



Board Report

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Agenda Number: 15.

FINANCE, BUDGET, AND AUDIT COMMITTEE APRIL 19, 2023

SUBJECT: FISCAL YEAR 2024 BUDGET DEVELOPMENT STATUS UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Fiscal Year (FY24) Budget Development Status Update.

ISSUE

This is the fourth in a series of monthly updates to the Board on the FY24 Budget development process, culminating in a planned May 2023 Board Adoption.

This report focuses on key areas of the Metro Transit Program (Discussing both Operations and Maintenance as well as Capital Improvement projects). Other programs discussed include Congestion Management, General Planning and Programs, as well as Oversight and Administration.

This report also discusses the mitigation options for managing near-term financial challenges for Metro Transit and shares the latest update regarding Metro's comprehensive budget outreach efforts.

BACKGROUND

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

DISCUSSION

Metro Transit: Near-Term Financial Challenges

Metro strives to redefine daily travel habits and create legacy investments that improve the ease, accessibility, and travel experience across the most important journeys for Metro's current and future customers. As indicated in last month's report, the overall operating deficit, also referred to as the 'fiscal cliff,' and the challenges of major infrastructure capital projects are two distinct concerns impacting Metro. Below is a summary of the challenges regarding the overall operating deficit.

Federal Stimulus funding exhausted.

The one-time federal funding assistance through the American Rescue Plan Act (ARPA) helped to backfill some shortages but will be exhausted in FY23. With no additional federal stimulus funding assumed in FY24, Metro's resources will experience a 14.6 percent, or \$1.02 billion decline in overall revenues, excluding other grants and bond proceeds. Sales tax related revenues, which are about 70 percent of Metro's total resources, are already committed by ordinance and, in the case of Metro's Measure R and Measure M sales taxes, restrict how the funding is used. These sales tax measures were focused more on transit capital expansion and with limited funding for operating and maintaining service.

Ridership & Fare Revenues Remain Below Pre-Pandemic Levels

Although ridership numbers have increased significantly since the initial steep decline early during the pandemic, Metro's full ridership has not yet returned, and fare revenues are not expected to reach pre-pandemic levels in FY24. Farebox revenues continue to be low with the various discounted and free fare programs Metro now has in place to attract and retain ridership (i.e., pilot GoPass for K-12 and Community College Students and Low-Income Fair is Easy (LIFE) Programs, 50 percent discounts, reduced fares, and fare capping). Therefore, farebox revenues remain below pre-pandemic levels, which further strains the availability of operations eligible funding (sales tax fund allocations specifically dedicated to transit operations).

Increasing Operating Costs and Fleet Electrification

Growing operating transit, costs are also expected in the next three years, driven by the cost of zero-emission buses to meet the State of California's mandate for eliminating the use of hydrocarbon-fueled buses as well as the rail system expansion. At the same time, pandemic-induced challenges require Metro to invest in new initiatives to make the system clean, safe, and reliable, which began as part of the pandemic response but is now being conducted without any additional federal assistance. Moreover, as operating costs increase amid the perfect storm of high inflation and labor shortages, the expansion of the systemwide network will continue to demand more funding. Metro is not immune to these financial pressures and will continue to face challenges in the near future, making it imperative that every dollar is budgeted and spent wisely.

Metro Transit: Near-Term Mitigation Strategies for Consideration

Below are some other mitigation strategies to help address the challenges described above.

Metro Transit:

- Performance Management: Evaluate pilots and set up KPIs that can help measure the achievement of performance goals that illustrate the effectiveness of the pilot.
- Dedicated Funding: Advocate for dedicated transit operations funding from federal and state sources.
- Use of Operating Eligible Funding: Evaluate resources, cost impacts and prioritize projects and initiatives that support agency priorities within available funding.

Metro Transit, EZBB Cost Control

The Equitable Zero-Based Budget (EZBB) process continues to be the driving force in this year's annual budget development process and serves as a cost control tool that integrates an equity lens to develop a fiscally responsible budget. In FY22, Metro enacted cost controls through the Equitable Zero-Based Budgeting (EZBB) process by establishing a Metro Transit Taskforce centered on delivering a more optimal and efficient service design, as discussed in the service plan below. Through EZBB, cost savings of \$7.9 million from proposed projects that did not align with the strategic priorities were reallocated to cyber security and NextGen projects.

Additionally, in FY23, Metro launched a study on insourcing vs. outsourcing of functions and services. This study reviewed Metro's contracting decisions to determine whether insourcing some activities would benefit Metro. The study provided recommendations and tools to assess insourcing opportunities. As a result, Metro has identified maintenance contracts to be evaluated for potential insourcing opportunities and subsequent cost savings. As contracts are identified for renewal, insourcing evaluation will be conducted, and if appropriate, implementation plans will result in cost savings in FY25.

FY24 budget development focused on a service plan to include expansion integration, customer safety, and cleanliness, maintaining assets in a state of good repair, employee safety, retention, and engagement. In developing this year's budget, the top priority was to support revenue service, and all budget requests were evaluated to determine whether programs supported the agency's priorities.

Metro Transit Program FY24 Preliminary Budget

Service Plan and Optimization

Each year Metro updates the transit service plan to improve customer experience through revised transit routes and schedules and to fulfill this essential element of the rider experience. The FY24 proposed service plan includes 8.6 million Revenue Service Hours (RSH) of bus and rail service (excluding Metro Micro RSH), a 3.2% increase from pre-pandemic levels and a 2.3% increase over the FY23 budget.

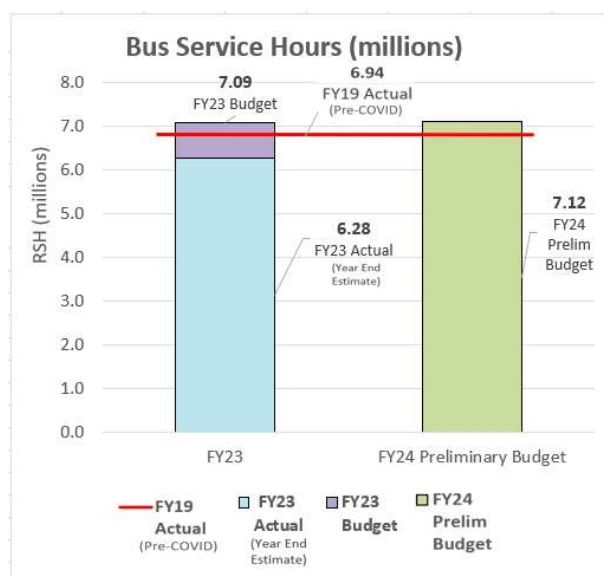
In FY23, savings compared to budget were achieved through reduced bus and rail scheduled service levels, reflecting actual ridership while providing more reliable daily service delivery while having a significant shortage of operators.

Unlike FY23, in FY24, it is expected that the 7.12 million bus RSH will be fully delivered based on the NextGen Bus Plan. Rail service is budgeted with increases in service frequencies (service restoration) from the beginning of FY24, to be phased in subject to ridership growth, operator availability, and the successful launch and ongoing operation of Regional Connector rail service.

Bus

As shown in Figure 1, in the FY23 budget, bus service was restored to the pre-COVID-19 level of 7.09 million RSH. FY24 service plan includes 7.12 million bus RSH. Metro plans to be fully staffed with bus operators throughout FY24 to allow for reliable delivery of the planned bus service. Service enhancements will be implemented with the NextGen speed and reliability initiatives to support improved frequency, load standards, and on-time performance.

Fig 1:



Rail

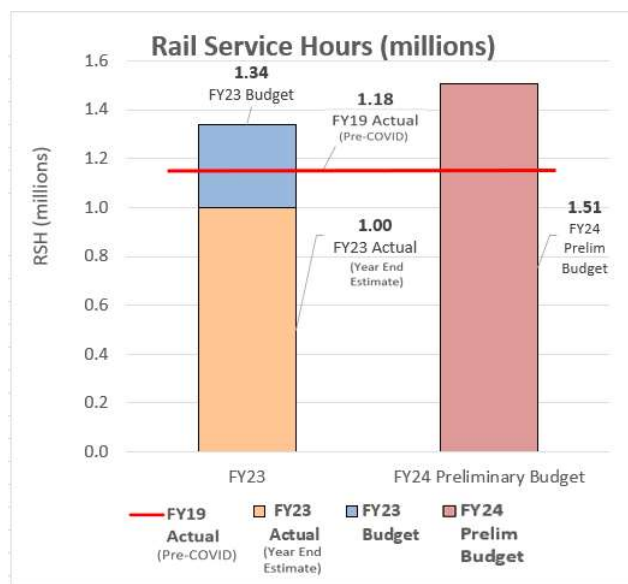
Rail service levels are planned to continue meeting current demand. The service is right sized upon constant evaluation by staff. The initial operating segment of the K Line (Crenshaw/LAX Line) opened in October 2022. The new Regional Connector light rail corridor through downtown LA, with associated changes creating the new A (Long Beach - Azusa) and E (Santa Monica - East LA) Light Rail lines, is expected to open by the end of FY23. The Regional Connector and K Line (Crenshaw/LAX Line) will operate for a full year of service in FY24.

Rail service will improve frequency by increasing headways from a 10-minute peak and 12-minute off

-peak service to an 8-minute peak and 10-minute off-peak service on all Light Rail lines. The plan will also increase daytime all week service frequency to 10-minute from the current 15-minute on the Subway (B Line and D Line) in line with the NextGen Bus Plan Tier 1 minimum headway frequency.

As shown in Figure 2 below, the total rail service plan includes 1.505 million RSH, a 27.5% increase from pre-pandemic levels and a 12.3% increase over the FY23 budget. Further details are included in the separate Operations, Safety, and Customer Experience Committee's April 20th Board report.

Fig 2:



Metro Transit Program - Operations & Maintenance Budget

As shown in Figure 3 below, the FY24 preliminary budget for the Metro Transit Program is \$2.36 billion, an increase of 5.0% or \$112.7 million over the FY23 budget. It includes funds to support the delivery of 8.9 million RSHs to operate Bus and Rail services as well as the Metro Micro pilot program.

Bus expenses in the coming fiscal year are anticipated to increase by \$54.5 million or 3.7% from the FY23 budget. This increase will support enhanced quality, safety, and service reliability.

Preliminary budget for Light and Heavy rail services includes additional funding for increases in service frequencies, full year operations of the K Line (Crenshaw/LAX Line), and Regional Connector with three new stations, as well as additional staffing for cleanliness and safety. Rail expenses are anticipated to increase by \$57.2 million or 7.8% from FY23 budget.

Metro Micro pilot program's preliminary budget increases by 2.4% to \$40.1 million and includes staffing and contract expenses to operate 272.2 thousand RSHs.

See further details on Bus, Rail, and Metro Micro budget in Attachment A.

Fig 3:

	Operations & Maintenance (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Bus Total	\$ 1,473.9	\$ 1,528.4	\$ 54.5	3.7%	64.7%
2	Rail Total	737.8	795.1	57.2	7.8%	33.6%
3	Metro Micro	39.2	40.1	0.9	2.4%	1.7%
4	Operations & Maintenance Total	\$ 2,251.0	\$ 2,363.7	\$ 112.7	5.0%	100.0%

Cleaning

The FY24 Preliminary Budget includes \$201 million for all cleaning efforts, an increase of 13% or \$23.6 million over the FY23 budget. This also includes 10 roving cleaning teams, 24 new custodial staff, and up to 50 temporary part-time custodial Room to Work participants. Metro is also increasing the frequency of cleaning, expanding “in-line” and mid-day bus interior cleaning, “end of line” cleaning on rail, station hot spots, and expanded activities at Metro’s most traveled stations and terminals.

- Daily Bus cleaning at 4 terminals 7 days a week: Terminal 17 (Maple Lot), Terminal 19 (El Monte), Terminal 26 (Washington/Fairfax), and Terminal 28 (18th St)
- Rail custodial staff deployment at 13 Hot Spots (all 3 shifts providing round the clock service at these stations: Union Station, Pershing Square, 7th/Metro, Civic, Westlake, Wilshire/Vermont, Hollywood/Vine, Hollywood/Highland, Universal, North Hollywood, Willowbrook/Rosa Parks, Aviation/LAX, and Pico).

Fig 4:

(\$ in millions)

	Area	FY23 FTE	FY24 FTE	Change	% Change	FY23 Budget	FY24 Preliminary	\$ Change	% Change
1	Buses	388	388	-	0%	\$ 1.1	\$ 1.0	\$ (0.1)	-7.2%
2	Trains	164	164	-	0%	0.3	0.4	0.0	7.0%
3	Facilities	108	108	-	0%	55.8	55.6	(0.3)	-0.5%
4	Stations	213	237	24	11%	2.3	4.8	2.5	105.8%
5	Stops	23	23	-	0%	0.1	0.1	-	0.0%
6	Station Evaluation	2	2	-	0%	0.0	0.0	0.0	1.9%
7	Totals	898	922	24	3%	\$ 59.7	\$ 61.9	\$ 2.1	3.6%
8	Labor Costs					\$ 117.6	\$ 139.1	\$ 21.5	18.3%
9	Cleaning Budget Total					\$ 177.4	\$ 201.0	\$ 23.6	13.3%

Vinyl Seat Replacements

Last year, a recurring request heard from customers was to remove all fabric seats for vinyl seats throughout the system. Metro remains committed to completing this campaign. Vinyl seat replacements on the bus fleet and all in service rail vehicles are on track to be completed by June

2023.

