Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2026-0140, **File Type:** Budget **Agenda Number:** 22.

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 17, 2026

SUBJECT: METROLINK FISCAL YEAR 2026 CONTINUING RESOLUTION AND FISCAL YEAR 2027 PASSENGER RAIL SUPPORTIVE ACTIONS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. AUTHORIZING the Chief Executive Officer or their designee to execute Metrolink's second continuing resolution to extend Fiscal Year 2026 (FY26) budget authorization through the second quarter of Fiscal Year 2027 (FY27) until January 1, 2027, and execute all necessary agreements between Metro and the Southern California Regional Rail Authority (SCRRA or Metrolink) based on the continuing resolution;

B. APPROVING additional funding in the amount of up to $365,202 for Metro's share of the San Bernardino Line 25% Fare Reduction Program using Proposition C 10%/Measure M 1% SCRRA dedicated funds and extending the program from June 30, 2025, to June 30, 2030;

C. APPROVING Burbank Airport-South Metrolink station safety improvements using Measure R 3% SCRRA dedicated funds in the amount up to $1.3 million;

D. APPROVING Pomona-Downtown Metrolink station Americans with Disabilities Act (ADA) improvements using Measure R 3% SCRRA dedicated funds in the amount up to $256,720;

E. EXTENDING the lapsing dates for funds previously allocated to SCRRA for 12 State of Good Repair and capital project Memoranda of Understanding (MOU); and

F. RECEIVING AND FILING an update on Metrolink Station Planning and Updates.

SANDOVAL AMENDMENT: Direct the CEO to request Metrolink to conduct a full, transparent, and comprehensive audit of the following:

A. Train parts/locomotives and safety concerns at Metrolink;

B. A ~~forensic~~ comprehensive audit to explain the March 2026 service reduction; and

C. A review of Alstom's performance in maintaining and operating Metrolink's locomotives, under both their current and prior contract.

ISSUE

The Southern California Regional Rail Authority (SCRRA) is a Joint Powers Authority (JPA) comprising Metro and four adjacent counties (Orange, Riverside, San Bernardino, and Ventura) as member agencies and operates the Metrolink commuter rail service. Metro provides the majority of the member-agency subsidy that SCRRA uses in its annual budget, which comprises Metrolink Operations, SGR, and New Capital projects. The JPA requires each member agency to approve their share of the SCRRA budget annually prior to SCRRA adopting its annual budget. Pursuant to the terms of the JPA, SCRRA is required to transmit the Metrolink budget to the member agencies by May 1st.

SCRRA has delayed the transmission of its FY27 budget to the JPA Member Agencies. At Metrolink's request, the Board approved <https://boardagendas.metro.net/board-report/2026-0209/> a three-month continuing resolution at its May 2026 Board meeting, extending budget authority through October 1, 2026, to allow additional time for budget development and service planning. As the FY27 budget development remains unresolved, SCRRA is now requesting a second three-month continuing resolution through December 31, 2026, to continue operations while finalizing the budget.

Independent of the FY27 budget development delays, several Metrolink-related items require Board consideration at this time, including providing additional funding to extend the San Bernardino Line 25% Fare Reduction Program through FY30 and programming funding for various Metro-obligated safety and ADA improvements at Metrolink stations. This report also provides an update on the progress made on several new Metrolink station projects.

BACKGROUND

SCRRA operates the Metrolink commuter rail system, providing service throughout Los Angeles County and the neighboring counties of Orange, Riverside, San Bernardino, Ventura, and northern San Diego. Metrolink also connects with the Los Angeles-San Diego-San Luis Obispo (LOSSAN) intercity rail corridor, operated by Amtrak, and will ultimately provide direct connections to the future statewide high-speed rail network being developed by the California High Speed Rail Authority, Brightline West, and High Desert Corridor JPA. Union Station serves as the key transfer hub among Metrolink, LOSSAN, and Metro Rail services. In addition to Union Station, the Metrolink system also connects directly to the Cal State LA (J Line) Station, the Chatsworth (G Line) Station, and the Pomona-North (A Line) Station, with future Metro Rail station connections planned in Van Nuys and Pacoima.

Metro funds the Metrolink operating budget through Proposition C 10% and Measure M 1%, both dedicated funding sources for commuter rail.

