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# Metro Fiscal Year 2026 Proposed Budget

Public Hearing

May 15, 2025





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**One Metro**

*For generations of Angelenos and visitors as we welcome the world*



### **Customer Experience**

- Listen & Learn: Extensive Outreach
- Safe Metro for riders & employees
- New mid-line cleaning
- Station Experience

### **Multi-layered Care-based Approach to Public Safety**

- Transit Ambassadors
- Crisis intervention
- Community intervention specialists
- Contract law enforcement
- Homeless Outreach
- TAP-to-Exit/Taller Faregates Pilot
- Weapons Detection Phase 2 Pilot

### **Ready to Welcome the World**

- FIFA World Cup 2026
- First choice in transportation
- Legacy infrastructure projects
- Lasting impacts for residents & visitors

**The FY26 Budget demonstrates our commitment and continued investments in Putting People First**

## National Economy

- Tariff increases
- Market volatility
- Period of instability
- Federal Reserve to pause interest rate reductions
- Concerns of both recession & inflation
- Federal grant uncertainties impact transportation funding

## Local Economy

- Recent wildfires
- Rising housing & insurance costs
- Reduced consumer spending due to lower consumer confidence
- Increased costs in non-taxable items reduces disposable income, impacting sales tax revenues

## Cost Increases

- Expanding rail system
- Rising capital costs
- Labor expense
- Persistent inflationary pressures
- Preparing for mega sporting events

## Resources

## Expenditures



FY26 Proposed Budget reflects a \$181.0M or 2.0% increase from FY25

- Balanced Budget
- 3 Fund source categories
- 10 Program expenditure items



## PLANNING

**\$280.7M**

Countywide BRT Planning	\$3.5M
C/K Line Ext. to Torrance	\$61.0M
E Line Eastside LRT Phase 2	\$87.7M
Eastside Access	\$0.2M
ESFV LRT (Shared Corridor)	\$0.7M
K Line Northern	\$9.4M
North San Fernando Valley BRT	\$0.4M
Rail & Bus Ops Control Center	\$17.3M
Sepulveda Corridor	\$76.6M
SGV Transit Feasibility Study	\$1.4M
Vermont Transit Corridor	\$22.4M

## CONSTRUCTION

**\$1,810.8M**

A Line Foothill Ext. 2A & 2B	\$148.0M
D Line Westside Ext.	\$778.9M
East San Fernando Valley LRT	\$267.7M
G Line BRT Improvements	\$215.0M
NoHo to Pasadena BRT Connector	\$84.5M
Southeast Gateway Line	\$316.0M



## TRANSITIONAL COSTS & REVENUE READINESS

**\$45.8M**

A Line Foothill Ext. 2B	\$7.2M
D Line Westside Ext. Section 1	\$15.6M



LAX/Metro Transit Center*	\$22.9M
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\* Contract closeout activities post opening

Reflects a \$249.4M or 12.7% increase from FY25

- Planning & Studies increases by \$65.3M (30.3%)
- Transit Construction grows by \$184.1M (10.5%)
- Support project closeout & systemwide projects: \$81.0M



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## Metro Transit Operations - \$2.9B

*Service plans and initiatives to improve customer experience*

### Bus Service

\$1.9B  
(+\$114.2M, +6.4%)



- Maintain existing NextGen Bus Plan service levels, continuing to expand NextGen speed and reliability initiatives

### Rail Service

\$968.1M  
(+\$68.9M, +7.7%)



- A Line to Pomona & D Line Section 1 extensions and improved service frequencies

### Metro Micro

\$23.1M  
(-\$19.2M, -45.5%)



- New Business Model: New operations and software contracts, same geographical coverage

Reflects a \$163.8M or 6% increase from FY25

- Bus system labor - largest component in bus operating (62.1% of total cost)
- Rail budget supports 1.53M rail RSH

- Metro Micro - implementing new delivery model, reducing costs by \$19.0M, while maintaining service levels



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## Focus on Safety – Station Experience

*Putting People first with increased safety and cleanliness*

### Restrooms

- Throne Restrooms
- ADA Expansion
- 50 by Summer 2026



### Elevators/Escalators

- Modernization & Replacement
- Open Door Cleanliness
- Attendants to monitor/assist



### Taller Faregates Pilot

- LAX/Metro Transit Center
- Expanded to 21 stations



### Weapons Detection Phase 2 Pilot

- AI powered concealed weapons detection pilot extended - 12 months



### Lighting Retrofit

- Improved visibility & safety



- Continue to expand investments in faregates pilot
- Enhance CCTV system

- Implement various lighting retrofits
- Improvements to signage and wayside features throughout system