Room To Work Program

The Room to Work Program was developed last year to support unhoused riders and individuals with career opportunities in transportation. In March 2023, 24 temporary, part-time custodians were hired for deployment on B Line stations. In FY24, \$1.5 million is being added to ramp up the program, hiring up to 50 Room to Work participants to provide part-time custodial cleaning at B and D passenger stations.

Westlake MacArthur Park Program

Westlake/MacArthur Park Station, served by Metro B and D Lines (Red/Purple) and nearby NextGen Tier 1 bus lines, has been impacted by societal challenges impacting public safety. This program will pilot interventions to deter non-transit loitering and restore safe and reliable transit. These interventions include upgrades to faregates, station lighting, CCTV cameras, alarms, bench seating, signage, and a new station kiosk to improve customer experience and public safety.

Bus Layover - Mobile Restrooms Pilot

Metro's Leadership Academy identified this pilot as an important investment in frontline employees. The team researched bus layover restroom and break area facilities for Bus Operators, making the case for Metro to invest in long-term, sustainable improvements to these facilities, with the health of our Operators as the primary driver.

Public Safety

Metro's competitive game plan for transformational change to public safety is known as the Reimagining Public Safety Framework, which aligns operations to the needs of the public through deliberate and equity-driven public safety initiatives. Metro is implementing a comprehensive, multi-layered strategy that is essential for enhancing public safety on our system.

The law enforcement presence will be supplemented with various interventions, such as additional transit security officers, dedicated bus-riding teams, pilot transit ambassadors, and homeless/mental health outreach. This will ensure that appropriate personnel are deployed to address specific issues. The proposed plan is a proactive, data-driven, and flexible response that offers strategic enforcement and equitable rule compliance in order to maintain public safety.

The FY24 Preliminary Budget for resource deployment includes \$290.5 million, a 3.7% increase from the FY23 Budget, to ensure Metro has a system designed to enhance security.

Fig 5:

	Public Safety Resource Deployment (\$ in millions)	FY23 Budget	FY24 Preliminary	\$ Change	% Change
1	Transit Ambassadors - FY22 Carryover Funding ⁽¹⁾	\$ 20.0	\$ -	\$ (20.0)	-100.0%
2	Transit Ambassadors - Annual Funding	20.0	20.0	-	0.0%
3	Homeless/Mental Health Outreach	15.3	25.3	10.0	65.6%
4	Metro Transit Security	30.7	43.7	13.0	42.5%
5	Private Security	24.8	25.7	0.9	3.7%
6	Law Enforcement	169.5	175.8	6.3	3.7%
7	Public Safety Resource Deployment Total	\$ 280.2	\$ 290.5	\$ 10.2	3.7%

Note: Totals may not add up due to rounding.

⁽¹⁾ The FY23 Budget includes an additional \$20 million of rollover budget from FY22 since the Transit Ambassador pilot program was approved by the Metro Board in late FY22. The annual funding for the Transit Ambassador pilot program is \$20 million per Motion 26.2.

Homeless/Mental Health Outreach Services

Metro allocated \$25.3 million towards the growing need for homeless outreach and mental health resources. \$13.5 million is dedicated to homeless outreach by partnering with LA County Department of Health Services (DHS)' multi-disciplinary teams, including PATH, to provide resources on the system. \$10 million is set aside to partner with LA County Department of Mental Health Services (DMH), which will provide training support to identify mental health concerns and proper responses, strategies to address critical crisis response needs, and Community Mental Health Ambassadors. Another \$1.8 million is for short-term shelters, workforce partnerships, a strategic plan, and a homeless app to track engagement and outreach.

Fare Programs

Metro continues to improve and enhance the customer experience by making it easy for riders. Various fare programs are being piloted and launched in FY24 to make it easy and equitable for all riders, such as the GoPass Student pilot program, LIFE program, Mobility Wallet pilot, and the launch of fare capping.

GoPass Pilot

GoPass is paving the path towards a better quality of life and future job opportunities for the most disadvantaged students in LA County. Free access to public transportation increases students' mobility, school attendance, graduation rates, and access to social activities, promoting a better quality of life and better job opportunities.

Currently, 234,378 (11.5%) of LA County students are enrolled in the program. These students make 1.5 million boardings a month. The net cost of the program is \$20 - \$25 million. This is minimally offset by the cost sharing agreements with the schools generating \$3.5 million annually. School agreement rates will be evaluated during this pilot period. Metro continues to advocate for funding at the federal and state level to identify a dedicated and permanent funding stream.

LIFE Program (Low Income Fares is Easy)

Metro Transit has reduced the cost of transit for more eligible low-income riders with the LIFE Program. The program offers fare discounts that can be applied toward purchasing weekly and monthly transit passes on Metro and any LIFE participating transit agencies, or 20 free rides on any one of the participating transit agencies.

Over the last year, Metro has made many improvements to the program to streamline the process for enrollment, including self-certification, online enrollment, and partnering with the Department of Public Social Services (DPSS). With all these improvements and the extensive outreach to enroll riders, Metro has exceeded the Board's goal to double enrollment in the program by December 2022, ending the calendar year with over 104,587 new LIFE participants.

There are currently over 217,475 people enrolled in the LIFE program. The FY24 Preliminary Budget includes \$32.5 million for the LIFE Program, an 8.9% increase over the FY23 Budget.

With Metro's recent fare change, Metro LIFE riders will also be participating in fare capping, allowing them access to an unlimited use pass without upfront payment pay as you go rather than paying upfront for a pass.

Mobility Wallet Pilot

Metro is developing a Mobility Wallet pilot program in partnership with the California Air and Resources Board (CARB) and the City of Los Angeles. The program will provide transit subsidies to 5,000 participants, focusing on up to 2,500 low-income residents in South LA. Patrons can use their Mobility Wallet subsidy funds via a pre-paid debit card or through the Pay with TAP account solution.

The Mobility Wallet is an all-in-one payment solution that will enable users to pay for various transportation options, including public transit (bus and rail, Metro Micro), as well as on-demand mobility services (such as carshare, ride-hail, taxi, shared scooters, and bikes). The FY24 preliminary budget allocates \$1 million for this pilot, which LADOT will reimburse through the CARB grant.

Fare Capping

In December 2022, Metro Board approved fare policy changes to align with fare capping. The overall goal for these changes is to expand mobility and increase access through a simple, equitable, and forward-looking fare structure that supports a sustainable transit system. The suite of changes simplifies fares and allows all riders the opportunity to unlimited use passes without upfront payment for a pass. Every rider will get the Best Fare. Fare capping and the suite of changes are anticipated to launch in FY24.

Metro Transit Program - Capital Improvement Program (CIP) Budget

The FY24 Metro Capital Improvement Program (CIP) includes a Preliminary Budget of \$541.4M. The CIP budget focuses on maintaining, upgrading, and modernizing assets and infrastructure to ensure the transit system has state of the art equipment and peripheral systems to provide high quality

transit service. Capital asset improvements within this budget include the implementation of new technologies, rolling stock purchases, rolling stock modernization, station improvements, and more. The goal of the CIP is to enhance the customer experience while improving safety and reliability. Metro's goal is to methodically renew and improve the system while maximizing scarce capital resources.

The FY24 preliminary budget is allocated to maintain Metro's Bus, Rail, regional, and critical information systems needed to manage and monitor system-wide performance. It also reflects the maintenance of peripheral transit Infrastructure. The \$541.4 million estimate is based on current and future project activities and reflects the necessary cash flow to complete FY24 milestones and deliverables. A profile of the CIP program is shown in Figure 6 below.

Fig 6:

Metro Transit - Capital Improvement Program (CIP)					
Capital Category (\$ in millions)	FY23 Budget	FY24 Preliminary	\$ Change	% Change	
1 Fleet Procurement	\$ 82.1	\$ 70.1	\$ (12.0)	-14.7%	
2 Fleet Maintenance	41.4	44.1	2.7	6.6%	
3 Facilities Improvements	28.6	22.0	(6.6)	-23.2%	
4 Bus Subtotal	\$ 152.1	\$ 136.2	\$ (15.9)	-10.5%	
5 Fleet Procurement	68.9	32.8	(36.2)	-52.5%	
6 Fleet Maintenance	99.5	136.2	36.7	36.9%	
7 Facilities Improvements	6.3	8.7	2.5	39.4%	
8 Wayside Systems	47.7	52.3	4.6	9.6%	
9 Rail Subtotal	\$ 222.4	\$ 229.9	\$ 7.6	3.4%	
10 Regional and Hubs	35.3	33.6	(2.9)	-7.8%	
11 TAM Project Management Support	0.0	0.0	(0.0)	-10.2%	
12 Technology	45.1	64.4	19.3	42.8%	
13 Non-MR/MM Major Construction	43.0	64.7	21.7	50.5%	
14 Non-Revenue Vehicles	5.7	12.7	6.9	121.3%	
15 Other Asset Improvements Subtotal	\$ 130.2	\$ 175.3	\$ 45.1	34.6%	
16 Total Proposed CIP Budget	\$ 504.7	\$ 541.4	\$ 36.7	7.3%	

Metro will continue working toward the Board's goal of achieving a zero-emission fleet in the coming year. This effort will require a \$3.5 billion to \$4.0 billion investment in buses and charging infrastructure over the next 10 years, approximately \$350 million to \$400 million in annual expenses. This represents a significant increase above the \$140 million average for bus and facilities in the past 10 years. Although there is a slight decrease in bus acquisition expenses this year, new zero emission bus acquisitions are in the pipeline and will increase as available technology and funding permit.

A detailed discussion of the CIP program cashflow request for the FY24 preliminary budget is included in Attachment B.

Total Bus Investment

Metro is committed to investments in the bus system. Figure 7 summarizes the total bus investments across all Metro programs.

- **Bus Service:** Bus costs in Operations & Maintenance represent \$1.5 billion in investments in operating and delivering bus service in FY24.
- **NextGen:** A significant investment of \$52.9 million will also be made in NextGen related projects this coming year.
- **Capital improvements:** A substantial portion of the capital improvements of the FY24 Preliminary Budget is devoted to the upkeep of the existing Metro bus system, approximately \$138.2 million in capital projects.
- **Construction & Planning:** Transit Construction and Planning investments of \$149.1 million includes all BRT improvement projects. These BRT improvement projects include construction efforts to improve G Line as well as studies for a Broadway BRT, a BRT connecting B Line/ G Line to L Line, Vermont Transit Corridor project, and San Gabriel Valley Transit Feasibility project.
- **Bus Studies and CX initiatives:** A \$28.0 million investment in Bus Studies and other CX initiatives for FY24 includes the Adopt-a-Bus Stop program, Bus Stop Lighting Project as well as other bus studies. Also another key program included in this section is the LIFE program, which aims to help make our bus services more accessible for low-income riders.

Overall, Figure 7 below captures the total bus investments in the FY24 preliminary budget of \$1.89B, which is an increase of 6.6% from the FY23 budget. Refer to Attachment C for further details.

Fig 7:

Bus Investments (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1 Bus Operations & Maintenance	\$ 1,473.9	\$ 1,528.4	54.5	3.7%	80.6%
2 Bus NextGen	28.9	52.9	24.0	83.0%	2.8%
3 Bus Capital Improvements	131.8	138.2	6.3	4.8%	7.3%
4 Bus Transit Construction & Planning	119.5	149.1	29.6	24.7%	7.9%
5 Bus Studies & CX Initiatives	25.1	28.0	3.0	11.8%	1.5%
6 Total of Bus Investments	\$ 1,779.3	\$ 1,896.7	\$117.4	6.6%	100.0%

FY24 Preliminary Budget for Congestion Management, General Planning & Programs and Oversight & Admin

As shown in Figure 8 below, the FY24 Preliminary Budget for Metro Transit - Operations & Maintenance (O&M) as well as CIP, General Planning & Programs, Congestion Management and Oversight & Admin programs totals \$3.3 billion. As the FY24 EZBB process progresses, more detailed budget proposals by program are developed.

The following summarizes the changes between FY24 and FY23:

- General Planning & Programs totals \$233.7 million, an increase of \$13.1 million or 5.9%.
- Congestion Management totals \$131.9 million, a decrease of \$5.1 million or 3.7%.
- \$84.3 million for Oversight & Admin, a \$2.6 million or 3.1% increase from FY23.

See further details on the budget for these three programs in Attachment D.

Fig 8:

Expenditures by Program Type (\$ in Millions)		FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Metro Transit - Operations	\$ 2,251.0	\$ 2,363.7	112.7	5.0%	27.7%
2	Metro Transit - Capital Improvement Program	504.7	541.4	36.7	7.3%	6.3%
3	General Planning & Programs	220.6	233.7	13.1	5.9%	2.7%
4	Congestion Management	137.0	131.9	(5.1)	-3.7%	1.5%
5	Oversight & Admin	81.7	84.3	2.6	3.1%	1.0%
6	Total of Programs covered in April Report	\$ 3,195.0	\$ 3,354.9	\$160.0	5.0%	39.3%
7	Total of Programs covered in March Report	\$ 5,101.4	\$ 5,173.2	\$ 71.8	1.4%	60.7%
8	Total of April and March Report	\$ 8,296.3	\$ 8,528.2	\$231.8	2.8%	100.0%

In May, staff will provide the consolidated Agency-wide expenses, FTEs, budget by departments, and an update on debt borrowing plans to help deliver essential capital projects.

