

Item 6

Consideration to Approve Proposed FY2025 Budget



Budget Process

Hollingsworth Consulting LLC Projections

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

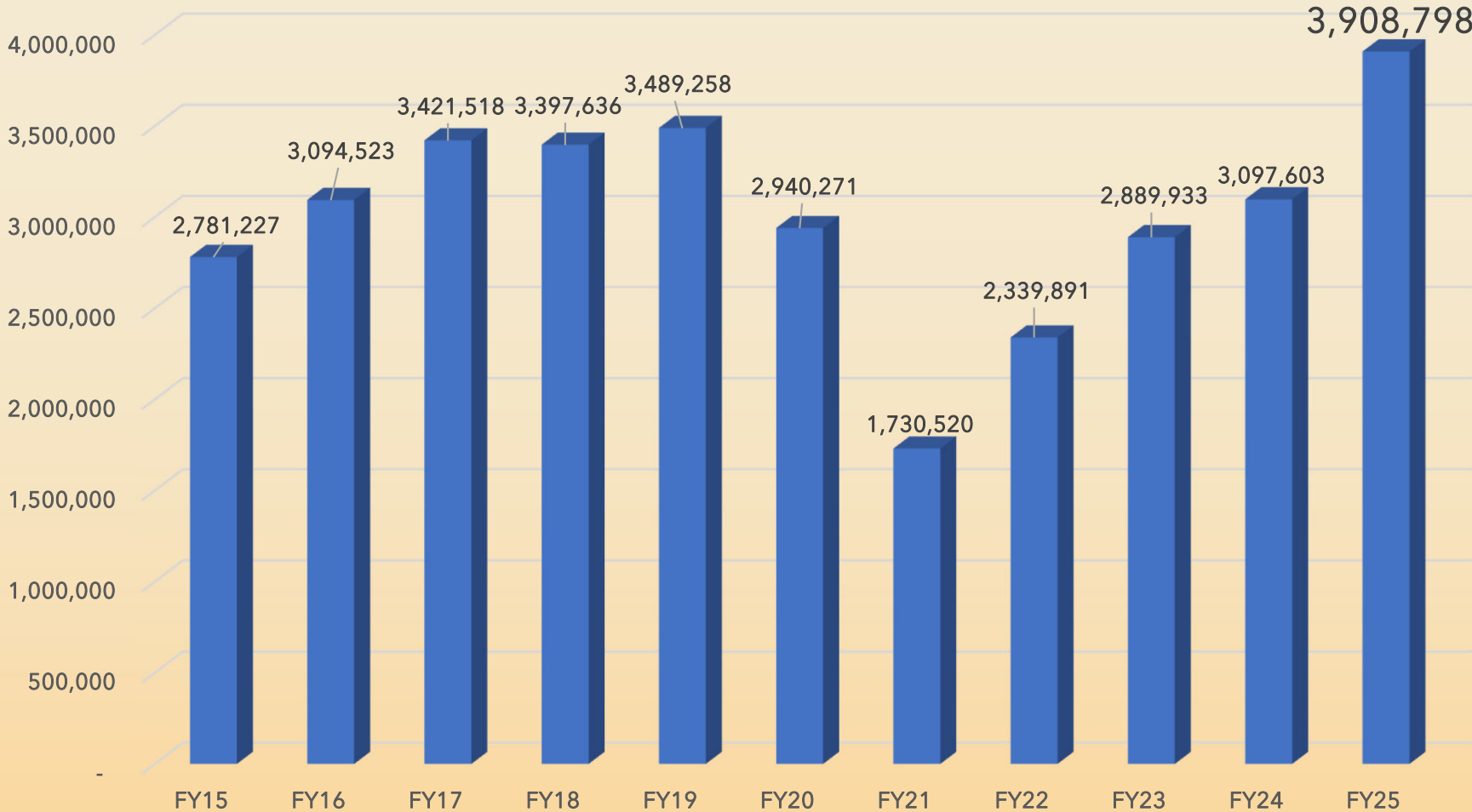
Budget Process

- > Access Board approved draft budget/funding request
- > Submitted draft budget for planning purposes - February 2024
- > Presented draft budget to Board– March/April 2024
- > Metro Board approves budget - May 2024
- > Metro Board approves subsidies/Access funding – June 2024
- > Access Board approves proposed budget – June 2024
- > Execute new MOU – June/July 2024