## Multi-layered Care-based Public Safety

- Safety presence by continuing Transit Ambassadors
- Adding 46 Transit Security Officers
- Homeless Outreach budget : \$19.1M, a 4.4% increase
- Crisis Intervention program startup as part of the TCPSD implementation



## Free & Reduced Fare Programs

- GoPass – K-14 students
- LIFE – 20-trips/month
- U-Pass – college students
- Employer pass – employee passes
- Mobility Wallet – subsidies of \$150 per month
- South LA Eco Lab Project – 6-month passes to LIFE riders in South LA



## Cleaning

- Bus: Daily cleaning - 4 terminals 7-days/week
- Rail: Daily Division cleaning, 3 End-of-line (EOL) cleaning shifts, 7-days/week
- New mid-line cleaning: trains cleaned while in service
- Stations: Rail custodial staff @ 17 Hot Spots
- Facilities: Graffiti control, power sweeping, trash removal



- 13% increase to continue to make improvements on cleaning efforts
- Expanding outreach on GoPass and LIFE programs





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# Capital Improvement Program (CIP) - \$608.8M

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

## Bus

**\$176.4M**

**(+31.0M, +21.3%)**



Bus Zero Emissions Buses (ZEB): continue procurement of buses (\$35.0M) & infrastructure (\$57.2M)

## Rail

**\$253.4M**

**(+\$17.7M, +7.5%)**



Rail Cars: \$181.2M in new vehicles & existing vehicle refurbishment

## Other Asset Improvements

**\$179.0M**

**(-\$17.2M, -8.8%)**



Customer Experience: \$19.2M customer experience tech enhancements

Reflects a \$30.4M or 5.3% increase from FY25

- CIP focuses on maintaining, upgrading, & modernizing assets to ensure equipment & peripheral systems to provide reliable & high-quality service
- \$608.8M allocated for maintaining system in a state of good repair, for improvements, & modernization

### Local Return, TDA 3 & 8 : \$844.8M (-\$76.6M, -8.3%)



- Allocations to 88 cities & LA County for transit & mobility improvements
- Local Return – Prop A & C Measure R & M
- TDA Articles 3 & 8

### Regional Transit : \$761.8 (-\$44.0M, -5.5%)



- Municipal & Local Operator's funds
- Access Services (+7.5%)

### Major Projects : \$72.4M (-\$138.6M, -65.7%)



- Alameda Corridor East Phase II
- Antelope Valley Metrolink Line
- Inglewood Transit Connector
- Sankofa Park

### Other Local Programs : \$76.3M (-\$5.4M, -6.6%)



- Call for Projects
- Active Transportation & Transit
- Congestion Reduction Toll Revenue Grants
- Federal Pass-Throughs
- Transit Oriented Development Grants

### Fare Assistance (LIFE) : \$36.4M (+\$2.1M, +6.1%)



- Low Incomes Fares is Easy (LIFE) Program

### Regional Fed. Grants : \$21.8M (-\$2.0M, -8.4%)



- Job Access Reverse Commute (JARC)
- New Freedom Program
- Section 5310
- Surface Transportation Program – Local Exchange

Reflects a \$264.4M or 12.7% reduction from FY25

- Sales Taxes: FY26 projected lower than FY25
- Major Projects: Allocations decreased due to completion of projects



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## Other Programs - \$1.9B

*Serving transit needs of communities across LA County*

Highway Multimodal Development \$626.7M	Regional Rail \$119.0M*	General Planning & Programming \$280.0M	Oversight & Admin \$101.7M	Debt Program \$481.8M	Congestion Management \$129.9M
<ul style="list-style-type: none"><li>• Reflects a \$55.1M or 8.1% reduction from FY25</li><li>• Decreasing due to project schedules and project phasing</li><li>• Bus investments up 200% from FY24</li><li>• New Bus Priority Lanes &amp; Transit Signal Priority</li><li>• Expand NextGen speed &amp; reliability initiatives</li></ul>	<ul style="list-style-type: none"><li>• Reflects a \$61.9M or 108.4% increase from FY25</li><li>• Double Tracking &amp; Grade Separation transitioning to construction phase</li><li>• FY26 Metrolink budget * (<i>PENDING APPROVAL</i>)</li></ul>	<ul style="list-style-type: none"><li>• Reflects a \$20.5M or 7.9% increase from FY25</li><li>• Mobility initiatives and other programs reported in four major categories:<ul style="list-style-type: none"><li>• \$99.1M - Active Transportation, Bike &amp; Other</li><li>• \$87.6M - Property Management</li><li>• \$51.5M - Financial, Grants Mgmt &amp; Admin</li><li>• \$41.8M - Unsolicited Proposals, P3 &amp; Other</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Reflects a \$11.6M or 12.8% increase from FY25</li><li>• \$65.2M - Recurring Activities</li><li>• \$25.3M - Valuing Workforce</li><li>• \$11.3M - Customer Experience</li></ul>	<ul style="list-style-type: none"><li>• Reflects a \$16.5M or 3.3% reduction from FY25</li><li>• Debt Service Costs for bonds are issued to advance major capital investment projects</li></ul>	<ul style="list-style-type: none"><li>• Reflects a \$5.3M or 4.3% increase from FY25</li><li>• Express Lanes: Procuring a new Back Office System (BOS)</li><li>• Freeway Service Patrol: Service reductions on select routes</li><li>• Motorist Services: Increased costs for RIITS and LA SAFE</li><li>• Rideshare Services: Minor decrease due to savings in services, outreach, and program support</li></ul>

