

Item 7

Consideration to Approve Proposed FY2026 Budget



Budget Process

Hollingworth Consulting LLC Projections

- > Mid-year actuals and Fiscal Year End
- > Hollingsworth initial projections due mid-January
- > Final Report due April

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Budget Process

- > Access Board approved draft budget
- > Submitted draft budget for planning purposes - February 2025
- > Presented draft budget to Board – April 2025
- > Metro Board approves budget - May 2025
- > Metro Board approves subsidies/Access funding – June 2025
- > Access Board approves proposed budget – June 2025
- > Execute new MOU – June/July 2025

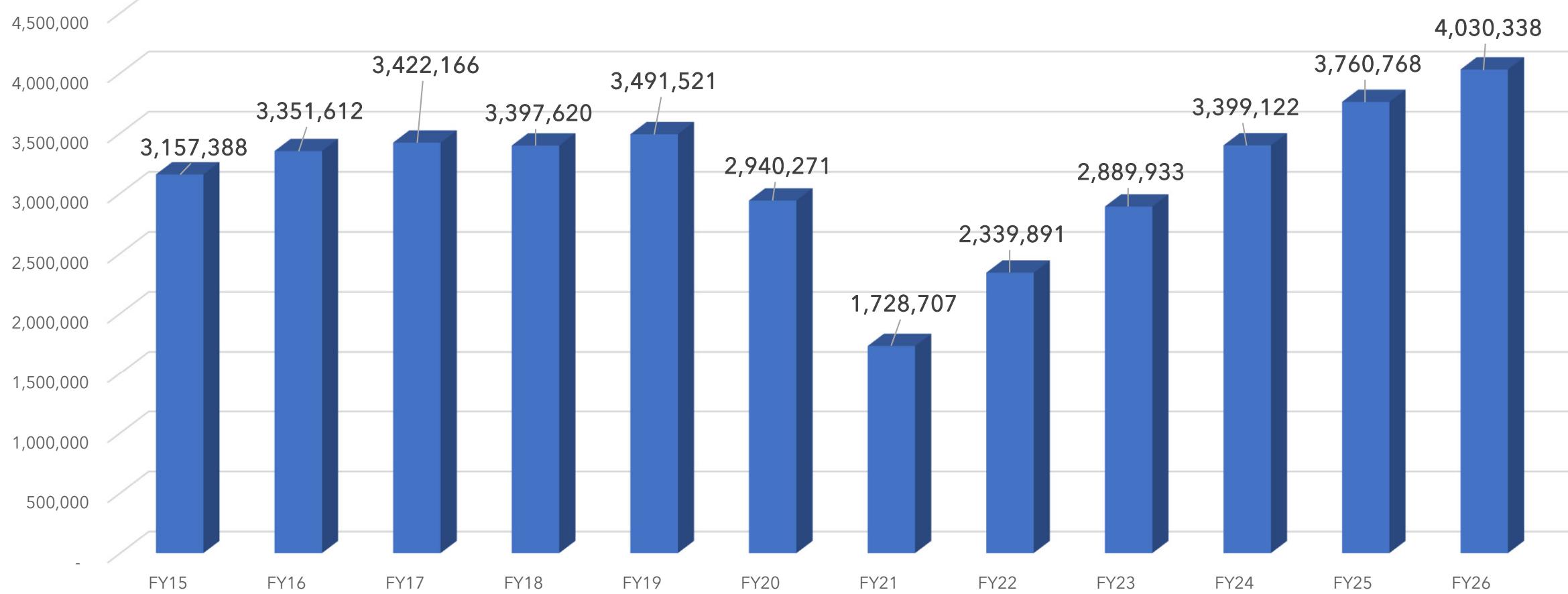
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Year to Date Ridership – By Region (May 2025)

Trips	FY25 Budget YTD	FY25 Actual YTD	% Change
	Total	Total	
Southern	1,281,867	1,133,805	-11.6%
Eastern/Cert	989,306	1,044,606	5.6%
Northern	494,634	539,388	9.0%
West/ Central	597,393	550,354	-7.9%
Antelope Valley	170,079	149,520	-12.1%
Santa Clarita	34,106	29,560	-13.3%
	3,567,385	3,447,233	-3.4%

