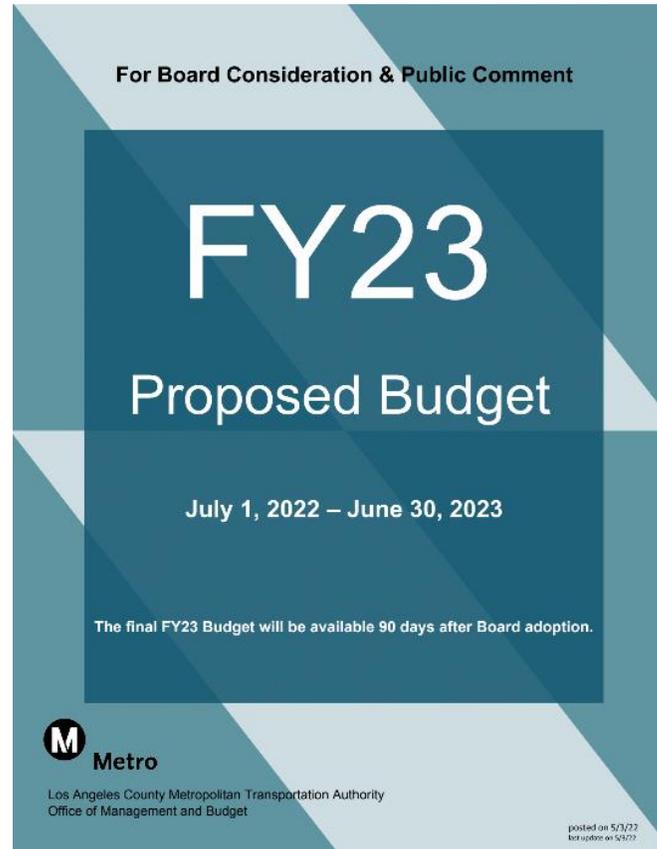
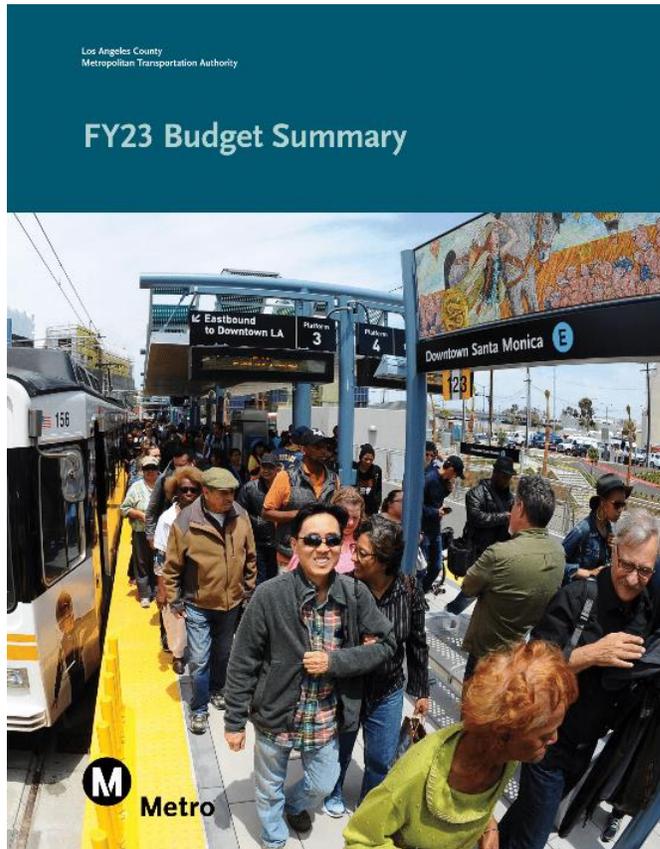


A photograph of a Metro train at a station platform. The train is silver with "Metro" and "Metro Rail" branding. The platform has a blue and white structure with large glass panels. The background shows palm trees and a clear sky.

