



NEWS

May 28, 1997

CONTACT: GARY WOSK/JIM SMART
MTA MEDIA RELATIONS
(213) 922-2712/922-2700
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MTA UNVEILS DRAFT \$2.8 BILLION FY 98 BUDGET THAT CALLS FOR BUS SERVICE IMPROVEMENTS, CUTS IN OVERHEAD

The draft fiscal year 1998 budget presented to the MTA Board of Directors today is 1 percent less than the current budget. Nevertheless, the budget calls for improvements in bus service and continued construction of the Metro Rail subway project in Hollywood and North Hollywood and start of construction of the subway in East Los Angeles.

The proposed \$2.8 billion spending plan provides funding subsidies for rail and bus service to meet the terms of a federal court consent decree that requires the MTA to provide added Metro bus service and purchase more equipment. And, while Metro bus service will improve, no fare increases are scheduled to occur during the fiscal year, which begins July 1, 1997.

The Board is expected to review the budget at workshops in June and adopt it at its June 25 meeting.

"The 1997-98 budget sends a clear message to our stakeholders, the people of Los Angeles County who pay for and utilize our buses and trains, carpool lanes and other transit services everyday, that this agency will be run in the most cost-efficient manner possible," said Interim MTA CEO Linda Bohlinger. "The theme of this budget is accomplish more with less and focus on fundamentals, and we will."

The proposed funding plan calls for the elimination of 192 positions. These will be attained by voluntary retirements and attrition though there may be some layoffs. Funds appropriated for salaries and wages during the

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fiscal year will be reduced by \$28 million as a result of the staffing cutbacks.

Bus Division 12 in Long Beach, one of a dozen Metro bus operating divisions, will be downscaled to a light maintenance and storage facility.

In addition, the proposed budget calls for the curtailment of some "owl service," MTA bus service operated between midnight and 4 a.m. The service is poorly utilized with many buses running with just a handful of passengers.

Much of the cost reduction is being driven by declining operating revenues. Funding from state and federal sources also is expected to hold steady or be less than the current year.

"Better bus service, continued construction of the Metro Red Line in Hollywood and North Hollywood are some of the major elements within this budget proposal for the next fiscal year," Bohlinger added.

Bohlinger noted that the MTA is the major public transportation service provider in the region as well as the lead transportation planning agency for the county. The MTA also is responsible for the construction of the rail system that includes the Metro Red, Blue and Green lines.

Areas of primary allocation include: \$673 million for bus and rail operations; \$1.1 billion for bus and rail asset maintenance projects, bus procurements and major rail construction; and \$667 million for transportation planning, including subsidies.

In operations, the budget calls for 223 new buses to be purchased at a cost of \$100 million. In December, 53 buses were placed into service while another 51 buses are slated to join the 1,750 average weekday, peak hour fleet in June.

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This summer, as part of a demonstration project, 50 additional buses will be tested on new bus lines so that transit dependent individuals can enjoy improved access to jobs, schools and health care facilities.

In rail construction, the budget allocates \$783 million in capital funding for the following Metro Red Line subway projects under construction: \$180 million to Segment 2, Wilshire Boulevard/Vermont Avenue to Hollywood Boulevard/Vine Street, and \$320 million to Segment 3, North Hollywood to Hollywood Boulevard/Highland Avenue.

In addition, another \$145 million in subway funds is appropriated to Segment 3, Union Station in downtown Los Angeles to East Los Angeles (construction will begin in 1998), \$7.5 million for studying extending the subway to Mid City and \$4 million to study extending the subway across the San Fernando Valley. The budget also sets aside \$47 million to support improvements and upgrades to the Metro Red Line and light rail Metro Blue and Green lines. The budget also includes \$76 million in construction funds to extend the Metro Blue Line to Pasadena.

Allocations to planning and transportation include \$170 million in funds for the MTA's Call for Projects where 88 cities, Los Angeles County and other agencies apply for transportation improvement monies distributed by the agency. Projects to be funded include freeway carpool lanes, major street widenings, freeway ramps, traffic synchronization, bus system improvements, ridesharing incentives, transit centers and park-n-ride lots and regional bikeways.

Funds equaling approximately \$128 million in operating and capital funds will be distributed next year to the following municipal bus operators:

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Arcadia (\$688,000), Claremont (\$135,000); Commerce (\$1.04 million); Culver City (\$10 million); Foothill (\$33 million); Gardena (\$7.4 million); La Mirada (\$468,000); Long Beach (\$30 million); Montebello (\$8 million); Norwalk (\$2.3 million); Redondo Beach (\$121,000); Santa Monica (\$26 million); Torrance (\$9.4 million); Antelope Valley (\$4 million); Los Angeles Department of Transportation (\$8 million); and Santa Clarita (\$4.7 million).

Also slated to receive funding: \$53 million for Metrolink, Southern California's commuter rail line, and \$30 million for the Alameda Corridor project, a 20-mile rail development program that speeds the transport of goods from the ports of Los Angeles and Long Beach to downtown Los Angeles.

Additionally, \$30 million is keyed for paratransit services, a program that helps disabled individuals access public transit; \$31 million to the Metro Freeway Service Patrol for continuation of the successful emergency tow truck service and \$14 million for freeway call boxes throughout Los Angeles County.

The MTA was formed in April 1993 by the merger of the Los Angeles County Transportation Commission and the Southern California Rapid Transit District and is one of the country's largest regional transportation planners and operators.

Funding for the MTA comes from three main sources: two local sales tax measures approved by Los Angeles County residents, Propositions A and C, the federal government and the state of California.