



Metro Fiscal Year 2026 Proposed Budget



Measure M Independent Taxpayer Oversight Committee

June 4, 2025





Metro

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



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Transit Infrastructure Development (TID) - \$2.2B

Legacy projects to serve our communities

PLANNING

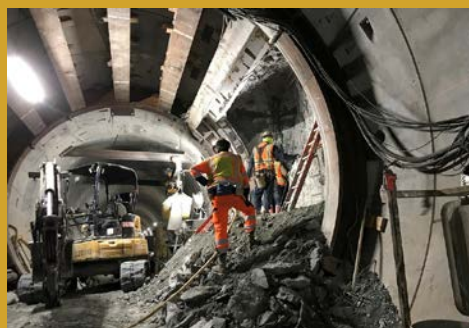
\$280.7M

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	Elevators/Escalators	Taller Faregates Pilot	Weapons Detection Phase 2 Pilot	Lighting Retrofit
<p>Throne Restrooms</p> <ul style="list-style-type: none">• ADA Expansion• 50 by Summer 2026	<ul style="list-style-type: none">• Modernization & Replacement• Open Door Cleanliness• Attendants to monitor/assist	<ul style="list-style-type: none">• LAX/Metro Transit Center• Expanded to 21 stations	<ul style="list-style-type: none">• AI powered concealed weapons detection pilot extended - 12 months	<ul style="list-style-type: none">• 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



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Enhancing Customer Experience

People first ... A Safe, Clean and Affordable Metro

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%)



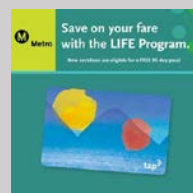
- Alameda Corridor East Phase II
- Antelope Valley Metrolink Line
- Inglewood Transit Connector
- Sankofa Park

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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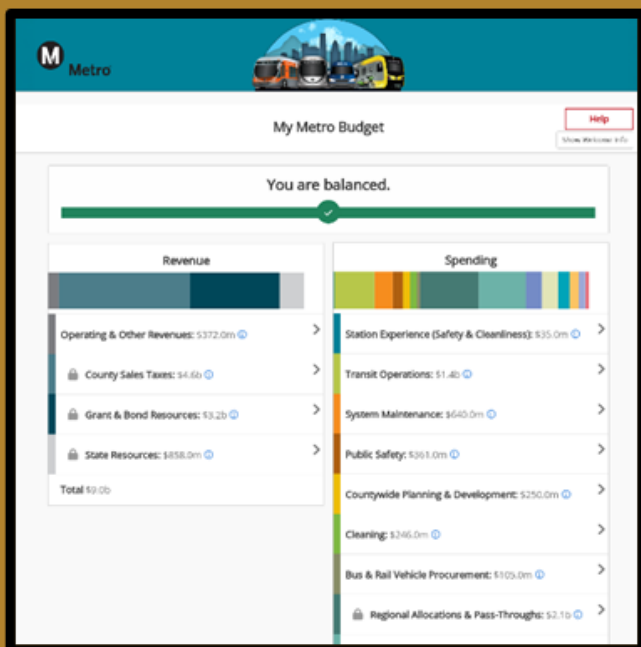
Other Programs - \$1.9B

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

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

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 (https://mybudget.metro.net)	>6,400 responses >4,300 comments >30,000 QR Info cards
Community Based Organizations	392 reached, 7 responded, 1 committed
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

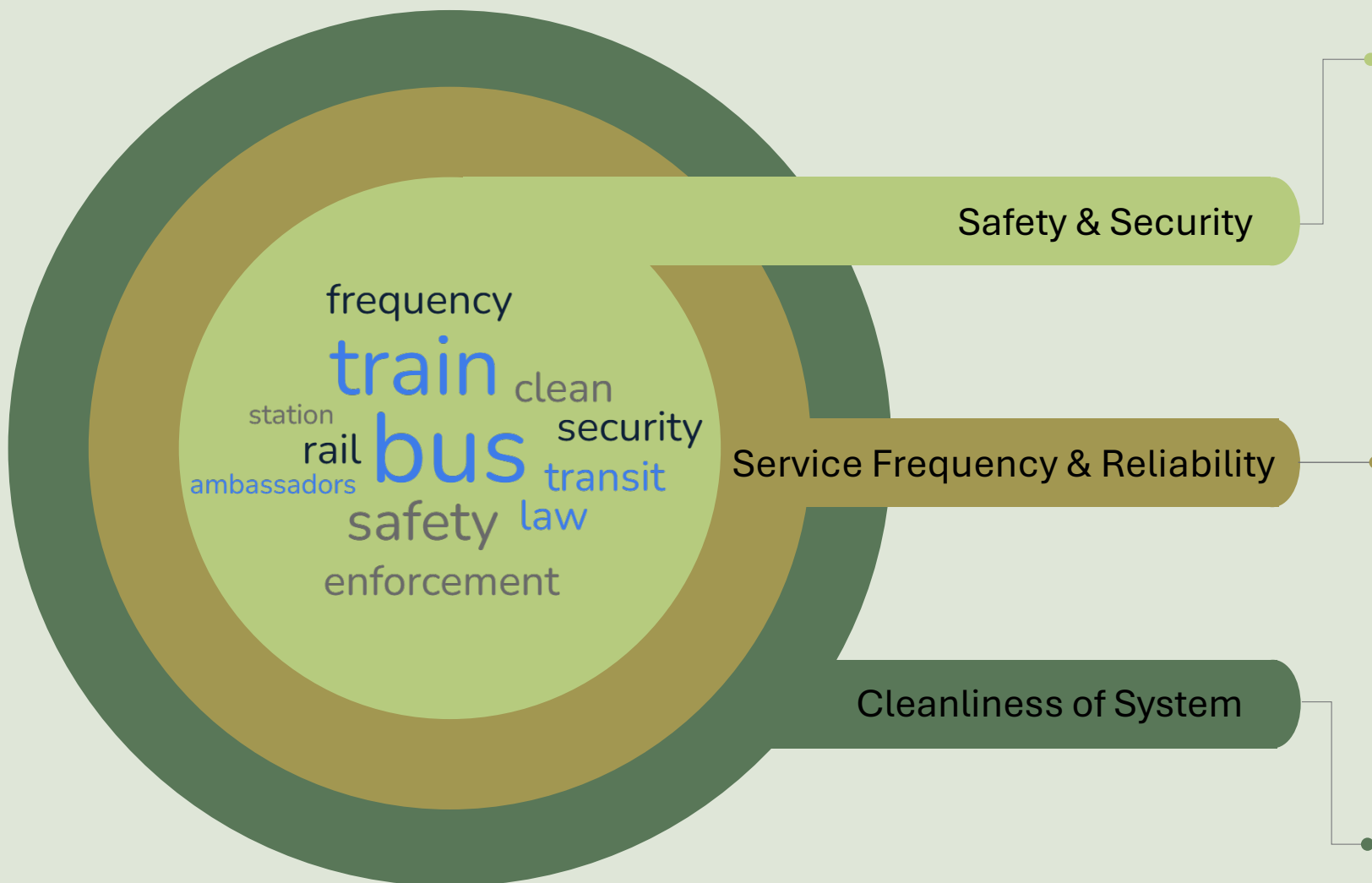
- Introduced language translation feature (9 languages)
- First year utilizing CBO database



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What We Heard/What Metro is Doing in FY26

Improving the Customers' Experience



- \$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