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MTA FY 02 Budget Holds the Line, Despite Higher Fuel, Other Costs

- **Record Amount of Bus Service Proposed**

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By MARC LITTMAN

(May 14, 2001) The MTA will fund a record amount of bus service in Los Angeles County under a proposed \$2.724 billion budget for the fiscal year that starts July 1, 2001.

The spending plan unveiled today also funds expanded Metro Rail service on the Metro Blue and Green lines, new street and highway improvements and other regional transportation programs. It will allow the MTA to move forward with preliminary engineering for busway and light rail projects in some of the most traffic clogged corridors in the county.

The MTA Board will hold several public meetings in May to review the transportation agency's proposed budget for the fiscal year that begins July 1, 2001. A public hearing is set for 9:30 a.m., May 17. The Board will consider adopting the budget at the May 24 meeting.

The proposed \$2.724 billion MTA budget is balanced. It is up \$183 million, or approximately 6.7 percent more than the current fiscal year budget.

This reflects expansion of Metro Bus and Metro Rail service, more funding for freeway carpool lanes and sound walls as well as more money for municipal bus operators, Metrolink, and paratransit services. Moreover, the MTA faces sharp increases in fuel and energy costs as well as higher premiums for workers compensation insurance.

Higher fuel costs, alone, will add \$2.21 an hour to MTA's operating costs next year. The agency also is projecting an increase in workers compensation expenses.

MTA Holds Line On Operating Costs

Despite these challenges and a projection of 3 percent more Metro riders, Metro Bus hourly operating costs in the next fiscal year will be \$98.41, an increase of just 11 cents or 1/10th of 1 percent compared with this fiscal

year.

Hourly costs for operating light-rail trains will dip 7.5 percent next year to \$294.74 an hour while Metro Red Line hourly operating costs will rise 1.9 percent to \$242.21.

"I think this budget does a remarkable job of holding the line on costs," said CEO Julian Burke. "The new labor contracts we negotiated last fall will allow us to operate more efficiently. At the same time, we're pushing forward with Metro Rapid bus technology, light rail, traffic signalization, freeway carpool lanes, and other significant projects that can squeeze more capacity out of local streets and freeways on a faster timetable with less cost than MTA's past emphasis on subways."

The draft budget does not call for a fare increase; however, MTA directors may consider a new comprehensive fare structure later this year. There has been no change in MTA fares in more than six years.

Record Bus Service Proposed

Buses will remain the highest priority in FY 2002. Burke has proposed that MTA spend 45.4 percent of its budget (\$1.239 billion) on MTA bus operating and capital and municipal bus operator subsidies. The proposed bus expenditures compare with 43.8 percent (\$1.114 billion) this fiscal year.

The FY 02 budget includes \$15 million for preliminary engineering for new bus rapid transit projects linking the West San Fernando Valley and the Metro Red Line North Hollywood station, as well as possible bus rapid transit and/or light rail in the Wilshire Boulevard/Mid-City corridor.

The MTA will operate a record amount of Metro Bus and contract bus service in FY 02. The peak hour bus fleet will increase to 2,129 buses compared with 2,012 currently. MTA revenue bus service hours will be 7.485 million next year compared with 7.312 million this fiscal year and nearly 1 million more service hours than MTA delivered just three years ago.

The MTA will take delivery of 420 new low-floor compressed natural gas buses next year and also order new buses that have greater capacity than the standard 40-foot buses.

Buoyed by the success of the two Metro Rapid Bus lines on Ventura Boulevard in the San Fernando Valley and along Wilshire and Whittier boulevards, MTA directors later this year will consider expanding Metro Rapid to other high volume bus lines throughout Los Angeles County. The MTA's recently adopted Long Range Transportation Plan calls for establishing another 22 Metro Rapid Bus lines within the next decade.

The MTA next year also will provide \$197 million in subsidies for the 16 municipal bus operators in Los Angeles County, an increase of \$35 million, or 21 percent, over this year.

More Money for Streets, Highways

The second largest slice of the budget pie -- \$535 million or 19.6 percent -- is recommended for highway and other regional transportation programs.

These include such as freeway carpool lane construction (42 miles will be funded in FY 02), freeway sound walls (13 projects in FY 02), street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other local

transportation improvements. It also includes continued funding for the Metro Freeway Service Patrol to help stranded motorists.

This recommended portion of the MTA budget is up \$44 million, or 9 percent, over FY 01

Metro Rail Service Will Expand

The next biggest portion of the draft budget -- \$411 million or 15.1 percent -- is recommended for Metro Rail construction and operating costs.

This includes monies to close out construction activities for the subway extension to North Hollywood which opened last year, completion of the 101 Freeway overpass bridge serving the new Universal City Metro Red Line Station, buying new rail cars, and preliminary engineering and design of a Metro Rail light rail extension from Union Station to Atlantic Boulevard in the Eastside.

There will be a sharp 17.3 percent jump in Metro Rail service on the Metro Blue and Green lines in FY 02 once MTA begins running three car trains on the Metro Blue Line later this year this summer when the station platforms are extended on the 22-mile line from downtown Los Angeles to Long Beach. The Metro Green Line from Norwalk to El Segundo then will begin running two car trains.

Burke noted that in FY 02 it will be cheaper to carry passengers on Metro Rail than by MTA-operated buses and its contract carriers -- 47 cents versus 54 cents per mile.

In addition, in FY 02 the MTA is contributing \$37 million in subsidies to the Metrolink commuter rail operation, a \$1 million increase over the current year and representing 1.4 percent of the MTA's proposed budget.

Paratransit Gets Increased Subsidies

The MTA's draft FY 02 budget also will fund an array of other transportation programs including subsidies for door-to-door paratransit service for the disabled who can not access regular fixed route public transportation. MTA CEO Burke is recommending \$60 million in such funding in FY 02, an increase of \$11.5 million over this year.

Debt Service Stable

Rounding out the proposed FY 02 spending plan is debt service. MTA's debt service next year will be \$339 million, 12.5 percent of the total budget, compared with \$332 million or 13.1 percent of the current MTA budget.

MTA funding comes from the farebox, local, state and federal governments and other sources such as lease rentals, investment income, and advertising revenue from bus ads.

The draft budget summary can be viewed on MTA's Internet web site at www.mta.net or copies can be requested by calling Waylynn Pitts at MTA at 922-4880 or by visiting MTA's Records Management department weekdays between 8 a.m. and 4:30 p.m.

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