Early & Expanded Public Engagement Update

Metro works to incorporate the voices of the diverse community it serves into the annual budget. As such, involving the public and key Metro stakeholders in the budget development process is important. To achieve this, public engagement began early, and an effort was made to engage often. Metro held three Telephone Town Hall Meetings and released a new My Metro Budget tool. One of the goals of the budget tool and telephone townhalls was to not only provide a way to educate the public on budget trade-offs but also to provide information about the budget process. In addition, there was an effort to collect comments and feedback, which were distributed to the departments for consideration when developing the FY24 Budget. While these are a few of many efforts Metro engages the community with, there are many others agency wide.

At the most recent Telephone Town Hall on March 28, 2023, Metro leadership was in attendance to share the FY24 initiatives of the agency. The top public concerns were centered around safety and cleanliness of the system. Metro's senior leadership team addressed these concerns directly.

Staff will continue reaching out to the public with expanded stakeholder outreach meetings throughout April and May. The FY24 budget season will end with a budget public hearing scheduled on May 17 and will allow the public an opportunity to comment on the proposed budget. This will be followed by a review and possible adoption of the proposed FY24 budget by the Metro Board on May 25. See Attachment E for details on the FY24 outreach and engagement efforts.

DETERMINATION OF SAFETY IMPACT

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

EQUITY PLATFORM

This month's report focuses on Metro's Transit Program and highlights operating and maintenance of bus and rail services, general planning and programs, congestion management, as well as several customer experience initiatives and public safety enhancements. The engagement efforts to gather feedback for the Metro Transit Program budget were inclusive, with marketing to reach residents in Equity Focus Communities (EFCs). This portion of the budget considers the comments received from riders in EFCs about safety, cleanliness, frequency, and reliability. The FY24 Transit Operations Plan emphasizes putting people first- riders, stakeholders, and employees while providing equitable, sustainable, economically productive, safe, and accessible service.

Metro not only works to expand the system by increasing station stops and improving system signage for riders but also provides ADA accessible services and Metro Micro to better serve all communities' unique needs. Additionally, Metro's Reimagining Public Safety campaign is increasing the budget for homeless and mental health outreach, as well as safety and security with Transit Ambassadors and Metro Transit Security.

Metro engaged riders, stakeholders, and the broader public early in the budget process, starting with public meetings, Telephone Town Halls, and the new My Metro Budget engagement tool. The Telephone Town Hall meetings dialed out to 100% of EFCs. My Metro Budget is available in Spanish and English to engage and educate the public, specifically EFCs, and yielded a 44% response rate from EFC residents. This information is used to develop strategies for continued and expanded outreach and for improving Metro Transit programs and initiatives.

Additionally, the Metro Budget Equity Assessment Tool (MBEAT) is incorporated in the FY24 Budget development to assess budgetary requests for equity benefits, impacts, and considerations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports the following Metro Strategic Plan Goal:

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

NEXT STEPS

Staff will review and finalize the FY23 Budget proposal for Board consideration of adoption and in time for the public hearing on May 17th.

ATTACHMENTS

Attachment A - Metro Transit O&M - (Budget and Service Plan)

Attachment B - Metro Transit Capital Improvement Projects Details

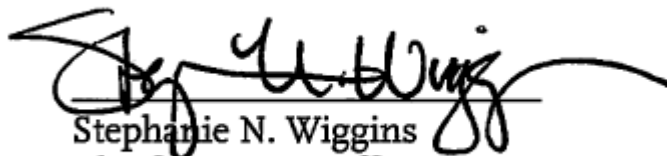
Attachment C - Overall Bus Investments

Attachment D - Congestion Management, General Planning & Programs, and

Oversight & Admin Programs
Attachment E - Early, Improved & Expanded Public Engagement Update

Prepared by: Irene Fine, Senior Executive Officer, Finance, (213) 922-4420
Christopher Gallanes, Executive Officer, Finance, (213) 922-4828
Scott Arbuckle, Senior Director, Finance, (213) 922-5581
Parvaneh Ahmadi, Senior Director, Finance, (213) 922-2864
Jessica Lai, Director, Finance, (213) 922-3644
Giovanna Gogreve, Senior Manager, (213) 922-2835

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



Stephanie N. Wiggins
Chief Executive Officer

Attachment A : Metro Transit O&M - (Budget and Service Plan)**Metro Transit : Operations & Maintenance Program Budget**

The FY24 preliminary budget for Metro Transit program for bus, rail and Metro Micro is \$2.36 billion, an increase of 5% or \$112.7 million over FY23 budget. The budget includes funds to support delivery of 8.9 million RSHs to operate bus, rail, and Metro Micro services.

	Operations & Maintenance (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Bus Total	\$ 1,473.9	\$ 1,528.4	\$ 54.5	3.7%	64.7%
2	Rail Total	737.8	795.1	57.2	7.8%	33.6%
3	Metro Micro	39.2	40.1	0.9	2.4%	1.7%
4	Operations & Maintenance Total	\$ 2,251.0	\$ 2,363.7	\$ 112.7	5.0%	100.0%
5	Cost per RSH					
6	Bus	\$ 207.9	\$ 214.7	\$ 6.8	3.3%	
7	Rail	\$ 550.3	\$ 528.0	\$ (22.2)	-4.0%	
8	Metro Micro	\$ 144.4	\$ 147.4	\$ 3.0	2.1%	

Expenditures are based on operating-eligible funding for Metro Transit program to provide equitable, accessible, clean, safe, and reliable service for all customers. Expenditures include allowances for additional staffing and other support to ensure delivery of increased service and addressing Customer Experience initiatives including enhanced bus and rail cleaning, Room to Work program, public safety, transit ambassador program, various pilots to enhance customer experience and safety such as Westlake MacArthur Park program and Mobile Restrooms, homeless outreach, supporting Fare Subsidy Programs including LIFE and GoPass, Fare Capping, Mobility Wallet Pilot Program and improving real-time information as part of Metro's equity focus.

Metro Transit Bus Budget

	Bus Operations & Maintenance (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Labor	958.7	1,007.1	48.3	5.0%	65.9%
2	Parts & Supplies	83.6	76.7	(7.0)	-8.3%	5.0%
3	CNG	42.2	45.2	3.0	7.0%	3.0%
4	Service Contracts	183.5	186.1	2.7	1.5%	12.2%
5	Other Operating Expenses	205.9	213.5	7.5	3.7%	14.0%
6	Grand Total	1,473.9	1,528.4	54.5	3.7%	100.0%
7	Bus Cost per RSH	\$ 207.9	\$ 214.7	\$ 6.8	3.3%	

Metro Bus program consists of several enhancements in FY24 including increasing service, NextGen service improvements, staffing and resources to support daily bus cleaning at 4 terminals 7 days a week as well and enhanced public safety.

Labor Expenses

Included in the budget is additional staffing to support bus operator hiring activities as well as staffing for cleaning buses, bus stops, and bus layover zones for an increase of \$48.3 million (5%) in total labor expenses in budget over FY23.

Non-Labor Expenses

Preliminary budget includes \$186.1 million for Service Contracts to support delivery of 7.1 million RSH as well as funding for security, Transit Ambassador program and Homeless Outreach efforts which is an increase of \$2.7 million over FY23 budget. CNG fuel expense increase of 7% is primarily due to the CNG fuel market cost per therm increase caused by inventory availability, transportation cost and increased service. Other Operating Expenses are \$213.5 million, a 3.7% or \$7.5 million over FY23 budget and include funds for Purchased Transportation (contracted bus) service, maintenance expenses of rail divisions and facilities, utilities, insurance, and workers compensation expenses.

In addition, NextGen bus improvement projects included in Capital Improvement Plan (CIP), such as Bus Mobile Validators for All Door Boarding, Transit Signal Priority, and Camera Bus Lane Enforcement, improve system speed allowing more trips for the planned service hours, increasing service efficiency.

Metro Transit Rail Budget

	Rail Operations & Maintenance (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Labor	355.8	392.7	36.9	10.4%	49.4%
2	Parts & Supplies	26.1	30.9	4.7	18.0%	3.9%
3	Propulsion Power	40.4	47.2	6.9	17.0%	5.9%
4	Service Contracts	239.8	233.6	(6.2)	-2.6%	29.4%
5	Other Operating Expenses	75.7	90.7	15.0	19.8%	11.4%
6	Grand Total	737.8	795.1	57.2	7.8%	100.0%
7	Rail Cost per RSH	\$ 550.3	\$ 528.0	\$ (22.2)	-4.0%	

Metro Rail program consists of several enhancements in FY24 including service increases for full operation of K Line (Crenshaw/LAX Line) and Regional Connector, increased service frequency (service restoration) and enhanced cleaning and safety improvements as part of our Customer Experience initiatives. To deliver this service, the estimated budget is \$795.1 million which is \$57.2 million (7.8%) increase over FY23.

Labor Expenses

Included in the budget is additional custodial staffing deployment for daily division cleaning, “end of line” cleaning, and 7 day a week cleaning surge. Funds are included to support additional staffing for security and temporary part-time Room to Work participants. The preliminary budget also includes funds to support a full year of K line and Regional Connector service. The labor cost increase to support these services is \$36.9 million (10.4%) over FY23.

Non-Labor Expenses

To keep our new and existing fleets in excellent working condition, funds are added in Parts and Supplies for \$4.7 million (18%) for cleaning and corrective and preventative maintenance. Propulsion power expenses are increasing by \$6.9 million due to service and rate increases. Service Contracts preliminary budget is \$233.6 million and includes enhanced cleaning and safety improvements, enhanced security, Transit Ambassador program, and homeless outreach program. Other operating costs are \$90.7 million which include utilities, insurance, workers compensation, maintenance and upkeep expenses for rail divisions and facilities and rent which are increasing by \$15 million over FY23 budget.

Metro Micro

Metro Micro is a multi-year pilot program designed to augment ridership by giving a ride-hail option for customers when traveling in the lower density areas of the region as intended by NextGen. The pilot program is extended until September 2023, however, the preliminary budget includes \$40.1 million to support full year extension of the pilot to support delivery of 272.2 thousand revenue service hours.

	Metro Micro (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Metro Labor	19.3	20.2	0.9	4.6%	50.4%
2	RideCo Contract and Vehicle Lease	14.8	15.1	0.3	2.0%	37.5%
3	Other Metro Operating Expenses	5.1	4.9	(0.1)	-2.6%	12.1%
4	Micro Total	39.2	40.1	0.9	2.4%	100.0%
5	Micro Cost per RSH	\$ 144.4	\$ 147.4	\$ 3.0	2.1%	

Service Levels (Service Hours)

The table below illustrates service hour breakdown by mode and line:

Revenue Service Hours

	Mode	FY23 Budget	FY24 Prelim	Change
1	Bus			
2	Local & Rapid	6,360,171	6,380,701	20,530
3	J Line (Silver)	125,287	121,890	(3,397)
4	G Line (Orange)	104,921	100,760	(4,161)
5	Purchased Transportation	498,656	515,864	17,208
6	Metro Micro	271,440	272,239	799
7	Subtotal Bus	7,360,475	7,391,454	30,979
8	Rail			
9	A Line (Blue)	447,224	516,741	69,517
10	C Line (Green)	109,706	129,129	19,423
11	K Line (Crenshaw/LAX)	47,509	87,210	39,701
12	L Line (Gold)	61,641	-	(61,641)
13	E Line (Expo)	318,474	351,729	33,255
14	B Line (Red) / D Line (Purple)	356,353	420,968	64,615
15	Subtotal Rail	1,340,907	1,505,777	164,870
16	Total	8,701,382	8,897,231	195,849

Pre - Revenue Service Hours

	Mode	FY23 Budget	FY24 Prelim	Change
17	Crenshaw Line	10,513	1,925	(8,588)
18	Regional Connector	22,798	-	(22,798)
19	Purple Line Extension (Phase 1)	-	7,665	7,665
20	Total Pre-Revenue Service Hours	33,311	9,590	(23,721)
21	Total Service Hours	8,734,693	8,906,821	172,128

Attachment B : Metro Transit Capital Improvement Projects Details

Metro Transit : Capital Improvement Program (CIP)

Projects within the CIP focus on keeping the system assets safe and reliable to ensure Board approved service levels are delivered. Safe and reliable service delivery is achieved primarily by replacing or maintaining assets that have met or exceeded their useful life. However, it also includes some vital projects for service expansion and enhancement. The CIP projects are generally recurring in nature but include some one-time items.

Metro Transit - Capital Improvement Program (CIP)						
Capital Category (\$ in millions)	FY23 Budget	FY24 Preliminary	\$ Change	% Change	% of Total	
1 Fleet Procurement	\$ 82.1	\$ 70.1	\$ (12.0)	-14.7%	12.9%	
2 Fleet Maintenance	41.4	44.1	2.7	6.6%	8.2%	
3 Facilities Improvements	28.6	22.0	(6.6)	-23.2%	4.1%	
4 Bus Subtotal	\$ 152.1	\$ 136.2	\$ (15.9)	-10.5%	25.2%	
5 Fleet Procurement	68.9	32.8	(36.2)	-52.5%	6.1%	
6 Fleet Maintenance	99.5	136.2	36.7	36.9%	25.2%	
7 Facilities Improvements	6.3	8.7	2.5	39.4%	1.6%	
8 Wayside Systems	47.7	52.3	4.5	9.5%	9.7%	
9 Rail Subtotal	\$ 222.4	\$ 229.9	\$ 7.6	3.4%	42.5%	
10 Regional and Hubs	36.3	33.5	(2.9)	-7.8%	6.2%	
11 TAM Project Management Support	0.0	0.0	(0.0)	-10.2%	0.0%	
12 Technology	45.1	64.4	19.3	42.8%	11.9%	
13 Non MR/MM Major Construction	43.0	64.7	21.7	50.5%	12.0%	
14 Non-Revenue Vehicles	5.7	12.7	6.9	121.3%	2.3%	
15 Other Asset Improvements Subtotal	\$ 130.2	\$ 175.3	\$ 45.1	34.6%	32.4%	
16 Total Proposed CIP Budget	\$ 504.7	\$ 541.4	\$ 36.7	7.3%	100.0%	

Bus Program

Fleet Procurement, Fleet Maintenance, and Facilities Improvements make up \$136.2 million, 25.2% of the total CIP budget.