Metro Fiscal Year 2023 Proposed Budget

**Public Hearing
May 18, 2022**

FY23 Budget Summary and Proposed Budget Book



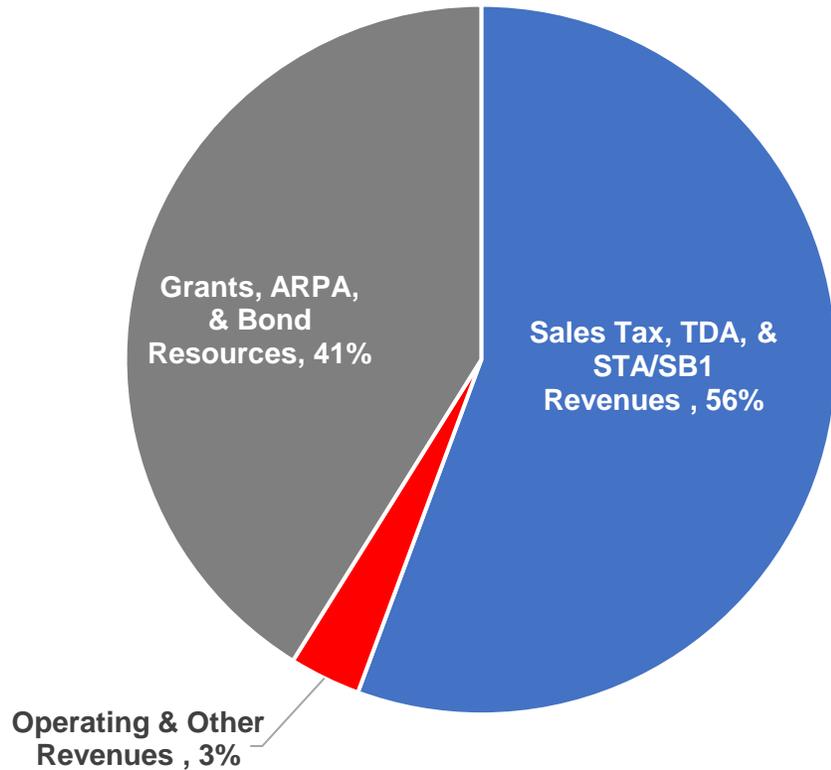
- The proposed budget document is legally required to be made available for public review 15 days prior to the public hearing
- A summary section in the Proposed Budget Book highlights the budgets related to what we heard from the public on specialized topics
- FY23 budget proposal is balanced and has many firsts:
 - Focused on People First and Quality Investments to our community, to the riders, to the partners and cultivating the next generation of riders.
 - Early and enhanced public outreach that interact directly with equity focused community; collaborated with Office of Equity on budget survey to be customer focused
 - Equitable Zero-Based Budgeting (EZBB) process starts a cost control tool to closely monitor our financial state after the last of the federal stimulus funds are used up by FY23

Revenue Summary

Resources (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1 Sales Tax, TDA, & STA/SB1 Revenues	\$ 4,020.3	\$ 4,868.7	\$ 848.4	21.1%
2 Operating & Other Revenues	253.1	283.5	30.4	12.0%
3 Grants, ARPA, & Bond Resources	3,766.8	3,599.2	(167.7)	(4.5)%
4 Resources Total	\$ 8,040.2	\$ 8,751.4	\$ 711.2	8.8%

Note: Totals may not add up because of rounding.

