

Review Schedule > The MTA Board will conduct a budget workshop at 10 a.m. Monday, May 12, followed by a public hearing on the budget at 9:30 a.m., Thursday, May 15. MTA directors will consider adopting the FY04 budget at their regular Thursday, May 22, Board meeting.

MTA Unveils Austere FY 04 Draft Budget

By MARC LITTMAN



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(May 2, 2003) Determined "to live within our means" despite an anticipated sharp cut in state funding, MTA CEO Roger Snoble has proposed an austere MTA budget for the fiscal year beginning July 1.

The balanced \$2.8 billion draft budget calls for pushing forward with major transportation improvements to help Los Angeles County deal with worsening traffic. The draft budget is available for review at www.mta.net.

Due to major capital projects that will be under construction next year and the opening of the Metro Gold Line, the proposed FY 04 budget is up \$147 million, or 6 percent, over the current budget, however, the operating side of the budget is about the same.

Half the budget – \$1.377 billion – is earmarked for bus operating and capital expenses for MTA and the county's municipal bus operators. Bus expenditures are up \$125 million more than the current budget and reflect new services such as the expanding Metro Rapid lines, plus the purchase of hundreds of new buses.

Consent Decree costs

Complying with the federal Consent Decree to improve bus service will cost about \$130 million next year. Those costs are escalating and are up about \$30 million from this year.

MTA may lose more than \$1 billion in state funding, largely for capital projects, as the Legislature and Governor Gray Davis grapple with the state's worst fiscal crisis.

Farebox revenue is flat and local transit tax revenue and federal funding for MTA may show only a slight increase next year.

"Like many public and private companies, the MTA is struggling to maintain service in the face of limited resources," CEO Snoble said. "To accomplish that, we have to operate more efficiently and cut overhead."

Job cuts, employee wages

The draft budget calls for the elimination of 104 positions, no wage increase next year for MTA employees unless specified in labor contracts, a 10 percent cut in administrative costs, and a \$6 million reduction in workers compensation costs over this year.

The budget also calls for restructuring Metro fares, which haven't been adjusted in more than eight years.

Under the staff recommendation, the basic cash fare would drop a dime to \$1.25, but the cost of a monthly pass would be raised by \$10 (now \$42). Other fares would be adjusted, although staff is now recommending that there be no change in fares charged students, seniors and the disabled.

The Board will consider whether to restructure fares at its May 22 meeting. If the Board opts to do that, the new fares would go into effect Jan. 1, 2004. The staff fare proposal would generate about \$16 million in more revenue in FY04.

Metro Rail service increase

On the operating side, there will be an 18 percent increase in Metro Rail service with the opening this summer of the Metro Gold Line.

MTA will beef up bus service on the highest ridership lines, but will reduce service on some low-productivity lines, those carrying few passengers. This primarily affects the 13 low-volume bus lines that MTA contracts with private carriers to run.

MTA also will optimize its systemwide bus schedules and redeploy some service from lines where service is duplicated by the municipal bus operators or by new Metro Rail service.

Total Metro Bus service will decline by about 2 percent in FY 04 but MTA soon will start deploying new high-capacity buses that can carry more passengers.

More than \$1 billion for buses

Buses remain the highest priority for MTA in FY04.

The MTA will spend a record amount on the bus program, which includes Metro Bus operations, bus purchases and construction of new bus facilities as well as municipal bus operator subsidies and paratransit service for the disabled who can't use the regular fixed route transit system.

The draft FY 04 budget earmarks \$1.377 billion, or 49.3 percent, for buses. That compares with \$1.25 billion, 47.3 percent, this year.

Three new Metro Rapid lines will debut in FY 04. These include Vernon/La Cienega, Soto and Crenshaw/Rossmore. Within five years, MTA will have 27 Metro Rapid bus lines in place, spanning nearly 400 miles throughout Los Angeles County.

MTA expects to take delivery of 30 new 45-foot buses that can seat 16 percent more passengers than a standard 40-foot coach in FY 04. Another 70 of these bigger buses are on order along with 200 high-capacity 60-foot articulated buses.

Besides funding these bus purchases, MTA also has budgeted monies for construction of the 14-mile San Fernando Valley Metro Rapidway that will connect the North Hollywood Metro Rail station and Warner Center. The Transitway is under construction and is scheduled to open in 2005.

Metro Rail service expands

The second largest slice of the budget pie -- \$498 million or 17.8% -- is for Metro Rail operating costs and construction.

The opening of the Metro Gold Line this summer will expand the Metro Rail system to 73 miles crisscrossing Los Angeles County. The MTA plans to begin construction in FY 04 on a six-mile Eastside extension of the Metro Gold Line from Union Station to Atlantic and Pomona.

MTA also is purchasing 50 new light-rail cars to serve the Metro Gold Line and the Eastside extension, and a mid-life overhaul of the Metro Blue Line is scheduled next year.

In addition, MTA will contribute \$41 million, 1.5 percent of the total budget, to help subsidize Metrolink commuter rail operations in FY04.

Funding for streets and highways

The next biggest portion of the draft MTA budget -- \$483 million or 17.3 percent -- is for highway and other regional transportation programs such as construction of freeway carpool lanes, freeway sound walls, street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other local transportation programs.

The budget also includes funding for the Metro Freeway Service Patrol to help stranded motorists.

Debt service reduced

MTA's debt service next year will be \$312 million, 11.2 percent of the proposed budget. That's down from \$315 million this year.

Rounding out the FY 04 draft MTA budget are expenditures for other governmental programs such as transportation planning, capital projects such as warehousing, legal and other expenses. These expenditures total \$82 million, or 2.9 percent, of the budget.

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