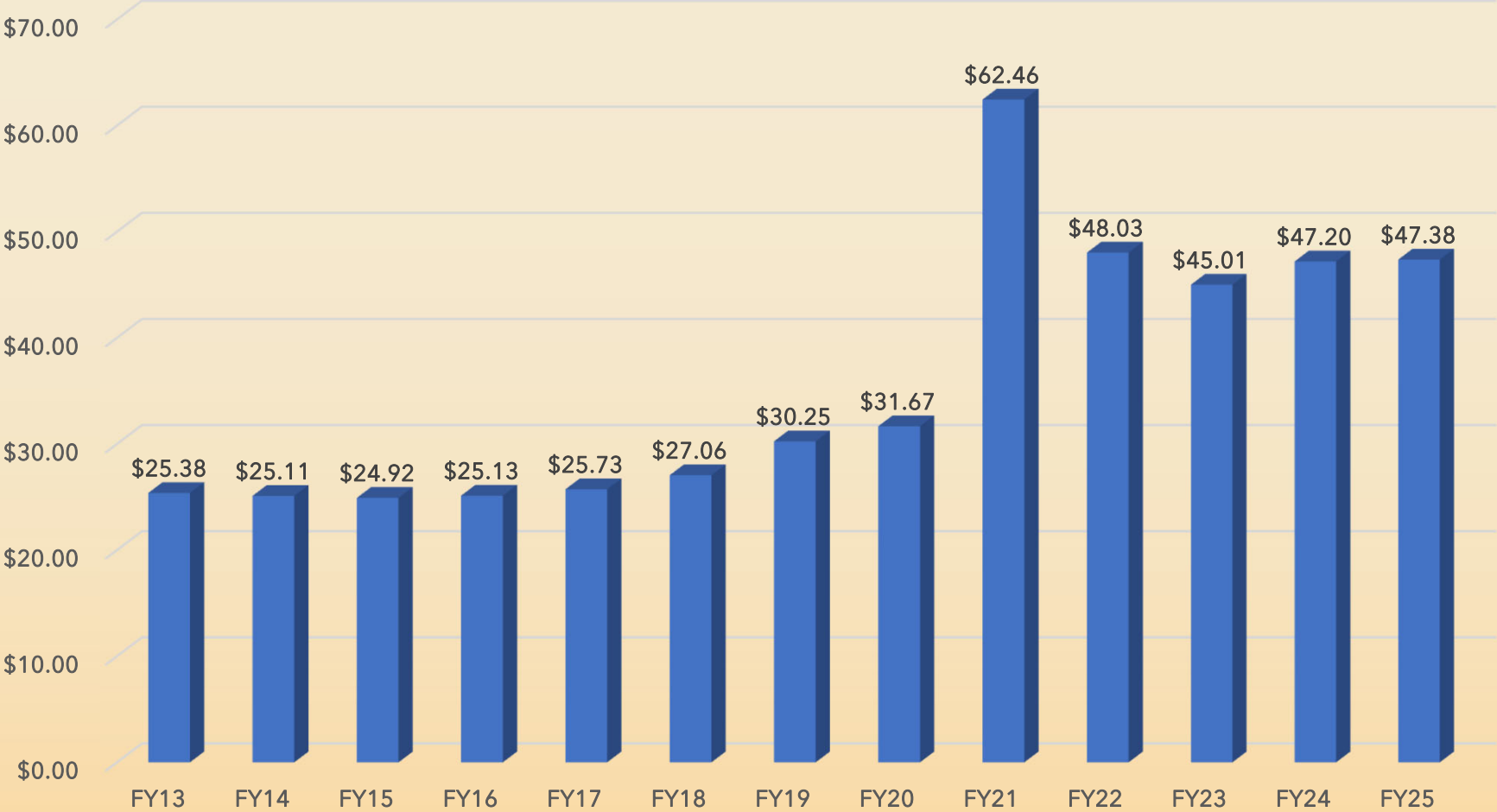
FY25 Budget Cost Drivers/Risks

- > Service demand
- > Fuel costs
- > Inflation (CPI)
- > New contracts
- > FTEs remain at 79
- > Eligibility

