,912		16,155	190,067
10	Long Beach Transit	7.1044%	18,619,556		Fleet Replacement	4,010,390	Enhancing Customer Information	739,600	23,729,546	(4) (360,000)	1,945,774	25,315,320
11	Montebello	1.5519%	4,067,385		SCR TTC Allocations	360,000						
12	Metro Bus Operations (5)	67.0170%	175,642,492		Hydrogen Fuel Cell Electric Battery Replacement Buses	2,051,087	Bus Stop Improvement Project (BSIP)	800,000	6,918,472		377,817	7,296,289
13	Norwalk	0.7212%	1,890,235		LA Metro Division 7 Bus Charging Infrastructure Project	23,156,924			203,799,416	(4) 360,000	(15,571,542)	188,587,874
14	Redondo Beach	0.3481%	912,263		Multi-Level Parking Structure Expansion Project	2,457,000	Transit Plaza beautification Project	192,000	4,539,235		175,583	4,714,818
15	Santa Clarita	0.0000%	-						912,263		84,740	997,003
16	Santa Monica	4.2814%	11,221,048						-		-	-
17	Torrance	1.3003%	3,407,937		Replacement of 40-foot Buses	2,578,108			13,799,155		1,132,055	14,931,210
18	TOTAL	100.0000%	\$ 262,086,354	\$ 5,000,000		\$ 47,452,165		\$ 2,854,653	\$ 317,393,172	\$ -	\$ -	\$ 317,393,172

Notes: Total may not add due to rounding.

(1) Beginning with the FY24 apportionments, AVTA and Santa Clarita no longer report their NTD data under the LA-LB-OC UZA. Instead, they now report exclusively under the Palmdale-Lancaster and/or Santa Clarita UZAs. As a result, they are no longer included in the federal funding allocation for the LA UZA.

(2) The total of \$319,279 remaining from 1% Enhancement Allocations has been added to the 15% Discretionary allocation funds, as approved by the BOS.

(3) Operators' share of Section 5337 and 5339 will be exchanged with Metro's share of Section 5307 allocation.

(4) Allocations for the Southern California Regional Transit Training Consortium (SCR TTC) will be facilitated by Long Beach Transit. These funds will be exchanged with Metro's TDA 4 allocation.

(5) The Infrastructure Investment Jobs Act (IIJA) resulted in greater than expected Federal 5307 grant funding. Thus, the Board approved in June 2022 to allocate these funds to LTSS, as follows: \$10 million (FY22), \$5 million (FY24), and \$5 million (FY26). Metro will exchange these funding amounts with PC 40.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

FEDERAL SECTION 5337 - STATE OF GOOD REPAIR

(Estimated - to be Adjusted to Actual apportionment)

LOS ANGELES COUNTY SHARE (UZA 2)		Directional Route Miles (DRM) Allocation		Vehicle Revenue Miles (VRM) Allocation			Total \$ Allocation	Fund Exchange (1)	Net Funds Available ⁽¹⁾	
		DRM	DRM%	DRM \$Allocation	VRM	VRM%				VRM \$Allocation
High Intensity Fixed Guideway:										
1	Metro (Including Metrolink)	506.0	99.783%	\$ 51,453,557	25,453,596	98.769%	\$ 89,498,238	\$ 140,951,795	\$ 1,227,608	\$ 142,179,402
2	Long Beach Transit	0.5	0.099%	50,843	47,032	0.183%	165,371	216,215	(216,215)	-
3	Santa Monica	0.6	0.118%	61,012	8,170	0.032%	28,727	89,739	(89,739)	-
4	Foothill Transit	-	0.000%	-	262,121	1.017%	921,652	921,653	(921,653)	-
5	Sub-total	507.1	100.000%	51,565,413	25,770,919	100.000%	90,613,988	142,179,402	-	142,179,402
High Intensity Motorbus:										
6	Foothill Transit	39.4	26.785%	1,034,599	1,528,527	74.858%	4,083,995	5,118,593	(5,118,593)	-
7	LADOT	35.1	23.861%	921,686	102,529	5.021%	273,942	1,195,628	(1,195,628)	-
8	Metro Bus Operations	72.6	49.354%	1,906,393	410,854	20.121%	1,097,740	3,004,133	6,314,220	9,318,353
9	Sub-total	147.1	100.00%	3,862,677	2,041,910	100.000%	5,455,677	9,318,353	-	9,318,353
10	Total LA County Share - UZA 2	654.20		\$ 55,428,090	27,812,829	200.000%	\$ 96,069,665	\$ 151,497,755	\$ -	\$ 151,497,755

Note:

(1) Operators' share of Section 5337 will be exchanged with Metro's share of Section 5307 allocation.

FEDERAL SECTION 5339 - BUS AND BUS CAPITAL ALLOCATION

(Estimated - to be Adjusted to Actual apportionment)

	OPERATOR	LA UZA 2 NET FORMULA SHARE	Net Formula Share	Fund Exchange	Net Funds Available ⁽¹⁾
1	Antelope Valley	0.0000%	\$ -	\$ -	\$ -
2	Arcadia	0.1818%	44,263	(44,263)	-
3	Claremont	0.0224%	5,462	(5,462)	-
4	Commerce	0.3793%	92,351	(92,351)	-
5	Culver City	1.4302%	348,179	(348,179)	-
6	Foothill Transit	9.3669%	2,280,378	(2,280,378)	-
7	Gardena	1.0908%	265,555	(265,555)	-
8	LADOT	5.1378%	1,250,797	(1,250,797)	-
9	La Mirada	0.0664%	16,155	(16,155)	-
10	Long Beach	7.1044%	1,729,558	(1,729,558)	-
11	Montebello	1.5519%	377,817	(377,817)	-
12	Metro Bus Operations	67.0170%	16,315,317	8,029,714	24,345,031
13	Norwalk	0.7212%	175,583	(175,583)	-
14	Redondo Beach	0.3481%	84,740	(84,740)	-
15	Santa Clarita	0.0000%	-	-	-
16	Santa Monica	4.2814%	1,042,316	(1,042,316)	-
17	Torrance	1.3003%	316,561	(316,561)	-
18	TOTAL	100.0000%	\$ 24,345,031	\$ -	\$ 24,345,031

Note:

(1) Operators' share of Section 5339 will be exchanged with Metro's share of Section 5307 allocation.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

**Federal Section 5307 Capital Allocation
FISCAL YEAR 2026**

CAPITAL ALLOCATION % SHARE CALCULATION

	OPERATOR	MILEAGE CALCULATION (FY24 data)				ACTIVE FLEET CALCULATION (FY24 data)						
		Local Vehicle Miles [Input]	Express Vehicle Miles [Input]	Total Miles Weighted 60% Local/ 40% Express	1/3 Weight	Active Fleet (2) [Input]	Peak Bus Fixed Route (3) [Input]	Allowable Peak Bus (Peak+20%)	DAR Seats (4) [Input]	Bus Eqvt. (44 Seats per Bus)	Total Active Vehicle	1/3 Weight
1	Antelope Valley	0	0	0	0.0000%	0	0	0.0	0	0.0	-	0.0000%
2	Arcadia DR	80,113	-	48,068	0.0215%	0	0	0.0	86	2.0	2.0	0.0206%
3	Arcadia MB	216,743	-	130,046	0.0583%	9	6	7.2	0	0.0	7.2	0.0760%
4	Claremont	34,339	-	20,603	0.0092%	0	0	0.0	50	1.1	1.1	0.0120%
5	Commerce	571,239	-	342,743	0.1536%	17	10	12.0	64	1.5	13.5	0.1421%
6	Culver City	1,543,218	-	925,931	0.4151%	60	40	48.0	0	0.0	48.0	0.5069%
7	Foothill Transit	14,018,899	1,864,300	9,157,059	4.1048%	352	299	352.0	0	0.0	352.0	3.7175%
8	Gardena	1,320,838	-	792,503	0.3552%	46	25	30.0	55	1.3	31.3	0.3300%
9	LADOT	4,741,236	3,256,835	4,147,476	1.8592%	253	209	250.8	0	0.0	250.8	2.6487%
10	La Mirada	60,447	-	36,268	0.0163%	0	0	0.0	182	4.1	4.1	0.0437%
11	Long Beach	7,543,401	-	4,526,041	2.0289%	234	196	234.0	40	0.9	234.9	2.4809%
12	Montebello	1,716,217	40,584	1,045,964	0.4689%	55	41	49.2	40	0.9	50.1	0.5292%
13	Metro Bus Operations	78,023,186	4,520,708	48,622,195	21.7955%	2,059	1,605	1,926.0	0	0.0	1,926.0	20.3404%
14	Norwalk	975,664	-	585,398	0.2624%	34	20	24.0	0	0.0	24.0	0.2535%
15	Redondo Beach	463,334	-	278,000	0.1246%	14	14	14.0	75	1.7	15.7	0.1659%
16	Santa Clarita	0	0	0	0.0000%	0	0	0.0	0	0.0	-	0.0000%
17	Santa Monica	4,428,353	48,280	2,676,324	1.1997%	194	124	148.8	0	0.0	148.8	1.5715%
18	Torrance	1,361,113	524,538	1,026,483	0.4601%	59	38	45.6	54	1.2	46.8	0.4945%
19	TOTAL	117,098,340	10,255,245	74,361,102	33.3333%	3,386	2,627	3,141.6	646	14.7	3,156.3	33.3333%

Notes:

(1) Beginning with the FY24 apportionments, AVTA and Santa Clarita no longer report their NTD data under the LA-LB-OC UZA. Instead, they now report exclusively under the Palmdale-Lancaster and/or Santa Clarita UZAs. As a result, they are no longer included in the federal funding allocation for the LA UZA.