\* Metrolink's FY26 Proposed Budget is preliminary, pending the transmittal of Metrolink's official budget request.

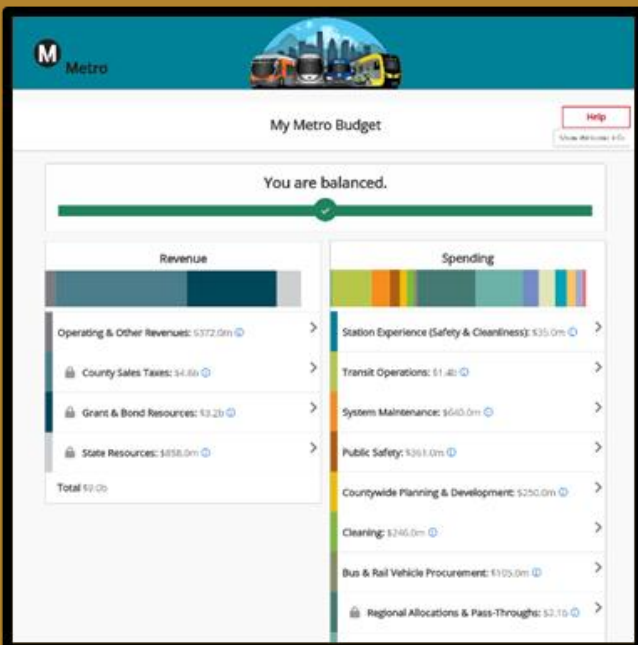


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# Public Outreach and Engagement

