Metro

Transit Fare, Service and Funding Restructuring Analysis

Final Report

Los Angeles, CA
August 11, 2005

Study Purpose

- Rising labor, fuel, and security costs have created **financial and service pressures** on transit agencies throughout Los Angeles County
- There is a **need for additional countywide funds** in order to expand transit services countywide, including motorbus, rail, and demand response operations
- The purpose of this study is to **conduct an independent financial analysis** of fare, service, and funding restructuring alternatives
- The study is intended to **inform the regional discussion** regarding options that can help meet regional needs
- The fare, service, and funding restructuring options developed for this study **were not tested for their feasibility**, but were selected solely to identify a range of options and to estimate their impacts. It is anticipated that **alternatives will be refined** as study objectives, financial realities and operating conditions are clarified in a regional forum

Study Objectives

- Fare, service, and funding restructuring objectives were developed in order to guide the study activities
- **Fare restructuring objectives** are to:
  - Facilitate customer convenience by establishing regional fare policies
  - Simplify operator fare structures and speed up transaction times
  - Generate additional countywide fare revenue
- **Service restructuring objectives** are to:
  - Reduce the costs of operating service from a countywide perspective
  - Free up resources to generate new ridership
- **Funding restructuring objectives** are to:
  - Take fare policy out of the FAP formula
  - Tie the FAP formula to objective and consistent factors

The Fare, Service and Funding Alternatives Options Considered Generate Additional Countywide Funds

Additional Funds Generated Countywide: FY06-FY10 Total

	Lowest Option Considered	Medium Option Considered	Highest Option Considered
Fare Restructuring Changes	**$136,159,000**	**$348,406,000**	**$747,329,000**
Service Operator Changes	**$10,560,000**	**$26,724,000**	**$51,500,000**
Transit Funding Changes	**$0**	**$0**	**$0**

Fare Restructuring Changes - **Low:** MTA-Independent at $1.00 cash fare. **Medium:** MTA at $1.25 cash fare with participation of six munis. **High:** $1.50 then $1.75 countywide cash fare.

Service Operator Changes - **Low:** service operator change for 3% of MTA motorbus services. **Medium:** 10% of MTA motorbus services. **High:** 16% of MTA motorbus services.

Transit Funding Changes - Do not generate additional funds.

This Report is Organized As Follows

Section 1: The Need for Change

The Formula Allocation Program Was Created In 1979

- As described in Section 99285 (d) of the Public Utilities Code, the **Formula Allocation Program (or FAP)** was adopted in December 1979 by MTA to manage the allocation of countywide transit funds among MTA and the municipal operators in Los Angeles County. Key elements of the current FAP include:
  - State Transportation Assistance, Transportation Develop Act, Federal 5307 (formerly Section 9) and Proposition A 40% Discretionary Funds
  - MTA and 16 included and eligible municipal operators receive funding through the FAP program
  - Additional regional transit funds allocated at the same time as, but not through the FAP itself, include Prop A Incentive, Prop A and C Interest, and Prop C 40% Discretionary funds
- FAP allocates transit funds based on the most recent auditable data for each operator. As fund allocations are made in the Spring for the following fiscal year, allocations for a given fiscal year are based on data from two years prior (i.e., FY02 audited data determines FY04 fund allocations)
- Under state law, the MTA Board has the authority to change the FAP with a three-quarters majority vote of the directors

Description Of The Formula Allocation Program (FAP)

- At inception, the FAP used the following variables to allocated funds:
  - 50% weight to in-service revenue vehicle miles
  - 25% weight to passenger boardings
  - 25% weight to linked passenger trips (i.e., ridership other than transfers)

- In December 1986, the formula was changed with each operator's allocations based on **vehicle service miles** and **fare units** (total revenue divided by the base cash fare):
  - Each operator's allocation share is calculated as half of its vehicle service miles plus half of its fare units divided by the total region's sum
  - There is no established weighting, but fare units tend to be a larger number than service miles (the current distribution is 64% fare units/36% service miles)

- The use of fare units in the FAP formula creates an **incentive to keep the base cash fare low, while limiting the availability of discounts** (e.g., passes) as the closer an operator's average fare is to its base cash fare, the more FAP fare units an operator will receive

- The funding distribution process has continued to evolve since 1986, as a number of additional programs outside of the FAP itself were set up to fund particular operators, each with its own set of rules and reporting requirements. These changes have made the funding process **more complex** and **more difficult to audit**. More information regarding these changes are provided on the following slides

Some Aspects of the FAP Should Be Noted

- The FAP formula **excludes non-FAP funded services**:
  - Only the FAP-funded services of an operator's total service provision are included in the FAP funding formula. Non-FAP funded services are excluded
  - About 98% of MTA motorbus services are directly FAP funded (based on vehicle service miles). MTA's non-FAP services include BSIP services and the Hollywood Bowl shuttle
  - MTA rail services are also not FAP funded, but are instead funded by a separate Prop A rail development fund that is used for operations, capital, and debt service costs
  - For some municipal operators, only their fixed route services are FAP funded. Municipal operators with non-FAP funded demand response services include Antelope Valley, Gardena, Norwalk, and Santa Clarita