Include only MTA Funded Programs:

(2) Source: NTD Report Form A-30 "Vehicle Inventory Report (Mode MB), Number of Active Vehicles in Fleet". LADOT's total active vehicles is reported separately.

(3) Source: NTD Report Form S-10 "Service Non-Rail (Mode MB), Vehicles Operated in Annual Maximum Service". LADOT's figure is from TPM excluding Community Dash.

(4) Source: NTD Report Form A-30 "Vehicle Inventory Report (Mode DR), Seating Capacity". Redondo Beach's Seating Capacity is apportioned between FAP and non-FAP vehicles.

Los Angeles County Metropolitan Transportation Authority
FY 2026 Transit Fund Allocations

ATTACHMENT A

Federal Section 5307 Capital Allocation
FISCAL YEAR 2026

CAPITAL ALLOCATION % SHARE CALCULATION (Continued)

	OPERATOR	FARE UNITS (FY24 data)				UNLINKED PASSENGERS (FY24 data)		Gross Formula Share	LA UZA 2 Net Formula Share
		Passenger Revenue [Input]	Base Fare \$ [Input]	Fare Units	1/2 of 1/3 Weight	Unlinked Passengers [Input]	1/2 of 1/3 Weight		
1	Antelope Valley	\$0	\$ 1.50	0	0.0000%	0	0.0000%	0.0000%	0.0000%
2	Arcadia DR	4,475	1.00	4,475	0.0009%	18,927	0.0011%	0.0442%	0.0442%
3	Arcadia MB	3,980	0.50	7,960	0.0016%	30,473	0.0017%	0.1377%	0.1377%
4	Claremont	4,392	2.50	1,757	0.0003%	14,853	0.0009%	0.0224%	0.0224%
5	Commerce ⁽¹⁾	-	-	259,614	0.0514%	561,711	0.0322%	0.3793%	0.3793%
6	Culver City	1,730,331	1.00	1,730,331	0.3428%	2,887,456	0.1654%	1.4302%	1.4302%
7	Foothill Transit	9,007,765	1.75	5,147,294	1.0197%	9,164,170	0.5250%	9.3669%	9.3669%
8	Gardena	1,419,497	1.00	1,419,497	0.2812%	2,170,007	0.1243%	1.0908%	1.0908%
9	LADOT	1,061,298	1.50	707,532	0.1402%	8,548,980	0.4898%	5.1378%	5.1378%
10	La Mirada	23,664	1.00	23,664	0.0047%	30,153	0.0017%	0.0664%	0.0664%
11	Long Beach	9,683,139	1.25	7,746,511	1.5345%	18,503,348	1.0601%	7.1044%	7.1044%
12	Montebello	2,185,313	1.10	1,986,648	0.3935%	2,798,186	0.1603%	1.5519%	1.5519%
13	Metro Bus Operations	101,307,257	1.75	57,889,861	11.4677%	234,123,837	13.4134%	67.0170%	67.0170%
14	Norwalk	883,420	1.25	706,736	0.1400%	1,140,644	0.0653%	0.7212%	0.7212%
15	Redondo Beach	215,422	1.00	215,422	0.0427%	260,615	0.0149%	0.3481%	0.3481%
16	Santa Clarita	-	1.00	0	0.0000%	0	0.0000%	0.0000%	0.0000%
17	Santa Monica	6,419,348	1.25	5,135,478	1.0173%	8,604,201	0.4930%	4.2814%	4.2814%
18	Torrance	1,151,812	1.00	1,151,812	0.2282%	2,050,332	0.1175%	1.3003%	1.3003%
19	TOTAL	\$135,101,113		84,134,593	16.6667%	290,907,893	16.6667%	100.0000%	100.0000%

Note:

(1) Commerce Fare Units are calculated as follows: ((Total Fare Units w/out MTA and Commerce) / (Total Unlinked Passengers w/out MTA and Commerce)) * Commerce Unlinked Passengers.

IV. METRO and MUNICIPAL OPERATORS' FUND EXCHANGE

FUND EXCHANGE BETWEEN LA COUNTY TRANSIT OPERATORS AND METRO

Operators	Municipal Operators			Metro		
	LCTOP	Federal Section 5307	Federal Sections 5339/5337	TDA 4	PA GOI / PC 40%	Federal Section 5307
1 Metro Bus Operations	\$ 4,175,940	\$ 5,360,000	\$ 15,571,542	\$ (3,500,305)	\$ (6,035,635)	\$ (15,571,542)
Municipal Operators:						
2 Arcadia	(28,533)	-	(44,263)	28,533	-	44,263
3 Claremont	(8,100)	-	(5,462)	8,100	-	5,462
4 Commerce	(75,201)	-	(92,351)	75,201	-	92,351
5 Culver City	(271,257)	-	(348,179)	271,257	-	348,179
6 Foothill Transit	-	-	(8,320,625)	-	-	8,320,625
7 Gardena	(244,514)	-	(265,555)	244,514	-	265,555
8 LADOT	-	-	(2,446,425)	-	-	2,446,425
9 La Mirada	(15,529)	-	(16,155)	15,529	-	16,155
10 Long Beach Transit ⁽¹⁾	(1,074,873)	(360,000)	(1,945,774)	1,434,873	-	1,945,774
11 Montebello	-	-	(377,817)	-	-	377,817
12 Norwalk	(163,130)	-	(175,583)	163,130	-	175,583
13 Redondo Beach	(51,587)	-	(84,740)	51,587	-	84,740
14 Santa Monica	(844,105)	-	(1,132,055)	844,105	-	1,132,055
15 Torrance	(363,476)	-	(316,561)	363,476	-	316,561
16 Antelope Valley	(360,886)	-	-	-	360,886	-
17 Santa Clarita	(461,788)	-	-	-	461,788	-
18 Glendale	(146,031)	-	-	-	146,031	-
19 Pasadena	-	-	-	-	-	-
20 Burbank	(66,930)	-	-	-	66,930	-
21 LTSS Allocation ⁽²⁾	-	(5,000,000)	-	-	5,000,000	-
22 Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

(1) Allocations for the Southern California Regional Transit Training Consortium (SCR TTC) will be facilitated by Long Beach Transit. These funds will be exchanged with Metro's TDA 4 allocation.

(2) The Infrastructure Investment Jobs Act (IIJA) resulted in greater than expected Federal 5307 grant funding. Thus, the Board approved in June 2022 to allocate these funds to LTSS, as follows: \$10 million (FY22) , \$5 million (FY24), and \$5 million (FY26). Metro will exchange these funding amounts with PC 40.

ATTACHMENT B

REVISED ZETCP-EQUIVALENT FUND ALLOCATIONS

Operators		SB1 - STA Allocation ⁽¹⁾	Original ZETCP Allocation ⁽²⁾	Revised ZETCP Allocation per State Budget Reduction ⁽²⁾⁽³⁾
<u>Included Operators:</u>				
1	Arcadia	0.0803%	\$ 128,657	\$ 47,954
2	Claremont	0.0282%	45,161	16,833
3	Commerce	0.1028%	164,790	61,422
4	Culver City	1.3009%	2,085,360	777,270
5	Foothill Transit	6.1695%	9,889,646	3,686,141
6	Gardena	1.2745%	2,042,965	761,469
7	La Mirada	0.0229%	36,667	13,667
8	Long Beach	5.7494%	9,216,219	3,435,136
9	Montebello	1.9764%	3,168,129	1,180,848
10	Norwalk	0.7545%	1,209,474	450,804
11	Redondo Beach DR	0.0143%	22,932	8,547
12	Redondo Beach MB	0.1796%	287,949	107,327
13	Santa Monica	4.9045%	7,861,768	2,930,295
14	Torrance	1.5116%	2,423,023	903,127
<u>Eligible Operators:</u>				
15	Antelope Valley	1.5593%	2,499,459	931,617
16	Santa Clarita	1.2974%	2,079,675	775,152
17	LADOT Local	2.2998%	3,686,505	1,374,061
18	LADOT Express	1.1688%	1,873,488	698,300
19	Foothill BSCP	0.6972%	1,117,544	416,539
20	Total Municipal Operators	31.0917%	\$ 49,839,411	\$ 18,576,508

Note:

(1) Based on FY24 SB1 Allocation Formula.

(2) This represents the total ZETCP allocation for all years of SB125.

(3) May be revised based on actual state fund allocation

Los Angeles County Metropolitan Transportation Authority
FY2026 Transit Fund Allocations

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY FOR FISCAL YEAR 2025-2026 FOR LOCAL TRANSPORTATION,
TRANSPORTATION DEVELOPMENT ACT, AND STATE TRANSIT ASSISTANCE FUND
ALLOCATIONS**

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the designated Transportation Planning agency for the County of Los Angeles and is, therefore, responsible for the administration of the Transportation Development Act (TDA), Public Utilities Code Section 99200 et seq.; and

WHEREAS, under Chapter 2.5, Article 5, the State Transit Assistance Fund (STA) Section 6753, allocations to claimants shall be made and take effect by resolution and shall designate: 1) the fiscal year for which the allocation is made; 2) the amount allocated to the claimant for each of the purposes defined in Sections 6730 and 6731; and 3) any other terms and conditions of the allocation; and

WHEREAS, Section 6659 requires that allocation instructions be conveyed each year to the county auditor by a written memorandum of its executive director and accompanied by a certified copy of the authorizing resolution; and

WHEREAS, the resolution shall also specify conditions of payment and may call for a single payment, for payments as money becomes available, or for payment by installments monthly, quarterly, or otherwise; and

WHEREAS, the amount of a regional entity's allocation for a fiscal year that is not allocated to claimants for that fiscal year shall be available to the regional entity for allocation in the following fiscal year; and

WHEREAS, Section 6754 requires that the regional entity may allocate funds to an operator or a transit service claimant only if, in the resolution allocating the funds, it finds all of the following:

- a.1 The claimant's proposed expenditures are in conformity with the Regional Transportation Plan.
- a.2 The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of PUC Section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant.
- a.3 The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.
- a.4 The sum of the claimant's allocations from the state transit assistance fund and from the local transportation fund does not exceed the amount the claimant is eligible to receive during the fiscal year.

