



NEWS

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Bus Operations Decentralize

MTA FY 03 DRAFT BUDGET CUTS COSTS BUT DELIVERS MORE SERVICE

MTA will spend \$126 million less in the next fiscal year than the current year's budget yet deliver more bus and rail service with no fare increase and be more responsive to local communities. That's the upshot of the draft Fiscal Year 03 budget prepared by MTA CEO Roger Snoble.

The proposed spending plan is for the fiscal year that starts July 1, 2002. The public can view the draft budget on MTA's Internet web site at www.mta.net or request a copy by calling Charlene Aguayo in MTA Records Management at (213) 922-2342.

The MTA Board of Directors will hold a public hearing on the budget at 9:30 a.m. Thursday, May 16, in the third floor Board room at MTA Headquarters next to Union Station in downtown Los Angeles. The Board also will hold a budget workshop at 1:30 p.m. May 13 and will consider adopting the FY 03 budget at its regular Thursday, May 23, Board meeting that starts at 9:30 a.m. All meetings will be held in the MTA Board room.

The \$2.6 billion budget is balanced. It is \$126 million less than this year's budget. Snoble said the reduction was 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.

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1st Add/MTA FY03 Budget

“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,” Snoble added.

Decentralize Bus Operations

For decades, MTA has run a bus operation serving all Los Angeles County from its downtown Los Angeles headquarters. That operation will be split into five geographical operating units by Jan. 1, 2003. Each sector will have its own budget and be headed by a general manager with support staff based in the communities they serve.

They will have intimate knowledge of the local operations, the service area and their customers so they can better tailor service to meet demand. This structure also will give the public easier access to MTA managers and more input in guiding MTA planning decisions. Snoble expects the sectors to save money in the future as MTA continues to make its operations more efficient.

Sectors are planned for the San Fernando and San Gabriel valleys, which will be underway July 1. The other three service sectors in the South Bay, Central/Westside areas, and the Gateway Cities in Southeast Los Angeles County will be in place by the end of the year.

More than \$1 billion for Buses

Bus operations will remain the highest priority in FY03. 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.

Included in next year's budget are plans for the 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.

These red and white painted buses make fewer stops than local buses and are equipped with special transmitters that extend green lights by 10 seconds or turn red traffic signals green sooner.

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That has resulted in about 25 percent faster travel times on the two lines where Metro Rapid operates today – Ventura Boulevard in the San Fernando Valley and Wilshire and Whittier boulevards from Santa Monica to Montebello – compared to regular Metro Bus service.

As a result, ridership has spiked on these lines, and people new to public transit also are using the faster service. By operating more efficiently, Metro Rapid also adds to the capacity of the Metro Bus system.

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 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.

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 MTA's FY 03 budget.

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.

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 FY03 with an aggressive Safety's 1st campaign to reduce accidents in the work place.

Paratransit Gets Increased Subsidies

MTA's FY03 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. More...

3rd Add/MTA FY03 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. MTA's FY03 budget includes \$16 million to test the new Pasadena line next spring and hire and train operators and mechanics to run it.

The FY03 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 FY03 MTA will contribute \$38 million, or 1.4 percent of the budget, to the Metrolink commuter rail operation.

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.

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4th Add/MTA FY 03 budget

Rounding out the FY03 draft budget are expenditures for other governmental programs such as transportation planning, MTA's Customer Information service, and maintenance of regional busways. These expenditures total \$111 million or 4.3 percent of the total 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.