Metrolink's operating budgets post-COVID have increasingly relied on member agency operating subsidies to backfill reduced fare revenue generation needed to support the system's increased costs and expansion. In FY19, Metrolink's farebox recovery ratio was 34%; in FY25, it dropped to 14%. Fare revenues depend on ridership levels, and strong ridership depends on reliable service and on-time performance. Metrolink's ongoing mechanical failures and ineffective management and procurement of parts and materials have undermined efforts to increase ridership and revenue recovery post-pandemic. In March 2026, Metrolink took emergency action to reduce its FY26 service level by approximately 20% due to these mechanical failures. In May 2025, the SCRRA CEO announced that this temporary action would be made permanent. The chronic mechanical failures have persisted into the first quarter of FY27.

On July 18, 2026, SCRRA submitted its first FY27 written budget proposal to the member agencies, reflecting this continued reduced level of service, for review. The proposed budget did not meet the funding targets established by either Metro or OCTA. SCRRA's proposed $149.3 million subsidy request from Metro was $12.1 million more than Metro's stated subsidy target of $137.2 million.

DISCUSSION

RECOMMENDATION A

Second Continuing Resolution to Extend Budget Authorization

At the request of SCRRA, Metro staff recommend that the Board approve a second FY26 continuing resolution through January 1, 2027, to provide SCRRA with additional time to develop a revised FY27 budget and service plan that aligns with the protocol of consensus among all of the member agencies.

RECOMMENDATION B

San Bernardino Line 25% Discount Program Extension

In April 2018 <https://metro.legistar.com/ViewReport.ashx?M=R&N=TextL5&GID=557&ID=4831&GUID=LATEST&Title=Board+Report> and May 2019 <https://boardagendas.metro.net/board-report/2019-0228/>, the Board approved $4,190,969 to support the San Bernardino Line (SBL) 25% Fare Reduction 12-month pilot program, which was developed in collaboration with the San Bernardino County Transportation Authority (SBCTA). Upon reviewing and analyzing the program's performance, staff recommend extending the program through June 30, 2030, at which time the program is projected to reach its breakeven point.

To cover anticipated expenditures from July 1, 2025, through June 30, 2030, staff request approval for an additional $365,202. This would increase the total program costs from $4,690,969 to $5,056,171.

RECOMMENDATION C

Burbank Airport - South Metrolink Station Safety Improvements

The Metrolink Burbank Airport - South Station was transferred from the State of California to Metro several years ago and is now Metro-owned. Prior to the transfer, a maintenance agreement was in place with the state and LOSSAN. Following the ownership transfer, Mero assumed responsibility for station maintenance and identified several safety and capital improvements.

Given that the station serves multiple rail operators-including UPRR, LOSSAN, and Metrolink-and directly serves the Hollywood Burbank Airport, the city of Burbank has expressed interest in assuming maintenance responsibilities. This interest is contingent upon Metro completing specified safety and state-of-good-repair improvements, as the city is not willing to accept the station in its current condition.

Metrolink recently conducted a site inspection and developed a cost estimate to address the required safety improvements. Staff recommend approval of these improvements to enable Metro to initiate negotiations with the city of Burbank for a Construction and Maintenance (C&M) Agreement under which the city would assume ongoing maintenance responsibilities.

The estimated cost to bring the station into a state of good repair is $1.3 million, to be funded with Measure R 3% funds dedicated to commuter rail capital uses.

RECOMMENDATION D

Pomona-Downtown Metrolink Station ADA Improvements

The Pomona-Downtown Metrolink station serves the San Gabriel Valley's most populous city on the Metrolink Riverside Line that runs between downtown Riverside and Union Station. Metro is responsible for making passenger rail station-related improvements on the Metrolink Riverside Line in Los Angeles County, per Section 4c of the Riverside Operating Agreement (see Attachment A).

In February 2022, the city of Pomona secured a contractor to address the US Department of Justice (DOJ) findings of 96 ADA accessibility barriers at the station, four of which were to be funded by Metro. In an October 27, 2025, letter to Metro, the city requested that Metro reimburse the city up to $256,720 for the actual costs incurred to remedy the four findings.

Metro recommends programming $256,720 in Measure R 3% funds to reimburse the city of Pomona for the costs of these four ADA improvements.

RECOMMENDATION E

Extend Lapsing Dates for 12 SGR and Capital MOUs

SCRRA rehabilitation/renovation and capital projects maintain Metrolink's system safety and safety culture, ensure the state of good repair, and modernize the Metrolink system. SCRRA's project delivery schedule for rehabilitation/renovation projects spans over a five-year period.