Annual Trip Volume History



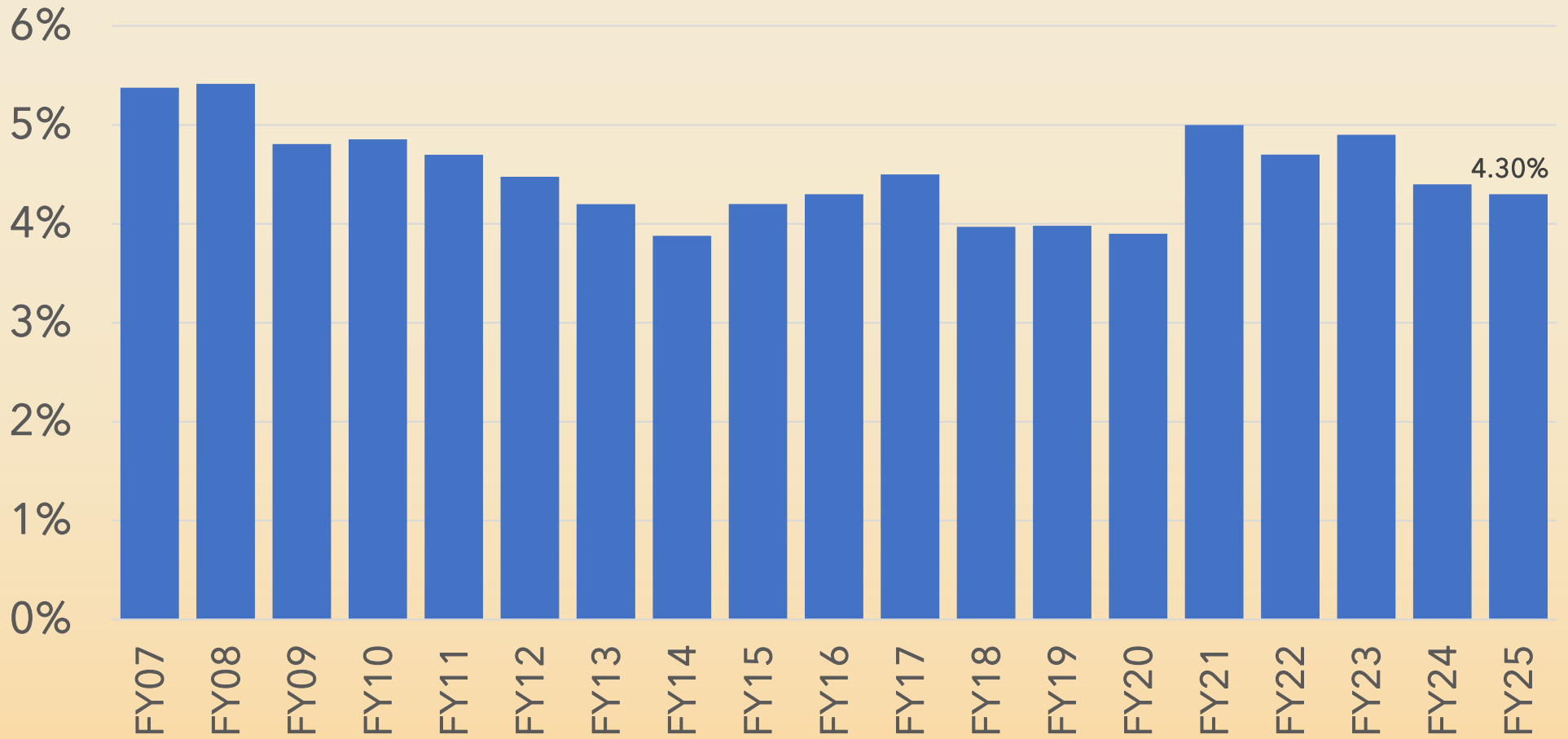
Average Variable Cost Per Trip



Budgeted Fully Loaded Cost per Trip



Administrative Costs



Capital Costs

- > Access Fleet – Issues
 - > Larger vehicles
- > 49% of the Fleet eligible for replacement as of 11/30/2023
- > Vehicle production back on track
- > Antelope Valley Operating Facility Construction

FY25 Budget Summary

	FY25 Budget	% of Total Funding	% of Operating Costs
Contract Operations	\$262,572,177	77.7%	90.2%
Contract Management	\$5,596,579	1.7%	1.9%
Eligibility Determination	\$9,930,036	2.9%	3.4%
CTSA	\$411,216	0.1%	0.1%
Administration	\$12,645,075	3.7%	4.3%
Operating Expense	\$291,155,082	86.1%	
Capital Expense	\$46,933,030	13.9%	
Total Operating and Capital Expenses	\$338,088,112	100.0%	

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FY24/FY25 Budget Comparison

	FY24	FY25
Administration	\$11.9	\$12.6
Contract Operations & Management	\$210.1	\$268.2
CTSA	\$0.4	\$0.4
Eligibility Determination	\$13.6	\$9.9
<u>Operating Expense</u>	<u>\$235.9</u>	<u>\$291.1</u>
Capital Expense	\$36.8	\$46.9
Total Operating and Capital Expenses	\$272.7	\$338.0

