

Metro Transit Program (Budget and Service Plan)

Metro Transit Program Budget

The FY23 preliminary budget estimate for Metro Transit program for bus, rail and Metro Micro is \$2.2 billion, an increase of 6.4% or \$131.7 million over FY22 budget. It includes funds to support delivering of 8.7 million RSHs to operate Bus, Rail and Metro Micro services.

	Metro Transit (\$ in Millions)	FY22 Budget	FY23 Prelim	\$ Change	% Change	% of Total
1	Bus Total	\$1,239.1	\$1,300.7	\$ 61.5	5.0%	59.2%
2	Rail Total	627.2	746.0	118.9	19.0%	33.9%
3	Metro Micro (Microtransit)	39.1	37.9	(1.2)	-3.0%	1.7%
4	Operations & Maintenance Total	1,905.4	2,084.6	179.2	9.4%	94.8%
5	FTA Approved Overhead Allocations	161.7	114.2	(47.6)	-29.4%	5.2%
6	Grand Total	\$2,067.1	\$2,198.8	\$ 131.7	6.4%	100.0%
7	Cost per RSH					
8	Bus	\$ 201.1	\$ 201.5	\$ 0.5	0.2%	
9	Rail	\$ 558.4	\$ 556.4	\$ (2.0)	-0.4%	
10	Microtransit	\$ 178.4	\$ 139.7	\$ (38.8)	-21.7%	

Expenditures are based on operating-eligible funding for Metro Transit program to provide equitable, clean, safe, and reliable service for all customers. All profiled resources include allowances for additional staffing and other support to ensure delivery of increased service and addressing Customer Experience initiatives including cleaning, homeless outreach, transit ambassador program and to support fare capping, FSI, and LIFE programs as part of Metro's equity focus.

Metro Transit Bus Budget

	Bus Metro Transit (\$ in Millions)	FY22 Budget	FY23 Prelim	\$ Change	% Change
1	Labor	\$ 900.5	\$ 918.7	\$ 18.2	2.0%
2	Parts & Supplies	74.3	84.8	10.5	14.1%
3	CNG	31.5	42.2	10.7	33.9%
4	Service Contracts	232.9	255.0	22.1	9.5%
5	Bus Total	1,239.1	1,300.7	61.5	5.0%
6	FTA Approved Overhead Allocation	156.7	128.0	(28.6)	-18.3%
7	Grand Total	\$1,395.8	\$1,428.7	\$ 32.9	2.4%
8	Bus Cost per RSH before FTA Allocations	\$ 178.5	\$ 183.5	\$ 5.0	2.8%
9	Bus Cost per RSH after FTA Allocations	\$ 201.1	\$ 201.5	\$ 0.5	0.2%

Metro Bus program consists of several enhancements in FY23 including service increase, NextGen service improvements, as well as cleaning and safety improvements as part of our Customer Experience initiatives. To deliver this service, the estimated budget is \$1,428.9 million which is \$32.9 million (2.4%) increase over FY22.

Labor Expenses

Included in budget is additional staffing deployment for cleaning buses, bus stops, and bus layover zones for an increase of \$18.2 million (2%) over FY22 budget. This estimate is subject to change based on the conclusion of collective bargaining agreement negotiations currently in progress with SMART union.

Non-Labor Expenses

Additional \$32.6 million funds are included for Parts and Supplies and Service Contracts to support increased service level and cleaning, preventive maintenance to assure service reliability, as well as funding for Homeless Outreach efforts. CNG fuel expense increase of 33.9% is primarily due to the CNG fuel market cost per therm increase caused by inventory availability, transportation cost as well as increased service.

In addition, NextGen bus improvement projects included in Capital Improvement Plan (CIP) such as Bus Mobile Validators for all door boarding and Transit Signal Priority projects improve system speed allowing more trips for the planned service hours, increasing service efficiency.

Cost per Revenue Service Hour

In FY23, with restoration of full service to 7.09 million RSH and, implementation of Customer Experience (CX) initiatives, such as enhanced cleaning and transformational security initiatives, cost per revenue service hour is tightly controlled with an increase (0.2%) in the preliminary cost per RSH to \$201.5/RSH from FY22.

	Bus Metro Transit (\$ in Millions)	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Prelim
1	Cost per RSH	\$ 167	\$ 175	\$ 192	\$ 201	\$ 201.5
2	YOY % Change		4%	10%	5%	0.2%

Metro Transit Rail Budget

	Rail Metro Transit (\$ in Millions)	FY22 Budget	FY23 Prelim	\$ Change	% Change
1	Labor	\$ 312.7	\$ 364.8	\$ 52.1	16.7%
2	Parts & Supplies	19.5	28.5	9.0	46.1%
3	Propulsion Power	30.4	40.4	9.9	32.6%
4	Service Contracts	264.6	312.4	47.9	18.1%
5	Rail Total	627.2	746.0	118.9	19.0%
6	FTA Approved Overhead Allocation	5.1	(13.9)	(18.9)	-372.5%
7	Grand Total	\$ 632.3	\$ 732.2	\$ 99.9	15.8%
8	Rail Cost per RSH before FTA Allocations	\$ 558.4	\$ 556.4	\$ (2.0)	-0.4%
9	Rail Cost per RSH after FTA Allocations	\$ 562.9	\$ 546.0	\$ (16.9)	-3.0%

Metro Rail program also consists of several enhancements in FY23 including service increase, new rail expansions, and enhanced cleaning and safety improvements as part of our Customer Experience initiatives. To deliver this service, the estimated budget is \$732.2 million which is \$99.9 million (15.8%) increase over FY22.

