

ATTACHMENT B

LOS ANGELES COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES FINANCIAL FORECAST (\$000) FISCAL YEAR 2025-2026

	PROJECTED YEAR-END 2024/25	PROPOSED BUDGET 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
SAFE FUNDS							
Projected Registration Surcharge	\$7,900	\$7,750	\$7,750	\$7,750	\$7,750	\$7,750	\$7,750
Projected Beginning Year SAFE Fund Balance	\$44,819	\$47,703	\$48,153	\$47,896	\$47,327	\$46,694	\$46,221
Projected Interest	\$477	\$486	\$485	\$480	\$474	\$468	\$463
Other	\$745	\$755	\$770	\$786	\$801	\$817	\$834
FUNDS AVAILABLE	\$53,941	\$56,694	\$57,158	\$56,911	\$56,352	\$55,729	\$55,267
EXPENSES/OBLIGATIONS							
Administration	\$338	\$323	\$350	\$350	\$350	\$375	\$375
Direct Labor	\$1,600	\$2,314	\$2,384	\$2,455	\$2,529	\$2,605	\$2,683
Programs & Services	\$4,300	\$5,904	\$6,529	\$6,779	\$6,779	\$6,529	\$6,529
TOTAL EXPENSE/OBLIGATIONS	\$6,238	\$8,541	\$9,263	\$9,584	\$9,658	\$9,509	\$9,587
PROJECTED YEAR END BALANCE	\$47,703	\$48,153	\$47,896	\$47,327	\$46,694	\$46,221	\$45,681

**Los Angeles County
Service Authority for Freeway Emergencies
Five-Year Financial Forecast
Fiscal Year 2025 – 2026**

Notes and Assumptions

The FY26 Five-Year Financial Forecast has been developed to provide a snapshot of LA SAFE's current financial situation and project the impact of the proposed FY26 budget to the overall financial condition of LA SAFE. The forecast is based on the assumptions and notes listed herein.

The use of SAFE funds is strictly limited per California Streets and Highways Code Section 2550 et. seq., which requires LA SAFE to first use its dedicated funds to support motorist aid services such as the Kenneth Hahn Call Box System, Southern California 511 (SoCal 511) and other motorist aid services.

The forecast demonstrates that LA SAFE has sufficient financial capacity to fund the services and activities as proposed in the FY26 budget and to absorb the impact of the FY26 budget for the next five years.

This forecast includes the projected costs of operating the Kenneth Hahn Call Box System and SoCal 511 and funding improvements to motorist services programs. All financial figures will be refined as better information is obtained and more accurate projections can be made. This forecast is updated annually as part of the LA SAFE budget approval process.

SAFE FUNDS

This section provides a summary of the projected funds available to SAFE.

- **Projected Registration Surcharge**

This category provides the projected annual revenue generated by the \$1.00 vehicle registration surcharge. The forecast is a conservative forecast based upon historical actuals. Overall, the registration surcharge is projected to remain relatively constant for the next five years. However, this will be an item that will require annual review as recent increases to the cost of owning a vehicle in California, behavioral changes regarding vehicle ownership, impact of ride/car sharing services, technological changes and other related items may impact the overall number of registered vehicles.

- **Projected LA SAFE Fund Balance**

The LA SAFE fund balance provides the projected balance from the end of the previous fiscal year.

- Projected Interest

This category forecasts the projected interest income derived from LA SAFE funds invested as pool with Metro funds, based upon a conservative 1.0% rate of return on the investment base. The investment base is defined as the total funds available less 80% of the projected fiscal year expenditure. The total funds available are defined as the "Projected Registration Surcharge" + "Projected LA SAFE Fund Balance".

- Other

This represents other sources of funds for LA SAFE from partner agencies for their apportionment of SoCal 511 traveler information operations and maintenance program expenses. To date, SoCal 511 has existing agreements with the Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC) and San Bernadino County Transportation Authority (SBCTA).

EXPENSES/OBLIGATIONS

- Administration

This category summarizes the funds programmed for general administrative support services and equipment costs. Items such as travel, training, office supplies, computer equipment, insurance, legal, and other general administrative support required for the administration of LA SAFE are included in this category.

The FY26 budget for administrative services is proposed to decrease by \$55,186 or 15% due to a reduction in on-call support costs. Other administrative costs are forecasted to increase slightly in FY27 and to remain constant beyond FY27.