Resources % of FY23 Budget

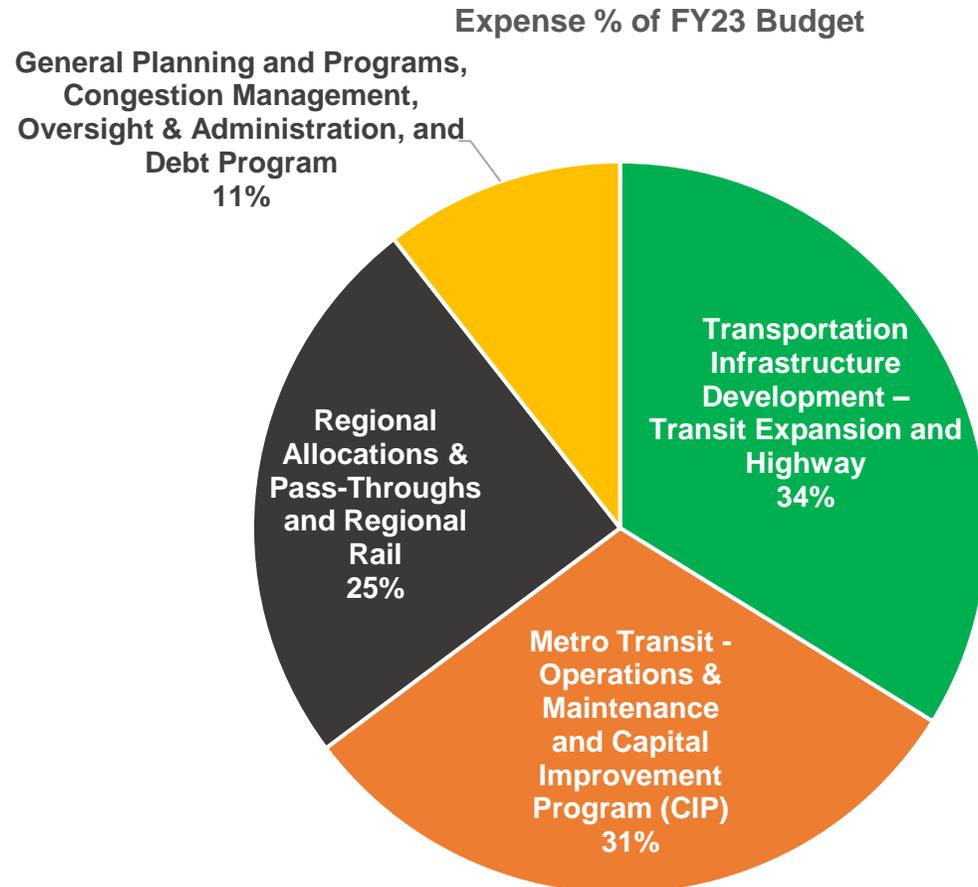


- Sales Tax funds 56% of the FY23 proposed budget. The 21% variance is due to lower estimate of sales tax assumed in the FY22 budget.
- One-time Federal Stimulus for ARPA is \$1,096.9 million for FY23
 - Reimbursement for operating costs to maintain service, fare loss, and preserve jobs due to COVID-19 impact
 - By the end of FY23, Metro will deplete all Federal stimulus and relief fundings for the pandemic
- Fare revenues are expected at \$106.5 million
 - 45.5% increase form the FY22 Budget, but approximately \$150 million lower than the pre-pandemic level
 - Reflecting ridership recovery, FSI phase 1, and LIFE enhancement

Expense Summary

Program Type (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1 Transportation Infrastructure Development	\$ 3,012.1	\$ 2,961.5	\$ (50.6)	(1.7)%
2 Metro Transit - Operations & Maintenance and Capital Improvement Program	2,558.3	2,704.9	146.6	5.7%
3 Regional Allocations & Pass-Throughs and Regional Rail	1,613.9	2,162.1	548.2	34.0%
4 Gen Planning, Cong Mgmt, Oversight & Admin, and Debt Prgm	855.9	923.0	67.1	7.8%
5 Grand Total	\$ 8,040.2	\$ 8,751.4	\$ 711.2	8.8%

Note: Totals may not add up because of rounding.



- The FY23 budget continues to make progress on planning and constructing new transit projects for LA county
- The budget restores transit services to pre-pandemic levels and plans to open two new rail segments Crenshaw/LAX and Regional Connector
- The budget enhances the customer experience through a cleanliness surge, reimagine public safety and continues to make Nextgen and other bus improvements
- Regional Allocations and Pass-Throughs based on increased sales tax revenue projections
- The Consumer Price Index (CPI), as measured by the Bureau of Labor Statistics, is projected to increase by 3.3% in FY23 for the Los Angeles area

Early, Expanded, and Enhanced Public Engagement Summary



September 29, 2021, October 4, 2021 & March 29, 2022,
>11,000 Listeners English & Spanish