- The FAP also treats **eligible operators** differently than **included operators**:
  - Included operators are those that were originally part of FAP when established in 1979 or were made included at a later date by meeting established criteria. To date, only Foothill Transit has earned included operator status since that time
  - Eligible operators are those that receive FAP equivalent funds, funded through Prop A 40% Discretionary above CPI and/or Prop A Incentive funds. The eligible distinction maintains the FAP shares of included operators while still allowing additional operators to receive regional transit funding
  - The eligible operators are currently Antelope Valley, Foothill – BSCP, Los Angeles DOT, and Santa Clarita. Antelope Valley and Santa Clarita do not receive TDA Article 4 formula equivalent funds (about 55% of the pure FAP funds), and receive TDA Article 8 funds instead

Allocation Of Funds Today Has Grown To Include Several Non-FAP Programs, Each With Its Own Rules

- Zero-Fare Compensation – As Commerce has a free-fare system, Commerce receives Prop A Incentive Funds equal to its FAP share (calculated solely on vehicle service miles) effectively counting vehicle service miles twice in determining its allocation

- Foothill Transit Mitigation – created on September 27, 1995 and funded by Prop C 40% Discretionary to mitigate the financial impact on other operators of Foothill Transit becoming an Included operator

- Transit Service Expansion (TSE) – adopted on June 27, 1990; the TSE was created to implement short-term programs aimed to reduce congestion in identified corridors. TSE includes eight operators and the City of Lynwood, and the level of funding for original service levels is increased by CPI each year

- Base Restructuring – adopted on May 27, 1992; this program was developed to address service expansions for operators between 1990 and 1992 when the Prop A Discretionary 40% funds were frozen at 1990 "base" funding levels. The Base Restructuring Program is funded with Prop C 40% Discretionary funds and is allocated the same as the TSE program though only four operators receive Base Restructuring funds

Allocation Of Funds Today Has Grown To Include Several Non-FAP Programs, Each With Its Own Rules (Continued)

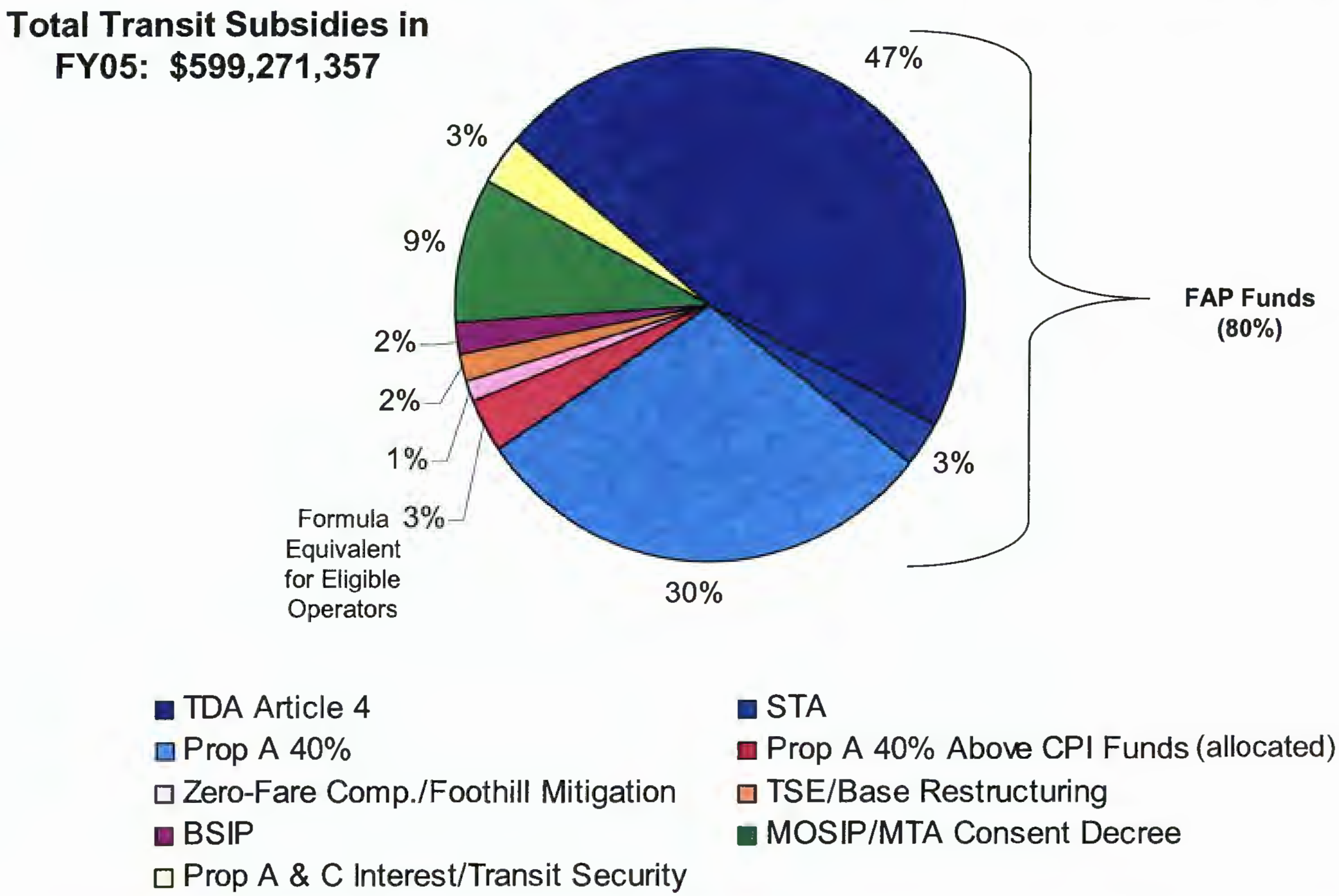
- Bus Service Improvement Program (BSIP) – adopted on July 24, 1996 and funded by Prop C 40%; the BSIP was developed to achieve specific improvements in overcrowding, security and mobility for the transit dependent rider in Los Angeles County. Most operators are included in this program