Bus – Fleet Procurement

Metro is continuing its pursuit of a truly sustainable bus fleet. The Board has adopted a goal of converting Metro's entire fleet of buses from Compressed Natural Gas (CNG) to Zero Emission electric vehicles. This is an ambitious goal considering Metro has the second largest bus fleet in the United States, and places high mileage and vehicle performance demand on its 2,300 buses.

Electric and Zero Emission bus technology is still in the development stage. Metro will partner with electric bus manufacturers to test, develop, and improve electric bus technology to the point of full technological maturity. FY24 Bus acquisition and delivery represents a step towards realizing this goal. Bus acquisition consists of procurement and delivery of buses to replace buses scheduled for retirement, supporting ever-

evolving service improvements, and for initiating Electric/Zero Emission Buses (ZEB) bus deployment on various bus transit corridors. Approximately \$70.1 million, 12.9% of the CIP budget is allocated for these efforts.

Metro anticipates commencing delivery of approximately 93 forty-foot ZEB buses and finalizing payment for prior procurements of 40' and 60' ZEB and CNG buses. Metro is also investing approximately \$19.2M in charging infrastructure. Placement of electric charging equipment and infrastructure will occur at stations on the J Line (Silver) alignment, as well as operating divisions.

Bus - Fleet Maintenance

Bus fleet maintenance projects represent \$44.1 million, 8.2% of the CIP budget. Although this is a decrease from the FY23 budget, the budget request reflects the specific resource needs to perform scheduled maintenance. Bus maintenance projects include bus midlife refurbishment and integrated engine replacement. Midlife refurbishment ensures that our buses are operational for their designated useful life, which includes structural integrity checks and change-out of critical system components. The refurbishment program also consists of installation of live view security monitors, fare box upgrades, and upgraded ADA wheelchair securement equipment. All buses scheduled for midlife refurbishment are based on bus age, miles accumulated thus far in revenue service, and reliability measurements of the bus series.

Bus - Facilities Improvements

Bus facilities improvements make up \$22.0 million, 4.1% of the CIP budget. These projects include development of master plans for facility upgrades, site refurbishment, and site reconfigurations to upgrade and maintain facilities. Upgrades include regulatory compliance mandates, such as replacement of underground fuel storage tanks, roofs, building ventilation, upgrade of fire alarm systems, and bus division pavement replacement.

Rail Program

Rail Fleet Procurement, Vehicle Maintenance, Facilities Improvements, and Wayside Systems repair and replacement total \$229.9 million, 42.5% of the CIP budget.

Rail - Fleet Procurement

Light and Heavy Rail Vehicle procurement is allocated \$32.8 million, 6.1% of the CIP budget. It is dedicated to vehicle deliveries for both rail expansion and existing vehicle replacement. Light rail vehicle deliveries are in the final stage of production and delivery. Staff will focus on closing out production and assembly installations. When these activities are complete, the vehicles will be accepted, final progress payments paid, and deployed for existing service and expansion pre-revenue activities.

A new Heavy Rail Vehicle (HRV) procurement will be initiated this year. The procurement will include the purchase of 64 vehicles, 30 for replacement of A650 vehicles and 34 for the Purple Line Extension, Section 1. Of the 64 vehicles, 6 are

anticipated to be delivered om FY24. This is a major milestone in the process of replacing the original B (Red) Line cars that began service in 1992. These new vehicles will replace the existing vehicles and will have many amenities that will enhance the transit customer experience.

Rail - Fleet Maintenance

Rail Vehicle Maintenance projects are allocated \$136.2 million, 25.2% of the CIP budget. Two major vehicle component overhaul programs will continue to augment the quality of the rail fleet. Additional customer amenities will be installed. Vehicle subsystem overhaul will include refurbishment of gearboxes, Heating, Ventilation, and Air Conditioning (HVAC) systems, and other major equipment that require specialized technical skills to rebuild.

The Heavy Rail vehicle midlife modernization consists of the change out of critical system components to extend the vehicle useful life on B (Red) Line vehicles. Vehicles scheduled for midlife will be sent offsite and be brought back for testing, inspection, and final acceptance. Midlife refurbishment includes inspection and overhaul of critical assemblies that include propulsion power systems, friction brake control, Automatic Train Control (ATP), and numerous subsystems required to improve operational reliability. Refurbishment also includes the installation of a fire mist suppression system, which will provide an economical fire life safety solution on the Red and Purple Lines.

Light Rail overhauled vehicles will also continue to be delivered. A significant portion of the budget increase is due to an increase in the number of overhauls for P2550 cars. New Automatic Train Protection (ATP) equipment will enable the trains to stop automatically if necessary. The critical operational systems for overhaul include friction brakes, air compressor motors, and gearboxes.

Rail - Facilities Improvements

Rail facilities improvements projects make up \$8.7 million, 1.6% of the CIP budget. Projects are slated to maintain existing rail facilities with mandated regulatory upgrades such as station/facility fire control panel installation, platform gate replacement, various lighting retrofits, roof replacements, ventilation, HVAC system repairs, pavement replacement, and art projects.

Rail - Wayside Systems

Wayside system improvements make up \$52.3 million, 9.7% of the CIP budget. Projects include the on-going replacement of the Supervisory Control and Data Acquisition (SCADA) system, as well as track system replacement, Overhead Catenary System (OCS) inspection/refurbishment, train control track circuits, train-to-wayside (TWC) communication system, tunnel corrosion mitigation, replace old wood ties with composite ties, replace mainline fasteners and many other maintenance projects.

Other Asset Improvements

Other Asset Improvements total \$175.3 million, 32.4% of the CIP budget. These projects are slated for regional construction improvements, replacement of maintenance vehicles/equipment, and technology upgrades. Metro will be making significant investments in track and tunnel intrusion technology, enhanced CCTV systems, and improvements to signage and wayside throughout the system. System technology purchases and upgrades for agency infrastructure and customer support systems. A significant technology project is continuing efforts with development and integration of the Enterprise Asset Management System (EAMS). The EAMS project will integrate maintenance activities and track agency-wide capital assets. Significant investments will also be made in Transit Signal Priority (TSP) and Bus Mobile Validators (BMV) for all door boarding, as a part of NextGen.

Attachment C : Overall Bus Investments

Overall Bus Investment in FY24 Preliminary Budget

LA Metro prioritizes its investments in bus services, which includes the cost of the operations, maintenance, NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. Understanding the complexities of managing these expenses is essential for the agency to continue providing clean, safe, and reliable transportation to the community. In this context, analyzing and optimizing bus expenses is a critical priority for LA Metro. The FY24 Budget includes almost \$1.9 billion in bus investments.

	Bus Investments (\$ in thousands)	FY23 Budget	FY24 Preliminary	\$ Change	% Change	Life Of Project
1	Operations & Maintenance					
2	Directly Operated Service Delivery - Labor	\$ 728,858.6	\$ 750,195.3	\$ 21,336.7	2.9%	
3	Directly Operated Service Delivery - Parts, Supplies, CNG, Other	369,787.7	357,338.6	(12,449.2)	-3.4%	
4	Cleanliness	84,012.2	96,509.7	12,497.5	14.9%	
5	Public Safety					
6	Security (LE/Private/Metro)	\$ 65,673.7	\$ 82,544.9	\$ 16,871.2	25.7%	
7	Transit Ambassador Program ⁽¹⁾	12,000.0	6,000.0	(6,000.0)	-50.0%	
8	Homeless Outreach	4,982.8	7,859.9	2,877.1	57.7%	
9	Public Safety Subtotal	\$ 82,656.5	\$ 96,404.8	\$ 13,748.3	16.6%	
10	Other Operating and Support					
11	Workers Compensation	\$ 50,643.3	\$ 53,313.2	\$ 2,669.9	5.3%	
12	PLPD	32,941.4	33,145.6	204.2	0.6%	
13	Customer Care Call Center	24,656.9	27,546.9	2,890.0	11.7%	
14	Supply Chain, Warehouse & Inventory Management	35,278.6	42,028.3	6,749.7	19.1%	
16	Purchased Transportation	65,096.9	71,966.7	6,869.8	10.6%	
15	Other Operating and Support Subtotal	\$ 208,617.1	\$ 228,000.7	\$ 19,383.6	9.3%	
17	Operations & Maintenance Subtotal	\$ 1,473,932.2	\$ 1,528,449.2	\$ 54,517.0	3.7%	
18	NextGen					
19	Bus Mobile Validators (BMV) (All Door Boarding)	\$ 7,000.9	\$ 8,030.0	\$ 1,029.1	14.7%	\$ 18,100.0
20	Camera Bus Lane Enforcement	-	2,085.0	2,085.0	100.0%	
21	Transit Signal Priority	6,014.2	9,742.1	3,727.8	62.0%	25,000.0
22	NextGen Bus Lanes	10,490.8	12,233.4	1,742.5	16.6%	
23	NSFV BRT Network Improvements ⁽²⁾	5,429.8	20,857.2	15,427.4	284.1%	
24	NextGen Subtotal	\$ 28,935.8	\$ 52,947.7	\$ 24,011.9	83.0%	\$ 43,100.0

⁽¹⁾ The FY23 Budget for bus includes a one time \$6 million of rollover budget from FY22 (The FY24 budget includes the \$20M for Transit Ambassadors for both bus and rail as directed by Board motion 26.2).

⁽²⁾ Includes Bus stop shelters and shades as well as curb modifications.

Table Continues on next page.

ATTACHMENT C

Bus Investments (Continued)		FY23	FY24	\$	%	Life Of
(\$ in thousands)		Budget	Preliminary	Change	Change	Project
25	Bus Fleet Procurement					
26	40' Battery Electric Zero Emission Buses	\$ 70,749.7	\$ 56,486.5	\$ (14,263.2)	-20.2%	\$ 163,534.0
27	40' Compressed Natural Gas Buses	5,599.8	4,752.2	(847.6)	-15.1%	420,913.3
28	60' Battery Electric Zero Emission Buses	4,816.2	4,624.7	(191.5)	-4.0%	80,003.3
29	60' Battery Electric Zero Emission Buses - Grant Funded	487.7	2,683.2	2,195.5	450.2%	5,109.5
30	60' Compressed Natural Gas Buses	452.9	1,519.3	1,066.4	235.5%	149,311.4
31	Bus Fleet Procurement Subtotal	\$ 82,106.3	\$ 70,065.9	\$ (12,040.4)	-14.7%	\$ 818,871.6
32	Bus Facilities Improvements					
33	Bus Division Improvements IV	\$ 3,342.0	\$ 4,127.6	\$ 785.6	23.5%	\$ 28,000.0
34	Division 1 Street Closure	1,000.0	4,620.8	3,620.8	362.1%	9,500.0
35	Electric Bus Charging Infrastructure J (Silver) Line	10,803.0	8,473.9	(2,329.1)	-21.6%	50,000.0
36	Environmental Compliance Capital Project (FY23-FY27)	4,810.2	2,991.4	(1,818.8)	-37.8%	35,000.0
37	Fire Alarm Panel Replacement Throughout Metro Facilities	1,295.2	734.6	(560.6)	-43.3%	3,474.0
38	Metro G (Orange) Line In-Road Warning Lights	35.1	31.5	(3.6)	-10.2%	198.4
39	Bus Facilities Improvements Subtotal	\$ 21,285.5	\$ 20,979.8	\$ (305.6)	-1.4%	\$ 126,172.4
40	Bus Fleet Maintenance					
41	Bus Engine Replacements	\$ 3,060.9	\$ 2,660.2	\$ (400.8)	-13.1%	\$ 13,518.0
42	New Flyer/EI Dorado Bus Midlife	17,235.4	40,470.6	23,235.2	134.8%	205,000.0
43	Bus Fleet Maintenance Subtotal	\$ 20,296.4	\$ 43,130.8	\$ 22,834.4	112.5%	\$ 218,518.0
44	Regional & Hubs					
45	Passenger Screen-Facility Hardening	\$ 600.0	\$ 1,400.0	\$ 800.0	133.3%	\$ 3,448.8
46	Bus Mobile Validators (BMV) For Muni Buses	-	500.0	500.0	100.0%	4,703.9
47	Patsaouras Bus Plaza Station Improvements	450.3	38.5	(411.7)	-91.4%	50,913.0
48	Regional & Hubs Subtotal	\$ 1,050.3	\$ 1,938.5	\$ 888.3	84.6%	\$ 59,065.7
49	Technology					
50	Advanced Transportation Management System II (ATMS) Replacement	2,425.0	\$ 797.3	\$ (1,627.6)	-67.1%	\$ 117,000.0
51	Technology Subtotal	\$ 2,425.0	\$ 797.3	\$ (1,627.6)	-67.1%	\$ 117,000.0
52	Non MR/MM Major Construction					
53	Rosa Parks/Willowbrook Station	\$ 4,671.4	\$ 1,259.4	\$ (3,412.0)	-73.0%	\$ 128,348.4
54	Non MR/MM Major Construction Subtotal	\$ 4,671.4	\$ 1,259.4	\$ (3,412.0)	-73.0%	\$ 128,348.4
55	Bus Capital Improvements Subtotal	\$ 131,834.8	\$ 138,171.8	\$ 6,337.0	4.8%	\$ 1,467,976.1
56	Transit Construction					
57	G Line (Orange) BRT Improvements: Construction	\$ 85,566.8	\$ 74,466.1	\$ (11,100.6)	-13.0%	\$ 149,683.0
58	G Line (Orange) BRT Improvements: Planning	4,251.5	71.2	(4,180.2)	-98.3%	
59	Transit Construction Subtotal	\$ 89,818.2	\$ 74,537.3	\$ (15,280.9)	-17.0%	\$ 149,683.0
60	Transit Planning					
61	Broadway BRT	\$ -	\$ 3,987.1	\$ 3,987.1	100.0%	
62	BRT Connector B Line (Red)/G Line (Orange) to L Line (Gold)	20,158.9	60,275.8	40,116.9	199.0%	
63	San Gabriel Valley Transit Feasibility Study	2,801.1	2,216.4	(584.8)	-20.9%	
64	Vermont Transit Corridor	6,730.2	8,059.6	1,329.4	19.8%	
65	Transit Planning Subtotal	\$ 29,690.2	\$ 74,538.9	\$ 44,848.6	151.1%	
66	Bus Transit Construction & Planning Subtotal	\$ 119,508.4	\$ 149,076.2	\$ 29,567.7	24.7%	\$ 149,683.0
67	Bus Studies & CX Initiatives					
68	LIFE Program	23,237.6	25,316.5	2,078.9	8.9%	
69	Other Bus Planning & Studies	1,846.4	1,572.7	(273.7)	-14.8%	
70	Bus Stop Lighting	-	1,000.0	1,000.0	100.0%	
71	Adopt - a - Stop	-	150.0	150.0	100.0%	
72	Bus Studies & CX Initiatives Subtotal	\$ 25,084.0	\$ 28,039.2	\$ 2,955.3	11.8%	
73	Bus Investments Total	\$ 1,779,295.2	\$ 1,896,684.0	\$ 117,388.9	6.6%	\$ 1,660,759.1