FY23 Budget Survey
>8,000 responses received

+ 6,350



FY23 Budget Survey
>4,100 written responses received

+ 3,400



Stakeholder, Public, and Community Meetings
24 Budget meetings

+ 7 Meetings



LACMTA / LA Metro Budget Portal

Welcome to the Los Angeles County Metropolitan Transportation Authority (LACMTA) Budget portal – LA Metro Budget Portal. This portal provides financial and budget information for and on behalf of LACMTA (Metro) for riders, Metro's stakeholders, and the general public to learn all things budget related. The information on this website will be continuously updated as new information becomes available.



NEW! >9,000 Visits

We Heard: From Survey Results to Budget Actions



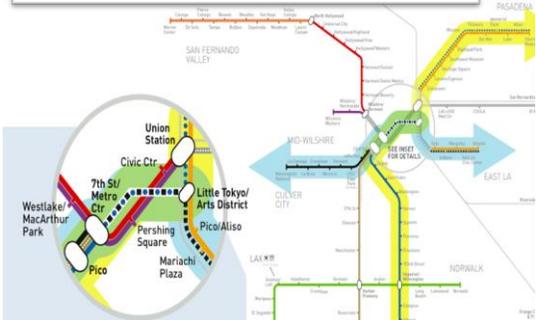
Clean



Safety



Expanding Rail



More Bus



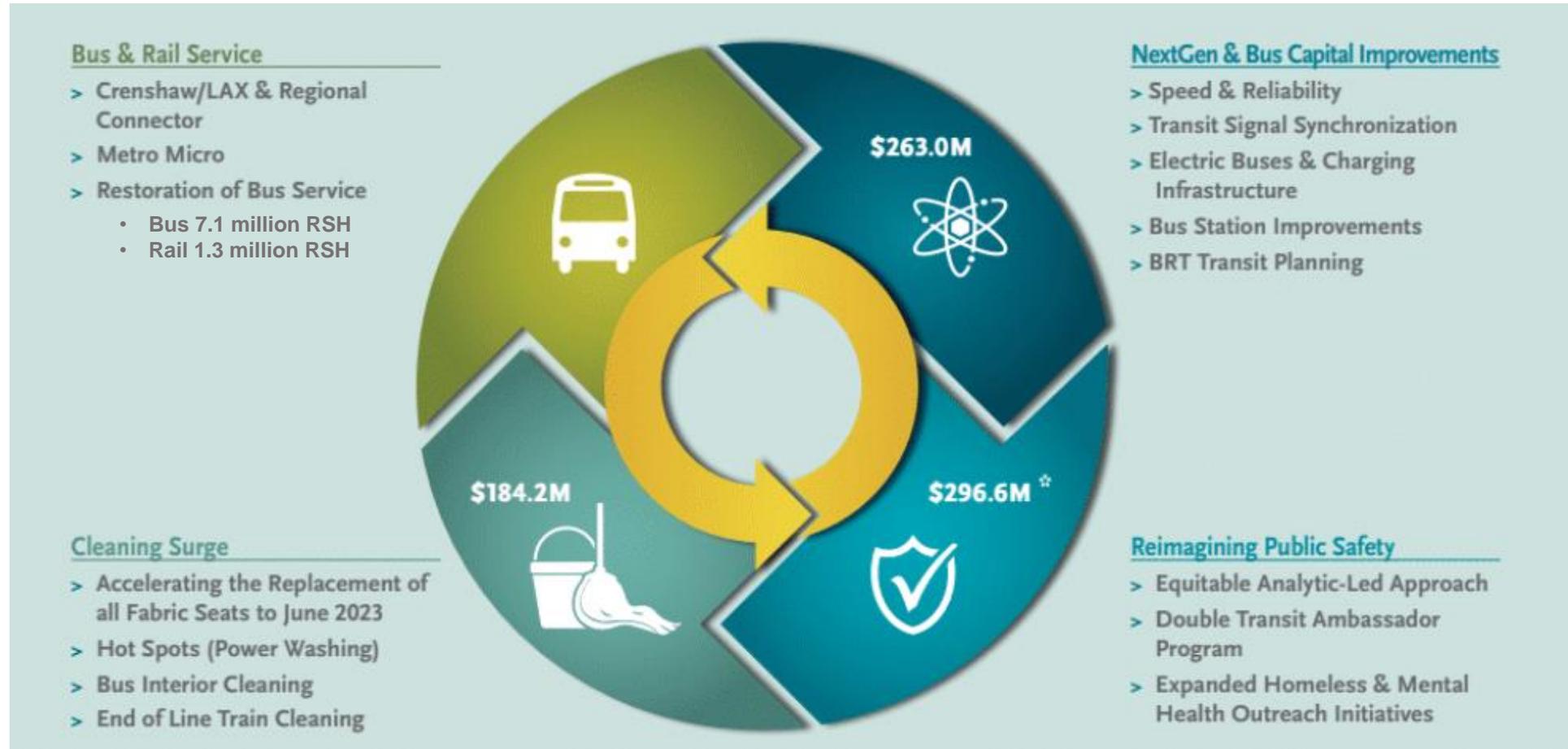
Reliable



Frequent Service



Customer Experience (CX)



*Some initiatives are included in multiple department budgets and may not be reflected in the estimated amounts, as they are being done within existing resources.

	Reimagining Public Safety (\$ in millions)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	Resource Deployment				
2	Transit Ambassadors	\$ 20.0	\$ 40.0	\$ 20.0	100.0%
3	Homeless/Mental Health Outreach	10.7	15.3	4.6	43.2%
4	Metro Transit Security	27.6	30.9	3.3	12.1%
5	Private Security	23.7	24.5	0.8	3.3%
6	Law Enforcement	165.0	170.0	5.0	3.0%
7	Resource Deployment Subtotal	\$ 247.0	\$ 280.7	\$ 33.7	5.4%