- Security – 10% of Proposition C, with 5% off the top going to MTA. Ninety percent of this fund is allocated based on bus and rail boardings, and funds are to be used to improve and expand rail and bus security in the County of Los Angeles. All operators are included

- Prop A and Prop C Interest – interest earned on Prop A and C funds are allocated to all operators on the basis of total funds allocated. Interest funds are not always available for allocation, subject to direction of the MTA Board

- Municipal Operator System Improvement Program (MOSIP) – established by MTA Board action on April 26, 2001 to improve and expand countywide transit service, using Proposition C 40% funds. This program includes all municipal operators except MTA which receives funding outside the regional transit funding allocation process. The amount of this funding pool was initially set at $15M with a 3% increase in each sucessive year through FY06

In FY05, FAP Governed Funds Accounted for 80% of Total Funds Allocated through the Bus Transit Funding Allocation Process



- In FY06, total bus transit subsidies grew to **$640.42 million**, of which **$525.25 million (82%)** was governed by the FAP

The Complexity of the Collective FAP/Regional Transit Fund Allocation Process is Evident in the Submittal of Data to MTA

- Data used to determine fund allocations is provided to MTA on the **TPM (Transit Performance Measurement) form** which segregates FAP from non-FAP funded services

- System-wide operating and financial data is audited for each operator and serves as the basis of the TPM report. However, allocation of service, cost, and fare revenue among the various funding programs of the regional transit funding allocation process and other-funded services is based largely on an allocation process unique to each operator. **While system total data is audited, service and financial data within unique funding categories is not**. The process of allocation among FAP and non-FAP funded services is necessary to allocate just a portion of the 20% of regional transit funds that are not FAP allocated

- The schedule and annual deadlines for TPM submittals has noticeably slipped and it is not uncommon for **operators to submit more than one version of their TPM forms** to MTA. Often an estimated and then an audited version is provided to MTA, with some operators providing several audited versions prior to release of the actual funding allocation results. While some operators submit updated data to correct mistakes on earlier forms, new submittals by operators are often provided at the request of MTA staff who have noticed inconsistencies in the level of service among funding programs from year to year

The Regional Funding Allocation Process has Become More Complex and Less Auditable; Improvement Opportunities Exist

FAP Formulas & Funding Programs	Alignment with Regional Policies	Simplicity	Ability to Audit
1979 Formula 50% Vehicle Service Miles 25% Passenger Boardings 25% Linked Passenger Trips Single Fund Pool	4 Awards funds on the basis of service provided and service consumed with service consumed capturing both the number of passengers and the distance traveled.	4 As a single funding pool program, administering the FAP was simple.	2 Auditability limited by use of linked passenger trips in formula.
1986 Formula 50% Vehicle Service Miles 50% Fare Units Single Fund Pool	4 Fare units replaced boardings and pax trips to reward operator efficiency and make data reporting easier, but is an indirect measure of transit demand. Introduction of fare units was done to encourage operating efficiency through rewarding low fares.	4 As a single funding pool program, administering the FAP was simple.	4 Use of fare units (based on fare revenues and base fare) improved the auditability of FAP data.
Current Formula 50% Vehicle Service Miles 50% Fare Units Multiple Fund Pools	2 As the current formula reflects ten years of one-by-one adjustments, fund allocation in its totality has not been aligned with regional priorities though the various funding programs are Board-adopted and thus reflect Board priorities. Over time, the incentive to keep fares low has not been consistent with financial realities (rising costs).	0 The multiple funding pools (FAP, TSE, BSIP, etc.) make allocation of service by category more complex.	0 Only in total are FAP variables auditable, variables by type of service are based on allocation and professional judgment.
Possible New Formula 50% Vehicle Service Miles 50% Passenger Boardings Single Fund Pool	4 Awards funds on the basis of amount of service provided and consumed. Eliminates unintended impacts on fare policy under current formula.	4 As a single funding pool program, administering the FAP could again become simple.	4 Use of auditable statistics in the formula improves the auditability of the FAP process.