Budget Comparison by Category

Category	FY24	FY25
Purchased Transportation	\$194,883,346	\$244,600,687
Insurance	\$8,681,412	\$14,712,244
Salaries & Related Expense	\$11,356,836	\$12,070,733
Eligibility and Appeals	\$7,252,173	\$5,095,942
Contracted Customer Service	\$3,209,262	\$3,354,034
Professional Services	\$2,067,448	\$2,453,239
Network & Telecom	\$2,389,895	\$2,438,895
Travel Training	\$1,278,349	\$1,278,349
Office Rent	\$1,141,452	\$1,179,408
Communications	\$875,000	\$884,750
Printed Materials	\$707,904	\$852,108
Promotions/Events	\$586,192	\$543,688
Postage/Mailing	\$322,740	\$339,240
Vehicle Costs	\$172,596	\$264,996
Other Expense	\$167,692	\$200,000
Security	\$200,000	\$200,000
Travel and Conference	\$114,516	\$150,000
Other Related Employee Expense	\$111,600	\$139,000
Tether Program	\$95,355	\$108,581
Office/Kitchen Supplies	\$72,036	\$77,004
Business Meetings & Meals	\$60,000	\$71,004
Repair & Maintenance	\$56,004	\$56,004
Board Compensation	\$43,176	\$43,176
Temporary Personnel	\$66,600	\$42,000
TOTAL OPERATING EXPENDITURES	\$235,911,583	\$291,155,082

FY25 Operating Budget Increase

	2024	2025	Change
Contract Operations	\$209,752,267	\$262,572,177	\$52,819,910
Eligibility	\$13,487,483	\$9,930,036	-\$3,557,447
All Other	\$17,671,834	\$18,652,869	\$981,035
		Total Increase	\$50,243,498

FY25 Funding

	FY25	% of Total Funding
Operating		
Local Funds	\$167,865,785	49.7%
Federal Section 5310	\$109,300,000	32.3%
Passenger Revenues	\$11,117,831	3.3%
ARPA - High Mileage Vehicles	\$900,000	0.3%
Federal Section 5317	\$53,000	0.0%
Miscellaneous Revenue	\$1,918,466	0.6%
Total Operating	\$291,155,082	86.1%
Capital	\$43,933,030	13.0%
Building Fund	\$3,000,000	0.9%
Total FY25 Budget	\$338,088,112	

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Recommendation

Approve the FY2025 budget as presented.

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Local, State and Federal Legislative Updates



Local Legislative Update

David Gershwin

David Gershwin Consulting

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Los Angeles Update

County of Los Angeles

- > Briefing with Pomona Mayor Sandoval Feb. 27
- > Briefing with Office of Mayor Bass April 10
- > Briefing with Office of Councilmember Krekorian April 16
- > Briefing with Office of Supervisor Barger April 17
- > Briefing with Office of Supervisor Horvath April 18
- > Briefing with Office of Supervisor Mitchell May 6
- > Briefing with Office of Dupont-Walker May 22
- > Briefing with Office of Supervisor Hahn June 4

LA28/Metro

- > April 3 Briefing with Metro and Jacobs Engineering staff

State Legislative Update

Jason A. Gonsalves

Joe A. Gonsalves & Son

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California Legislative Update

June 15th State Budget Update

- > Governor's estimate \$45 billion deficit
- > Legislative Analyst's Office (LAO) estimate \$73 billion deficit

Ongoing Projected State General Fund Deficit

- > Deficits projected to last through 2028

California Transit Association Sponsored legislation (updates)

- > AB 2043 (Boerner-Horvath) Medi-Cal Benefits

California Legislative Update

Final Legislative Push Prior to August 31st Adjournment

- > Number of bills remaining

2024 election year

- > 120 members of the legislature
 - > All 80 Assembly seats are up for election
 - > 20 of the 40 Senate seats are up for election

Federal Legislative Update

Jen Covino, President

Covino Smith & Simon

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Legislative Updates

House and Senate focused on FY 2025 appropriations bills this summer

- > House T-HUD bill calls for 10% topline discretionary cut
- > Senate appropriators negotiating topline spending levels
- > Federal funding expires on September 30, 2024
- > Continuing Resolution (CR) expected, given election season
 - > CR may fund government into lame-duck session or early next year

Antelope Valley Maintenance Facility

- > FY 2024 minibus agreement included \$3 million in Community Project Funding (CPF) and Congressionally Directed Spending (CDS)
 - > Requested by Congressman Garcia and Senator Padilla
- > FTA formally announced project allocation on April 4
- > FTA issued implementation guidance for FY 2024 transit earmarks on May 31, 2024