8	Accountability & Transparency	\$ -	\$ 0.1	\$ 0.1	100.0%
9	Communications & Public Education	0.2	0.4	0.2	146.7%
10	Security Design	13.4	10.4	(3.0)	(22.5)%
11	Tools & Technology	0.3	4.1	3.8	1532.4%
12	Training & Procedures	3.0	1.0	(2.0)	(66.7)%
13	Reimagining Public Safety Total	\$ 263.7	\$ 296.6	\$ 32.9	12.5%

Note: Totals may not add up because of rounding.

- All initiatives from Reimagining Public Safety are prioritized in FY23 Budget
- Equitable analytics-led approach to enhancing public safety
- Transit ambassador program doubling
- Homeless/mental health outreach growing by 43.2%
- Adding unarmed security officers to the system



* Includes \$1 million for Room 2 Work



REIMAGINING PUBLIC SAFETY

NEXTGEN AND BUS CAPITAL IMPROVEMENTS

	Bus Capital Improvement (\$ in thousands)	FY22 Budget	FY23 Proposed	\$ Change	% Change
1	NextGen	\$ 8,333.9	\$ 27,427.6	\$ 19,093.7	229.1%
2	Bus Acquisition	93,090.1	82,122.9	(10,967.2)	-11.8%
3	Bus Facilities Improvements	16,665.1	18,081.6	1,416.4	8.5%
4	Bus Maintenance	46,898.1	41,495.3	(5,402.8)	-11.5%
5	Regional & Hubs	250.0	600.0	350.0	140.0%
6	Technology	35.6	2,641.6	2,606.0	7316.3%
7	Transit Improvements/Modernization (TIM)	6,975.9	15,938.3	8,962.3	128.5%
8	Transit Construction	18,692.6	57,449.4	38,756.8	207.3%
9	Transit Planning	9,847.9	17,219.3	7,371.4	74.9%
10	Bus Capital Improvement Total	\$ 200,789.2	\$ 262,975.9	\$ 62,186.6	31.0%

Note: Totals may not add up because of rounding.