4 Best Aligned, Least Complex, Can be Audited 0 Least Aligned, Most Complex, Cannot be Audited

Section 2: Opportunities to Increase Transit Operating Funds Regionally

LA County Fares are Generally Lower than Other Comparable Metropolitan Areas

	Cash Fare	Day Pass	Monthly Pass
Los Angeles			
LACMTA	**$1.25**	**$3.00**	**$52.00**
Municipal Operators	**mostly $0.50-$1.00**	**mostly none**	**none or $22.00-$50.00**
New York			
MTA Bus	$2.00	-	$76.00
Long Island Bus	$2.00	-	$76.00
Chicago			
CTA	$1.75	$5.00	$75.00
Pace	$1.50	-	$75.00
Washington DC-Baltimore			
WMATA Bus	$1.25	$3.00	$44.00
Maryland MTA	$1.60	$3.50	$64.00
San Francisco-San Jose			
AC Transit	$1.50	-	$60.00
Muni	$1.25	$9.00	$45.00
SamTrans	$1.25	-	$40.00
Santa Clara VTA	$1.75	$5.25	$61.25
San Diego			
San Diego MTS	$1.75 or $2.25	$5.00	$58.00
NCTD	$1.75	$3.50	$50.00

Los Angeles also has the regional EZ Monthly Pass for $58.00.

WMATA sells its weekly pass for $11.00 ($11.00 x 4 = $44.00 per month).

Fare Restructuring Options Were Established

- The previously identified **fare restructuring objectives** are to:
  - Facilitate customer convenience by establishing regional fare policies
  - Simplify operator fare structures and speed up transaction times
  - Generate additional countywide fare revenue

- A **Baseline** case was established to serve as a point of comparison, which assumes that no operators make fare changes. **Six fare restructuring options** were then developed:

	Option #1	Option #2
MTA Independent	MTA: $1.00 base fare; higher pass prices Munis: Some operators lower their fares	MTA: $1.25 base fare; higher pass prices Munis: No participation
Partial Regional Participation	MTA: $1.00 base fare; higher pass prices Munis: Some adopt regional policies	MTA: $1.25 base fare; higher pass prices Munis: Some adopt regional policies
Full Regional Participation	MTA: $1.25 base fare; higher pass prices Munis: Countywide base fare of $1.25	MTA: $1.50 fare in FY06; $1.75 in FY08 Munis: $1.50 fare in FY06; $1.75 in FY08

- These fare restructuring options (and all restructuring options described in this report) **were not tested for their feasibility**, but were selected solely to identify a range of options and estimate their impacts. It is anticipated that these **alternatives will be refined** in a regional forum

Key Elements of MTA Fare Restructuring: Low to Medium

- MTA's **low to medium fare restructuring options** were developed (Jan 2006 implementation):
  - Cash fare of either $1.00 or $1.25
  - Local Day Pass of $4.00 or $5.00, or Regional EZ Day Pass of $5.00
  - Regional EZ Monthly Pass serves as MTA Local Monthly Pass, at a price of $58.00 or $60.00
  - Senior/disabled, student, and college monthly pass increases are phased in over five years

Fare Element	Current Fare	MTA at $1.00 Base Fare	MTA at $1.00 % Fare Change	MTA at $1.25 Base Fare	MTA at $1.25 % Fare Change
Cash, Regular	$1.25	$1.00	-20%	$1.25	0%
Cash, Senior/Disabled	$0.45	$0.50	11%	$0.60	33%
Token (Migrates to Cash)	$1.10	$1.00	-9%	$1.25	14%
Day Pass, Regular	$3.00	$4.00 or $5.00	33% or 67%	$5.00	67%
Day Pass, Senior/Disabled	$1.50	$2.00 or $2.50	33% or 67%	$2.50	67%
Monthly Pass, Regular	$52.00	$58.00 or $60.00	12% or 15%	$58.00 or $60.00	12% or 15%
Monthly Pass, Senior/Disabled	$12.00	$29.00 or $30.00	142% or 150%	$29.00 or $30.00	142% or 150%
Monthly Pass, Student (K-12)	$20.00	$58.00 or $60.00	190% or 200%	$58.00 or $60.00	190% or 200%
Monthly Pass, College/Vocational	$30.00	$58.00 or $60.00	93% or 100%	$58.00 or $60.00	93% or 100%
EZ Monthly Pass, Regular	$58.00	$58.00 or $60.00	0% or 3%	$58.00 or $60.00	0% or 3%
EZ Monthly Pass, Senior/Disabled	$29.00	$29.00 or $30.00	0% or 3%	$29.00 or $30.00	0% or 3%
Other		Either no change or eliminate the Muni-to-Metro transfer			
Projected Average Fare Per Trip	**$0.624**	**$0.744 to $0.771**	**19% to 24%**	**$0.827 to $0.840**	**33% to 35%**

Shaded fare adjustments are phased in over a five-year period.
The Regional EZ Monthly Pass also serves as the MTA Local Monthly Pass.
The token, semi-monthly pass, weekly pass, and night service fares are discontinued.
"Other" includes Muni-to-Metro transfer, MetroLink transfer, and free ridership.
Average Fare Per Trip projections correspond to after the fare changes are fully implemented.
Differences in average fare per trip result largely from the different cash fare levels and pass prices.
Furthermore, elimination of the Muni-to-Metro transfer is projected to generate roughly $3 million annually.