ATTACHMENT C

**Los Angeles County Metropolitan Transportation Authority
FY2026 Transit Fund Allocations**

- a.5 Priority consideration has been given to claims to offset reductions on federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

WHEREAS, the regional entity may allocate funds to an operator for the purposes specified in Section 6730 only if, in the resolution allocating the funds, it finds all of the following:

- b.1 The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.
- b.2 A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle code, as required in PUC Section 99251. The certification shall have been completed within the last 13 month, prior to filing claims.
- b.3 The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7

WHEREAS, the regional entity may allocate funds to an operator to exchange funds pursuant to PUC Section 99314.4(b) only if, in the resolution allocating the funds made available pursuant to PUC Section 99231, it find that the operator is eligible to receive State Transit Assistance funds; and

WHEREAS, LACMTA staff in consultation with the Transit Operators and Cities has developed allocations in accordance with the Transportation Development Act as previously specified.

NOW THEREFORE,

- 1.0 The LACMTA Board of Directors approves the allocation of TDA and STA for the Fiscal Year 2025-26 to each claimant for each of the purposes as specified in Attachments A.
- 2.0 The Board of Directors hereby finds that a claimant's proposed expenditures are in conformity with the Regional Transportation Plan, the level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements; the claimant is making full use of federal funds

ATTACHMENT C

**Los Angeles County Metropolitan Transportation Authority
FY2026 Transit Fund Allocations**

available under the Urban Mass Transportation Act of 1964; the sum of the claimant's allocations from the State Transit Assistance fund and from the Local Transportation Fund does not exceed the amount the claimant is eligible to receive during the fiscal year; and that priority consideration has been given to claims to offset reductions on federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

- 3.0 The Board of Directors hereby finds that, for the purposes specified in Section 6730, the operators eligible for funding have made reasonable efforts to implement the productivity improvements recommended pursuant to PUC Section 99244. A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, has been remitted. The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7.
- 4.0 The Board of Directors hereby authorizes that the operators listed in Attachment A are eligible to receive State Transit Assistance funds.
- 5.0 The Board of Directors hereby authorizes that the operators may receive payments upon meeting the requirements of the STA eligibility test and submittal of TDA and STA claims.

CERTIFICATION

The undersigned, duly qualified and acting as the Board Clerk of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on June 26, 2025.

COLLETTE LANGSTON
Board Clerk

DATED:
(SEAL)

Los Angeles County Metropolitan Transportation Authority
FY26 Transit Fund Allocations

**Summary of Significant Information, Methodologies & Assumptions
for Revenue Estimates**

- Sales tax is projected to be \$1,070,0 million per ordinance, a decrease of 7.4% over the FY25 estimated revenue of \$1,156,0 million.
- Assumed Consumer price index (CPI) growth of 3.0% represents a composite index from several economic forecasting sources.
- Senate Bill (SB) 1, known as the Road Repair and Accountability Act of 2017, allocates formula funds to transit agencies for two different programs: 1) State of Good Repair (SGR) and 2) State Transit Assistance. SGR is a program funded by the increase in Vehicle License Fees. To be eligible for SGR funding, eligible transit agencies must comply with various reporting requirements. The second program augments the base of the State Transit Assistance program with a portion of the new sales tax on diesel fuel. Recipients are asked to provide supplemental reporting on the augmented State Transit Assistance funding received each fiscal year to allow for transparency and accountability of all SB 1 expenditures. Recipients are asked to report on the general uses of STA expenditures. These funds are allocated using FAP calculation methodology to Included and Eligible Operators.
- Pursuant to section 130004, up to 1 percent of annual TDA revenues shall be allocated to Metro and up to $\frac{3}{4}$ percent shall be allocated to Southern California Association of Governments (SCAG) for transportation planning and programming process. Beginning in FY20, Metro increased the TDA planning allocation to the full 1 percent of annual TDA revenues for Metro.
- Formula Equivalent funds are allocated by formula to Eligible Operators as defined in Section 99207.5 of the TDA guidelines, in lieu of TDA, STA, and Prop A 40% Discretionary funds. The source of these funds is 95% of the 40% Proposition A growth over the Consumer Price Index (CPI).
- Federal formula grants (urbanized Formula Section 5307, Bus and Bus Facilities Section 5339, and State of Good Repair Section 5337) are presented for budgetary purposes only and will be adjusted upon receipt of the final apportionments. Values included in the allocation of federal funding assume Congressional action to fully fund formula allocations in the amount represented in the Infrastructure Investment and Jobs Act (IIJA).
- Federal Sections 5307 and 5339 are calculated using the Capital Allocation Procedure (CAP) as adopted by the Bus Operations Subcommittee (BOS). Section 5337 is calculated based on the directional route miles and vehicle revenue miles formula used by the Federal Transit Administration (FTA).

Los Angeles County Metropolitan Transportation Authority
FY26 Transit Fund Allocations

Operators' shares of Sections 5339 and 5337 will be exchanged with Metro's share of Section 5307 allocation.

Bus Transit Subsidies (\$1,544.3M)

Formula Allocation Procedure (\$884.8M)

Allocations of transit subsidy funds (STA, TDA Article 4, and Proposition A 95% of 40% Discretionary) are based on the Formula Allocation Procedure (FAP) that was adopted by the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board of Directors and legislated through SB 1755 (Calderon – 1996). Los Angeles County Included and Eligible Operators' Transit Performance Measures (TPM) data is used for the FAP calculations. This data was validated and used in the calculations. The FAP uses 50% of operators' vehicle service miles and 50% of operators' fare units. (fare units are defined as operators' passenger revenues divided by operators' base cash fare).

In November 2008, the Board approved a Funding Stability Policy, where operators who increase their fares will have their fare units frozen at their level prior to the fare increase until such time that fare unit calculation based on the new higher fare becomes greater than the frozen level.

In FY08, the Board allocated \$18.0 million from the Prop A GOI fund to assist Tier 2 Operators, including LADOT Community Dash, Glendale, Pasadena, and Burbank fixed route transit programs. This allocation, based on the same methodology as the FAP, did not impact the existing Included and Eligible Operators. The program provided annual funding of \$6.0 million starting in FY11 and continued this funding level each year until FY24. Following the Board's approval, the funding cap was increased to \$8.2 million for FY24, with future annual allocations to be adjusted based on the Consumer Price Index (CPI). In FY26, Tier 2 operators will receive \$8.7 million in funding.

Measure R Allocations (\$217.5M)

- **Measure R 20% Bus Operations (\$207.5M)**

Measure R, approved by voters in November 2008, allocates 20% of the revenues for bus service operations, maintenance, and expansion. The 20% bus operations share is allocated using FAP calculation methodology to Included and Eligible Operators.

- **Clean Fuel Bus Capital Facilities and Rolling Stock Fund (\$10.0M)**

The Measure R ordinance also provides a lump sum allocation of \$150.0 million over the life of the ordinance for clean fuel and bus facilities. This fund is allocated to Metro and LA County Municipal Operators at \$10 million every even year.

Measure M 20% Transit Operations (\$205.3M)

Measure M was approved by voters of Los Angeles County in November 2016 to improve transportation and ease traffic congestion. As defined in Section 3 of the Measure M Ordinance, the 20% Transit Operations share is allocated according to FAP calculation methodology to Included and Eligible Operators.

Proposition C 5% Security (\$42.7M)

Ninety percent of Proposition C 5% Security fund is allocated to Los Angeles County transit operators and Metro Operations for security services. State law requires that each operator's share of funds be based on its share of unlinked boardings to total Los Angeles County unlinked boardings. The remaining ten percent is allocated to Metro to mitigate other security needs.

Proposition C 40% Discretionary Programs (\$71.1M)

The following programs are funded with Prop C 40% Discretionary funds:

- **Municipal Operators Service Improvement Program (MOSIP).** MOSIP was adopted by the Board in April 2001. The program is intended to provide bus service improvements to the transit dependent in Los Angeles County by reducing overcrowding and expanding services. In the past, funding was increased by 3% from the previous year's funding level. All Municipal Operators participate in this program and funds are allocated according to FAP calculation methodology.
- **Zero-Fare Compensation.** The City of Commerce is allocated an amount equivalent to its FAP share as compensation for having zero fare revenues.
- **Foothill Mitigation.** This fund is allocated to operators to mitigate the impact of Foothill becoming an Included Operator. The Foothill Mitigation Program is calculated similarly to the TDA and STA portion of the normal FAP, except that Foothill's data is frozen at its pre-inclusion level. The result of this calculation is then deducted from the TDA and STA portion of the normal FAP to arrive at the Foothill Mitigation funding level. This methodology was adopted by the BOS in November 1995.
- **Transit Service Expansion Program (TSE).** Created in 1990 to increase ridership by providing funds for additional services to relieve congestion, the TSE Program continues for eight Municipal Operators including Culver City, Foothill Transit, Gardena, Long Beach, Torrance, Antelope Valley, Santa Clarita, and LADOT for expansion or introduction of fixed-route bus service in congested corridors. Metro Operations does not participate in this program.

