

FY10 Proposed Budget

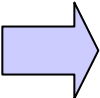
Public Hearing – Finance and Budget Committee

May 20, 2009



Metro

FY10 Budget Schedule

- **Tuesday, May 5th**
 - **Distribution of Proposed Budget to the Public**
- **Thursday, May 7th**
 - **Board Staff Briefing**
- **Thursday, May 14th**
 - **Budget Workshop for Board of Directors**
-  • **Wednesday, May 20th**
 - **Finance and Budget Committee Meeting - Public Hearing**
- **Thursday, May 28th**
 - **Board Meeting – Budget Adoption**

Budget Workshop Action Items

- **For May 20, 2009 Finance and Budget Committee**
 - Prepare a table describing the allocation of Prop A, C, and TDA administrative costs
 - Reforecast sales tax revenue and expenditures based on FY09 actuals to date and year end estimate
 - Explore expanding eligible operator status and report back with possible funding sources for any such expansion
 - Report back on possibility of allocating additional Measure R money to Foothill Extension and Green Line
- **Remaining items will be addressed at future Finance and Budget meetings**



Board Amendment

- **Revised Board report to include:**
 - **\$200,000 of Measure R 35% Transit Capital Revenues for Project 460200 Gold Line Foothill LRT Extension in cost center 0411 for environmental clearance of a rail maintenance facility**

FY09 Sales Tax Revenue

	Revenue Source (Amounts in millions)	YTD Budget Through Dec-08 (1)	YTD Actual Through Dec-08	YTD Variance	Annual Budget ⁽¹⁾	Annual Receipts Forecast ⁽²⁾	Forecast of Annual Variance
1	Sales Tax Revenues						
2	Proposition A	\$350.2	\$333.6	(\$16.6)	\$700.4	\$649.2	(\$51.2)
3	Proposition C	350.3	333.6	(16.7)	700.6	649.4	(51.2)
4	TDA	176.0	166.2	(9.8)	352.0	323.5	(28.5)
5	Total Sales Tax Revenues	\$876.5	\$833.4	(\$43.1)	\$1,753.0	\$1,622.1	(\$130.9)
6	State Transit Assistance (STA) Revenues	45.4	30.3	(15.1)	90.9	45.4	(45.5)
7	Total Sales Tax and STA Revenues	\$921.9	\$863.7	(\$58.2)	\$1,843.9	\$1,667.5	(\$176.4)

⁽¹⁾ Includes STA shortfall budget amendment approved by the Board in Jan 2009 (reflecting State budget adopted in Sep 2008). FY09 Adopted Budget for STA was \$227.1 million based on original estimate provided to MTA by the State.

⁽²⁾ Reforecasted sales tax revenues reflect an anticipated -5% reduction in FY09 over FY08 Actuals based on UCLA's Dec 2008 FY09 Forecast update. The STA reforecast amount reflects the State's Feb 2009 budget amendment.

Prop A 40% Discretionary

	(Amount in millions)	Budget		Forecast					
		FY08 Actual	FY09 Forecast	FY10 Proposed	FY11	FY12	FY13	FY14	FY15
1	Available Prop A Revenue ⁽¹⁾	\$706.6	\$683.1	\$575.8	\$563.5	\$644.0	\$688.6	\$742.9	\$787.9
2	Prop A 40% Discretionary	282.6	273.3	230.3	225.4	257.6	275.4	297.1	315.1
3	95% of Prop A 40% for Formula Allocation Procedure (FAP)	268.5	259.6	218.8	214.1	244.7	261.7	282.3	299.4
4									
5	Demands								
6	FAP Programmed to Included Operators (Capped at Inflation)	195.7	199.3	203.3	208.5	213.3	217.5	221.9	226.3
7	Amount Required to Pay Eligible Operators Share ⁽²⁾	23.7	48.5	22.7	40.7	41.2	41.7	42.2	42.7
8	Excess Growth over Inflation (GOI)	49.1	11.8	(7.2)	(35.1)	(9.8)	2.5	18.2	30.4
9									
10	Amount to be Transferred to PC 40%, or	\$49.1	\$11.8				\$2.5	\$18.2	\$30.4
11	Amount PC 40% Required to make FAP Whole			(\$7.2)	(\$35.1)	(\$9.8)			

⁽¹⁾ FY11 to FY15 Sales Tax growth rate and CPI extracted from LRTP model on May 19, 2009

⁽²⁾ FY09, FY11-FY15 includes Prop 1B bridge funding

Prop C 40% Demand

		Forecast					
	(Amount in millions)	FY10 Proposed	FY11	FY12	FY13	FY14	FY15
1	GOI Transfer from Prior Year	\$49.1	\$11.8	\$0.0	\$0.0	\$0.0	\$2.5
2	Prop C 40% Revenues	441.7	303.0	267.1	285.6	308.1	326.8
3	Total Available PC40	490.8	314.8	267.1	285.6	308.1	329.3
4							
5	Required to Make FAP Whole	7.2	35.1	9.8	-	-	-
6	Demands ⁽¹⁾	341.4	350.1	358.1	365.2	372.5	379.9
7	Muni Encumbrances	93.1					
8	Total Demand	441.7	385.2	367.9	365.2	372.5	379.9
9							
10	Year End Fund Balance	\$49.1	(\$70.4)	(\$100.8)	(\$79.6)	(\$64.4)	(\$50.6)

⁽¹⁾ Demand amount is based on FY10 PC 40% requirement plus inflation

⁽²⁾ Assumes the deficit is resolved on an annual basis through expense reductions or new revenues.

Discussion