Key Elements of MTA Fare Restructuring: High-End

- MTA's **high-end fare restructuring option** was also developed:
  - Cash fare of $1.50 in Jan 2006, then $1.75 in Jan 2008
  - Regional EZ Day Pass of $5.00 in Jan 2006, then $6.00 in Jan 2008
  - Regional EZ Monthly Pass of $70.00 in Jan 2006, then $80.00 in Jan 2008
  - Senior/disabled, student, and college monthly pass increases are phased in over five years

Fare Element	Current	Jan 2006	Jan 2008	Jan 2010
Cash, Regular	$1.25	$1.50	$1.75	$1.75
Cash, Senior/Disabled	$0.45	$0.75	$0.85	$0.85
Day Pass, Regular	$3.00	$5.00	$6.00	$6.00
Day Pass, Senior/Disabled	$1.50	$2.50	$3.00	$3.00
EZ Monthly Pass, Regular	$58.00	$70.00	$80.00	$80.00
EZ Monthly Pass, Senior/Disabled	$29.00	$35.00	$40.00	$40.00
Local Monthly Pass, Regular	$52.00	-	-	-
Local Monthly Pass, Senior/Disabled	$12.00	$21.00	$30.00	-
Local Monthly Pass, Student (K-12)	$20.00	$35.00	$55.00	-
Local Monthly Pass, College/Vocational	$30.00	$45.00	$60.00	-
Projected Average Fare Per Trip	**$0.624**	**$0.884**	**$1.052**	**$1.091**

Express service surcharges: $0.50 cash or Day Pass surcharge per zone ($0.25 senior/disabled);
$15.00 zone increments for EZ Monthly premium stamps ($7.50 senior/disabled).
The token, semi-monthly pass, weekly pass, and night service fares are discontinued.
Inter-operator transfers are discontinued. The MetroLink fare agreement is retained.
Average Fare Per Trip projections correspond to after the fare changes are fully implemented.

Key Elements of Municipal Operator Fare Restructuring

- In the **MTA Independent** scenario, the following assumptions regarding municipal operator fares are made:
  - If MTA reduces cash fare to $1.00: Select munis lower their cash fares: assumed to be Claremont, Long Beach, Montebello, Redondo Beach. Foothill raises its cash fare from $1.10 to $1.25 (previously announced on its website for FY06, but no longer planned)
  - If MTA holds cash fare at $1.25: No munis change their fares, except for Foothill which raises its cash fare to $1.35 (previously announced on its website for FY07, but no longer planned)
- In the **Partial Regional Participation** scenario, select municipal operators were assumed to join MTA in adopting regional fare policies (at either a $1.00 or $1.25 cash fare). These operators are Culver City, Foothill, Long Beach, Los Angeles DOT, Montebello, and Santa Monica
- In the **Full Regional Participation** scenario, a countywide fare structure is assumed for MTA and all municipal operators, at either a $1.25 cash fare in FY06 or $1.50 in FY06 then $1.75 in FY08
- The potential for fare revenue growth in the Full Regional Participation scenario is clearly higher than the Partial Regional Participation or MTA Independent scenarios
- As previously stated, fare scenarios do not necessarily reflect the most feasible alternatives, but instead allow for a range of options to be evaluated

Service Restructuring Can Yield Operating Cost Savings

- By reducing the operating cost of MTA's lowest ridership routes, the net subsidy per passenger will decrease and overall route performance will improve:
  - Service restructuring options were developed that involve MTA eliminating its low productivity motorbus services. Three cases are analyzed: **3% (8 routes), 10% (18 routes), and 16% (35 routes) of MTA's bus services**
  - MTA's annual operator attrition rate is about 7%, and the annual mechanic attrition rate is about 3%. Service elimination would be paced to at most match attrition and service expansion (no layoffs)
  - Select municipal operators would pick up the operation of these services and restructure them to improve system connectivity and performance

- MTA would provide **bridge funding** to the municipal operators that operate the routes, based on the principles established in the Local Transportation Zone Guidelines from April 1999:
  - The net savings in marginal operating costs would be shared 50/50 between MTA and the municipal operator
  - The bridge funding would last for two years, after which time the services would be funded directly through Formula Allocation Program (FAP) funds

- For purposes of this analysis, MTA's marginal operating cost was estimated at 75% of its fully allocated operating cost. Marginal operating costs of municipal operators were estimated at 90% of their fully allocated operating costs

Section 3: Allocation of Regional Transit Funds

With the Current Funding Process, Subsidy Levels Differ Widely

- The current funding process results in varying subsidies per service unit or consumer unit:
  - **Service Provision:** Gardena, Santa Monica, and Torrance receive the most funds relative to the amount of service provided. Demand response only operators are among those that receive the least
  - **Service Utilization:** Demand response only operators receive the most funds relative to the number of passengers or passenger miles carried. LACMTA and LADOT are among those that receive the least