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Annual Trip Volume History



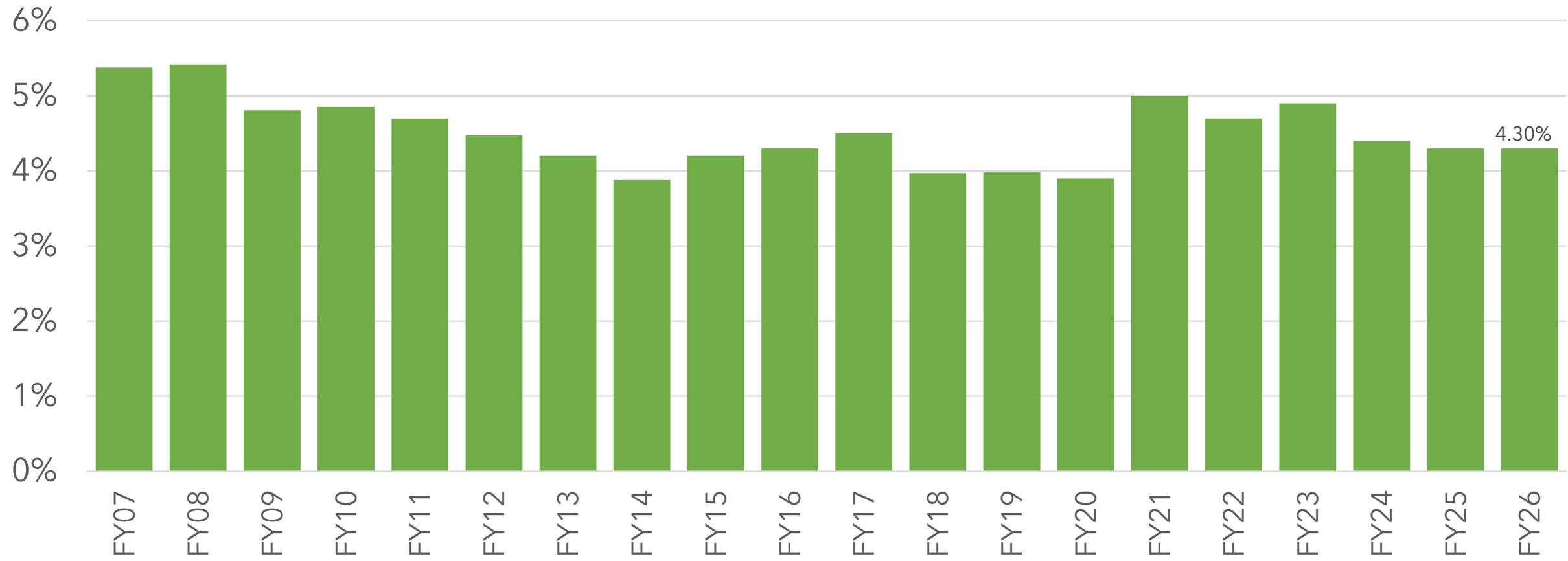
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Average Variable Cost Per Trip



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Administrative Costs



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FY26 Budget Cost Drivers/Risks

- > Service demand
- > Taxis
- > Fuel Costs
- > Inflation (CPI)
- > New contracts
- > Rolling Stock Acquisition
- > Insurance

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Capital Costs

Access Fleet – Issues

- Larger vehicles
- Backlog of previous order now delivered
- Vehicle orders will begin immediately

Rolling Stock

- Local Funding
- Federal Funding

Capital Construction

- Antelope Valley Operating Facility Construction
- Avalon Site Improvements

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FY26 Commercial Insurance

Coverage	Carrier	Premium
Primary Auto	Apollo	\$4,663,781
Lead Excess - \$10M	Apollo	\$4,197,362
\$10M excess \$10M	James River	\$2,249,324
\$5M excess \$20M	Arcadian	\$516,416
\$5M excess \$25M	Liberty Surplus	\$438,515
\$20M excess \$30M	Lloyds of London	\$1,336,181
	TOTAL PREMIUM	\$13,401,579

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FY26 Budget Summary

	FY26 Budget	% of Total Funding	% of Operating Costs
Administration	\$13,011,524	3.5%	4.1%
Contract Management	\$6,375,970	1.7%	2.0%
Contract Operations	\$285,937,701	77.8%	90.6%
CTSA	\$433,656	0.1%	0.1%
Eligibility	\$10,110,855	2.7%	3.2%
Operating Expense	\$315,869,705	85.8%	
Capital Expense	\$52,258,480	14.2%	
Total Operating and Capital Expenses	\$368,128,185		

