

**ATTACHMENT B**

**LOS ANGELES COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES  
FINANCIAL FORECAST (\$000)  
FISCAL YEAR 2026-2027**

	<b>PROJECTED YEAR-END 2025/26</b>	<b>PROPOSED BUDGET 2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>	<b>2030/31</b>	<b>2031/32</b>
<b>SAFE FUNDS</b>							
Projected Registration Surcharge	\$7,900	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Projected Beginning Year SAFE Fund Balance	\$44,819	\$47,236	\$47,359	\$49,050	\$49,591	\$49,881	\$50,090
Projected Interest	\$474	\$479	\$493	\$501	\$504	\$506	\$507
Other	\$745	\$755	\$770	\$786	\$801	\$817	\$834
<b>FUNDS AVAILABLE</b>	<b>\$53,938</b>	<b>\$56,470</b>	<b>\$56,622</b>	<b>\$58,336</b>	<b>\$58,896</b>	<b>\$59,204</b>	<b>\$59,431</b>
<b>EXPENSES/OBLIGATIONS</b>							
Administration	\$228	\$226	\$275	\$300	\$350	\$375	\$375
Direct Labor	\$2,174	\$2,230	\$2,297	\$2,366	\$2,437	\$2,510	\$2,585
Programs & Services	\$4,300	\$6,655	\$5,000	\$6,079	\$6,229	\$6,229	\$6,229
<b>TOTAL EXPENSE/OBLIGATIONS</b>	<b>\$6,702</b>	<b>\$9,111</b>	<b>\$7,572</b>	<b>\$8,745</b>	<b>\$9,016</b>	<b>\$9,114</b>	<b>\$9,189</b>
<b>PROJECTED YEAR END BALANCE</b>	<b>\$47,236</b>	<b>\$47,359</b>	<b>\$49,050</b>	<b>\$49,591</b>	<b>\$49,881</b>	<b>\$50,090</b>	<b>\$50,242</b>

**Los Angeles County  
Service Authority for Freeway Emergencies  
Five-Year Financial Forecast  
Fiscal Year 2026 – 2027**

**Notes and Assumptions**

The FY27 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 FY27 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 FY27 budget and to absorb the impact of the FY27 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% 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 apportionments 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). There is a potential increase in these funds in the future as San Diego, Imperial and Santa Barbara County 511s have recently expressed joining SoCal 511. Staff will work on the possible partnership expansion with both the current members and the future additions.

## 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 FY27 budget for administrative services is proposed to maintain similar level as FY26. The administrative costs are forecasted to increase slightly in FY28 and to remain constant beyond FY28.

- 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 FY27 budget allocation will remain at the same level as FY26.

- 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 FY27 budget for this category is proposed to increase by \$704,521 or 8% compared to the adopted FY26 budget. The primary cause of this increase is due to the planned modernization of SoCal 511 voice and digital service platforms, development of the data system improvements, and the overall system improvements.

The following is a breakdown of program and service categories for FY27:

### Call Box Program

Funds programmed to cover the costs to operate and maintain the Kenneth Hahn Call Box System which continues to provide roadside assistance to stranded motorists on the freeways throughout Los Angeles County. The system manages calls coming through the physical call boxes and through motorists' personal phones. FY27 funding for the Call Box Program is proposed to decrease by \$279,000. The proposed budget decrease reflects the overall decrease in operation and maintenance of call box due to its lower inventory and decrease in call center cost due to lower call volumes from call boxes. 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 FY27 allocation for SoCal 511 traveler information program is proposed to decrease by \$395,000 or 22.9% compared to the FY26 allocation. The proposed budget decrease is due to the changes in the operation and maintenance contracts and the planned platform modernization and improvements. The proposed budget will cover operation and maintenance of the current system for half the fiscal year. It is anticipated that the modernized system will be running in the latter part of the fiscal year and will not require the same level of maintenance in FY27. However, it is the forecast assumes future increases in FY28 and beyond to 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 FY27 allocation for Motorist Services is proposed to increase by \$1,325,000 (44%) in comparison to FY26 allocation, as procurements for system modernization and improvement were initiated in FY26 and will continue in FY27.

The proposed budget will cover the continued implementation of the strategic improvements, marketing and promotion of SoCal 511 in EFCs, and 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.

The proposed budget increase is due mainly to the continued efforts with modernization and improvement of the existing platforms as well as stabilization and expansion of data to better support planned and unplanned events across all platforms, such as natural/weather events, upcoming major regional events including 2027 Super Bowl and the 2028 Olympic and Paralympic Games, etc. The initial major milestones for these projects are targeted to be completed in the second half of FY27, and the project is expected to carry on into FYs 28 and 29 which is reflected in the funding forecast for FYs 28 and 29. The funding forecast will also 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.