			SERVICE PROVISION		SERVICE UTILIZATION	
	FY06 Actual Funding Marks in #	FY06 Actual Funding Marks in %	Allocation per Vehicle Service Mile (VSM)	Allocation per Vehicle Service Hour (VSH)	Allocation per Passenger Boarding	Allocation per Passenger Mile
Los Angeles MTA	$449,366,618	70.17%	$4.94	$61.61	*$1.23*	*$0.31*
Antelope Valley	$3,876,351	0.61%	*$1.64*	*$30.05*	$1.45	*$0.11*
Arcadia	$714,160	0.11%	*$2.16*	*$24.37*	**$4.48**	**$1.31**
Claremont	$205,492	0.03%	*$2.53*	*$36.70*	**$4.21**	**$1.46**
Commerce	$1,121,182	0.18%	*$3.61*	*$50.16*	**$1.49**	**$0.45**
Culver City	$8,722,014	1.36%	**$6.14**	$64.72	**$1.62**	**$0.52**
Foothill	$43,564,383	6.80%	*$3.49*	$57.35	**$2.94**	**$0.45**
Gardena	$10,188,055	1.59%	**$6.37**	**$90.48**	**$2.08**	**$0.57**
La Mirada	$313,502	0.05%	*$2.35*	*$29.66*	**$5.23**	**$1.11**
Long Beach	$40,384,481	6.31%	**$5.23**	$57.82	**$1.50**	**$0.56**
Los Angeles DOT	$12,245,804	1.91%	*$3.58*	*$46.70*	*$1.23*	**$0.47**
Montebello	$16,370,817	2.56%	**$5.50**	$63.95	**$1.49**	**$0.48**
Norwalk	$4,356,759	0.68%	*$4.31*	$59.07	**$2.32**	**$0.59**
Redondo Beach	$120,133	0.02%	*$2.31*	*$30.03*	**$4.14**	**$1.29**
Santa Clarita	$4,611,214	0.72%	*$1.68*	*$32.74*	$1.38	*$0.11*
Santa Monica	$32,741,426	5.11%	**$6.55**	**$71.58**	**$1.59**	**$0.46**
Torrance	$11,518,469	1.80%	**$5.43**	**$68.64**	**$2.41**	**$0.53**
TOTAL	$640,420,860	100.00%	$4.76	$60.65	$1.36	$0.34

FY06 Actual Funding Marks include FAP funds, Zero-Fare Compensation, Foothill Transit Mitigation, Transit Service Expansion, Discretionary Base Restructuring, BSIP, MOSIP, Consent Decree, and Transit Security.

Items in bold: based on this measure, agency is currently funded 8%+ over the countywide average.

Items in italics shaded: based on this measure, agency is currently funded 8%+ under the countywide average.

Antelope Valley and Santa Clarita do not receive TDA Article 4 funds and are shown for reference purposes only.

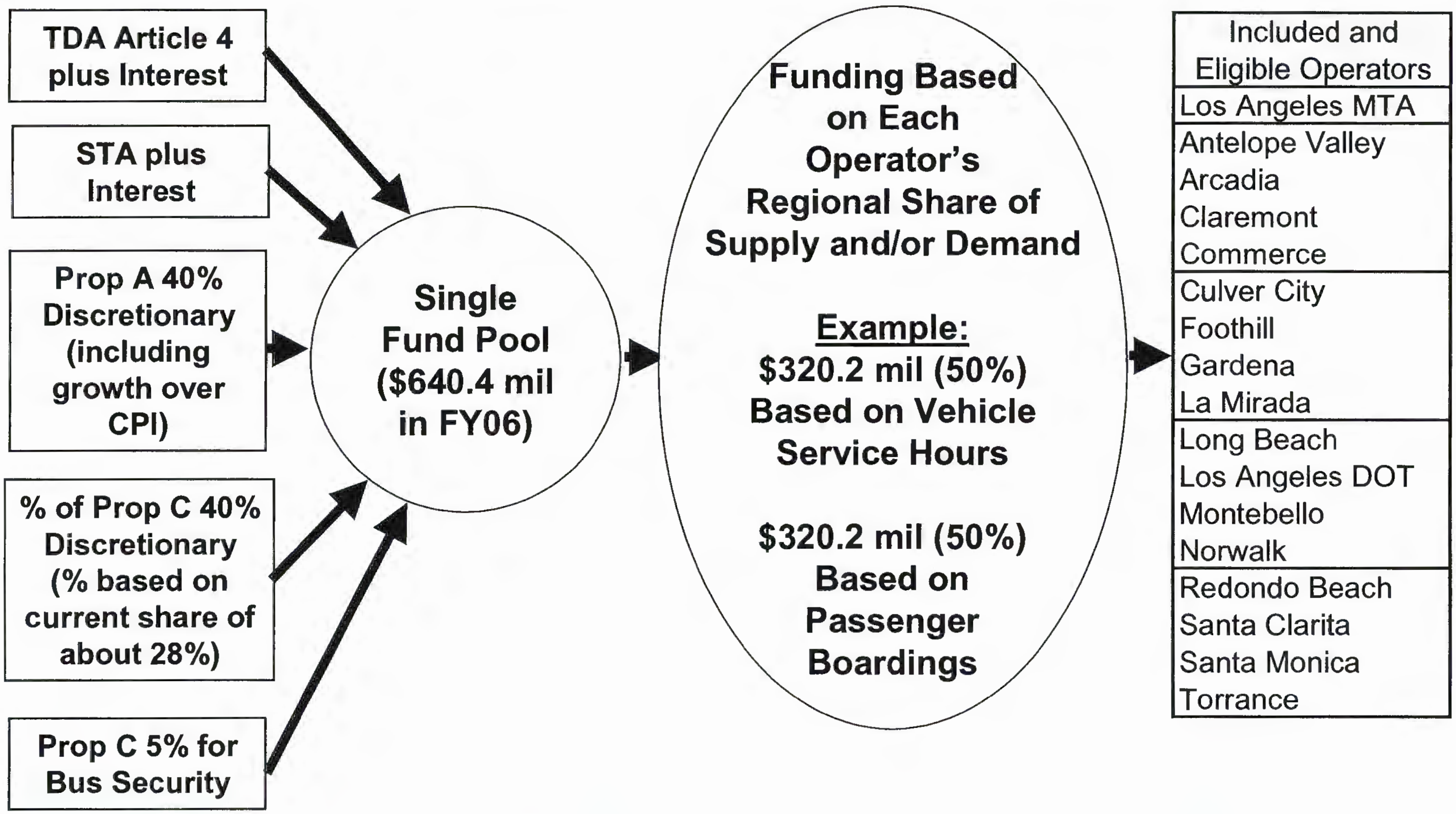
What Funds Should be Governed by the FAP Formula?