Los Angeles County Metropolitan Transportation Authority
FY26 Transit Fund Allocations

- **Base Re-Structuring Program (Base-Re).** The Base Restructuring Program continues for four Municipal Operators who added service before 1990. These operators are Commerce, Foothill Transit, Montebello, and Torrance.
- **Bus Service Improvement Program (BSIP).** Created in 1996 to provide additional buses on existing lines to relieve overcrowding, Metro Operations and all other Los Angeles County transit operators participate in this program, except for Claremont, Commerce, and La Mirada.

Senate Bill 1 (\$122.9M)

The following programs are funded with SB1:

- **State Transit Assistance (\$89.3M)**
- **State of Good Repair (\$33.6M)**

SB1 funds are allocated based on Measure R allocation methodology.

Local Subsidies (\$863.1M)

Proposition A Incentive Programs (\$18.3M)

In lieu of TDA Article 4.5, five percent (5%) of Proposition A 40% Discretionary funds have been allocated to local transit operators through the Board-adopted Incentive Program guidelines. Programs include the Sub-Regional Paratransit Program (\$10.3M), the Voluntary NTD Reporting Program (\$5.8M) and the Sub-Regional Grant Projects (\$2.2M).

Under the Voluntary NTD Reporting Program, local transit operators report operating data for entitlement to the Federal FTA Section 5307 funds. Operators participating in the Voluntary NTD Reporting Program and who are not receiving Sub-Regional Paratransit funds are allocated an amount equal to the Federal FTA Section 5307 funds they generate for the region.

Under the Sub-Regional Grant Projects, Avalon's Ferry, which provides a lifeline service for residents commuting between Avalon and the mainland, will receive \$800,000, and Avalon Transit Services will receive \$200,000 in subsidy funding. Additionally, the Hollywood Bowl Shuttle Service will receive \$1,057,000.

Local Return (\$802.2M)

Proposition A 25% (\$254.1M)
 Proposition C 20% (\$210.8M)
 Measure R 15% (\$158.1M)
 Measure M 17% (\$179.2M)

Los Angeles County Metropolitan Transportation Authority
FY26 Transit Fund Allocations

Local Return estimates are apportioned to all Los Angeles County cities and the County of Los Angeles based on population shares according to state statutes and Proposition A, Proposition C, Measure R and Measure M ordinances.

TDA Article 3 funds (\$9.3M)

TDA Article 3 funds are for Bicycle and Pedestrian Facilities and are split into two parts:

- Fifteen percent (15%) of TDA Article 3 funds are allocated towards the maintenance of regionally significant Class I bike paths as determined by LACMTA policy and in current TDA Article 3 Guidelines. This portion is divided between the two largest jurisdictions, with 30% allocated to the City of Los Angeles and 70% allocated to the County of Los Angeles.
- Eighty-five percent (85%) of the funds are allocated to all Los Angeles County cities and the County of Los Angeles based on population shares. TDA Article 3 has a minimum allocation amount of \$5,000. The City of Industry has opted out of the TDA Article 3 program indefinitely. The Street and Freeway Subcommittee and the Technical Advisory Committee (TAC) approved this redistribution methodology in prior years, and it remains unchanged.

TDA Article 8 funds (\$33.4M)

TDA Article 8 funds are allocated to areas within Los Angeles County, but outside the Metro service area. This includes allocations to Avalon, Lancaster, Palmdale, Santa Clarita, and portions of unincorporated areas of Los Angeles County. The amount of TDA funds for Article 8 allocation is calculated based on the proportionate population of these areas to the total population of Los Angeles County.

Federal Funds (\$493.2M)**Section 5307 Urbanized Formula Program (\$317.4 M)**

The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes Federal resources available to urbanized areas for transit capital and operating assistance in urbanized areas and for transportation related planning. Based on federal revenue estimates for FY26, \$317.4 million in Federal Section 5307 Urban Formula funds are allocated to Los Angeles County transit operators and LACMTA Operations. Eighty-five percent (85%) of these funds have been allocated based on a capital allocation formula consisting of total vehicle miles, number of vehicles, unlinked boardings, passenger revenue and base fare. The 15% Capital Discretionary fund and the 1% Transit Enhancement Act fund have been allocated on a discretionary basis with BOS review and concurrence.

At its April, 2024, meeting, the BOS allocated \$360,000 each year for the next three years to the Southern California Regional Transit Training Consortium (SCRTTC) from

the 15% discretionary fund. SCRTTC provides a training resource network comprised of Community Colleges, Universities, Transit Agencies, and Public and Private Organizations focused on the development and delivery of training and employment of the transit industry workforce that is proficient at the highest standards, practices, and procedures for the industry. The funds will be exchanged with Metro's TDA Article 4 share and disbursed through Long Beach Transit.

Section 5339 Bus and Bus Facilities (\$24.3M)

Section 5339 is a grant program authorized by 49 United States Code (U.S.C) Section 5339 as specified under the Federal Reauthorization Moving Ahead for Progress in the 21st Century or "MAP 21". The Program provides capital funding to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities. Based on federal revenue estimates for FY26, \$24.3 million is allocated to Los Angeles County operators and Metro operations using the Capital Allocation Procedure adopted by the BOS. Operators' shares are swapped with Metro's share of Federal Section 5307 to minimize the administrative process.

Section 5337 State of Good Repair (\$151.5M)

The State of Good Repair grants program provides financial assistance to public transit agencies that operate rail fixed-guideway and high-intensity motorbus systems for the maintenance, replacement, and rehabilitation of capital assets, along with the development and implementation of transit asset management plans. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development.

- **High Intensity Fixed Guideway** - provides capital funding to maintain a system in a state of good repair for rail and buses operating on lanes for exclusive use of public transportation vehicles, i. e. bus rapid transit. Based on federal revenue estimates for FY26, \$142.2 million is allocated to Metro and Municipal operations.
- **High Intensity Motorbus** - provides capital funding to maintain a system in a state of good repair for buses operating on lanes not fully reserved only for public transportation vehicles. Based on federal revenue estimates for FY26, \$9.3 million is allocated to Metro Operations and Los Angeles County operators following the FTA formula: the fund allocated with Directional Route Miles (DRM) data is allocated using the operators' DRM data while the fund allocated with Vehicle Revenue Miles (VRM) data is allocated using the operators' VRM data. Operators' shares are swapped with Metro's share of Federal Section 5307 to minimize administrative process.



Item #2025-0404

Fiscal Year 2026 Transit Fund Allocations

Finance, Budget & Audit Committee

June 18, 2025



Background

- Metro responsible for allocating transit funds to transit operators and jurisdictions in Los Angeles County
- Funding for local transportation projects & programs
- Programs funded through this action include:
 - Regional transit funding for transit operators
 - Local Return (Proposition A/C and Measure R/M)
 - Transportation Development Act Article 3 (bike & ped) & Article 8 (unmet transit needs)
- Allocations developed per federal, state, local requirements, and Board adopted policies & guidelines
- Approved and reviewed by:
 - Bus Operations Subcommittee (BOS)
 - Local Transit Systems Subcommittee (LTSS)
 - Technical Advisory Committee (TAC)



Key Recommendations

- APPROVE \$2.9 billion for FY26 transportation fund allocations (Attachment A):
 - 89 LA County local jurisdictions
 - Transit Operators: Included, Eligible, Tier 2 and Local Transit systems
- Exchanges of Metro funds for transit operator federal & state grants so funds can be drawn down quickly and minimize administrative processes
- Funding actions subject to state and federal funding availability
- Request revision to Included & Eligible Operator Zero Emission Transit Capital Program (ZETCP)-Equivalent allocations due to state cut in Metro's ZETCP grant
- Administrative actions to enable flow of funds
 - Adopt Transportation Development Act resolution
 - Authorize CEO to execute agreements and amendments



Board Report

File #: 2025-0381, File Type: Program

Agenda Number: 13.

FINANCE, BUDGET, AND AUDIT COMMITTEE JUNE 18, 2025

SUBJECT: ADDRESSING THE FISCAL CLIFF

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING status report on the Workplan to Address the Fiscal Cliff; and
- B. ADOPTING the Principles for Addressing the Fiscal Cliff (Attachment A).

ISSUE

Metro's near-term forecast is developed based on the availability of eligible funding. The projected shortfall will depend on the availability of these funding sources. As Metro continues to monitor the funding uncertainties and as newer information becomes available, a comprehensive assessment will be conducted to evaluate funding, schedule and scope to mitigate the impacts of any losses or interruptions in funding. The mitigation strategies will be dependent on the type of shortfalls and the eligible funding available. Through the Equitable Zero-Based Budget (EZBB) process, the FY26 Budget is balanced and is structured to continue investments in an expanding rail system, enhancing the customer experience and keeping projects moving.

However, Metro's near-term forecast does signal financial challenges ahead with a cumulative financial gap in Metro Transit of \$100 million by FY27, that grows to \$2.3 billion by FY30 due to major cost drivers projected to outpace sales tax revenue growth under current economic assumptions. In addition, Metro is faced with large increasing capital project costs which further aggravate the financial challenges ahead. Given these significant challenges, at its April 2025 meeting, the Chair of the Finance, Budget, and Audit Committee, Director Sandoval, asked staff to develop a work plan for addressing the fiscal cliff as FY26 will be a critical time for the Board to consider major decisions for the FY27 Budget to change course on the projected deficit in the coming years.

This report outlines Metro's workplan and timeline, which will be incorporated into the upcoming budget cycle, and proposes principles to guide the workplan.