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FY25/FY26 Budget Comparison

	FY25 Budget	FY26 Budget
Administration	\$12.6	\$13.0
Contract Management	\$5.6	\$6.4
Contract Operations	\$263.6	\$286.0
CTSA	\$0.4	\$0.4
Eligibility Determination	\$9.9	\$10.1
<u>Operating Expense</u>	<u>\$292.1</u>	<u>\$315.9</u>
Capital Expenditures	\$82.7	\$52.2
Total Expenditures	\$374.8	\$368.1

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FY25/FY26 Budget Comparison by Category

<u>Category</u>	<u>Budget</u>			<u>Category</u>	<u>Budget</u>		
	<u>FY25 Budget</u>	<u>FY26 Budget</u>	<u>% Change</u>		<u>FY25 Budget</u>	<u>FY26 Budget</u>	<u>% Change</u>
Purchased Transportation	\$245,588,754	\$263,551,654	7.3%	Postage/Mailing	\$339,240	\$339,240	0.0%
Insurance	\$14,712,244	\$18,755,152	27.5%	Other Expense	\$200,000	\$289,628	44.8%
Salaries & Related Expense	\$12,070,733	\$12,909,215	6.9%	Security	\$200,000	\$263,478	31.7%
Eligibility and Appeals	\$5,095,942	\$5,203,004	2.1%	Training/Conference	\$150,000	\$206,508	37.7%
Contracted Customer Srvc.	\$3,354,034	\$3,712,524	10.7%	Vehicle Costs	\$264,996	\$180,000	-32.1%
Network & Telecom	\$2,453,239	\$2,534,322	3.3%	Other Employee Expense	\$139,000	\$139,000	0.0%
Professional Services	\$2,438,895	\$2,456,839	0.7%	Office/Kitchen Supplies	\$77,004	\$77,004	0.0%
Travel Training	\$1,278,349	\$1,501,385	17.4%	Business Meetings	\$71,004	\$60,000	-15.5%
Office Rent	\$1,179,408	\$1,179,408	0.0%	Repair & Maintenance	\$56,004	\$56,004	0.0%
Communications	\$884,750	\$908,563	2.7%	Tether Program	\$108,581	\$48,000	-55.8%
Printed Materials	\$852,108	\$831,609	-2.4%	Board Compensation	\$43,176	\$43,176	0.0%
Promotions/Events	\$543,688	\$599,992	10.4%	Temporary Personnel	\$42,000	\$24,000	-42.9%
				Total Operating Exp.	\$292,143,150	\$315,869,705	8.1%

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FY26 Funding

<u>Operating</u>	<u>FY26 Budget</u>	<u>% of Total Funding</u>
Local Funds	\$159,272,638	43.3%
Federal Section 5307	\$127,967,389	34.8%
Measure M	\$15,809,250	4.3%
Passenger Revenues	\$11,463,087	3.1%
Miscellaneous Revenue	\$1,321,350	0.4%
Federal Section 5317	\$36,000	0.01%
Total Operating	\$315,869,705	85.8%
Capital	\$37,108,480	10.1%
Facilities Development	\$15,150,000	4.1%
Total FY26 Budget	\$368,128,185	100.0%

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FY26 Operating Budget Increase

	FY25 Budget	FY26 Budget	Change
Purchased Transportation	\$245,588,754	\$263,551,654	\$17,962,900
Insurance	\$14,712,244	\$18,755,152	\$4,042,908
All Other		\$18,768,762	\$1,768,748
Total Increase		\$23,774,556	