- For Fiscal Year 2006:
  - **$525.25 million** of bus transit funding (82%) was allocated according to the FAP formula
  - Another **$115.17 million** (18%) was allocated according to several non-FAP programs

- Two options for what funds could be governed by the FAP formula are provided below. Option 1 is the Current Process; Option 2 creates a Single Fund Pool by combining the services and associated funding amounts of current non-FAP programs into the FAP

	Option 1: Current Process	Option 2: Single Fund Pool
Currently Governed by FAP		
TDA Article 4 plus Interest	$290,842,647	$290,842,647
STA PUC 99314 plus Interest	$29,286,892	$29,286,892
Prop A Discretionary Capped at CPI Growth	$186,224,317	$186,224,317
Prop A Discretionary to Eligible Operators	$18,893,364	$18,893,364
Current Non-FAP Programs		
Zero-Fare Compensation for Commerce		$419,017
Foothill Transit Mitigation		$7,682,840
Transit Service Expansion (TSE)		$5,954,494
Discretionary Base Restructuring		$3,205,197
Bus Security Enhancement		$27,451,383
Bus System Improvement Plan (BSIP)		$11,878,077
MOSIP		$16,882,632
Consent Decree		$41,700,000
Total Funds that Could be Governed by FAP	**$525,247,220**	**$640,420,860**

The Evaluated Bus Transit Funding Process is Illustrated Below



- In the context of this report, the "Bus Transit Funding Process" includes both motorbus and demand response services

There are Four Primary Service Provision Variables that Could be Used for the FAP Formula

Possible FAP Variables	**Alignment with Regional Policies**	**Technical Veracity (direct or surrogate measure)**	**Simplicity (ease of collection/calculation)**	**Ability to Audit**
Service Provision Variables				
Vehicle Service Hours (VSH)	2	2	4	4
	Satisfies "mobility option" goal of transit.	Direct measure of service provided but does not distinguish between vehicles of different sizes.	Data is driven by schedule data adjusted for missed/added trips.	Auditable, based on schedule data adjusted for missed/added trips.
Vehicle Service Miles (VSM)	2	2	4	4
	Satisfies "mobility option" goal of transit.	Same as Vehicle Service Hours.	Same as Vehicle Service Hours.	Same as Vehicle Service Hours.
Capacity Service Hours (seated, or seated & standing)	4	4	2	4
	Satisfies "mobility option" with added element of person capacity.	Measures service provided and considers differing carrying capacity by vehicle type.	Not calculated as part of any other transit report.	Auditable, based on schedule data adjusted for missed/added trips.
Capacity Service Miles (seated, or seated & standing)	4	4	2	4
	Satisfies "mobility option" with added element of person capacity.	Same as Capacity Service Hours.	Same as Capacity Service Horus.	Same as Capacity Service Hours.