BACKGROUND

According to the Transit Center, transit agencies are facing a financial triple jeopardy - one-time payments from COVID-relief funding are drying up, fare collection has stabilized at well below pre-pandemic levels, and expenses are growing because of inflation, tight labor markets, and supply chain disruptions. As a result, most transit agencies are anticipating a steep, sudden operating budget deficit that will deepen annually, absent other forms of funding. While the FY26 Budget is balanced, it is important to acknowledge the inherent risks and uncertainties that could impact the financial trajectory as Metro looks ahead. Metro remains resolute in its commitment to addressing the fundamental cost drivers, while also maintaining a vigilant focus on the potential risks and uncertainties that may affect Metro in both the short and long term.

With the County and the City of Los Angeles confronting structural deficits and with many transit agencies taking measures to close immediate funding gaps, Metro adopted a balanced budget for FY26. Whereas the county, the city and other transit agencies rely heavily on general funds and state/federal funding, Metro relies heavily on local sales tax revenues.

External Challenges

Looking ahead, several key challenges are emerging that require careful consideration and proactive management. These include potential fluctuations in federal funding, which could introduce significant volatility to Metro's financial planning. The ongoing effects of tariffs on procurement pricing continue to exert upward pressure on costs, while persistent inflationary trends contribute to the overall escalation of expenses. These external factors, coupled with the dynamic nature of the funding environment, underscore the need for flexible and adaptable fiscal strategies.

Internal Challenges

In addition to these external challenges, there are several internal financial considerations that further complicate Metro's fiscal outlook. The ongoing expansion of the rail system necessitates substantial investment, placing strain on both operational and capital budgets. Moreover, rising capital costs-driven by construction and material prices increase further compound the financial pressure on Metro. The preparations for upcoming mega events also require a significant allocation of resources, further stretching Metro's financial capacity.

Together, these challenges present a complex financial landscape that requires strategic foresight, robust contingency planning, and ongoing financial discipline. Metro is committed to mitigating these risks through careful monitoring, targeted cost management, and a comprehensive approach to long-term financial sustainability. Metro will continue to refine its budgetary processes and engage in proactive risk management to achieve its goals while navigating these uncertainties.

However, Metro's near-term forecast does signal financial challenges ahead with a cumulative financial gap in Metro Transit of \$2.3 billion by FY30 due to major cost drivers projected to outpace sales tax revenue growth under current economic assumptions. In addition, Metro is faced with large increasing capital project costs which further aggravate the financial challenges ahead. Given the significance of these challenges, a Special Board Workshop was held in April to begin the discussion and layout of some of the challenges. Metro's goal is to mitigate these challenges with the objective

of preserving bus and rail service.

DISCUSSION

The goal of this workplan is to mitigate potential financial risks by focusing on five key areas of concern:

- What is driving revenues?
- What is utilizing flexible funding sources, which includes General Fund?
- What is driving expenses?
- How are capital projects putting pressure on the fiscal cliff?
- What is in place for operational efficiencies?

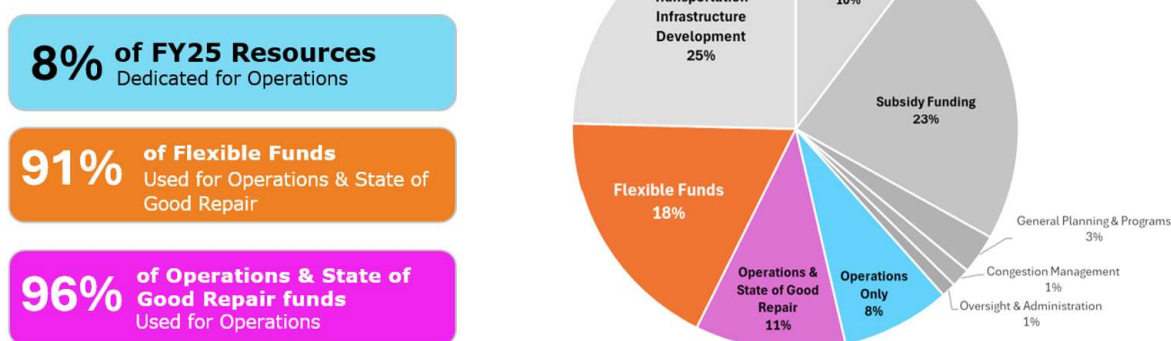
As the Regional Transportation Planning Agency for Los Angeles County, Metro is responsible for programming regional transportation funds to itself, the 88 cities and unincorporated areas of LA County, the subregional Councils of Governments (COGs), the County, other transit agencies and Caltrans. Metro is focused on improving mobility by delivering a comprehensive, multimodal plan of regional transportation projects and services covering public transit, commuter rail, paratransit, highway improvements, active transportation projects and other categories. Funding is provided by more than 130 different sources, each of which has specified eligibility and usage requirements that must be met. Metro's budget balances and maximizes the use of these fund sources based on eligibility, funding agreements and Board-established priorities.

Revenues

Metro has over 130 colors of funding that are summarized into three major categories: 1) Sales taxes, 2) Operating and Other Revenues, and 3) Capital and Bond Resources. Local Sales tax revenues make up close to two-thirds of Metro's financial structure. Operating and other revenues include passenger fares, tolls, and advertising revenues. Capital and Bond Resources include federal and state grant reimbursements, as well as bond proceeds. These resources are then grouped and assigned to programs based on their eligibility. The Figure below illustrates the resources grouped by eligibility and highlights those funds eligible for transit operations.

Figure 1

- > 130 colors of funds
- < 15 sources are dedicated for operations



With only 8% of resources dedicated solely for operations, Metro prioritizes the use of other eligible funding for operations. See Attachment B for Eligibility and allocations of FY26 Funding.

The current economic climate at the federal, state and local levels is magnifying the financial challenges outlined below. Over the last several months, the economic forecasting agencies we work with have dramatically lowered their taxable sales growth projections. Most of them are now expecting a slight decline in FY26 followed by slow growth out to 2030.

General Fund

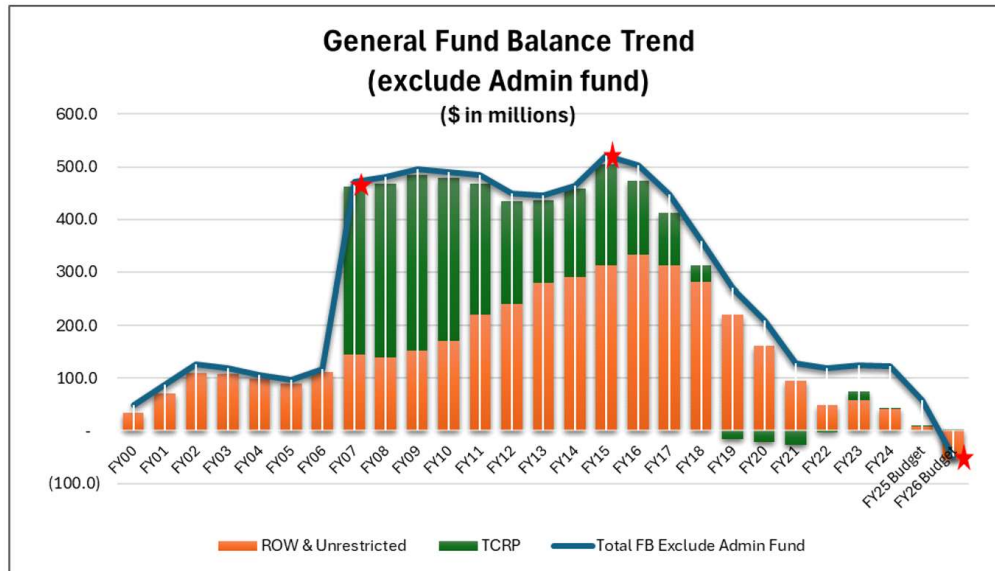
Metro's general fund includes activities that are not legally required to be accounted for in another fund. Metro's general fund revenues account for 1.41% of total governmental fund revenues. Close to 90% of the General fund resources are from ROW leases, LCFS Credit sales, and CNG credits. Metro's General Fund is in a downward trend (see Figure below) primarily due to the following:

1. State repayment: one-time infusion of TCRP funds have all been spent
2. General fund revenues are decreasing
 - a. LCFS prices have declined steadily since early 2021
 - b. CNG credits continue to decline as the bus fleet transitions to electric (and may be

phased out entirely by the current administration)

3. Increased demand for activities with no dedicated funding

Figure 2



See table below for projects drawing on General Fund:

Figure 3

FY26 Budget General Fund			
Project Name		ROW &	
		Unrestricted	Green
1	Revenue	\$ 16.8	\$ 14.5
2	Expenditures		
3	PROPERTY MANAGEMENT	38.1	
4	JOINT DEV 10K HOMES	12.2	
5	JOINT DEVELOPMENT	1.9	
6	SEED SCHOOL	6.1	
7	BIKESHARE PRGM O&M	8.2	
8	BIKE HUB/LOCKERS O&M	0.8	
9	GATEWAY CENTER (EAST)	5.7	
10	UNION STATION (WEST)	3.5	
11	UNION STATION (MASTER PLAN)	1.2	
12	THE HOUSING LAB (PILOT)	0.1	
13	ARTS DISTRICT/6TH ST STATION	1.0	
14	TRANSIT LEARNING CENTER	0.1	
15	SUSTAINABILITY Program		19.5
16	ZEB & Infrastructure		34.7
17	Total Expenditures	\$ 78.8	\$ 54.3
18	Over Draw of General Fund	\$ (61.9)	\$ (39.8)

At the end of FY26, the General Fund estimated negative fund balance is \$82.3 million. Flexible resources, such as fare revenues and Advertising will be needed to replenish the General Fund.

