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[Metro News Release]

Metro Board Adopts FY11 Budget

By Marc Littman

(May 19, 2010) The Los Angeles County Metropolitan Transportation Authority Board of Directors today adopted a \$3.8 billion budget for Fiscal Year 2010-11.

The spending plan is \$47 million less than the current Metro budget but still advances a variety of transportation improvements for the region including a spate of new highway and transit building projects. These are funded largely with federal stimulus funds and the new Measure R transit sales tax.

Against the backdrop of the worst economic downturn since the Great Depression, Metro has seen a sharp drop in local transportation sales taxes and farebox revenue compounded by cuts in state transit funding.

As a consequence, Metro originally faced an historic \$250 million operating deficit but CEO Art Leahy has managed to balance the budget by severely cutting administrative costs including the elimination of 20 percent of the agency's non-contract staff, 240 full-time equivalent positions.

For the second year in a row, the budget assumes no wage increase. However, Metro is negotiating new contracts this spring with its major labor unions representing operators, maintenance employees and clerks.

In addition the budget reflects improved capital budgeting and centralizing bus operations to improve efficiency. A five percent reduction in bus service is assumed along with a previously approved fare change that will be implemented July 1.

However, less than half of Metro riders – 48 percent – will be impacted by the fare change, which is only the third Metro fare increase in the past 15 years. Thanks to the passage of the Measure R transportation half cent sales tax in Los Angeles County in November 2008, fares for seniors, students, the disabled and Medicare recipients will stay at current levels until 2013. Silver Line fares also will not change.

The cash fare for regular riders will be increased 25 cents to \$1.50; a day pass will be \$6, up one dollar; the Metro weekly pass will be \$20, up \$3; and a monthly pass will be \$75, up \$13.

The new fares will still be among the lowest charged by any major transit agency in the nation. Even under the new fare structure, riders will only pay 28 percent of the cost of operating Metro buses and trains. The rest is subsidized by other funding sources, primarily local sales tax revenue.

The five percent reduction in bus service hours will be achieved through more efficient scheduling to reduce service duplication and improve productivity. However, service quality will improve by continuing the

current level of maintenance support and on-street supervision.

Metro will program \$625 million in local Measure R sales tax monies in FY 11. These include monies to advance planning and construction for more than two dozen transit and highway projects plus monies to subsidize bus operations and \$87 million in local return monies that will be given the various cities in Los Angeles County to use for major street resurfacing, pothole repair, improving traffic congestion, bikeways, pedestrian improvements, signal synchronization and transit improvements.

Among major transportation advances in the coming fiscal year, Metro will purchase 125 new compressed natural gas buses, order new rail cars, continue construction funding for the Expo light rail line from downtown Los Angeles to Culver City and a four mile extension of the popular Metro Orange Line busway from Canoga Park to Chatsworth, oversee construction of a 10-mile northbound carpool lane on the I-405 freeway from the 10 to 101 freeways and advance numerous planning studies for new transit projects throughout Los Angeles County. Construction of an 11-mile Foothill extension of the Metro Gold Line from Pasadena to Azusa also will begin this summer.