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Next Steps

Finalize MOU with Metro

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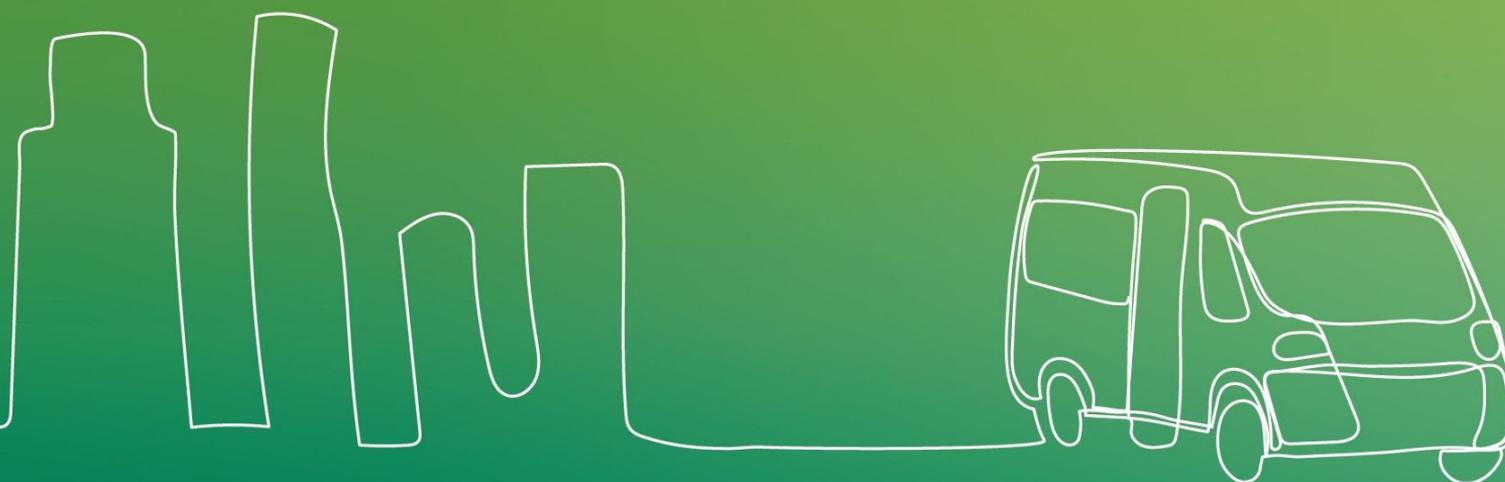
Recommendation

Approve the FY2026 budget as presented.

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Item 8

Local, State and Federal Legislative Updates



Los Angeles Update - David Gershwin, David Gershwin Consulting

County of Los Angeles

- Briefing with Office of Supervisor Horvath
- Briefing with Office of Supervisor Barger
- 2026 Supervisorial Elections

City of Los Angeles

- Briefing with Office of Mayor Karen Bass
- Briefing with Office of Councilmember Imelda Padilla
- 2026 Los Angeles City Council and Citywide Election

Other Cities in Los Angeles County

- Briefing with Office of Pomona Mayor Tim Sandoval
- Briefing with Office of Inglewood Mayor James Butts

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State Update - Jason A. Gonsalves, Joe A. Gonsalves & Son

June 15th Budget Update

- Governor's estimate \$10- 12 billion deficit
- Proposed transportation cuts

Ongoing Projected State General Fund Deficit

- Deficits projected to last through 2028

California Transit Association Sponsored legislation

- SB 71 (Weiner) California Environmental Quality Act (CEQA) exemptions for various transportation plans and projects
- SB 707 (Durazo) Open meetings and Teleconference

Final Legislative Push Prior to September 12th Adjournment

- Number of bills remaining

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Federal Update - Jen Covino, Simon and Company, Inc

Reconciliation Update

- House-passed version of the measure:
 - Preserves tax-exempt status of municipal bonds
 - Eliminates or restricts clean energy tax credits
 - Establishes federal registration fee for EVs and hybrids
 - Implements Medicaid reforms
- Senate will introduce its legislation in weeks ahead with potential amendments

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Federal Update - Jen Covino, Simon and Company, Inc

Appropriations Update

- Republican Senate majority with 53 seats
- Lawmakers negotiating FY 2026 spending bills this summer
- President's budget proposed approximately 6% increase for DOT, \$310 million increase for FTA
- House Subcommittee markup on T-HUD bill on 7/14 and Full Committee markup scheduled for 7/17
- Senate appropriations markups forthcoming
- Federal fiscal year ends on 9/30

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Federal Update - Jen Covino, Simon and Company, Inc