Expenses

Major Cost Drivers

This section outlines the major cost drivers impacting the near-term forecast. Every operational cost growth driver is anticipated to grow at a faster rate than sales tax revenues, further exasperating the situation.

- **Expansion** of the rail system will be more costly to operate in the future than operating at the same level of service today. The average cost of running one hour of rail is 2.2 times more than operating one hour of bus service.
- **Capital Cost** increases due to scope and project schedule changes may take away funding eligible for bus and rail operations if no alternative funding source is identified.
- **Cleaning Costs** are driven by Metro's strategic investment in comprehensive cleaning activities and the expansion of its Station Experience initiatives and implementing technological innovations, including expanding the ADA-accessible 'throne' bathrooms.
- **Labor Costs** reflect Metro's cost of sustaining our existing workforce, including the recent collective bargaining agreements (CBA).
- **Public Safety** due to rising contract law enforcement costs; coupled with the transition to Metro's comprehensive multi-layered and care-based framework to enhance public safety on the system, with a focus on promoting a safer environment and infrastructure for all riders.
- **Insurance/WC/PLPD** premiums are driven by the hard market. Metro has reinstated the

Operations Safety Steering Committee (OSSC), which meets quarterly to review risk exposure trends and evaluate mitigation measures.

- **Zero-Emissions Bus (ZEB) & Infrastructure** costs have slowed due to revised delivery assumptions; however, a major program funding gap remains.

Metro's Strategic Workplan

In response to Director Sandoval's request, Metro has been developing a comprehensive strategic workplan across departments aimed at addressing the current and emerging challenges Metro faces. This plan is structured to align with our long-term fiscal objectives and will be executed through a series of key deliverables and milestones over the next two years:

Ongoing:

- **Monitoring and Assessment of Risks and Equity:** As part of ongoing efforts, Metro will continuously monitor potential risks and equity considerations. This will involve assessing emerging challenges and taking immediate mitigation actions as necessary, ensuring that Metro remains responsive and adaptable to changing conditions.

As part of its ongoing cost control efforts, Metro will implement robust management tools and controls, beginning with detailed program evaluations tied to project milestones and performance metrics. Through collaborative prioritization, Metro will strive to optimize operational funding and maximize the impact of limited resources across its portfolio of projects and initiatives.

These efforts include:

- Conducting quarterly budget variance reviews with management
- Strengthening requisition review parameters and approval processes
- Identifying opportunities for efficiency across all departments
- Evaluating grants and local match requirements
- Conducting ongoing performance reviews of new pilot programs and implementing adjustments to enhance performance

Summer 2025:

- **Detailed Report on Capital Cost Escalations - Program Management:** At the April 2025 Metro Board Workshop, staff reported capital cost escalations averaging 60% from original Measure R and Measure M estimates to the start of revenue service. Key drivers include evolving project scopes determined by Locally Preferred Alignments (LPA), bid pricing, environmental conditions, and integration with aging transit infrastructure.

As a first step toward mitigation, staff will itemize cost drivers by project to inform future scope, schedule, and budget decisions, while enhancing risk management in project development.

Detailed findings on recently completed transit infrastructure projects will be presented in

Summer 2025 to support Board consideration of targeted mitigation strategies.

- **Short Range Transportation Plan (SRTP) - Countywide Planning & Development:** The Short-Range Transportation Plan (SRTP) will be updated to reflect current needs and future priorities, ensuring alignment with regional transportation goals and Metro's evolving fiscal outlook. Several key developments have emerged since the last update that warrant reassessment:
 - Shifts in sales tax performance, grant availability, and broader economic conditions have introduced new fiscal uncertainties.
 - Updated cost estimates and changing market dynamics have affected capital project budgets and schedules, with inflation and supply chain disruptions posing ongoing delivery risks.
 - Operating expenditures are increasingly shaped by labor market conditions, service modifications, and inflationary pressures, while state and federal funding sources remain subject to volatility and evolving policy directives.

These factors will guide the revision of the SRTP, with updated forecasts and strategic recommendations anticipated for Board consideration in Summer/Fall 2025.

Fall 2025:

- **Commencement of Measure M (MM) Decennial Review and Assessment - Countywide Planning & Development:** Metro will initiate a comprehensive review of the Measure M (MM) plan, assessing its performance, progress, and alignment with both current needs and future projections. This review will evaluate the effectiveness of Measure M investments and their impact on regional mobility. It will also provide strategic insights into necessary adjustments and improvements to the long-term mobility framework, ensuring that Metro continues to meet the region's transportation needs while adhering to fiscal discipline and operational efficiency.

Winter 2025:

- **Near-Term Outlook Update - Strategic Financial Management:** Metro underscores the critical importance of strategic financial planning in executing transit investments and operational priorities. The Equitable Zero-Based Budget (EZBB) process will commence with the Near-Term Outlook, anchored by a comprehensive five-year financial forecast. This forecast will assess the economic landscape, revenue trends, ongoing programs, market cost pressures, Board-approved priorities, and major capital planning.
- **Resources Deep Dive - Strategic Financial Management:** Metro remains committed to optimizing the use of revenues in accordance with the ordinances governing fund eligibility. As resource projections form the foundation of our fiscal framework, the budget process will define development parameters based on key assumptions-including sales tax forecasts, operating revenues, grant funding, bond proceeds, and prior-year carryover. These assumptions will determine the pool of available resources for eligible projects and programs, guiding prudent and equitable fiscal decision-making.

Spring 2026:

- **Equitable Zero-Based Budget (EZBB) Process for FY27 Budget Development - Strategic Financial Management:** Metro will continue to apply the Equitable Zero-Based Budgeting (EZBB) framework in the development of the FY27 Budget by establishing affordability thresholds across all programs based on available resources. The annual budget process will begin early in the calendar year with comprehensive program and cabinet reviews in collaboration with the CEO, aligning funding decisions with strategic priorities for the fiscal year ahead.

Summer 2026:

- **MM Decennial Consideration - Countywide Planning & Development:** Following the completion of the review and assessment, Metro will present the findings and recommendations for the Measure M plan, ensuring that it continues to meet the evolving needs of the region and the Agency.

This strategic workplan serves as a proactive and structured approach to addressing the key challenges Metro faces. It aligns with our commitment to long-term fiscal health, operational efficiency, and equitable service delivery. Through disciplined execution and ongoing assessment, Metro will continue to serve as a leader for regional mobility while maintaining financial stability.

EQUITY PLATFORM

As the Strategic Workplan advances, a strong commitment to equity will continue to guide Metro's approach and decisions. While addressing public safety, cleanliness, system expansion, labor equity, and environmental sustainability, Metro strives to create a transit system that is not only efficient and safe but also inclusive and equitable for all Los Angeles residents and riders.

Additionally, Metro's Equitable Zero-Based Budgeting (EZBB) process will undergo a significant refinement in the upcoming fiscal year through the implementation of the Agencywide Budget Equity Assessment (ABEA). The Office of Equity & Race (OER) will continue to lead the Equity Focused Communities (EFC) Budget Assessment.

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.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it reflects our commitment to equity and fiscal discipline. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Metro Strategic Plan Goal:

Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

NEXT STEPS

Metro will continue to closely monitor the financial situation and work towards meeting the deliverables as presented in the comprehensive strategic workplan across departments.

ATTACHMENTS

Attachment A - Guidelines for Addressing the Fiscal Cliff

Attachment B - Eligibility and Allocation of FY26 Funding


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Stephanie Wiggins
Chief Executive Officer

GUIDELINES FOR ADDRESSING THE FISCAL CLIFF

LA Metro is confronting a projected fiscal cliff with the potential to materially affect both operational funding and capital investment capacity. In response, Metro must adopt a proactive, strategic posture to safeguard the continuity of high-quality transit service, while exercising rigorous fiscal discipline and upholding its long-term financial sustainability.

These guidelines apply a results-driven financial framework that prioritizes investments based on strategic alignment and demonstrable public value. With the scarcity of resources available for transportation, these guidelines will work toward maximizing the effectiveness of existing resources. Through disciplined stewardship, Metro can sustain operational excellence, preserve public trust, and navigate fiscal constraints with integrity and foresight.

Guiding Principles

- **Preserve Essential Services:**
 - Avoid reductions to core bus and rail service that disproportionately affect transit-dependent riders.
- **Prioritize Quality Service:**
 - Align decision-making with the most urgent concerns of riders that enhance the rider experience.

Measurable Outcomes

- **Increase Ridership:**
 - Invest in improvements that have a measurable effect on growing systemwide ridership.
- **Reduce Crime & Enhance Safety:**
 - Fund initiatives that decrease criminal activity and enhance rider perceptions of safety.

In this period of fiscal uncertainty, it is imperative that LA Metro remains both fiscally prudent and mission driven. By advancing targeted, rider-focused strategies and aligning our investments with measurable outcomes, we can safeguard core services while upholding our commitment to fiscal integrity, equity, safety, and sustainable mobility. The Board's guidance is needed as we navigate this challenge with transparency, discipline, and a value-driven path forward to consider major decisions for the FY27 budget to change course on the projected deficit in the coming years.