Transit Policy

Notices & Guidance

- > Joint Development Circular (effective 1/31)
- > National Public Transportation Safety Plan (effective 4/10)
- > Programmatic Assessment of Greenhouse Gas Emissions from Transit Projects (effective 4/25)

Rulemakings

- > Public Transportation Agency Safety Plans (effective 5/13)

Funding Opportunities

Discretionary Grants

- > Current Solicitations – open now
 - > SMART Stage 1 – deadline 7/12
 - > Pilot Program for TOD Planning – 7/22
 - > Charging and Fueling Infrastructure – deadline 8/28
 - > Safe Streets and Roads for All – deadline 8/29
- > Forthcoming Solicitations
 - > July: Reconnecting Communities, SMART Stage 2, PROTECT
 - > October: RAISE

Federal Funding

Formula Funding

- > FTA FY 2024 total: \$20,517,037,721
 - > California: \$2,011,974,792
 - > Los Angeles-Long Beach-Anaheim UZA: \$603,353,197
 - > Section 5307/5340: \$387,165,053
 - > Section 5310: \$13,822,699
- > Calculations incorporate new Census and National Transit Database data

Tax Credits

- > Direct Pay – available for projects placed in service beginning in 2023
 - > Final rules became effective on May 10
 - > IRS continues to issue guidance governing eligible credits

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Operations Update



Statistics

	Apr. 2019	Apr. 2020	Apr. 2021	Apr. 2022	Apr. 2023	Apr. 2024
Vehicle Trips Completed	304,309	65,692	166,679	215,300	253,531	295,376
Passenger Trips Completed	390,482	79,604	209,615	273,714	313,623	363,874
Reservation Calls Answered	254,209	49,684	147,710	176,084	204,764	209,763
ETA Calls Answered	46,490	9,203	38,585	48,841	44,561	52,713

Statistics

	April 2023	April 2024	% Change
Vehicle Trips Completed	253,531	295,376	+17%
Passenger Trips Completed	313,623	363,874	+16%
Reservation Calls Answered	204,764	209,763	+2%
ETA Calls Answered	44,561	52,713	+6%
Online Reservations	27,824	44,026	+58%

Ridership Recovery - Monthly Vehicle Trips

Region	April 2019	April 2024	% Recovery
Southern	98,036	98,240	100.2%
Eastern	89,390	89,099	99.6%
West/Central	46,142	47,795	103.5%
Northern	53,372	44,453	83.2%
Antelope Valley	13,689	13,319	97.2%
Santa Clarita	3,680	2,465	66.9%
Systemwide	304,309	295,376	97.0%

Performance Report Card

Key Performance Indicator	Standard	April 2024	FY24
On Time Performance	≥ 91%	91.4%	92.0%
Excessively Late Trips	≤ 0.10%	0.03%	0.03%
Excessively Long Trips	≤ 5%	3.8%	3.8%
Missed Trips	≤ 0.75%	0.35%	0.34%
Denials	≤ 0	0	4
Access to Work On Time Performance	≥ 94%	95.5%	95.8%
Average Hold Time in Seconds (Reservations)	≤ 120	52	54
Calls On Hold > 5 Min (Reservations)	≤ 5%	2.1%	2.5%
Calls On Hold > 5 Min (ETAs)	≤ 10%	2.7%	2.6%
Calls On Hold > 5 Min (Cancellations)	≤ 10%	3.6%	3.5%
Complaints Per 1,000 Trips	≤ 4.0	1.9	2.0
Preventable Incidents per 100,000 Miles	≤ 0.25	0.19	0.19
Preventable Collisions per 100,000 Miles	≤ 0.75	0.87	0.82
Miles Between Road Calls	≥ 25,000	55,633	47,275



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

Operations Staff Outreach Activities - May 2024

- > Braille Institute
 - > Established connection with new director
- > Rancho Los Amigos
 - > Attended monthly Patient Family Advisory Council meeting
- > Kheir Mirae Adult Day Health Care Center
- > West Covina Adult Day Health Care Center

Vehicle Procurement Status

- > Build of 58 small Ram ProMasters completed
- > Build of 101 small Ram ProMasters nearly complete; 96 units delivered as of 6/21/24
- > Build of 48 small Ram ProMasters initiated with 19 units delivered as of 6/21/24



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Current & Upcoming Vehicle Orders

Vehicle Type	# Ordered	# Completed	# Delivered to Contractors
Ram ProMaster 136	58	58	58
Ram ProMaster 136	101	96	96
Ram ProMaster 136	48	19	19
Ram ProMaster 136	Order of 68 Pending	NA	NA
Turtle Top Class B and C Cutaways	PO issued for 3 units	NA	NA