Note: Totals may not add up because of rounding.

Attachment D : Congestion Management, General Planning & Programs, and Oversight & Admin Programs

Congestion Management

	Congestion Management Program (\$ in millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change
1	Express Lanes	\$ 70.5	\$ 61.9	\$ (8.6)	-12.2%
2	Freeway Service Patrol	39.9	41.4	1.5	3.8%
3	Motorist Services	15.1	14.7	(0.3)	-2.3%
4	Rideshare Services	11.6	13.9	2.3	19.9%
5	Grand Total	\$ 137.0	\$ 131.9	\$ (5.1)	-3.7%

The program consists of four major groups: ExpressLanes, Freeway Service Patrol (FSP), Motorist Services and Rideshare Services. The overall FY24 Congestion Management Program Budget of \$131.9 million represents a \$5.1 million or 3.7% decrease from the FY23 Budget.

ExpressLanes

Over 340 million trips have been taken on the Metro ExpressLanes providing drivers and transit riders with a fast, reliable, and high-quality alternative to freeway congestion since opening in November 2012 on I-110 and February 2013 on I-10. The FY24 ExpressLanes Congestion Management program budget supports:

- on-going operation and management of the I-10 and I-110 ExpressLanes;
- operation of a dedicated ExpressLanes Freeway Service Patrol service on both corridors;
- work in support of planning related activities associated with the I-10 ExpressLanes extension;
- subsidies to support transit operations along both ExpressLanes corridors;

The \$8.6 million decrease to this subprogram is primarily attributed to the mandatory replacement of electronic transponders for all registered account holders as required by the recently adopted 6(c) protocol, which required substantial acquisitions costs in FY23 with delivery and fulfillment of the new transponders to continue into FY24.

Freeway Service Patrol (FSP)

Freeway Service Patrol (FSP) mitigates congestion caused by incidents and assists motorists with disabled vehicles on Los Angeles County freeways. The program provides roving tow and service trucks on most freeways within Los Angeles County and provides Big Rig service along portions of the 710 and 91 freeways. FSP also operates a separate dedicated ExpressLanes service which is funded under the ExpressLanes budget. The program expects to continue as the highest performing and most cost effective FSP program in the state.

The \$1.5 million increase to this subprogram is due to new contracts that are expected

to begin service in FY24, as well as cost increases to fuel, labor, insurance, and the purchase price of Tow service vehicles.

Motorist Services

Los Angeles County Service Authority for Freeway Emergency (LA SAFE)

Motorist Services includes the Los Angeles County Service Authority for Freeway Emergency (LA SAFE) and the Regional Integration of Intelligent Transportation Systems (RIITS). LA SAFE is a separate legal authority created pursuant to California Streets and Highways code and receives dedicated funds from an annual \$1.00 vehicle registration surcharge. LA SAFE operates the Kenneth Hahn Call Box Program and the Southern California 511 Traveler Information system and will continue these operations in FY24.

Regional Integration of Intelligent Transportation Systems (RIITS)

RIITS is a regional program administered by Metro that promotes operational collaboration through the collection, compilation and sharing of intelligent transportation systems data and resources. RIITS will continue to collaborate with various stakeholders, such as OEI, Metro Operations, Metro Highway Programs, Caltrans, CHP and others, to provide regional services, data and applications; to continue the collaboration and support of the implementation and operation of Integrated Corridor Management projects.

The \$0.3 million decrease is primarily associated with operational cost efficiencies for RIITS program. Specifically, during FY23, RIITS accelerated data and license purchases in support of NextGen, resulting in cost efficiencies for FY24.

Rideshare Services

Rideshare Services includes Regional Shared Mobility, Transportation Demand Management, and Vanpool Incentives. Due to COVID, vanpool experienced a decrease in the number of registered vanpools. With the implementation of the vanpool recovery plan, the program is working to restore vanpool utilization to pre-COVID levels. The Vanpool program generates \$20M, annually, of federal funds in Section 5307 for the agency. Transportation Demand Management (TDM) Policy and Programming provides information, resources, encouragement, and incentives. Metro's Regional Shared Mobility Program, a partnership with VCTC, OCTA, SBCTA and RCTC, provides support and assistance to nearly 900 Employer Transportation Coordinators (ETCs).

The \$2.3 million increase to this subprogram is driven by the Board approved vanpool subsidy increase and an increase to the rideshare program operations inclusive of number of vans and participants. The rideshare program will expand beyond the 400,000 carpoolers for ride matching and guaranteed ride home services to new audiences, increasing usage, and creating efficiencies in congestion reduction programs through mobility mode changes.

New TDM initiatives will include non-daily commuting and work-related commuting, such as essential casual, recreational trips, tourism, emergency, and alternative trips, inclusive of the recent Metro Board approved TDM Master Plan and Program contract award to consolidate transit products, programs, and messaging into one Mobility as a Service (MaaS) system with access to the multi-modal mobility options provided by Metro and other mobility service providers.

General Planning & Programs

The Planning and Programs Budget encompasses a wide range of activities that support the agency's goal of delivering improved mobility, sustainability, as well as financial and technical support to Metro's partners throughout LA County. Activities under this program include long-range and systemwide financial planning and grants management, new and enhanced transit infrastructure, various aspects of Metro's bike program, unsolicited proposals and public private partnerships (P3), sustainability, joint development efforts and Union Station upgrades.

This year's budget development process primarily considers operational needs and resources, grant availability, developer funded nature of projects, activities required under federal or state regulatory bodies, and Board approved system connectivity studies or other mobility initiatives.

For FY24, the Preliminary Budget of \$233.7 million represents a \$13.1 million or 5.9% increase over the FY23 Budget of \$220.6 million. Some project highlights this fiscal year include the following: (*\$'s in millions unless otherwise stated*)

<i>Active Transportation Bike</i>	Bike Share Program Operating/Maintenance (\$17.4) Bike Hub/Lockers (\$1.6) LA River Waterway System Bike Phase 2 Env. (\$12.8) LA River Bike Path (\$11)
<i>First Last Mile</i>	FLM Planning Regional Connector & Aviation (\$1.5) Street Safety Program (\$682 thousand) Transit to Parks (\$199 thousand)
<i>Sustainability</i>	Sustainability Planning (\$2.1) Sustainable Project Implementation (\$11.4)
<i>System Connectivity</i>	Centinela Grade Separation (\$1.8) Multi-Modal Corridor Planning (\$2.3) Systemwide Station Design Updates (\$5)
<i>Admin & Planning</i>	General Planning & Programming (\$14.7) Long Range Planning (\$12)
<i>Financial Planning</i>	Regional Grants Management (\$18.1)
<i>Art & Design</i>	Signage Brand Guidelines & Standards (\$840 thousand)
<i>Joint Development</i>	Housing Lab Program/transit-oriented housing (\$1.2)
<i>Parking</i>	Universal Station mobility hub (\$6.6) Parking facility refurbishments (\$2.1)
<i>Property Maintenance</i>	Union Station Management Services & Maintenance (\$29.6)
<i>Transit Oriented Communities</i>	Metro Training and Innovation Center (\$4.2)

ATTACHMENT D

Union Station Improve Ticket Concourse Restroom, Plumbing, Safety (\$9.4)
Unsolicited Proposals/P3 ZEB Business Study, Mobility Wallet, Travel Rewards (\$4.9)

The figure below is a budget summary of the Program.

	General Planning and Programs (\$'s in millions)	FY2023 Budget	FY2024 Preliminary	\$ Change	% Change
1	Active Transportation, Bike and Other	\$ 80.1	\$ 83.4	\$ 3.3	4.1%
2	Active Transportation incl Bike	43.0	45.8	2.86	6.6%
3	First Last Mile	2.5	2.7	0.17	6.5%
4	Sustainability	16.2	19.1	2.96	18.3%
5	System Connectivity Program and Studies	18.5	15.8	(2.72)	-14.7%
6	Financial, Grants Mgmt, and Administration	50.0	60.4	10.41	20.8%
7	Financial Planning and Grants Management	29.0	34.0	5.03	17.3%
8	Administrative and Planning Support	20.9	26.3	5.39	25.7%
9	Property Management	82.9	85.0	2.02	2.4%
10	Art and Design	1.6	1.8	0.21	12.9%
11	Joint Development	17.7	17.1	(0.61)	-3.5%
12	Parking	10.3	9.1	(1.18)	-11.5%
13	Property Maintenance and Contract Mgmt	28.7	29.6	0.85	3.0%
14	TOC	9.5	13.0	3.56	37.6%
15	Union Station	15.2	14.4	(0.81)	-5.3%
16	Unsolicited Proposals, P3 and other	7.5	4.9	(2.60)	-34.6%
17	Unsolicited Proposals, P3 and other	7.5	4.9	(2.60)	-34.6%
18	Grand Total	\$ 220.6	\$ 233.7	\$ 13.1	5.9%

Oversight & Administration

Oversight and Administration (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change
Oversight and Administration	\$81.7	\$84.3	\$2.6	3.1%

The FY24 Oversight and Administration budget is \$84.3 million, 0.9% of the total Annual budget. Along with EZBB process, this program reflects continuous cost controls and comprises of ongoing activities such as: legal services, ethics compliance, internal investigations, regulatory environmental assessments, alongside legally mandated financial and compliance audits. Agencywide support functions continues to invest in areas of customer experience to deliver desirable transportation services for LA's key journeys, value the workforce by attracting and retaining the best employee base, in addition to diversity, equity and inclusion.

Although most of the customer experience initiatives are mainly located in the Metro Transit program for the FY24 Budget, there is \$3.9 million in the Oversight and Administration program to enhance customer experience through public safety values such as the mystery rider program to support fair and equitable fare compliance. Further, Metro continues to explore ways to deliver desirable transportation services through the traffic reduction study and the development of a mobility concept plan for the 2028 Olympics.

Continued investments of \$16.3 million are planned to value our workforce including the Knowledge Management Proof of Concept, a strategic document for Metro to manage and implement a program to better utilize, store, access, and manage its knowledge.

ATTACHMENT D

Further, Metro continues to advance programs such as Transportation School (SEED LA) and Workforce Initiative Now (WIN-LA) to create future employment opportunities in our communities. Improvements are being made to the Metro Child Care Center to attract and retain Metro's workforce. There are \$6.4 million of resources being allocated to software license and maintenance renewals as well as cyber security systems and insurance for improved operational efficiency and performance.

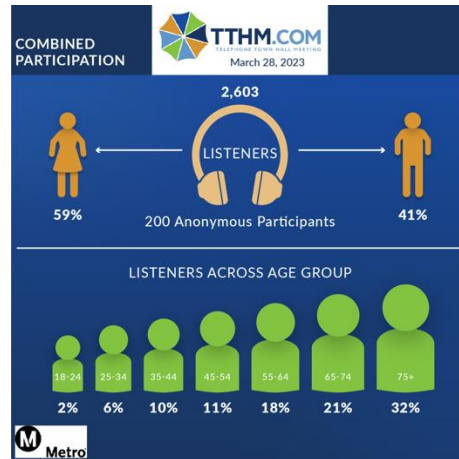
The Oversight and Administration program has \$1.2 million allocated towards the areas of diversity, equity and inclusion including new initiatives such as the Equity Advisory Board to provide Metro equity-focused guidance and feedback on programs and projects. Reinvestments to enhance current projects include Disparity Study to implement race and gender-conscious remedies in public contracting, Equity Focused Community Toolkit and Equity Information Hub. Moreover, the Office of Civil Rights, Equity & Inclusion will implement the Community Based Organization (CBO) Partnering Strategy and launching the CBO database to seek ways to create strong partnerships between CBOs and Metro.