ELIGIBILITY AND ALLOCATION OF FY26 FUNDING

Dedicated Funding Sources by Program Type in FY26 Budget (\$ in millions)	
1 Total FY26 Proposed Budget Resources	\$ 9,441.8
2 Less: Highway and Regional Rail ⁽¹⁾	(1,020.2)
3 Less: Subsidy Funding	(1,813.6)
4 Less: General Planning & Programs ⁽²⁾	(290.9)
5 Less: Congestion Management	(129.9)
6 Less: Oversight and Administration ⁽³⁾	(101.7)
7 Operations and Transit Capital Resources	\$ 6,085.5

Resource Eligibility Split by Type (\$ in millions)	Operations Only		Ops/CIP		Ops/CIP/TID		TID Only		Total
	Amount	Cat. %	Amount	Cat. %	Amount	Cat. %	Amount	Cat. %	
8 Sales Tax, TDA & STA Resources	\$ 852.7	90.7%	\$ 326.2	28.9%	\$ 1,257.3	78.1%	\$ 1,115.0	46.3%	\$ 3,551.2
9 Operating and Other Resources	4.4	0.5%	0.0	0.0%	263.1	16.3%	0.0	0.0%	\$ 267.5
10 Grant and Bond Resources	82.8	8.8%	803.3	71.1%	89.6	5.6%	1,291.1	53.7%	\$ 2,266.8
11 Total	\$ 939.9		\$ 1,129.5		\$ 1,610.1		\$ 2,406.1		\$ 6,085.5

Resource Allocation Split by Eligibility (\$ in millions)									
12 Metro Bus and Rail Operations	\$ 939.4	100.0%	\$ 1,110.9	98.4%	\$ 838.5	52.1%	\$ 0.0	0.0%	\$ 2,888.8
13 Capital Improvement Program	0.0	0.0%	18.6	1.6%	590.2	36.7%	0.0	0.0%	\$ 608.8
14 Transit Infrastructure Development	0.0	0.0%	0.0	0.0%	76.1	4.7%	2,142.2	89.0%	\$ 2,218.3
15 Debt Service ⁽⁴⁾	0.5	0.0%	0.0	0.0%	105.3	6.5%	263.9	11.0%	\$ 369.6
16 Total	\$ 939.9		\$ 1,129.5		\$ 1,610.1		\$ 2,406.1		\$ 6,085.5

Note: Totals and percentages may not add up due to rounding.

⁽¹⁾ Includes Highway and Regional Rail debt service.

⁽²⁾ Includes \$25.0M General Fund revenues for Bike, Parking and Union Station expenses. Also includes Prop A35 debt service for Union Station acquisition.

⁽³⁾ Includes \$6.1M General Fund revenues for Transit School subsidy.

⁽⁴⁾ Net of Highway, Regional Rail and Union Station debt service.



ADDRESSING THE FISCAL CLIFF

June 18th, 2025| FINANCE, BUDGET, AND AUDIT COMMITTEE





External Pressures

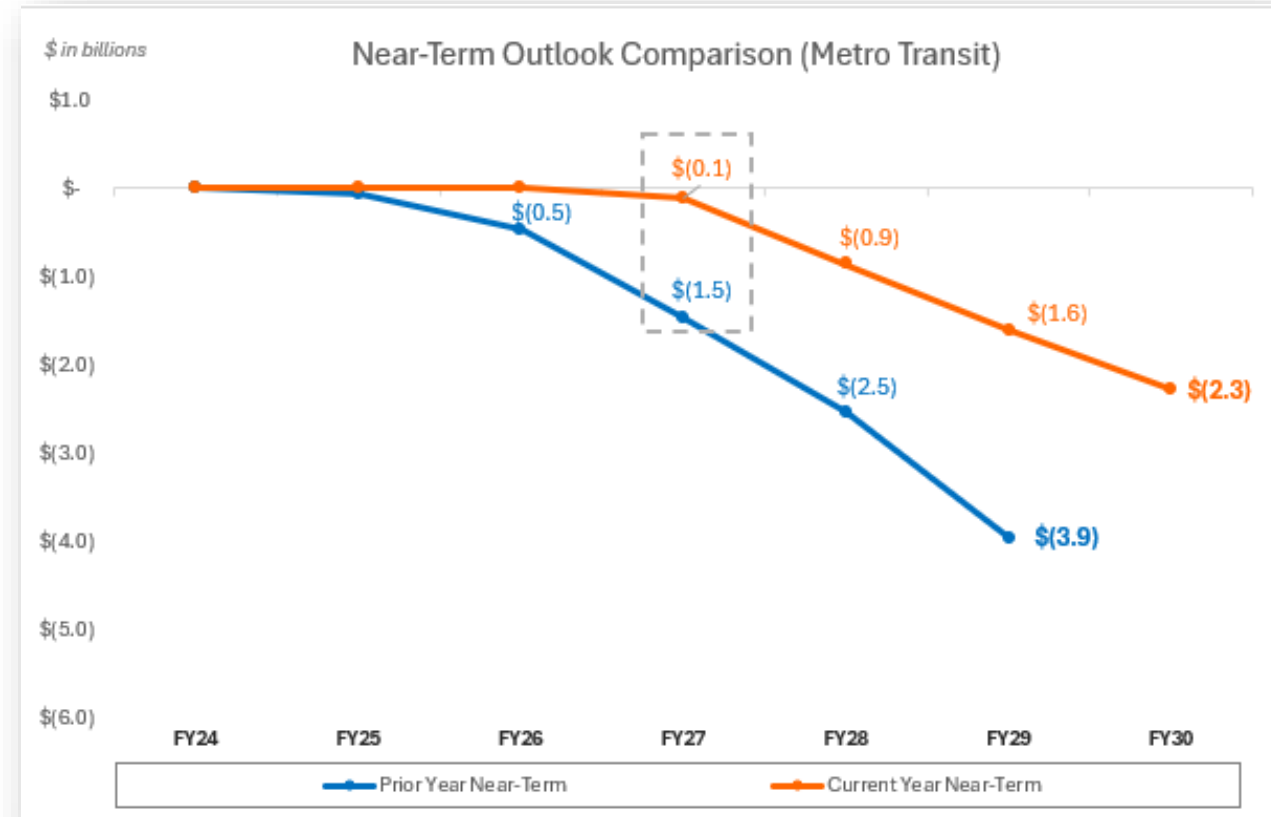
- **Federal Funding Uncertainty**
 - Uncertainty may disrupt long-term financial planning
- **Tariff-Driven Procurement Costs**
 - Raising material and equipment costs
- **Persistent Inflation**
 - Increasing pressure on operating and capital expenses
- **Volatile Funding Environment**
 - Demands adaptable and responsive fiscal strategies

Internal Pressures

- **Rail System Expansion**
 - Adds sustained pressure on capital and operations
- **Rising Capital Costs**
 - Driven by rising construction and material prices
- **Preparation for Mega Events**
 - Short-term resource strain across the agency

Focus on 5 key areas:

1. What is driving revenues?
2. What is utilizing flexible funding sources, which includes General Fund?
3. What is driving expenses?
4. How are capital projects putting pressure on the fiscal cliff?
5. What is in place for operational efficiencies?



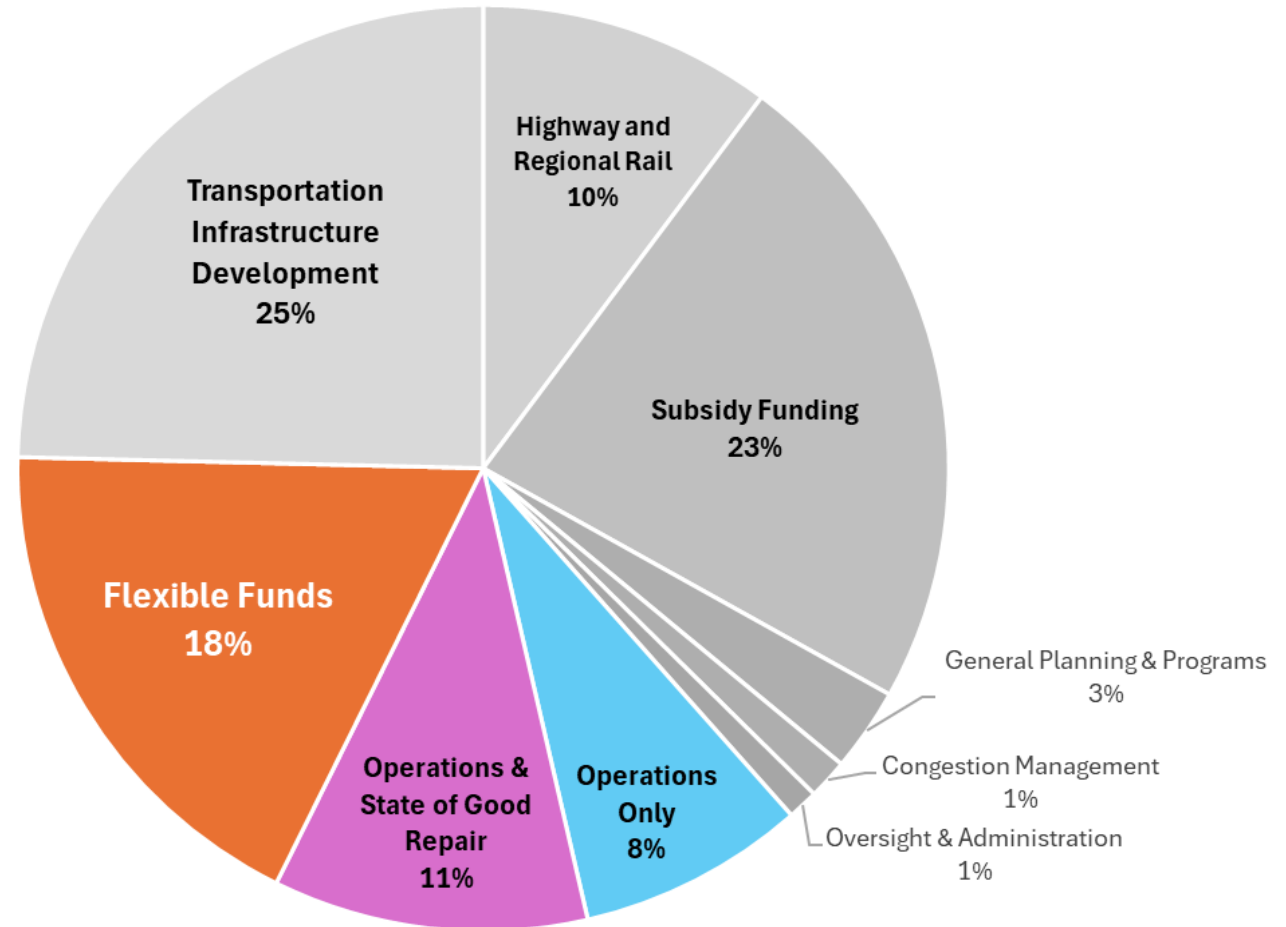
Note: These figures do not include cost assumptions for the 2028 Games.