31% more investments year over year

- Speed & Reliability is a priority
- NextGen Updated Plan: identified several key opportunities
 - Revised program: current estimates under \$350M
 - Additional information will be provided to Operations, Safety, and Customer Experience Committee in Fall 2022
- NextGen investments of \$27.4 million, 229.1% increase over FY22
- See Appendix V of Proposed Book - Detailed list of NextGen and Bus Capital Improvement projects



Measure R and Measure M Transit Construction and Planning Projects

Transit Expansion Program (\$ in millions)

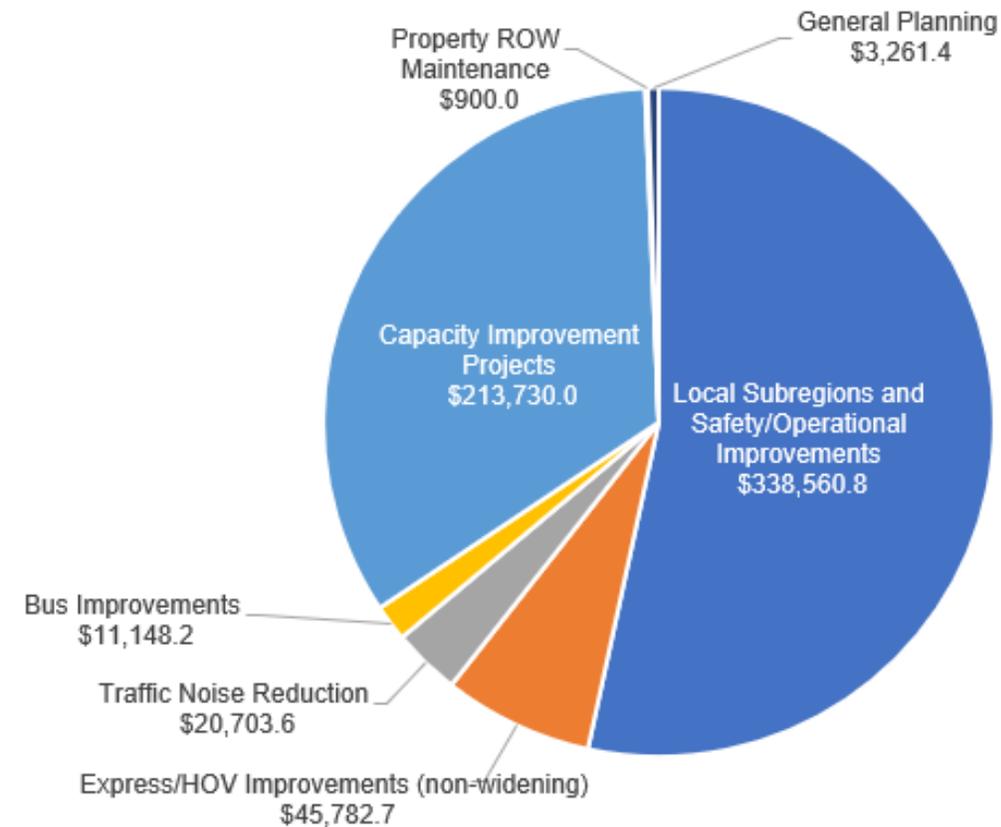
Project	MR/MM Start Date	Forecasted Exp thru FY22	FY23 Proposed	LOP Budget
1 MR/MM Transit Construction				
2 E Line (Expo) Light Rail Transit	2007	\$ 2,295.6	\$ 3.7	\$ 2,301.1
3 K Line (Crenshaw/LAX) Light Rail Transit	2015	2,385.6	55.7	2,392.5
4 Regional Connector	2016	1,768.7	98.4	1,817.5
5 D (Purple) Line Extension	2017	5,998.3	1,125.8	9,680.8
6 Airport Metro Connector	2018	309.2	242.8	898.6
7 L (Gold) Line Foothill Extension 2A & 2B	2019	1,562.5	283.0	2,330.5
8 G (Orange) Line BRT	2019	42.7	57.4	-
9 East San Fernando Valley	2021	328.2	248.2	-
11 MR/MM Transit Construction Sum		\$ 14,690.9	\$ 2,115.1	\$ 19,421.0
12 MR/MM Transit Planning				
13 Eastside Access	2008	31.5	8.8	
14 North San Fernando Valley BRT	2019	8.1	5.5	
15 BRT Connector G/B Line to L Line	2020	13.2	7.2	
16 West Santa Ana Branch Corridor	2022	81.7	29.1	
17 Sepulveda Corridor	2024	82.9	81.5	
18 Vermont Transit Corridor	2024	6.3	2.7	
19 C (Green) Line South Bay	2026	36.6	11.6	
20 Eastside Extension*	2029	92.9	13.9	
21 SGV Feasibility Study		1.6	1.9	
22 Crenshaw Northern **	2041	19.2	6.8	
23 MR/MM Transit Planning Sum		\$ 374.0	\$ 169.0	
24 Business Solutions Center		8.7	2.5	
25 Total MR/MM Transit Expansion		\$ 15,073.6	\$ 2,286.6	