Recommendation F will extend the following 12 projects (seven SCRRA SGR and five capital project

MOUs) that would otherwise lapse on or before June 30, 2026:

- Ticket Vending Machine Replacement Project extended from June 30, 2026, to June 30, 2028
- Fiscal Year 2017 SGR Program extended from June 30, 2026, to June 30, 2028
- Fiscal Year 2018 SGR Program extended from June 30, 2026, to June 30, 2029
- Fiscal Year 2019 SGR Program extended from June 30, 2026, to June 30, 2029
- Fiscal Year 2020 SGR Program extended from June 30, 2026, to June 30, 2028
- Fiscal Year 2021 SGR Program extended from June 30, 2026, to June 30, 2028
- Fiscal Year 2022 SGR Program extended from June 30, 2026, to June 30, 2029
- Fiscal Year 2023 SGR Program extended from June 30, 2026, to June 30, 2029
- Rotem Rail Cars Project extended from June 30, 2026, to June 30, 2029
- Ramona Grade Separation Project from June 30, 2026, to June 30, 2027
- Link Union Station Project from June 30, 2026, to June 30, 2028
- Brighton to Roxford Double Track Project from June 30, 2026, to June 30, 2028

Due to unforeseen delays from material suppliers and project work, time extensions are being requested. SCRRA indicated that their work is in progress, that many projects are close to completion, and that they will be completed and invoiced by the requested extension date.

RECOMMENDATION F

Metrolink Station Planning and Activities

The Countywide Planning and Development Passenger Rail team continues to lead a range of Metrolink station planning, environmental clearance, and design efforts. These proposed stations are expected to deliver significant benefits, including improved regional connectivity, expanded access to reliable transit options, and enhanced first/last-mile connections for surrounding communities. In addition, the stations can support transit-oriented development, stimulate local economic activity, and increase ridership by providing convenient access to key employment, education, and activity centers. Collectively, these investments advance a more integrated, accessible, and sustainable regional transportation network.

Pico Rivera Metrolink Station - Preliminary Engineering

In February 2026, Metro completed a technical feasibility study which evaluated alternative sites for relocating the Commerce Metrolink station. An optimal location was identified in the City of Pico Rivera which offers strong regional and multi-modal connectivity and ridership potential, improved operational and freight efficiencies, and advances state, regional and local land use, housing, climate, economic, and mobility objectives. As part of the prior technical feasibility study, there was consensus from the three key cities at the staff level on the benefits of relocating the Commerce Station to Pico Rivera.

Staff have worked with key partners, such as the City of Pico Rivera, and the California High Speed Rail Authority (CHSRA) on opportunities to advance the next phase of the project. Preliminary engineering is estimated to cost $4-6 million, depending upon the level of environmental review

needed. Staff are in discussions with the city on partnerships to advance the preliminary engineering. Staff is also in discussions with the CHSRA regarding a supplemental LA - Anaheim environment document or re-examination of relocating the Commerce Station to Pico Rivera. Staff are also in discussions with the City of Pico Rivera as to which agency is best suited to advance the preliminary engineering based upon available staffing and resources. Staff will return to the Board with more information and an update on efforts to advance preliminary engineering for the Pico Rivera Metrolink Station.

Pacoima Metrolink Infill Station and Mobility Hub - Preliminary Engineering

In July 2026 <https://boardagendas.metro.net/board-report/2026-0103/>, the Board programmed $6.9 million to advance the conceptual planning, environmental clearance, preliminary engineering, and community outreach for the Pacoima Metrolink Station and Mobility Hub.

To advance Board direction, staff executed a consultant task order to support the project in August 2026, initiated conceptual planning for the Metrolink station, and held a project kick-off meeting in September 2026. Staff are currently reviewing various high-level station layout concepts and coordinating with the nearby Brighton to Roxford double-track project team to identify and gain consensus on a preferred station concept.

Los Angeles General Medical Center - Preliminary Engineering

In May 2022, Metro completed the Los Angeles General Medical Center (LAGMC) Metrolink Infill Station Feasibility Study on behalf of Los Angeles County, which found that an infill station would provide increased multimodal transportation options and mobility benefits for Medical Center patients, employees, and residents of the surrounding community. The county and the city of Los Angeles agreed to support the project by reallocating $2,696,000 in State Route 710 North Mobility Improvements Projects funding to advance the LAGMC project to the next phase-preliminary engineering.

Preliminary engineering commenced in November 2024. Successful community meetings were held in February 2026, with over 75 community members participating in person and virtually. The 30% design review, geotechnical field work, and additional NEPA environmental work were completed in August 2026. This phase of the project is in the final close-out stage, with the construction cost estimate at 30% design between $100-150 million.

