

- **MTA FY 03
Draft Budget
Cuts Costs -
Delivers More Service**

By MARC LITTMAN

(May 7, 2002) The MTA will spend \$126 million less in the fiscal year beginning July 1 than the current year's budget, yet deliver more bus and rail service.

The FY 03 budget prepared by MTA CEO Roger Snoble does not include a fare increase and will be more responsive to local communities.

The \$2.6 billion budget is balanced. Snoble said the \$126 million reduction will be achieved by reducing administrative overhead, driving down Metro Bus and Rail operating costs, and reducing worker's compensation expenses with an aggressive safety management plan.

"By controlling costs, we will be able to deliver a record amount of bus and rail service next year as well as fund new street and highway and other regional programs," Snoble noted. "We also will decentralize Metro Bus operations into five service sectors in an effort to provide better customer service and be more responsive to local communities."

The MTA Board will hold a public hearing on the budget at 9:30 a.m. Thursday, May 16. The Board also will hold a budget workshop at 1:30 p.m., May 13, and will consider adopting the proposed spending plan at its May 23 meeting. The draft budget is available on the MTA Internet web site at www.mta.net.

More than \$1 billion for buses

Bus operations will remain the highest priority in FY 03. The MTA will spend 46.8 percent of its budget (\$1.216 billion) on MTA bus operations and capital and municipal bus operator subsidies as well as paratransit service for the disabled who cannot use the regular fixed route transit system.

The MTA will operate a record amount of Metro Bus and contract bus service in the next fiscal year. The budget calls for 7,542,000 revenue service hours, up 56,411 hours from the current year. However, the cost of Metro Bus operations is projected to drop to \$98 an hour from \$98.44 an hour today despite higher labor costs including rising premiums for health care.

The MTA is eliminating administrative positions as one way to drive down operating costs. The agency also will seek to shave \$8.3 million from this year's estimated workers compensation costs in FY 03 with an aggressive Safety's First campaign to reduce accidents in the work place.

> Bus operations remain highest priority in FY 03 draft budget, which includes plans for a new regional pass good for travel on all Metro buses and trains and for expanding Metro Rapid bus service on Vermont and South Broadway.



Included in next year's budget are plans for the five service sectors and expanding Metro Rapid bus service on Vermont and South Broadway, the first of 23 new Metro Rapid lines that will be phased in over the next several years.

The budget also includes money for bus projects in the Mid-City/Westside corridor. A new regional pass good for travel on all Metro buses and trains and 11 municipal bus lines also will debut in FY03. Construction of a 14-mile busway connecting Warner Center in the West San Fernando Valley and the North Hollywood Metro Rail station will commence next spring and should be completed two years later.

The EZpass is a forerunner of an electronic universal fare system (UFS), which should be in place within three years. Funds to procure the UFS system are included in the MTA's FY 03 budget.

Funding for street and highway programs

The second largest slice of the budget pie -- \$497 million or 19.1 percent -- is for highway and other regional transportation programs such as freeway carpool lane construction, freeway sound walls, street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other local transportation programs. It also includes funding for the Metro Freeway Service Patrol to help stranded motorists.

Metro Rail service expands

The next biggest portion of the draft MTA budget -- \$422 million or 16.2 percent -- is for Metro Rail operating costs and construction. This includes funds to start construction next spring for the Eastside extension of the Metro Gold Line from Union Station in downtown Los Angeles to Atlantic and Beverly.

That leg should be completed in 2008 and will connect at Union Station with the Metro Gold Line extension to Pasadena scheduled to open in mid-2003. The MTA's FY 03 budget includes \$16 million to test the new Pasadena line next spring and hire and train operators and mechanics to run it.

The draft budget calls for 573,000 Metro Rail revenue service hours, up 29,000 hours from the current year. Metro Rail will cost \$267.81 an hour to operate, down from \$269.76 this year.

As Metro Rail expands, the cost per passenger mile has become cheaper than transporting bus passengers: 35 cents for rail versus 43 cents for bus.

In addition, in FY 03 the MTA will contribute \$38 million, or 1.4 percent of the budget, to the Metrolink commuter rail operation.

Paratransit Gets Increased Subsidies

The FY 03 draft budget also will fund an array of other transportation programs including subsidies for curb-to-curb paratransit service for the disabled who cannot access regular fixed route public transportation. The spending plan proposes \$67.2 million next year, an increase of \$8.6 million from this year.

Debt service reduced

MTA's debt service next year will be \$315 million, 12.1 percent of the

total budget, down from \$339 million this year.

Rounding out the FY 03 draft budget are expenditures for other governmental programs such as transportation planning, the MTA's Customer Information service, and maintenance of regional busways. These expenditures total \$111 million or 4.3 percent of the total budget.

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