* Forecasted Expenditures thru FY22 includes \$33.3M of Board authorized vehicle purchase.

** Crenshaw Northern increases from \$6.8 million to \$10.0 million due to technical correction

- Projects listed according to Measure R and Measure M Start Date
- Continue all major construction projects with executed contracts
- Substantial completion of construction Crenshaw & Regional Connector
- Maintaining Measure M schedules for planning projects currently funded in LRTP or grant funded
- Crenshaw Northern increases from \$6.8 million to \$10.0 million due to technical correction

Highway Modernization Projects By Category



- Vast majority (98.2%) of the projects are Measure R and Measure M Ordinance totaling Highway Program budget of \$634.1 million
- Metro's Highway Modernization Projects provide local and safety improvements such as:
 - Local Subregions includes street improvements, on-off ramp improvements, signal synchronization, bikeway/pedestrian safety and sidewalk improvements
 - Express Lanes or HOV Improvements can convert existing lanes without any widening
 - Traffic Noise Reduction with the Soundwall Program benefiting homes/businesses along freeway corridors alleviating traffic noise
 - Bus Improvements include NextGen Bus lanes support
 - Capacity Improvement Projects can include a variety of purposes such as:
 - Soundwall program, extension of truck lanes, HOV lanes, bridge repair and replacement, and Intelligent Transportation System (ITS)

FY23 Proposed Budget – \$8.8B

(\$ in millions)



- Metro’s \$8.8 billion Fiscal Year 2023 (FY23) Proposed Budget is balanced
- FY23 Proposed Budget includes many new and innovative projects that will have meaningful impacts on Los Angeles County’s 10 million residents.
- Transit industry nationwide, including Metro, faces financial challenges within the next few years when federal funding is exhausted
- Metro EZBB is initial step in strengthening cost controls and identifying other mitigation strategies

MAY BOARD REPORT FY23 BUDGET ADOPTION

- A. ADOPTING the proposed FY23 Budget as presented in the budget document (provided in a separate transmittal and posted on metro.net);
 - 1. AUTHORIZING \$8.8 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals; and
 - 2. AUTHORIZING a total of 10,596 FTEs with 8,778 Represented FTEs and 1,818 Non-Represented FTEs; and
 - 3. AUTHORIZING an average 3.5% 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 3.5% (except for SMART); and
 - 4. APPROVING the Life of Project (LOP) budgets for new capital projects; new capital projects with LOP exceeding \$5.0 million are presented in Attachment A; and
 - 5. AMENDING the proposed budget to include any Board approved actions currently under consideration, from now to the end of fiscal year (June 30, 2022); and
 - 6. AMENDING the proposed budget by \$3.2 million, taking it from \$6.8 million to \$10.0 million for Crenshaw Northern for a technical correction; and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY23 for capital projects, as shown in Attachment B, with the provision that actual debt issuance will require separate Board approval; and
- C. APPROVING the addition of one new Non-Represented pay grade to alleviate the pay progression and maintain a consistent pay range from mid-point to mid-point as shown in Attachment E; and
- D. APPROVING pay grade upgrade for the Board Clerk job classification