DETERMINATION OF SAFETY IMPACT

Approval of these recommendations will help the Metrolink system meet ADA requirements and improve safety for Metrolink passengers and the local communities where Metrolink operates. By approving this item, Metro will fund safety-related improvements to the Metrolink system to support safer travel for LA County residents and visitors, particularly those who need ADA access.

FINANCIAL IMPACT

Recommendation A extends the prior Board-approved FY26 Metrolink continuing resolution funding

level for an additional three months. As this funding level may be higher than the expressed funding level the Board approved in the Metro FY27 budget, staff will reconcile any discrepancies for the remainder of the fiscal year when it brings the Metrolink FY27 budget to the Board for consideration. Therefore, no long-term financial impact is anticipated at this time.

Recommendation B will be funded with Proposition C 10% and Measure M 1% funds dedicated to Metrolink operations. The total cost for this program is $365,202.

Recommendations C and D will be funded with Measure R 3% funds dedicated to Metrolink capital and state of good repair. The total cost for these programs is $1,556,720.

Recommendations E and F have no financial impact.

EQUITY PLATFORM

The recommendations support SCRRA's Metrolink commuter rail operations, providing residents, workers, students, and families with a regional public transportation option to access jobs, resources, and services across the Greater Los Angeles region. Metrolink enables residents who may not be able to afford to live in high-cost areas to access quality jobs and services there while living in more affordable neighborhoods. These neighborhoods include Equity Focus Communities, such as Palmdale/Lancaster, the East San Fernando Valley, El Monte, Pomona, and Gateway Cities. Metro funds its share of Metrolink's overall operations as a JPA member agency. Metrolink establishes its own equity-based programs separate from Metro.

To ensure equitable access for all disabled passengers, Metro is remedying accessibility barriers at the downtown Pomona Metrolink Station to fully meet federal standards and deliver a seamless transit experience.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT by investing in Metrolink operations that will improve long-distance rail transportation and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations support the Metro Vision 2028 Strategic Plan goals 1, 4 and 5 as follows:

- Goal 1.2: Invest in a world-class transit system that is reliable, convenient, and attractive to more users for more trips;
- Goal 4.1 Work with partners to build trust and make decisions that support the goals of the Vision 2028 Plan;
- Goal 5.2 Exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

The Metro Board may elect to authorize an alternative course of action or deny the requested continuing resolution for Metrolink operations at the FY26 funding level. However, staff do not recommend this approach, as Metro has worked in partnership with SCRRA and the member agencies to ensure the continuation of Metrolink's current operations and uninterrupted service to passengers while the FY27 budget is being finalized.

The Board may also elect not to provide the funding needed to extend the San Bernardino Line 25% Discount Program through the end of FY30. The alternative would be to end the program, which would then result in San Bernardino Line riders losing access to the 25% fare reduction policy, increasing costs by 33.3% for riders during a time when economic pressures, such as high gas prices, impose additional costs to access employment, education, healthcare, and other quality of life needs. The Board could instead decide to invest the $365,202 to reduce the funding gap Metro needs to close to meet its FY27 operating subsidy target. Staff do not recommend these alternatives, as the funding makes a greater difference in attracting and retaining ridership for Metrolink at a time when growing ridership and revenue levels long-term is the most important strategy to mitigate the lack of additional operating subsidy available for Metrolink in FY27.

NEXT STEPS

Metro staff will continue to meet regularly with SCRRA executive staff and actively support the development of a revised FY27 budget proposal that will meet Metro’s FY27 operating subsidy target, gain consensus with the other member agencies, and be acceptable to bring to the Board for consideration. Following SCRRA Board action to transmit a final proposed FY27 budget to its member agencies for approval, staff will return to the Board with a recommendation for consideration and approval of Metro’s subsidy allocation.

Upon approval of this Board item, Metro will provide funding to Metrolink to complete the Burbank-South station improvements, continue the San Bernardino Line 25% fare discount program, and extend applicable MOUs to allow state of good repair and capital projects to continue through completion.

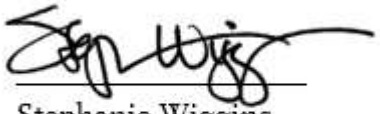
Staff will provide updates on the Pico Rivera, Pacoima and LAGMC Metrolink Station projects as needed with standalone Board items if applicable.

ATTACHMENT

Attachment A - Riverside Operating Agreement

Prepared by: Yvette Ford, Senior Manager, Passenger Rail Planning, (213) 418-3176
Michael Cano, Executive Officer, Countywide Planning and Development, (213) 418-3010
Avital Barnea, Senior Executive Officer, Multimodal Integrated Planning, (213) 547-4317

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie Wiggins
Chief Executive Officer