Attachment E : Early, Improved & Expanded Public Engagement Update

Telephone Town Hall

Metro held its third and final Telephone Town Hall meeting on March 28. This concluded Metro's Telephone Town Hall series for the FY24 budget season.

The following are the demographics from the March 28, 2023, meeting:



The comments and questions mentioned during the Telephone Town Hall are related to public concern about service frequency and reliability, station and vehicle cleanliness, and safety and security across Metro's system. Metro senior leaders from across the organization listened to these concerns at the Telephone Town Hall and addressed them directly. An emphasis was placed on public participation by structuring the event to allow more time to receive feedback from the public.

My Metro Budget - UPDATE

We continue to see engagement with My Metro Budget, which has received over 1,250 submissions and more than 2,200 written comments. OMB staff created an interactive dashboard that can filter comments by cabinet, region, and demographics. The dashboard can generate word clouds that allow staff to identify top concerns. It has been distributed to the departments and is helping guide decision making for the FY24 budget.

Continued

The top concerns for Transit Operations are frequency, reliability, and cleanliness of service. In response, the Metro Operations team has increased the cleaning budget significantly and plans to hire more custodians for hot spots. Vinyl seat replacement has been accelerated. Also, the team continues to improve the bus service with NextGen initiatives and have increased bus and rail revenue service hours.



Transit Operations

Chief Safety Office mostly received concerns about safety on the system due to drug use, mental health, and unhoused prevalence, code of conduct enforcement, and lack of camera infrastructure. In response, the CSO has proposed an increase in Metro Transit Security Officers, and funding in the Public Safety Analytics program. CSO is conducting a feasibility study on implementing a Metro owned police force. The team continues to work on receiving additional funding for camera infrastructure.



Chief Safety Office

For the General Planning & Programs, the top concerns are to increase public transit options in both bus and rail, increase dedicated bus lanes, and more protected bike lanes. In response, Planning & Programs have increased the Bike Connectivity Improvements budget and is ramping up the 4 pillar projects that are on schedule: Green Line, Sepulveda Transit Corridor, West Santa Ana Branch, and Eastside Extension Phase 2. Projects such as the Broadway BRT and Crenshaw Northern Extension are in progress.



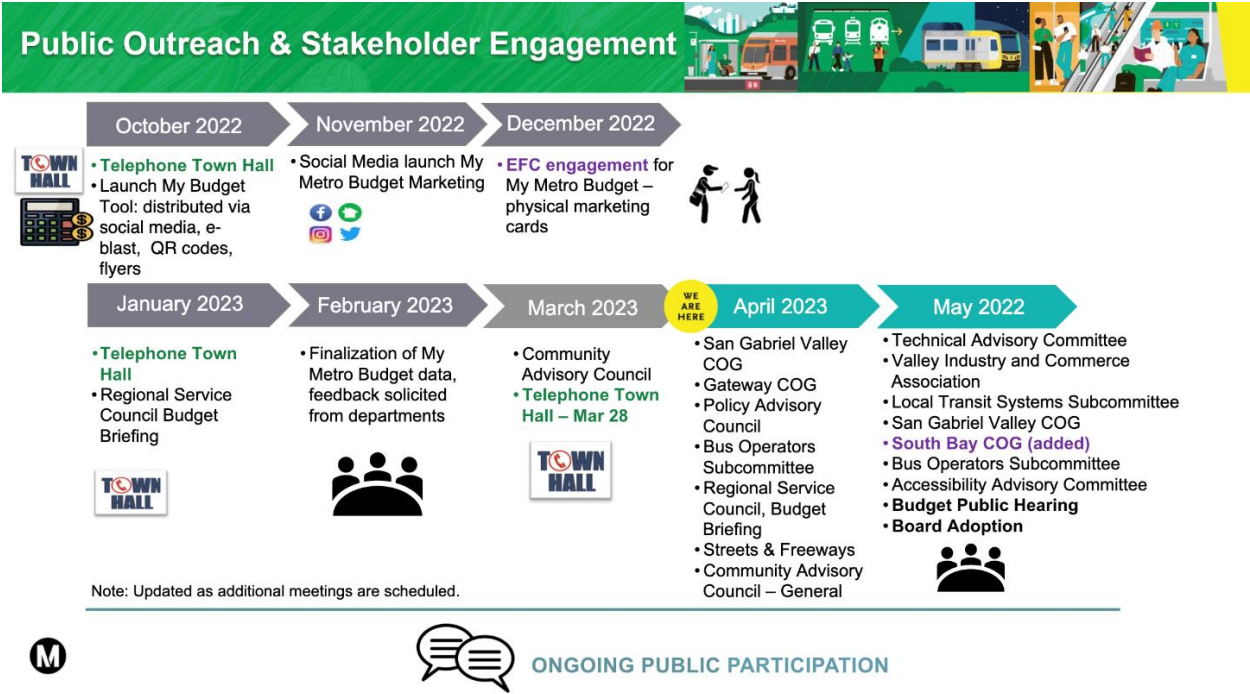
General Planning & Programs

Continued

Stakeholder Meetings and Outreach Efforts

The annual budget is developed through a comprehensive process and supports pillars two (Listen and Learn) and three (Focus and Deliver) of the agency’s Equity Platform framework. Metro will continue engagement with key stakeholders and community groups during the months of April and May.

Schedules and information for public meetings and updated budget information will be provided in advance on the Finance and Budget portal at <https://budget.metro.net>.



FY24 Budget Development Status Update

Near-Term Financial Challenges for Metro Transit Program

- The term “fiscal cliff” is being discussed at transportation agencies across the country with federal relief funds now exhausted
- Ridership and fare revenues remain below pre-pandemic levels
- Increasing operating costs and fleet electrification
 - Continuation of costs with expanding rail system; operating new rail lines; more costly than bus
 - Additional pressure to accelerate electrification; increased cost of zero-emission buses in advance of the state’s mandate in eliminating the use of hydrocarbon-fueled buses
 - New pilots and initiatives to address cleaning and safety with no new or dedicated funding take away from what’s available for transit
- The Equitable Zero-Based Budget (EZBB) process continues to be the driving force in this year’s annual budget development process and serves as a cost control tool



FY24 Preliminary Expenditures by Program

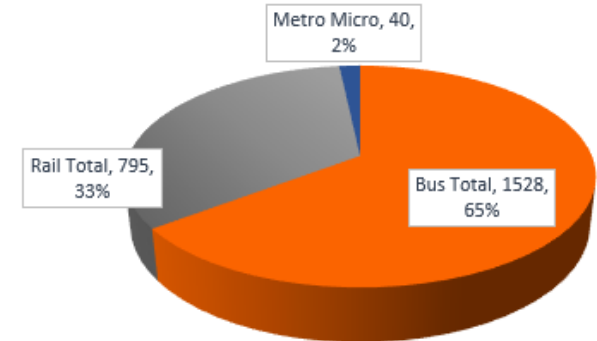
Expenditures by Program Type (\$ in Millions)		FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Metro Transit - Operations	\$ 2,251.0	\$ 2,363.7	112.7	5.0%	27.7%
2	Metro Transit - Capital Improvement Program	504.7	541.4	36.7	7.3%	6.3%
3	General Planning & Programs	220.6	233.7	13.1	5.9%	2.7%
4	Congestion Management	137.0	131.9	(5.1)	-3.7%	1.5%
5	Oversight & Admin	81.7	84.3	2.6	3.1%	1.0%
6	Total of Programs covered in April	\$ 3,195.0	\$ 3,354.9	\$160.0	5.0%	39.3%
7	Total of Programs covered in March	\$ 5,101.4	\$ 5,173.2	\$ 71.8	1.4%	60.7%
8	Total Programs covered in April and March	\$ 8,296.3	\$ 8,528.2	\$231.8	2.8%	100.0%

- The FY24 Preliminary Budget for Metro Transit – Operations & Maintenance (O&M) as well as CIP, General Planning & Programming, Congestion Management and Oversight & Admin programs totals \$3.3 billion.
- In May, staff will provide the consolidated Agency-wide expenses, FTEs, budget by departments and an update on debt borrowing plans to help deliver essential capital projects.

Metro Transit Operations FY24 Preliminary Request

	Operations & Maintenance (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Bus Total	1,473.9	1,528.4	54.5	3.7%	64.7%
2	Rail Total	737.8	795.1	57.2	7.8%	33.6%
3	Microtransit	39.2	40.1	0.9	2.4%	1.7%
4	Operations & Maintenance Total	\$ 2,251.0	\$ 2,363.7	\$ 112.7	5.0%	100.0%
5	Cost per RSH					
6	Bus	\$ 207.9	\$ 214.7	\$ 6.8	3.3%	
7	Rail	\$ 550.3	\$ 528.0	\$ (22.2)	-4.0%	
8	Microtransit	\$ 144.4	\$ 147.4	\$ 3.0	2.1%	

FY24 Preliminary Budget
Metro Transit Operations (\$ in Millions)



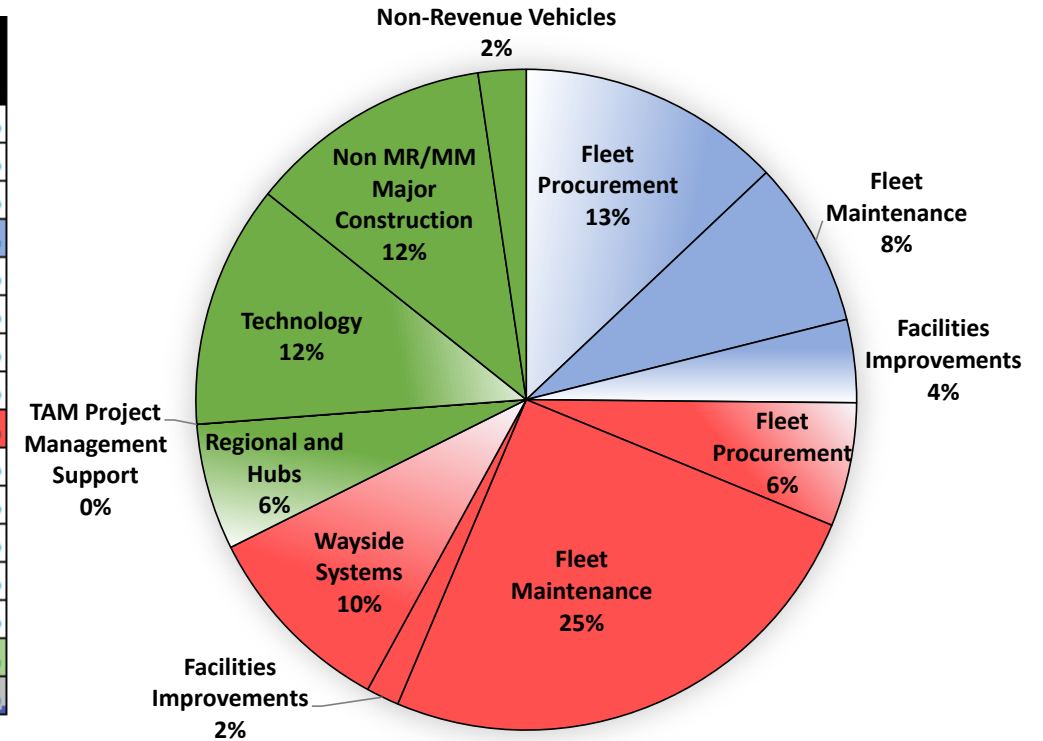
- Total Metro Transit Operation Budget request for **\$2.36 billion**, an increase of \$112.7 million or 5% over FY23 budget.
 - Bus expenses represent 64.7%, rail expenses account for 33.6% and Metro Micro accounts for 1.7% of total Metro Transit Operations preliminary budget.
 - Assumes bus service of 7M hours and full operation of K Line (Crenshaw/LAX Line) and Regional Connector and service restoration by improved headways
 - Increased expenses are primarily driven by labor costs for service and enhanced cleaning; cleaning budget increase of 13% year over year
 - Budget also includes continuous investments in the multi-layered strategy of public safety for Transit Ambassador program, homeless outreach and mental health crisis teams



Metro Transit Capital Improvement Program (CIP)

Capital Category (\$ in millions)	FY23 Budget	FY24 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 82.1	\$ 70.1	\$ (12.0)	-14.7%	12.9%
2 Fleet Maintenance	41.4	44.1	2.7	6.6%	8.2%
3 Facilities Improvements	28.6	22.0	(6.6)	-23.2%	4.1%
4 Bus Subtotal	\$ 152.1	\$ 136.2	\$ (15.9)	-10.5%	25.2%
5 Fleet Procurement	68.9	32.8	(36.2)	-52.5%	6.1%
6 Fleet Maintenance	99.5	136.2	36.7	36.9%	25.2%
7 Facilities Improvements	6.3	8.7	2.5	39.4%	1.6%
8 Wayside Systems	47.7	52.3	4.5	9.5%	9.7%
9 Rail Subtotal	\$ 222.4	\$ 229.9	\$ 7.6	3.4%	42.5%
10 Regional and Hubs	36.3	33.5	(2.9)	-7.8%	6.2%
11 TAM Project Management Support	0.0	0.0	(0.0)	-10.2%	0.0%
12 Technology	45.1	64.4	19.3	42.8%	11.9%
13 Non MR/MM Major Construction	43.0	64.7	21.7	50.5%	12.0%
14 Non-Revenue Vehicles	5.7	12.7	6.9	121.3%	2.3%
15 Other Asset Improvements Subtotal	\$ 130.2	\$ 175.3	\$ 45.1	34.6%	32.4%
16 Total Proposed CIP Budget	\$ 504.7	\$ 541.4	\$ 36.7	7.3%	100.0%

*Totals may not add due to rounding.