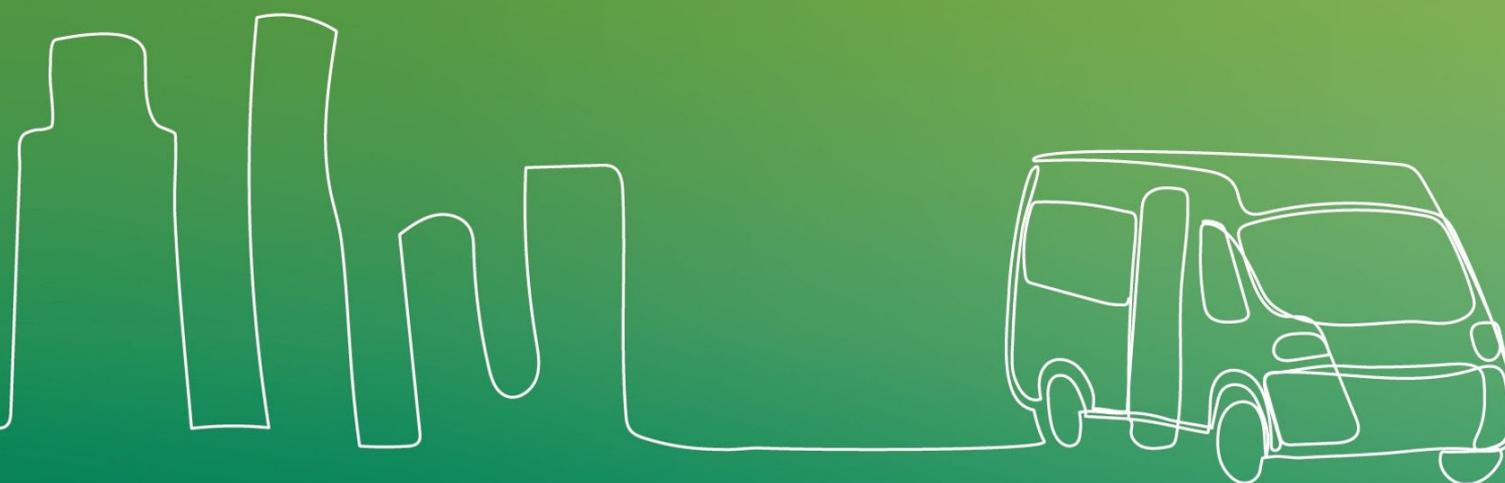
Surface Transportation Reauthorization Update

- Access submitted request to expand direct eligibility for Buses and Bus Facilities/Low-No Program
- Emerging themes include more formula funding and potential streamlining of NEPA reviews
- Debates surrounding level of federal transit investment and share of HTF supporting public transportation
- Lawmakers seek to introduce draft legislation in September 2025

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Item 9

Operations Update



Statistics

	May 2024	May 2025	% Change
Vehicle Trips Completed	312,193	335,382	+7%
Passenger Trips Completed	385,749	414,576	+8%
Reservation Calls Answered	204,504	228,457	+12%
ETA Calls Answered	61,767	74,069	+20%
Online Reservations	48,477	58,142	+20%

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Performance Report Card

Key Performance Indicator	Standard	March 2025	FY25
On Time Performance	$\geq 91\%$	92.4%	92.6%
Excessively Late Trips	$\leq 0.10\%$	0.01%	0.02%
Excessively Long Trips	$\leq 5\%$	2.7%	3.3%
Missed Trips	$\leq 0.75\%$	0.28%	0.30%
Denials	≤ 0	0	2
Access to Work On Time Performance	$\geq 94\%$	96.1%	96.2%
Average Hold Time in Seconds (Reservations)	≤ 120	65	56
Calls On Hold > 5 Min (Reservations)	$\leq 5\%$	4.9%	3.0%
Calls On Hold > 5 Min (ETAs)	$\leq 10\%$	2.9%	2.9%
Calls On Hold > 5 Min (Cancellations)	$\leq 10\%$	3.6%	2.9%
Complaints Per 1,000 Trips	≤ 4.0	1.8	2.0
Preventable Incidents per 100,000 Miles	≤ 0.25	0.10	0.23
Preventable Collisions per 100,000 Miles	≤ 0.75	0.59	0.81
Miles Between Road Calls	$\geq 25,000$	51,365	50,059

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Green is good, yellow is cautiously optimistic, red is not meeting standard

Vehicle Procurement Status

The FY25 vehicle order approved by the Board in September 2024 is almost complete.

- > 143 small Ram ProMasters – delivery to contractors completed
- > 2 large battery electric Ram ProMasters – delivered to contractors on June 17th and 18th
- > 14 Turtle Top Cutaways – build completed; being shipped to California from Indiana



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Stand Sign Update

- > Seven new stands were established at Cal State University Dominguez Hills
- > Three stands have been re-established at El Camino College
- > Stand being established at the new LAX/Metro Transit Center at Bay 14



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Special Events Update

Club World Cup at the Rose Bowl from June 15-25

- > Coordinated closely with Metro to provide shuttle service
- > Access EOC activated to monitor
- > Access ridership very low

Angel City Games at El Camino College from June 27-29

- > Largest Paralympic-style adaptive sports event in the Western US
- > Held at Cerritos College in 2024



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