



Board Report

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**LA SAFE BOARD MEETING
MAY 26, 2022**

SUBJECT: LA SAFE FISCAL YEAR BUDGET

ACTION: ADOPT THE FISCAL YEAR 2022-2023 BUDGET

RECOMMENDATION

ADOPT the Fiscal Year 2022-2023 (FY23) budget in the amount of \$8,403,486 for the operation and administration of the Los Angeles County Service Authority for Freeway Emergencies (LA SAFE). This budget amount includes the annual funding allocation from the agreement with the Public Transportation Services Corporation (PTSC) for direct labor and administrative support services in the amount of \$2,616,486.

ISSUE

LA SAFE was created in 1988, pursuant to California Streets and Highway Code Section 2550 et.seq. and is responsible for providing motorist aid services in Los Angeles County. To fulfill its mission, LA SAFE needs an annual budget and requires administrative support services, which are provided via a Memorandum of Understanding (MOU) with the PTSC. A summary of the proposed FY23 budget is provided in Attachment A.

BACKGROUND

During FY22, LA SAFE continued to fund, develop, implement, and operate a variety of motorist aid services, programs, and activities. These services, programs, and activities include:

- Operation and maintenance of the Kenneth Hahn Call Box System
- Completion of the upgrade of the call boxes to operate on 4G wireless service due to the sunset of 3G services by all wireless service providers
- Initiated review of the Kenneth Hahn Call Box System to establish the future operations and guidelines for the system
- Operation of Southern California 511 regional traveler information system (SoCal 511)
- Discussion and agreement regarding the integration of the Inland Empire 511 (IE511) operations into SoCal 511
- Seamless transition of SoCal 511 IVR phone service to a new contractor
- Development and upgrades to the SoCal 511 mobile application

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- Coordination with Metro, Caltrans and California Highway Patrol (CHP) on the operation and development of the Regional Integration of Intelligent Transportation Systems (RIITS)
 - Coordination with CHP and Caltrans for the ongoing operation of the SoCal 511 Traveler Information Center (TIC) within the Los Angeles Regional Traffic Management Center (LARTMC)

For FY23, LA SAFE will be working on the following projects and activities:

- Continued operation and maintenance of the Kenneth Hahn Call Box System
- Implementation of approved recommendations from the Kenneth Hahn Call Box System evaluation study
- Continued operation of SoCal 511
- Implementation of improved market awareness actions in support of SoCal 511
- Investigation, development and deployment of improvements, new features and services for SoCal 511 - this includes implementation of additional language support/capabilities
- Completion of IE 511 integration into SoCal 511
- Initiation of a strategic review of SoCal 511
- Enhancing the collaboration and coordination with SoCal 511 stakeholders
- Collaboration with Metro on the development and operation of RIITS to improve the quality and availability of data and services provided to SoCal 511
- Collaboration with regional partners to identify and implement improvements to programs and develop new services that will enhance mobility within the region - including Intelligent Transportation Systems (ITS), connected and automated vehicles and integrated corridor management projects

The FY23 budget of \$8.4 million represents an increase of approximately \$15,700 or 0.2% compared to the adopted FY22 budget. Specifically, the FY23 budget variances for each major budget category are as follows:

<u>Category</u>	<u>Increase/ (Decrease)</u>
Administration	\$ 68,000
Direct Labor	\$302,680
Programs & Services	(\$355,000)

The Administration budget covers the general administrative costs for LA SAFE and includes the budget for general office and computer supplies, insurance, training and travel/conference fees. This category is proposed to increase by \$68,000 for FY23. The increase in this category is primarily associated with a \$55,000 increase in the insurance budget. In FY22, despite a 9% increase to the insurance budget, LA SAFE experienced a 26% increase in cost - primarily associated with General Liability coverage. In FY23, LA SAFE has increased the budget by approximately 40% to cover both the 27% FY22 budget to actual increase and an additional 14% increase from FY22 actuals. Staff is working with the Metro Risk Management department to review all aspects of LA SAFE's insurance coverage to control future costs. The remaining increase is associated with funds to support staff training, attendance at conferences and general supplies.

The Direct Labor budget covers the costs for obtaining staff and associated administrative services from PTSC. This category includes the costs for direct labor, as-needed staff, allocated overhead, fringe, and other labor related costs and is proposed to increase by \$302,680 for FY23. The FY23 budget increase is attributable to an increase in the as-needed allocation and an increase in the FTE allocation. The as-needed allocation increase will support a variety of tasks, including content development and management of the video display screens, quality/customer experience testing, data analytics, call box system recommendations and other associated projects. The FY23 FTE allocation of 7.47 FTEs is an increase of 0.5 FTE compared to the approved FY22 allocation. The FY23 FTE allocation will provide staff to oversee, manage and support LA SAFE operations and services. The allocation will enable LA SAFE to effectively manage existing services, develop and implement customer focused improvements, address emerging opportunities and technologies, engage in improved market and customer awareness, engage new stakeholders and identify strategic initiatives to position LA SAFE to better support upcoming major events such as the 2028 Olympics and Para-Olympic games. All costs are calculated by PTSC and are consistent with Metro costs and budget. Additionally, all FTEs, including the new FTEs, are consistent with and included in Metro's FY23 budget.

