

ATTACHMENT B
LOS ANGELES COUNTY SERVICE AUTHORITY FOR FREEWAY EMERGENCIES
FINANCIAL FORECAST (\$000)
FISCAL YEAR 2024-2025

	PROJECTED YEAR-END 2023/24	PROPOSED BUDGET 2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
SAFE FUNDS							
Projected Registration Surcharge	\$7,625	\$7,750	\$7,750	\$7,750	\$7,750	\$7,750	\$7,750
Projected Beginning Year SAFE Fund Balance	\$39,405	\$40,712	\$40,018	\$38,192	\$36,284	\$34,796	\$33,504
Projected Interest	\$411	\$408	\$392	\$373	\$357	\$344	\$334
Other	\$740	\$759	\$777	\$797	\$817	\$837	\$858
FUNDS AVAILABLE	\$48,181	\$49,632	\$48,945	\$47,124	\$45,224	\$43,748	\$42,472
EXPENSES/OBLIGATIONS							
Administration	\$338	\$378	\$400	\$425	\$450	\$450	\$450
Direct Labor	\$1,600	\$1,694	\$1,753	\$1,814	\$1,878	\$1,943	\$2,011
Programs & Services	\$5,531	\$7,542	\$8,600	\$8,600	\$8,100	\$7,850	\$7,350
Call Box Program	\$1,120	\$1,147	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150
Traveler Information	\$1,500	\$2,605	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
Motorist Services Improvements	\$1,900	\$2,035	\$2,750	\$2,750	\$2,250	\$2,000	\$1,500
TOTAL EXPENSE/OBLIGATIONS	\$7,469	\$9,614	\$10,753	\$10,839	\$10,428	\$10,243	\$9,811
PROJECTED YEAR END BALANCE	\$40,712	\$40,018	\$38,192	\$36,284	\$34,796	\$33,504	\$32,661

**Los Angeles County
Service Authority for Freeway Emergencies
Five-Year Financial Forecast
Fiscal Year 2024 – 2025**

Notes and Assumptions

The FY25 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 FY25 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 FY25 budget and to absorb the impact of the FY25 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 long-term 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 expenditures. 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 requested allocation for administration has increased in FY25 to accommodate LA SAFE administrative on-call services’ contract labor rate increases. The FY25 budget for administrative services is proposed to increase by \$40,000 or 11.8% for on-call administrative services support for LA SAFE. Other administrative costs are forecasted to remain constant in FY26 and beyond, however they do account for potential increases to insurance needed for LA SAFE. In FY24, staff worked with Metro’s Risk Management and Vendor Contract Management departments to release a Request for Proposals (RFP) for LA SAFE’s insurance coverage to ensure adequate coverage for programs under LA SAFE. The RFP is in the blackout phase, however, a contract is expected to be awarded by the end of FY24.

- 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 FY25 budget allocation is proposed to decrease by (\$595,237) or 26% compared to the adopted FY24 budget. The primary cause of this decrease is due to a reduction in the as-needed allocation, reallocation of existing staff, and associated labor allocation costs assigned by PTSC. The FY25 FTE allocation is proposed to decrease by 2.00 FTEs. 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 FY25 proposed budget. The forecast also presents a 3.5% for annual increases in direct labor costs over the five (5) year period. The forecast assumes additional labor that may be required in advance of upcoming regional events.

- **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 FY25 budget for this category has decreased by (\$343,000) or 6% compared to the adopted FY24 budget. This decrease is primarily caused by the funds allocated to the SoCal 511 Program for motorist aid services.

The following is a breakdown of program and service categories for FY25:

Call Box Program

Funds programmed to cover the costs to operate, maintain and upgrade the Kenneth Hahn Call Box System. FY25 funding for the Call Box Program is proposed to increase by \$27,000. 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 FY25 allocation for SoCal 511 traveler information program is proposed to decrease by (\$205,000) compared to the FY24 allocation. In addition to covering daily operations, the funding allocation will also continue to support the development of system improvements. Prior system/service improvements included the development of Spanish language services on the SoCal 511 phone service, integration of the Inland Empire 511 into SoCal 511, implementation of a traveler information center, and the update of a new mobile application. For FY25 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 the 2023 I-10 freeway closure, 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 FY26 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 FY25 allocation for Motorist Services is proposed to decrease by (\$165,000) compared to the FY24 allocation. This decrease is due to a small reduction in academic research and development activities for FY25, as procurements were initiated in FY24 and will continue in FY25 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 FY25 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 FY26 – FY27 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, such as the 2023 I-10 freeway closure, and launch destination-based trip planning in advance of major regional events. 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.