- The CIP focuses on maintaining, upgrading, and modernizing assets to ensure equipment and peripheral systems provide high quality service
 - \$541.4M is allocated for maintaining the system in a state of good repair, for improvements, and modernization
- Program highlights include:
 - Bus Fleet Procurement: \$61.1M primarily for procurement of approximately 93 Zero Emission Electric buses
 - Rail Cars: A major investment of \$169.0M in new vehicles and refurbishment of existing vehicles
 - Safety: \$29M Enhancements for Fire & Life Safety, communication, and monitoring systems
 - NextGen: \$19.9M Bus Mobile Validators for all door boarding and Transit Signal Priority technologies within CIP
 - Across all programs (CIP, TID, etc.), \$52.9M for NextGen, which also includes Bus Lanes and NSFV BRT
 - Customer Experience: \$15.9M For tech enhancements to improve the customer experience, fare capping, and EV charging stations



Metro

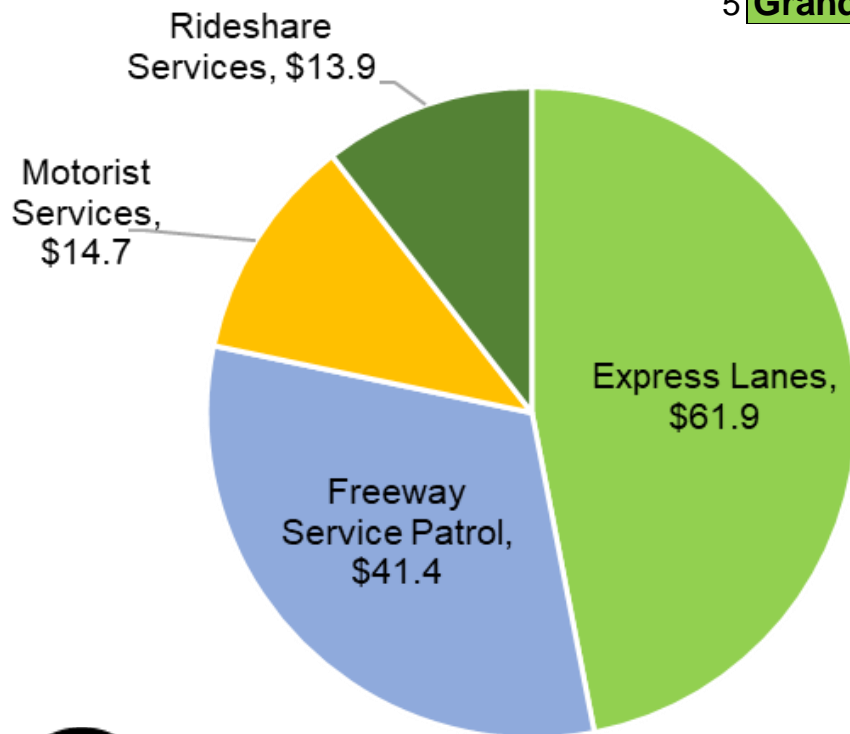
Total Bus Investments

	Bus Investments (\$ in Millions)	FY23 Budget	FY24 Prelim	\$ Change	% Change	% of Total
1	Bus Operations & Maintenance	\$ 1,473.9	\$ 1,528.4	54.5	3.7%	80.6%
2	Bus NextGen	28.9	52.9	24.0	83.0%	2.8%
3	Bus Capital Improvements	131.8	138.2	6.3	4.8%	7.3%
4	Bus Rapid Transit Construction & Planning	119.5	149.1	29.6	24.7%	7.9%
5	Bus Studies & CX Initiatives	25.1	28.0	3.0	11.8%	1.5%
6	Total of Bus Investments	\$ 1,779.3	\$ 1,896.7	\$117.4	6.6%	100.0%

- Total bus investments in FY24 preliminary budget of \$1.89B, 6.6% increase over FY23 budget
- Bus Operations & Maintenance includes Cleanliness, Public Safety resources and Other Operating and Support
- Nextgen includes Bus Lanes, Transit Signal Priority, Bus Mobile Validators and Bus Stop Shelters and Shade

Congestion Management

FY24 Preliminary Congestion Management Program budget of \$131.9 million represents decrease of \$5.1 million or 3.7%



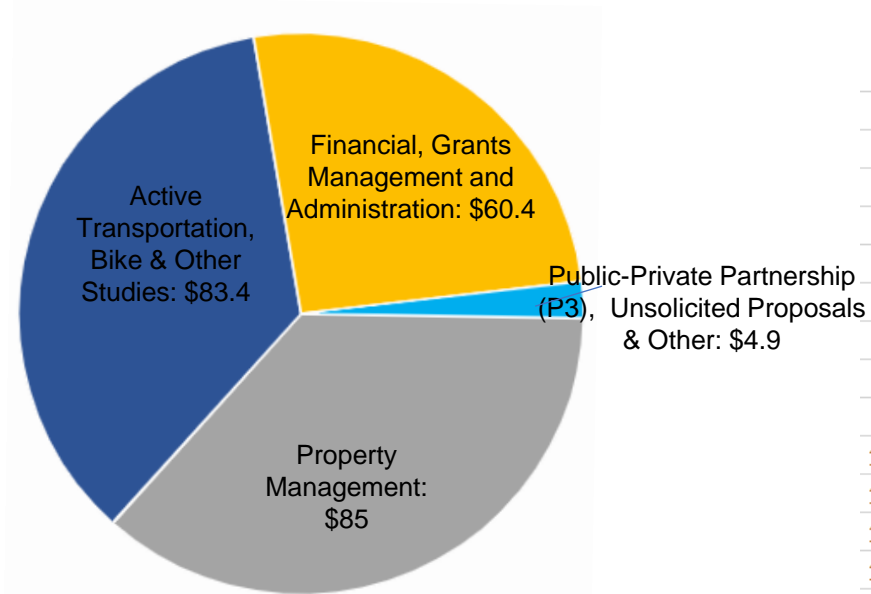
Congestion Management Program (\$ in millions)		FY23 Budget	FY24 Preliminary	\$ Change	% Change
1	Express Lanes	\$ 70.5	\$ 61.9	\$ (8.6)	-12.2%
2	Freeway Service Patrol	39.9	41.4	1.5	3.8%
3	Motorist Services	15.1	14.7	(0.3)	-2.3%
4	Rideshare Services	11.6	13.9	2.3	19.9%
5	Grand Total	\$ 137.0	\$ 131.9	\$ (5.1)	-3.7%

Major changes in budget:

- **Express Lanes:** Acquisition of mandatory replacement of electronic transponders for account holders which occurred in FY23 will continue into FY24
- **Freeway Service Patrol:** New Tow service contracts with cost increases to fuel, labor, insurance, and the purchase price of Tow service vehicles
- **Motorist Services:** Operational cost efficiencies for Regional Integration of Intelligent Transportation Systems (RIITS) as a result of the acceleration of new data and license purchases made in FY23 in support of NextGen
- **Rideshare Services:** Increase in Board-approved vanpool subsidy, general rideshare program operations, & new Transportation Demand Management (TDM) initiatives for non-daily and work-related commuting (recreational trips, tourism, emergency, etc.)

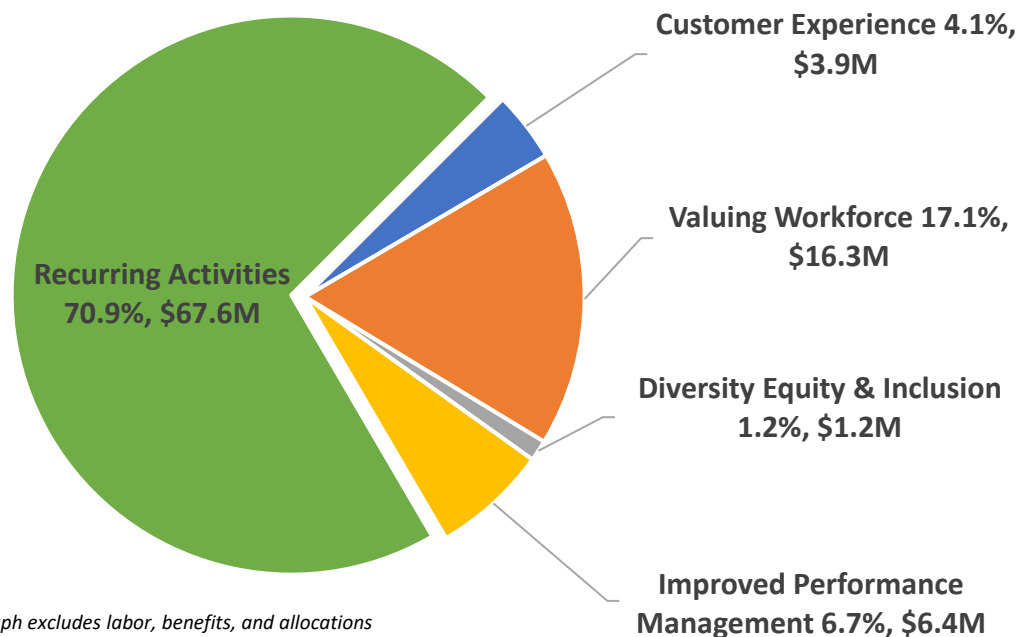
General Planning and Programs

- Budget development is primarily based on operational, grant or developer funded nature of projects, federal or state regulatory required activities, board approved system connectivity studies and other mobility initiatives.
- FY24 Preliminary Budget of \$233.7M represents a \$13.1M or 5.9% increase from the FY23 Budget of \$220.6M.



General Planning and Programs (\$'s in millions)		FY2023 Budget	FY2024 Preliminary	\$ Change	% Change
1	Active Transportation, Bike and Other	\$ 80.1	\$ 83.4	\$ 3.3	4.1%
2	Active Transportation incl Bike	43.0	45.8	2.86	6.6%
3	First Last Mile	2.5	2.7	0.17	6.5%
4	Sustainability	16.2	19.1	2.96	18.3%
5	System Connectivity Program and Studies	18.5	15.8	(2.72)	-14.7%
6	Financial, Grants Mgmt, and Administration	50.0	60.4	10.41	20.8%
7	Financial Planning and Grants Management	29.0	34.0	5.03	17.3%
8	Administrative and Planning Support	20.9	26.3	5.39	25.7%
9	Property Management	82.9	85.0	2.02	2.4%
10	Art and Design	1.6	1.8	0.21	12.9%
11	Joint Development	17.7	17.1	(0.61)	-3.5%
12	Parking	10.3	9.1	(1.18)	-11.5%
13	Property Maintenance and Contract Mgmnt	28.7	29.6	0.85	3.0%
14	TOC	9.5	13.0	3.56	37.6%
15	Union Station	15.2	14.4	(0.81)	-5.3%
16	Unsolicited Proposals, P3 and other	7.5	4.9	(2.60)	-34.6%
17	Unsolicited Proposals, P3 and other	7.5	4.9	(2.60)	-34.6%
18	Grand Total	\$ 220.6	\$ 233.7	\$ 13.1	5.9%

Oversight and Administration



Highlighted Areas		FY24 Prelim (\$ in Millions)
1 Customer Experience- (Majority of the CX initiatives are located in Metro Transit Program)	Mobility Concept Plan	\$2.3
	Traffic Reduction Study	1.4
	Mystery Rider Program	0.2
4 Valuing Workforce	Business Licenses & Support (Telework)	9.8
	Transportation School (SEED LA)	3.6
	Room 2 Work	2.5
	Knowledge Proof of Concept	0.2
	WIN-LA	0.1
	Metro Childcare Center	0.1
10 Diversity, Equity and Inclusion	Disparity Study	0.8
	Equity Info Hub, Community ToolKit, CBO	0.4
12 Improved Performance Management	Infrastructure and Security Systems	6.1
	Gen., Property & Cyber Security Insurance	0.3
14 Grand Total		\$27.7

- Oversight and Administration budget is \$84.3 million, <1 % of the total FY24 Budget.
- EZBB and Cost Controls reflected in recurring activities (legal services, ethics compliance, internal investigations, regulatory environmental assessments, alongside legally mandated financial and compliance audits), which make up 70.9% of the Oversight Administration Budget.
- Highlighted areas account for the remaining 29.1% of the Oversight Administration Budget.