The Programs & Services category provides the funding needed to administer, operate, maintain, improve, and develop the motorist aid services provided or supported by LA SAFE. The budget allocation for this category is proposed to decrease by \$355,000 in FY23. The FY23 allocation includes funding to support the Kenneth Hahn Call Box System - fixed and mobile services, SoCal 511 operations and development, service improvements, and other motorist service improvements. The budget includes funding of \$500,000 to support market awareness actions including increased marketing and advertising for SoCal 511, which may include paid services such as outdoor, digital/web and other media platforms. Staff is also increasing engagement with partner agencies and stakeholders to secure in-kind support for SoCal 511 through their channels (e.g., websites, mobile app links, timetables and other related materials). The budget decrease is primarily associated with a decrease in Call Box operations due to the completion of the 4G upgrade. There is an increase to the motorist services improvements budget which supports marketing and the development of improvements and new services.

DETERMINATION OF SAFETY IMPACT

The budget is used to support the continued safe and reliable operation of the Kenneth Hahn Call Box System and Southern California 511. Both systems support motorists by providing a service from which motorists can request assistance and obtain transportation-related information, improving the overall safety and reliability of the transportation network.

FINANCIAL IMPACT

Funding in the amount of \$8,403,486 has been included in the FY23 proposed budget in project 300209 and allocated to cost centers 2220 (Congestion Reduction), 3351 (LA SAFE), and 7140 (Marketing). The Five-Year Financial Forecast demonstrates the financial capacity of LA SAFE to use its existing fund balance and projected revenue to fully fund the proposed FY23 budget.

Impact to Budget

The source of funds for this action is locally generated DMV fees dedicated to LA SAFE. It is not eligible for bus and rail operating or capital expenditures.

EQUITY PLATFORM

LA SAFE programs assist all people in Los Angeles County, residents and visitors. Disadvantaged populations benefit from the services provided by LA SAFE. For example, SoCal 511 provides traffic and transit information enabling them to make efficient and economical transportation choices, and to support them when they need motorist assistance and motorist aid. Currently this service is offered in Spanish and English via an Interactive Voice Response (IVR) system, and our web platform is translated into eight languages.

Call boxes are ADA accessible and provide communication options through RTT / TTY / TDD for all potential customers who are hearing impaired, deaf and/or speech impaired. Further, Spanish operators are available to support Spanish-speaking callers and over 200 other languages are supported through contracted translation services. This ensures that the call boxes can continue to be effective and accessible for people with limited English Proficiency in communities within Los Angeles County.

The LA SAFE budget directly benefits marginalized groups, as explained above. LA SAFE and its programs are legislatively mandated, and if the budget is not secured there will be impacts to public safety for all travelers within LA County, including potential disproportionate harm to marginalized groups.

ALTERNATIVES CONSIDERED

The Board may elect not to adopt the proposed budget. This alternative is not recommended as it would result in the discontinuation of LA SAFE operations and its programs. Without the budget, LA SAFE will be unable to administer its programs and fulfill its statutory motorist aid mission.

The Board could choose to make a modification, either a decrease or an increase, to the proposed budget. This alternative is not recommended since the proposed budget was developed to ensure that LA SAFE is sufficiently funded for FY23. The proposed budget ensures LA SAFE's ability to properly fulfill its mission and comply with all existing legal and statutory requirements and is consistent with Metro's proposed FY23 budget.

NEXT STEPS

Upon approval of the proposed FY23 budget, staff will begin implementation of FY23 projects and efforts. Staff will monitor the budget and projects to ensure LA SAFE meets all its requirements in a fiscally responsible manner.

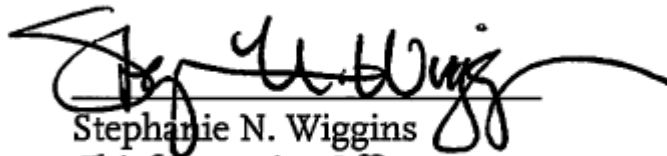
ATTACHMENTS

Attachment A - Proposed Fiscal Year 2022-2023 Budget Summary

Attachment B - Five-Year Financial Forecast

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