

## Financial Recovery Plan

### Mitigation Efforts

To help address post-pandemic financial challenges, the Agency is considering the following mitigation strategies:

- **Performance Management:** evaluate pilots and set up KPIs that can help measure the achievement of performance goals that illustrate the effectiveness of the pilot
- **Dedicated Funding:** advocate for dedicated transit operations funding from Federal and State sources
- **Use of Operating Eligible Funding:** evaluate resources, cost impacts, and prioritize projects and initiatives that support agency priorities within available funding

### *Equitable Zero-Based Budgeting (EZBB)*

Metro will continue to identify cost mitigation strategies to help address current and future challenges while strengthening cost controls through the Equitable Zero-Based Budgeting (EZBB) process, focusing on:

- Near Term Outlook and education
- Cabinet Workshops on priority alignment
- Cost control task forces and mitigation
- Financial accountability through quarterly financial and KPI reviews
- Holistic Program reviews to promote collaboration on prioritization and trade-offs
- Equity process through EFC assessment and MBEAT
- Comprehensive and thorough outreach plan
- Board staff and board briefings and feedback

Under our CEO's leadership, Metro planned early and partnered with an outside consulting company to facilitate structured reflection and planning sessions to maximize the impact of four (4) strategic workshops. The objective of each workshop was to:

1. Align on the shared strategic vision and aspiration across the entire LA Metro Leadership team.
2. Define Practices and "ways of working: models that must change - and how those must shift."
3. Create action plans for each department along with metrics for success; and

4. Assess progress against action plans, adjusting plans as necessary.

### *Cost Control Task Forces*

Under the CEO's direction, Cost Control Task Forces were also created and tasked with the following action plans:

- **Bus and Rail Cost:** Review cost allocation approach; conduct Peer reviews, explore cost control and savings opportunities from Insourcing/Outsourcing.
- **Optimal Service Design:** More than focusing on quantity of service, explore solutions to provide optimal service level and quality customer experience.
- **Program Management Mitigation Measures:** Implemented strategic initiatives to evaluate organization including staff to consultant ratio, streamlined processes, alternative project delivery, risk & scope issues, and schedule delay.

### *Early Intervention Team (EIT)*

As a component of the Capital Cost Mitigation strategies advanced by the Task Force, an Early Intervention Team (EIT) was formed and kicked off in FY23. The EIT has conducted four Project Reviews focusing on understanding the project's objectives, the shared purpose, and challenges, creating more awareness on scheduling and financial ramifications.

### *Federal & State Advocacy*

Metro Government Relations are working at both the Federal and State level to advocate for transit funding. At the Federal level, Metro is working to maximize flexibility of transit grants. At the State level, Metro is working with transit agencies across the state through the California Transit Association to implement structural reforms and develop long-term permanent funding solutions.