

Attachment C
Funding Source Details

(A) Funding Need (\$ in million)	Alt FY22	Alt FY23	Notes for Alternative
Transit Service Increase*	\$ -		Board Directed 7 million RSH, by 9/2021. Projected increased FSI pilot ridership is absorbed in 7m RSH. Will monitor & report service need monthly throughout the piloting period
Communications, Data Infrastructure, and Eligibility Processing	3.6	3.0	Communications and eligibility processing costs should increase
Defeasement General Purpose Bond	80.0	-	Total bond expenses under review
P&I Payment	(12.0)	(12.0)	
Fare Loss	16.3	134.4	Assumes gradual return to ridership, with 60% of low-income riders participating in FY22, and increasing to 75% by FY23
Funding Need Total	\$ 88	\$ 125	
<i>*Every 1% bus service increase will require funding of \$12 to \$14 million. Will monitor closely.</i>			

(B) Budget Prioritization Opportunities	Preliminary Budget		Potential Savings		Notes
	FY22	FY23	FY22	FY23	
*Efficiency Savings on Bus and Rail Operating and Maintenance (O&M)	\$ 2,038.9	\$ 2,230.8	\$ (40.8)	\$ (44.6)	Due to new buses, newer Rail Lines, there is potential to reduce bus unit cost from OT, Parts and Facility cleaning contracts accounts. Recommend starting with 2% reduction per year
*MicroTransit Pilot Evaluation	39.6	40.7	(7.3)	(7.4)	Consider more gradual expansion to 9 zone until assessment of pilot
*Assessment of SGR Cashflow Needs	452.3	462.7	(37.6)	(37.0)	Align cashflow requirement based on actual expenditure rate of SGR, with no reduction to SGR projects
*5% Agency Overhead, Adm and Support Department Cost Reduction	131.9	134.9	(6.6)	(6.7)	
Continue VSIP program			(5.0)	(10.0)	1/2 year for FY22 and full year for FY23
Reallocate LIFE to Pilot Pass	13.0	13.3	(8.4)	(8.4)	Metro portion only
Potential Saving			\$(106)	\$ (114)	

*Ongoing discussions between Operations, FSI Task Force, OMB, and OCEO

Additional Funding Strategies

- Incremental advertising revenues from naming right and corporate sponsorship \$23.8 FY21 budget
- Discussions forthcoming with LA Unified School District to partner on funding K-12

Note

- Preliminary budgets include all transit operations eligible resources, including Board adopted and anticipated CRSSAA and APRA distributions.
- These options follow Board motion to maintain 7 million RSH, maintaining high quality customer experience, and no impact to SGR program.