My Metro Budget Tool – Frequent Comments



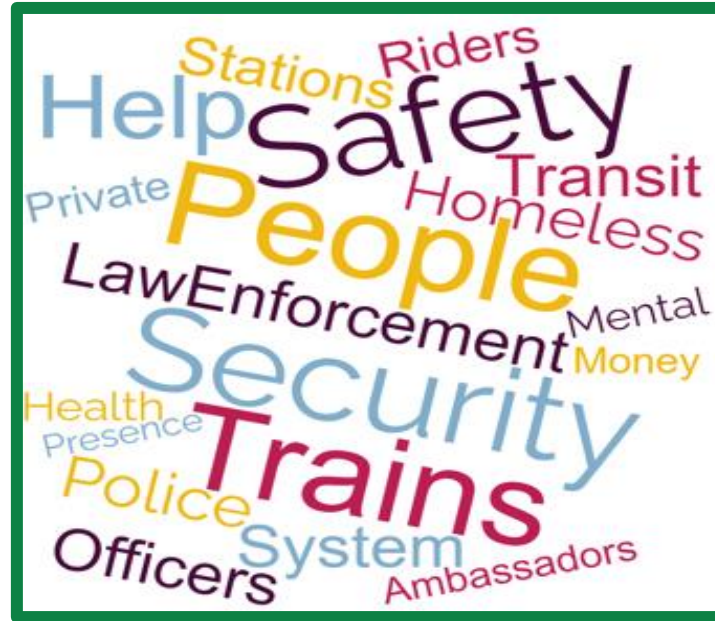
Metro Transit Operations

Frequent Comments:

- Frequency & reliability
- Cleanliness

Response:

- Increasing cleaning budget
- Room to Work
- Vinyl seat replacement
- NextGen, increasing bus & rail RSH



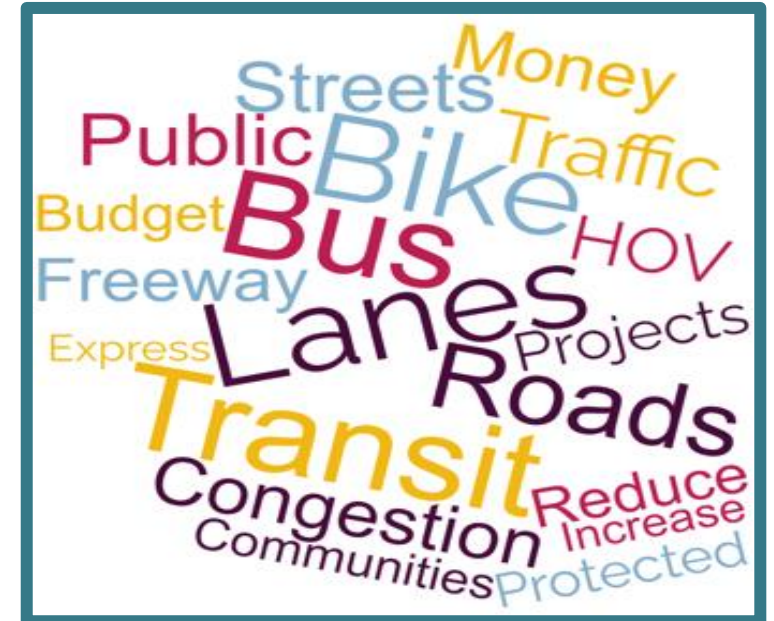
Public Safety

Frequent Comments:

- Safety
- Camera infrastructure

Response:

- Increase TSOs/Ambassadors
- Homeless/Mental Health outreach
- Public Safety Analytics Program
- Feasibility of Metro police force



General Planning & Programming

Frequent Comments:

- Bus & rail service
- Bus lanes
- Bike lanes

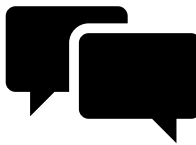
Response:

- Ramped up 4 pillar projects
- Increase Bike Connectivity
- Improvements Budget
- Expanding service – BRT & New Projects



Metro

Public Outreach & Stakeholder Engagement



October 2022

- **Telephone Town Hall**
- Launch My Budget Tool: distributed via social media, e-blast, QR codes, flyers

November 2022

- Social Media launch My Metro Budget Marketing

December 2022

- **EFC engagement** for My Metro Budget – physical marketing cards



January 2023

- **Telephone Town Hall**
- Regional Service Council Budget Briefing

February 2023

- Finalization of My Metro Budget data, feedback solicited from departments

March 2023

- Community Advisory Council
- **Telephone Town Hall – Mar 28**

WE ARE HERE

April 2023

- San Gabriel Valley COG
- Gateway COG
- Policy Advisory Council
- Bus Operators Subcommittee
- Regional Service Council, Budget Briefing
- Streets & Freeways
- Community Advisory Council – General

May 2023

- Technical Advisory Committee
- Valley Industry and Commerce Association
- Local Transit Systems Subcommittee
- San Gabriel Valley COG
- **South Bay COG (added)**
- Bus Operators Subcommittee
- Accessibility Advisory Committee
- **Budget Public Hearing**
- **Board Adoption**



Note: Updated as additional meetings are scheduled.



Metro



ONGOING PUBLIC PARTICIPATION

DRAFT FOR INTERNAL METRO DISCUSSION PURPOSES ONLY- AS OF 3/1/2023

Schedule & Next Steps



- Near-Term Update
- FY24 EZBB
- Prelim. Sales Tax & CPI Forecast
- Public Outreach & Engagement



- Sales Tax Forecast, Resources Assumptions
- Cost Inflation Estimates
- Other Expense Assumptions



- Transit Infrastructure
- Multimodal Hwy Investments
- Regional Rail
- Regional Allocations & Pass-Throughs



- Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
- Congestions Management
- Planning & Administration

**WE
ARE
HERE**



- Consolidated Agency-wide Expenses & FTEs
- Proposed Budget Book
- Public Hearing
- Board Adoption

Appendix

- Total Bus Investments detail, pp. 14-15



Total Bus Investments

	Bus Investments (\$ in thousands)	FY23 Budget	FY24 Preliminary	\$ Change	% Change	Life Of Project
1	Operations & Maintenance					
2	Directly Operated Service Delivery - Labor	\$ 728,858.6	\$ 750,195.3	\$ 21,336.7	2.9%	
3	Directly Operated Service Delivery - Parts, Supplies, CNG, Other	369,787.7	357,338.6	(12,449.2)	-3.4%	
4	Cleanliness	84,012.2	96,509.7	12,497.5	14.9%	
5	Public Safety					
6	Security (LE/Private/Metro)	\$ 65,673.7	\$ 82,544.9	\$ 16,871.2	25.7%	
7	Transit Ambassador Program ⁽¹⁾	12,000.0	6,000.0	(6,000.0)	-50.0%	
8	Homeless Outreach	4,982.8	7,859.9	2,877.1	57.7%	
9	Public Safety Subtotal	\$ 82,656.5	\$ 96,404.8	\$ 13,748.3	16.6%	
10	Other Operating and Support					
11	Workers Compensation	\$ 50,643.3	\$ 53,313.2	\$ 2,669.9	5.3%	
12	PLPD	32,941.4	33,145.6	204.2	0.6%	
13	Customer Care Call Center	24,656.9	27,546.9	2,890.0	11.7%	
14	Supply Chain, Warehouse & Inventory Management	35,278.6	42,028.3	6,749.7	19.1%	
16	Purchased Transportation	65,096.9	71,966.7	6,869.8	10.6%	
15	Other Operating and Support Subtotal	\$ 208,617.1	\$ 228,000.7	\$ 19,383.6	9.3%	
17	Operations & Maintenance Subtotal	\$ 1,473,932.2	\$ 1,528,449.2	\$ 54,517.0	3.7%	
18	NextGen					
19	Bus Mobile Validators (BMV) (All Door Boarding)	\$ 7,000.9	\$ 8,030.0	\$ 1,029.1	14.7%	\$ 18,100.0
20	Camera Bus Lane Enforcement	-	2,085.0	2,085.0	100.0%	
21	Transit Signal Priority	6,014.2	9,742.1	3,727.8	62.0%	25,000.0
22	NextGen Bus Lanes	10,490.8	12,233.4	1,742.5	16.6%	
23	NSFV BRT Network Improvements ⁽²⁾	5,429.8	20,857.2	15,427.4	284.1%	
24	NextGen Subtotal	\$ 28,935.8	\$ 52,947.7	\$ 24,011.9	83.0%	\$ 43,100.0

⁽¹⁾ The FY23 Budget for bus includes a one time \$6 million of rollover budget from FY22 (The FY24 budget includes the \$20M for Transit Ambassadors for both bus and rail as directed by Board motion 26.2).

⁽²⁾ Includes Bus stop shelters and shades as well as curb modifications.



Metro

Total Bus Investments

	Bus Investments (Continued) (\$ in thousands)	FY23 Budget	FY24 Preliminary	\$ Change	% Change	Life Of Project
25	Bus Fleet Procurement					
26	40' Battery Electric Zero Emission Buses	\$ 70,749.7	\$ 56,486.5	\$ (14,263.2)	-20.2%	\$ 163,534.0
27	40' Compressed Natural Gas Buses	5,599.8	4,752.2	(847.6)	-15.1%	420,913.3
28	60' Battery Electric Zero Emission Buses	4,816.2	4,624.7	(191.5)	-4.0%	80,003.3
29	60' Battery Electric Zero Emission Buses - Grant Funded	487.7	2,683.2	2,195.5	450.2%	5,109.5
30	60' Compressed Natural Gas Buses	452.9	1,519.3	1,066.4	235.5%	149,311.4
31	Bus Fleet Procurement Subtotal	\$ 82,106.3	\$ 70,065.9	\$ (12,040.4)	-14.7%	\$ 818,871.6
32	Bus Facilities Improvements					
33	Bus Division Improvements IV	\$ 3,342.0	\$ 4,127.6	\$ 785.6	23.5%	\$ 28,000.0
34	Division 1 Street Closure	1,000.0	4,620.8	3,620.8	362.1%	9,500.0
35	Electric Bus Charging Infrastructure J (Silver) Line	10,803.0	8,473.9	(2,329.1)	-21.6%	50,000.0
36	Environmental Compliance Capital Project (FY23-FY27)	4,810.2	2,991.4	(1,818.8)	-37.8%	35,000.0
37	Fire Alarm Panel Replacement Throughout Metro Facilities	1,295.2	734.6	(560.6)	-43.3%	3,474.0
38	Metro G (Orange) Line In-Road Warning Lights	35.1	31.5	(3.6)	-10.2%	198.4
39	Bus Facilities Improvements Subtotal	\$ 21,285.5	\$ 20,979.8	\$ (305.6)	-1.4%	\$ 126,172.4
40	Bus Fleet Maintenance					
41	Bus Engine Replacements	\$ 3,060.9	\$ 2,660.2	\$ (400.8)	-13.1%	\$ 13,518.0
42	New Flyer/EI Dorado Bus Midlife	17,235.4	40,470.6	23,235.2	134.8%	205,000.0
43	Bus Fleet Maintenance Subtotal	\$ 20,296.4	\$ 43,130.8	\$ 22,834.4	112.5%	\$ 218,518.0
44	Regional & Hubs					
45	Passenger Screen-Facility Hardening	\$ 600.0	\$ 1,400.0	\$ 800.0	133.3%	\$ 3,448.8
46	Bus Mobile Validators (BMV) For Muni Buses	-	500.0	500.0	100.0%	4,703.9
47	Patsaouras Bus Plaza Station Improvements	450.3	38.5	(411.7)	-91.4%	50,913.0
48	Regional & Hubs Subtotal	\$ 1,050.3	\$ 1,938.5	\$ 888.3	84.6%	\$ 59,065.7
49	Technology					
50	Advanced Transportation Management System II (ATMS) Replacement	2,425.0	\$ 797.3	\$ (1,627.6)	-67.1%	\$ 117,000.0
51	Technology Subtotal	\$ 2,425.0	\$ 797.3	\$ (1,627.6)	-67.1%	\$ 117,000.0
52	Non MR/MM Major Construction					
53	Rosa Parks/Willowbrook Station	\$ 4,671.4	\$ 1,259.4	\$ (3,412.0)	-73.0%	\$ 128,348.4
54	Non MR/MM Major Construction Subtotal	\$ 4,671.4	\$ 1,259.4	\$ (3,412.0)	-73.0%	\$ 128,348.4
55	Bus Capital Improvements Subtotal	\$ 131,834.8	\$ 138,171.8	\$ 6,337.0	4.8%	\$ 1,467,976.1
56	Transit Construction					
57	G Line (Orange) BRT Improvements: Construction	\$ 85,566.8	\$ 74,466.1	\$ (11,100.6)	-13.0%	\$ 149,683.0
58	G Line (Orange) BRT Improvements: Planning	4,251.5	71.2	(4,180.2)	-98.3%	
59	Transit Construction Subtotal	\$ 89,818.2	\$ 74,537.3	\$ (15,280.9)	-17.0%	\$ 149,683.0
60	Transit Planning					
61	Broadway BRT	\$ -	\$ 3,987.1	\$ 3,987.1	100.0%	
62	BRT Connector B Line (Red)/G Line (Orange) to L Line (Gold)	20,158.9	60,275.8	40,116.9	199.0%	
63	San Gabriel Valley Transit Feasibility Study	2,801.1	2,216.4	(584.8)	-20.9%	
64	Vermont Transit Corridor	6,730.2	8,059.6	1,329.4	19.8%	
65	Transit Planning Subtotal	\$ 29,690.2	\$ 74,538.9	\$ 44,848.6	151.1%	
66	Bus Transit Construction & Planning Subtotal	\$ 119,508.4	\$ 149,076.2	\$ 29,567.7	24.7%	\$ 149,683.0
67	Bus Studies & CX Initiatives					
68	LIFE Program	23,237.6	25,316.5	2,078.9	8.9%	
69	Other Bus Planning & Studies	1,846.4	1,572.7	(273.7)	-14.8%	
70	Bus Stop Lighting	-	1,000.0	1,000.0	100.0%	
71	Adopt - a - Stop	-	150.0	150.0	100.0%	
72	Bus Studies & CX Initiatives Subtotal	\$ 25,084.0	\$ 28,039.2	\$ 2,955.3	11.8%	
73	Bus Investments Total	\$ 1,779,295.2	\$ 1,896,684.0	\$ 117,388.9	6.6%	\$ 1,660,759.1

Note: Totals may not add up because of rounding.