



Metro Fiscal Year (FY) 2027 Proposed Budget

May 21st, 2026 | Public Hearing





Agenda



1. PROGRAM HIGHLIGHTS

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

2. PUBLIC OUTREACH & ENGAGEMENT



Cost Inflation & Uncertainties



ECONOMIC OUTLOOK

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



REVENUE AND FISCAL PRESSURES

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



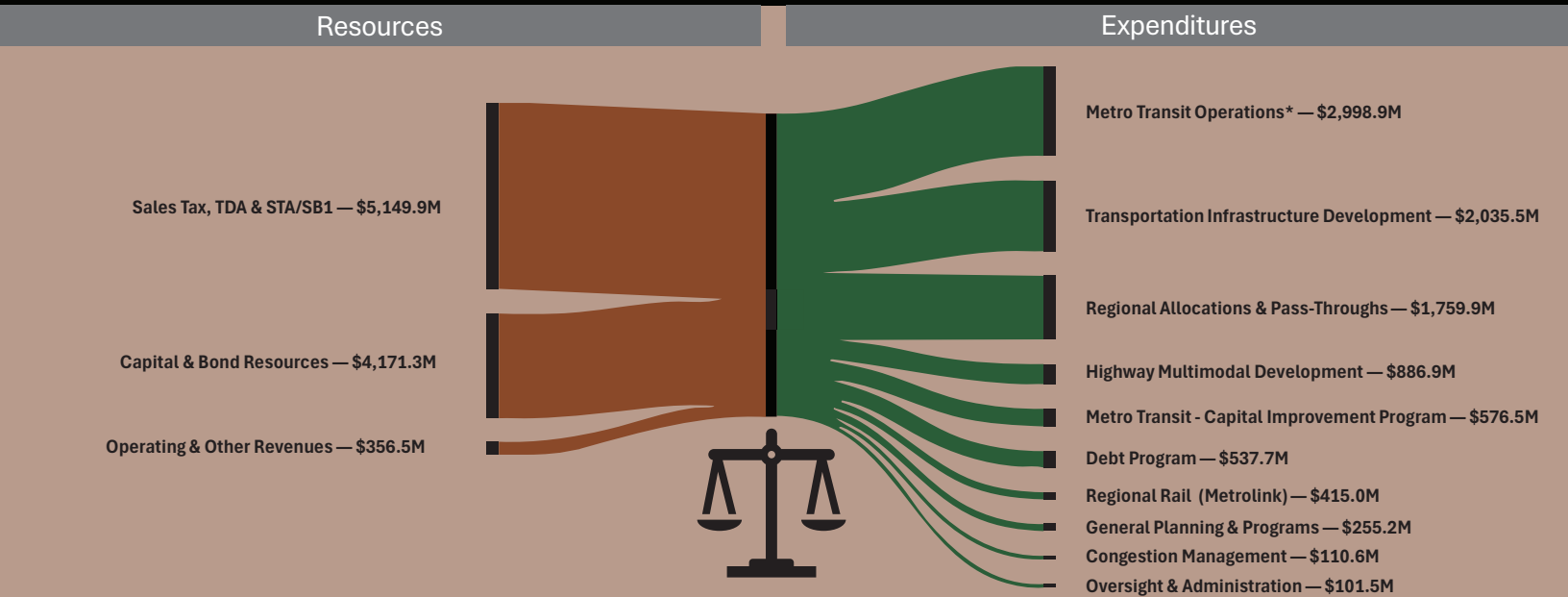
INFLATION AND STRATEGIC RESPONSE

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



FY27 Proposed Budget - \$9.7B*

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



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

Overview:

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

Note: Pending May Board Approval



Metro Transit Operations – \$2.99B*

Service plans and initiatives to improve customer experience

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

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

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



Overview:

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

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

Note: Pending May Board Approval



Station Experience

Redefining the station, reimagining the experience



Safe, Clean Restrooms

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



Tap-To-Exit & Taller Fare Gates

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



Elevators/Escalators

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



Lighting Retrofit

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



Overview:

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

Note: Pending May Board Approval



Enhancing Customer Experience

Elevating rider safety and cleanliness across the system

Multi-layered Care-Based Approach

Cleaning



Care-Based Approach

Community Intervention Specialists (CIS), Crisis Response Program, Homeless Outreach, Transit Ambassadors



Department of Public Safety (DPS) & Contract Law Enforcement

Crime prevention & respond to calls for services



Metro Transit Security

Fare & Code of Conduct enforcement



Private Security

Security of stations, divisions, & terminals



Bus

Daily @ four terminals seven days per week



Rail

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



Stations

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



Facilities

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



Overview:

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

Note: Pending May Board Approval



Capital Improvement Program - \$576.5M

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

Bus

\$186.0M

(+\$15.7M, +9.2%)

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



Rail

\$189.7M

(-\$33.7M, -15.1%)

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



Other Asset Improvements

\$200.8M

(-\$25.4M, -11.2%)

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



Overview:

- Reflects a \$43.4M or 7% decrease from FY26
- CIP budget modernizes Metro infrastructure & assets
- Focus: maintenance, upgrades, and system reliability

- Investments: new technology, vehicles, stations, and systems
- Improve safety, service quality, and customer experience

Note: Pending May Board Approval



Transit Infrastructure Development - \$2.0B

Legacy projects to serve our communities

Planning \$229.3M

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

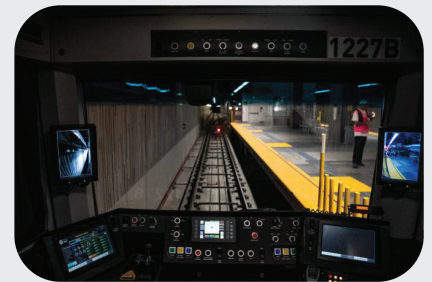
Construction \$1,739.9M

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



Closeout & Others \$66.3M

| | |
|---|---------|
| Closeout | \$9.0M |
| Systemwide incl. Business Solution Center | \$57.3M |



Overview:

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

Note: Pending May Board Approval



Regional Allocations & Pass-Throughs - \$1.76B


Transit investments across LA County



Local Agency Programs

- Local Return
- TDA 3
- TDA 8

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



Regional Transit

- Municipal & Local Operator Funds
- Access Services

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



Major Projects

- AV Metrolink Line
- ITC

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



Other Local Programs

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

\$86.3M
+\$14.0m (19.3%)



Regional Federal Grants

- JARC
- New Freedom
- 5310
- Federal Exchange

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



Fare Assistance

- LIFE

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

Overview:

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

Note: Pending May Board Approval



Other Programs - \$2.3B

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

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

Overview:

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

Note: Pending May Board Approval



Public Outreach & Engagement

Engaging communities, informing decisions

Key Demographics



48%

EFC



10%

Under 18



44%

Income <\$25,000



71%

Ride 1+ day/week

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

Participation



My Metro Budget Activity

5,900+ Respondents

4,800+ Comments



My Metro Priorities

1,550+ Respondents

200+ Comments

Collection Period: Sept 2025 – May 2026

Key Themes



Public Safety



Service Frequency & Reliability



System Cleanliness

Reach



CBO Engagement
650+ Reached



E-blasts/Newsletters
20+ Distributed



Social Media
4 platforms total



Newsprint
20 agencies



Stakeholder Meetings
28 held



QR Infocards
39,500+ distributed

Overview:

- Base participation increased by 1,000 responses over FY26
- My Metro Budget Activity is an ICMA multi-award-winning initiative
- Introduced “impacts” feature

- **NEW** youth-focused My Metro Priorities
- Increased youth participation over 650%
- Utilized various marketing methods



We Want Your Feedback!

Metro wants to Listen and Learn



My Metro Budget Activity

> Submit your own budget at mybudget.metro.net



Public Hearing

> May 21, 2026, 10AM @ Metro HQ



Email

> Send an email to budgetcomments@metro.net



My Metro Priorities

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



Budget Portal

> Visit the budget portal at budget.metro.net



Mail

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



Board Report on FY27 Budget Adoption

Proposed FY27 Budget for Consideration and Approval

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

Thank You!

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🌐 budget.metro.net

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“Go Metro!”