*Putting People first by Listening and Learning*

## My Metro Budget Activity



- 50% EFC
- 44% Income <\$25,000
- 39% Hispanic
- 72% Ride 1+ day/week



**6,400+ Respondents & 4,300+ Written Comments**  
**Collection Period: October 2024 – May 2025**

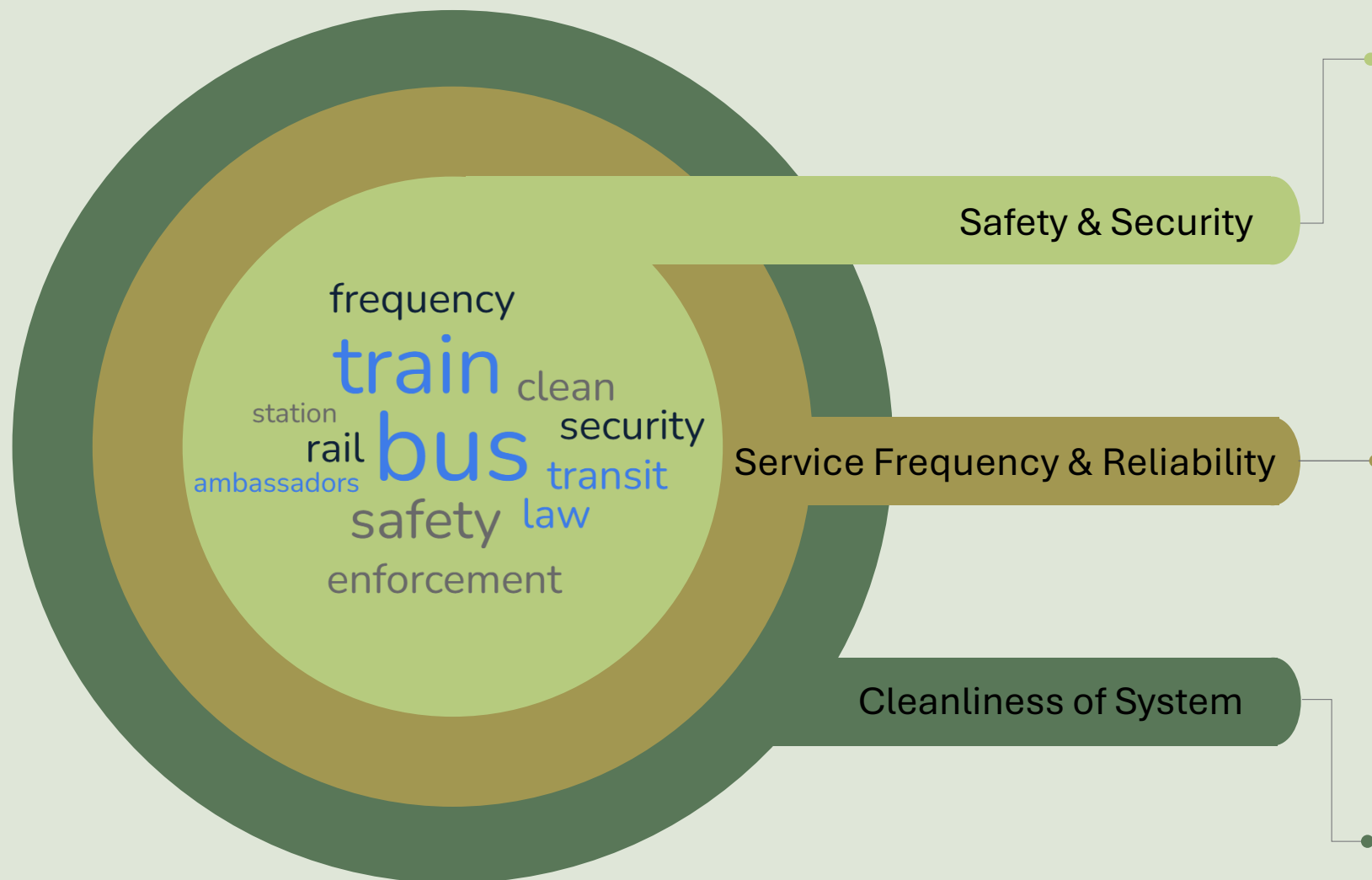
## Summary

Telephone Town Hall – February 4, 2025	>2,100 listeners including 121 Spanish listeners
My Metro Budget Activity ( <a href="https://mybudget.metro.net">https://mybudget.metro.net</a> )	>6,400 responses >4,300 comments >30,000 QR Info cards
Community Based Organizations	392 reached
Email Blasts/Community Newsletters	>15
Social Media Platforms	5 – Facebook, Instagram, X, LinkedIn, NextDoor, The Source/El Pasajero
Newsprint Publications – Public Hearing Announcement	20 newsprint agencies
Stakeholder & Public Engagement Meetings	25

- Base participation of My Metro Budget Activity increased from FY25 (+2,200 responses)
- ICMA Voice of the People Award Recipient
- Utilized a variety of marketing methods

- Introduced language translation feature (9 languages)
- First year utilizing CBO database





- \$392.5M budget for public safety resource deployment
- Reflects \$13.3M or 1.9% increase from FY25
- Includes multi-layered approach:
  - Transit Ambassadors
  - Community Intervention Specialists
  - Transit Community Public Safety Department transition

- \$2.8B budget for Operations & Maintenance.
- Reflects \$157.6M or 5.8% increase from FY25
- Maintain existing NextGen service levels
- Expand NextGen speed & reliability initiatives
- Improved rail service frequencies

- \$316.2M budget for cleaning initiatives
- Reflects \$36.6M or 13.1% increase from FY25
- Includes \$10.0M for Station Experience Program
- 34 new custodial staff & 86 new service attendants
- New mid-line cleaning: trains cleaned while in service

- A. ADOPTING the proposed FY26 Budget as presented in the budget document (provided in a separate transmittal and posted on [metro.net](https://metro.net));
  - 1. AUTHORIZING \$9.4 billion annual consolidated expenditures to achieve goals and objectives set forth by the Board adopted mission and goals; and
  - 2. AUTHORIZING a total of 11,821 FTEs, of which 9,616 are Represented FTEs and 2,205 are Non-Represented FTEs; and
  - 3. AUTHORIZING an average 4% 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%; and
  - 4. AUTHORIZING a 5% adjustment to current Non-Represented job pay grade levels to reflect best practice (see Attachment A); and
  - 5. APPROVING the Life of Project (LOP) budgets for new capital projects; new capital projects with LOP exceeding \$5.0 million are presented in Attachment B; and
  - 6. AMENDING the proposed budget to include any Board approved actions currently under consideration from now to the end of the fiscal year (June 30, 2025); and
- B. APPROVING the Reimbursement Resolution declaring Metro's intention to issue debt in FY26 for capital projects, as shown in Attachment C, with the provision that actual debt issuance will require separate Board approval.
- C. RECEIVE AND FILE response to Board Motion 25 - Addressing Rider Feedback from Telephone Hall