- > 130 colors of funds
- < 15 sources are dedicated for operations

8% of FY25 Resources
Dedicated for Operations

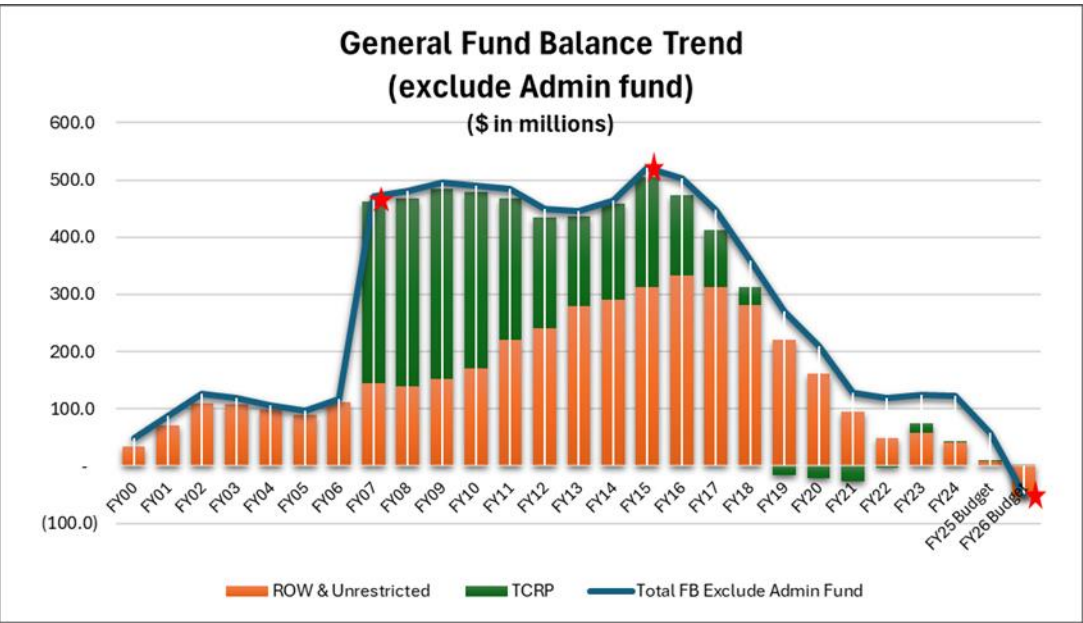
91% of Flexible Funds
Used for Operations & State of
Good Repair

96% of Operations & State
Good Repair funds
Used for Operations



Metro's General Fund

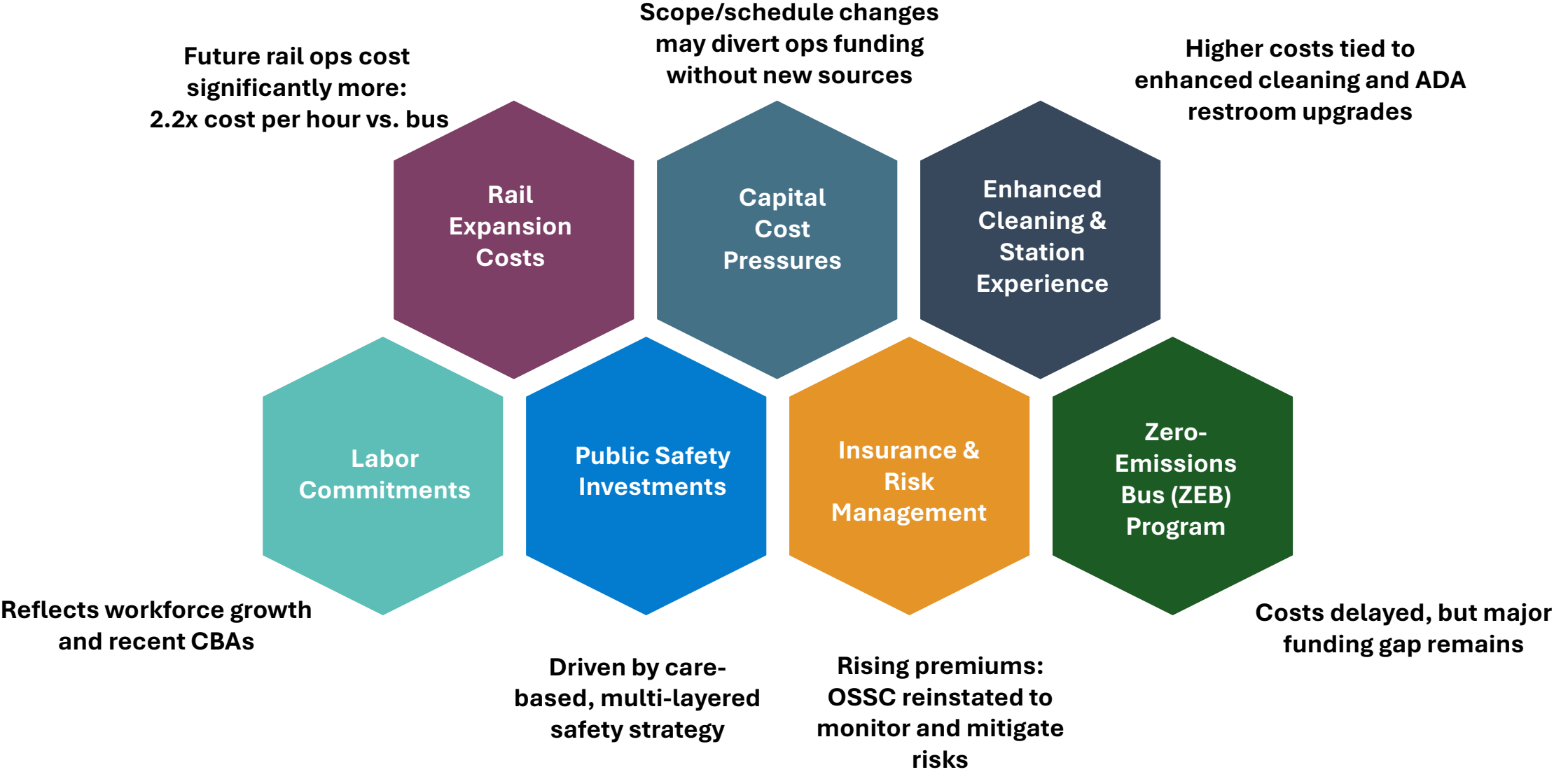
- Covers activities not assigned to other funds
- Projecting negative fund balance at end of FY26



- Downward trend
 - Revenues declining
 - Growing demand for unfunded activities

Projects drawing on General Fund

FY26 Budget General Fund			
		ROW &	
		Unrestricted	Green
Project Name			
1	Revenue	\$ 16.8	\$ 14.5
2	Expenditures		
3	PROPERTY MANAGEMENT	38.1	
4	JOINT DEV 10K HOMES	12.2	
5	JOINT DEVELOPMENT	1.9	
6	SEED SCHOOL	6.1	
7	BIKESHARE PRGM O&M	8.2	
8	BIKE HUB/LOCKERS O&M	0.8	
9	GATEWAY CENTER (EAST)	5.7	
10	UNION STATION (WEST)	3.5	
11	UNION STATION (MASTER PLAN)	1.2	
12	THE HOUSING LAB (PILOT)	0.1	
13	ARTS DISTRICT/6TH ST STATION	1.0	
14	TRANSIT LEARNING CENTER	0.1	
15	SUSTAINABILITY Program		19.5
16	ZEB & Infrastructure		34.7
17	Total Expenditures	\$ 78.8	\$ 54.3
18	Over Draw of General Fund	\$ (61.9)	\$ (39.8)





- Detailed Report on Capital Cost Escalations
- Short Range Transportation Plan (S RTP)

- Near-Term Outlook Update: Incorporate most current financial and economic assumptions
- Resources Deep Dive: Including sales tax analysis

- MM Decennial Consideration

Summer
2025

Fall 2025

Winter
2025

Spring
2026

Summer
2026

Ongoing

- Commencement of Measure M (MM) Decennial Review and Assessment

Equitable Zero-Based Budget (EZBB) Process for FY27 Budget Development:

- Affordability Thresholds based on resources available
- Cost control efforts
- Detailed program evaluations
- Collaborative prioritization

- Monitor and assess risks, take mitigation actions more immediately as necessary



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- Guidelines work toward maximizing effectiveness of available resources
- Critical time for Board to consider major decisions to mitigate projected deficits in the coming years