Labor Expenses

Included in budget is additional staffing deployment for Cleaning Surge to provide extra mid-day rail car and station cleaning as well as focusing on public safety by expanding the transit ambassador program, homeless outreach programs, and other safety improvements. The labor cost increase to support these services is \$52.1 million (16.7%) over FY22. This estimate is subject to change based on the conclusion of collective bargaining agreement negotiations currently in progress with SMART union.

Non-Labor Expenses

To keep our new and existing fleets in excellent working condition, funds are added in Parts and Supplies for \$9 million (46%) for cleaning and corrective and preventative maintenance. Propulsion power expenses are increasing by \$9.9 million and Rail maintenance and cleaning contracts are increasing by \$18.6 million in conjunction with our new rail service and improved cleanliness initiatives. Additionally, \$17.9 million is included in the budget to support expanding the transit ambassador program, homeless outreach programs, and other safety programs.

Cost per Revenue Service Hour

As a result of EZBB cost control, expenses will increase at a lower rate than the service increases, resulting in a reduction (3%) to the cost per revenue service hour, down to \$546.

	Rail Metro Transit (\$ in Millions)	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY23 Prelim
1	Cost per RSH	\$ 490	\$ 505	\$ 595	\$ 563	\$ 546
2	YOY % Change		3%	18%	-5%	-3%

Cost per revenue service for Metro Transit rail increased by 18% from FY20 to FY21, partly due to the pandemic related service reduction and preserving jobs. Service was reduced while labor cost, which is the main cost driver of operations and maintenance, remained at budgeted levels.

In FY22 service started ramping up to pre-COVID-19 levels, reducing the cost per revenue service hour. In FY23 service will increase 19.4% to 1.34 million RSH, and cost will increase 15.8% mainly due to rail expansions, and implementation of CX initiatives.

Metro Micro

Metro Micro is a multi-year pilot program designed to augment ridership by giving a ride-hail option for customers when traveling in the lower density areas of the region as intended by NextGen.

FY23 will see optimization of geography and span of service refinements for each of the eight service zones to ensure the program's resources are effectively placed to meet demand.

	Microtransit (\$ in Millions)	FY22 Budget	FY23 Prelim	\$ Change	% Change
1	Metro Labor	\$ 15.9	\$ 18.2	\$ 2.3	14.5%
2	RideCo Contract and Vehicle Lease	13.2	14.8	1.5	11.5%
3	Other Metro Operating Expenses	9.9	5.0	(5.0)	-50.1%
4	Grand Total	\$ 39.1	\$ 37.9	\$ (1.2)	-3.0%
5	Microtransit RSH	0.22	0.27	\$ 0.1	24.0%
6	Cost per RSH	\$ 178.4	\$ 139.7	\$ (38.8)	-21.7%

The Metro Micro preliminary budget is \$37.9 million and includes additional staffing and contract expenses for expansion of service by 24% to 271.4 thousand RSHs to accommodate the continued growth in ridership (estimated over 700 thousand in FY23) and reduce wait time for trips.

Other Metro operating expenses include adjusting the training expenses to be aligned with current experience in support of all deployment zones.

Service Plan**Service Hours**

The table below illustrates FY22 budget and FY23 preliminary service hour breakdown by mode and line:

Revenue Service Hours

	FY22 Budget	FY23 Preliminary	Change
Mode			
1 Bus			
2 Local & Rapid	6,214,887	6,360,171	145,284
3 J Line (Silver)	104,729	125,287	20,558
4 G Line (Orange)	104,921	104,921	-
5 Purchased Transportation	517,475	498,656	(18,819)
Microtransit	218,966	271,440	52,475
6 Subtotal Bus	7,160,978	7,360,475	199,497
7 Rail			
8 A Line (Blue)	212,528	447,224	234,697
9 C Line (Green) / K Line (Crenshaw/LAX)	119,097	157,215	38,117
10 L Line (Gold)	241,818	61,641	(180,177)
11 E Line (Expo)	193,403	318,474	125,071
12 B Line (Red) / D Line (Purple)	356,353	356,353	-
13 Subtotal Rail	1,123,199	1,340,907	217,708
14 Total Revenue Service Hours	8,284,176	8,701,382	417,206

Pre - Revenue Service Hours

	FY22 Budget	FY23 Preliminary	Change
Mode			
16 K Line (Crenshaw/LAX)	48,854	10,513	(38,341)
17 Regional Connector	67,660	22,798	(44,862)
18 Total Pre-Revenue Service Hours	116,514	33,311	(83,203)
19 Total Service Hours	8,400,691	8,734,693	334,002

Boardings

The table below illustrates FY22 budget and FY23 preliminary estimate on boardings breakdown by mode and line:

Boardings (000)

		FY22 Budget	FY23 Preliminary	Change
1	Mode			
2	Bus			
3	Local & Rapid	182,178	233,467	51,289
4	J Line (Silver)	4,105	4,773	668
5	G Line (Orange)	5,013	6,215	1,202
6	Purchased Transportation	9,186	11,357	2,171
7	Microtransit	290	713	423
8	Subtotal Bus	200,772	256,524	55,752
9	Rail			
10	A Line (Blue)	10,706	15,535	4,829
11	C Line (Green) / K Line (Crenshaw/LAX)	5,749	8,395	2,646
12	L Line (Gold)	9,480	3,397	(6,083)
13	E Line (Expo)	11,555	14,489	2,934
14	B Line (Red) / D Line (Purple)	26,343	28,971	2,628
15	Subtotal Rail	63,833	70,787	6,954
16	Total	264,605	327,312	62,707