- Direct Labor

This category summarizes the funds programmed to cover the costs associated with LA SAFE's staffing resource needs. This includes overhead, salary, fringe benefits and as-needed labor costs. The FY26 budget allocation is proposed to increase by (\$620,653) or 37% compared to the adopted FY25 budget. The primary cause of this increase is due to an increase in labor calculated costs such as fringe, non-work and allocated overhead, as well as an increase in temporary/as-needed funding. Approximately \$260,000 or 42% of the increase is due to an additional 1.1 full time equivalent (FTE) being charged to LA SAFE, of which 0.8 FTE will be reallocated back to PTSC. This will leave a remaining 0.3 FTE increase which is associated with an allocation of shared PTSC administrative support. The remainder of the cost increase is attributed to temporary/as-needed allocation. The as-needed allocation will ensure the resources needed to provide procurement, technical and/or project management resources. The allocation will support coordination, collaboration and management oversight of programs and services operated by LA SAFE including continued marketing and outreach, data management and analytics, finance and administrative support, call box field inspections, testing and other program or service-related support. All of the staff provided under this category will be obtained

from the Public Transportation Services Corporation (PTSC) via the existing MOU and the budget request is consistent with what is contained within Metro's FY26 proposed budget. The forecast also presents a 3.5% for annual increases in direct labor costs over the five (5) year period. The forecast does not assume any FTE increases that may be required in advance of upcoming regional events or improvements.

- **Programs & Services**

This category summarizes the funds budgeted in direct support of the programs, projects and services operated by or to be funded by LA SAFE. The FY26 budget for this category has remained consistent compared to the adopted FY25 budget.

The following is a breakdown of program and service categories for FY26:

Call Box Program

Funds programmed to cover the costs to operate, maintain and upgrade the Kenneth Hahn Call Box System. FY26 funding for the Call Box Program is proposed to increase by \$132,000. The proposed budget increase will support CPI increases for the on-going operation and maintenance of the Kenneth Hahn Call Box System. The forecast assumes potential new contracts needed to keep the program operational and available to LA County residents over the five (5) year period.

Traveler Information System – Southern California 511

Funds programmed to support the operation, maintenance and improvement of the Southern California 511 (SoCal 511) system. SoCal 511 is a regional traveler information system operated in partnership with LACMTA, the Orange County Transportation Commission, the Ventura County Transportation Commission, the Riverside County Transportation Commission, the San Bernardino County Transportation Authority, CHP and Caltrans. The system provides individuals with the ability to obtain traffic, transit, commuter services and other general traveler information via their phone or the internet.

The FY26 allocation for SoCal 511 traveler information program is proposed to increase by \$20,000 or 1% compared to the FY25 allocation. In addition to covering daily operations, the funding allocation will also continue to support the development of system improvements. For FY27 and beyond, LA SAFE is proposing to make improvements and enhancements to existing platforms to better support planned and unplanned events across all platforms, such as destination-based trip planning, and upcoming major regional events such as the 2026 FIFA World Cup, 2027 Super Bowl, and the 2028 Olympic and Paralympic Games. Additionally, future increases in FY27 will support new contracts needed to support daily operation and maintenance of the SoCal 511 IVR, web and mobile platforms. As things change quickly with any technology-based service, staff will be closely monitoring the service to make any changes as a result of market conditions. Any changes will be reflected in future forecasts.

Motorist Services/Strategic Initiatives

This category includes funds programmed to enable LA SAFE to support improvements to existing motorist services programs, develop new motorist services, and pursue strategic initiatives. The FY26 allocation for Motorist Services is proposed to relatively remain the same as the FY25 allocation, as procurements were initiated in FY25 and will continue in FY26 using existing contracts and agreements in the areas of marketing and outreach funding and the development of improved data services to support SoCal 511.

For FY26 and beyond, these funds will be used to conduct a strategic review or reimagination of SoCal 511 services, advertise and promote SoCal 511 and other programs in EFCs, and implement QA/QC services and improvements. Additionally, the funds will enable LA SAFE to support new opportunities, provide strategic and communication services, research new technologies, develop and enhance applications, and continue work to standardize real-time transit data through general transit feed specifications-real time (GTFS-RT), which will improve traveler information for SoCal 511 customers. Funding is forecasted to increase in FYs 27 to 29 to support the development and integration of improvements to better support existing SoCal 511 platform updates and improvements, planned and unplanned events across all platforms, launch destination-based trip planning in advance of major regional events and secure new data sources. Funding for service improvements will be allocated on an annual basis depending upon available funds, identified needs, or the ability to secure new third party/grant funds. Any future funds will be used in support of improvements to current services and development/exploration of new technologies and opportunities to improve mobility.