4 Best Aligned, Most Veracity, Least Complex, Can be Audited 0 Least Aligned, Least Veracity, Most Complex, Cannot be Audited

There are Three Primary Service Utilization Variables and Two Financial Variables that Could be Used for the FAP Formula

Possible FAP Variables	Alignment with Regional Policies	Technical Veracity (direct or surrogate measure)	Simplicity (ease of collection/calculation)	Ability to Audit
Service Utilization Variables				
Passenger Boardings	2	2	4	4
	Satisfies "people moving" goal of transit.	Measures number of people using transit but does not consider distance traveled.	Measured by FTA approved statistical sampling.	Auditable, must be verified as part of NTD submittal.
Passenger Miles	4	4	4	4
	Satisfies "people moving" goal of transit.	Considers total distance traveled on transit.	Measured by FTA approved statistical sampling.	Auditable, must be verified as part of NTD submittal.
Fare Units	0	0	4	4
	Creates incentive to keep fares low while discouraging discounts, regional fares.	Not a direct measure of transit demand.	Directly measured as farebox revenue divided by base fare.	Auditable, elements of calculation verified in published reports.
Financial Variables				
Operating Costs (i.e., FAP provides fixed % of operating costs)	0	4	4	4
	Considers cost of providing transit service but rewards most expensive operator.	Direct measure of cost but not cost effectiveness or cost efficiency.	Verified in published reports.	Auditable.
Fare Revenue (i.e., FAP provides fixed % or multiple of farebox revenue)	2	4	4	4
	Considers internal cost recovery.	Indirect measurement of travel demand.	Verified in published reports.	Auditable.

4 Best Aligned, Most Veracity, Least Complex, Can be Audited   0 Least Aligned, Least Veracity, Most Complex, Cannot be Audited

Funding Variable Restructuring: Choice of Variables

- Vehicle service hours and miles are both measures of **supply**; passenger boardings and miles are both measures of **demand**. The choice of which to use for regional transit funding has certain implications:
  - Operators with high average vehicle travel speeds (such as Antelope Valley, Foothill, Santa Clarita) will receive more funds with VSM than with VSH. Those with low average travel speeds (such as Culver City, Long Beach, Santa Monica) will receive more funds with VSH than with VSM
  - Operators with long average passenger trip lengths (i.e., Antelope Valley, Foothill, Santa Clarita) will receive more funds with passenger miles than passenger boardings. Those with short average trip lengths (i.e., Claremont, LADOT, Long Beach) will receive more funds with passenger boardings than passenger miles

Rank	Operator	FAP-Funded Mode(s)	Average Travel Speed (vehicle miles per vehicle hour)
1	Santa Clarita	MB	19.5
2	Antelope Valley	MB	18.3
3	Foothill	MB	16.4
4	Claremont	DR	14.5
5	Gardena	MB	14.2
6	Commerce	MB, DR	13.9
7	Norwalk	MB	13.7
8	Los Angeles DOT	MB	13.0
9	Redondo Beach	DR	13.0
	COUNTY AVG		**12.8**
10	Torrance	MB, DR	12.6
11	La Mirada	DR	12.6
12	Los Angeles MTA	MB	12.5
13	Montebello	MB, DR	11.6
14	Arcadia	DR	11.3
15	Long Beach	MB, DR	11.0
16	Santa Monica	MB	10.9
17	Culver City	MB	10.5

Rank	Operator	FAP-Funded Mode(s)	Average Passenger Trip Length (passenger miles per passenger trip)
1	Antelope Valley	MB	13.7
2	Santa Clarita	MB	12.0
3	Foothill	MB	6.5
4	La Mirada	DR	4.7
5	Torrance	MB, DR	4.5
	COUNTY AVG		**4.0**
6	Los Angeles MTA	MB	3.9
7	Norwalk	MB	3.7
8	Gardena	MB	3.7
9	Arcadia	DR	3.4
10	Santa Monica	MB	3.4
11	Commerce	MB, DR	3.4
12	Redondo Beach	DR	3.2
13	Culver City	MB	3.1
14	Montebello	MB, DR	3.1
15	Claremont	DR	2.8
16	Long Beach	MB, DR	2.7
17	Los Angeles DOT	MB	2.6

Source: FY04 TPM Reports for Average Travel Speed; FY03 NTD Data for Average Passenger Trip Length.

Funding Variable Restructuring: Capacity Service Miles/Hours

- **Capacity service** may be a stronger measure of supply and of cost than **vehicle service**:
  - While some operating cost factors do not vary by motorbus vehicle size (i.e., operator wages and benefits), other factors increase with vehicle size (i.e., maintenance, fuel, casualty & liability)
  - The primary net effect of using capacity service hours/miles instead of vehicle service hours/miles will be a shift in funding from lower capacity demand response operators to higher capacity fixed route operators
  - Agencies with an appreciably higher percentage of the region's capacity service hours/miles vs. vehicle service hours/miles are Culver City, Foothill, Santa Clarita, and Santa Monica

	Average Vehicle Capacity	% of Region's Vehicle Service Miles	% of Region's Capacity Service Miles	% of Region's Vehicle Service Hours	% of Region's Capacity Service Hours
Los Angeles MTA	57	67.50%	66.27%	69.08%	67.93%
Antelope Valley	59	1.75%	1.78%	1.22%	1.24%
Arcadia	15	0.25%	0.06%	0.28%	0.07%
Claremont	12	0.06%	0.02%	0.05%	0.01%
Commerce	47	0.23%	0.19%	0.21%	0.17%
Culver City	65	1.05%	1.18%	1.28%	1.43%
Foothill	63	9.28%	10.07%	7.19%	7.82%
Gardena	62	1.19%	1.27%	1.07%	1.14%
La Mirada	18	0.10%	0.03%	0.10%	0.03%
Long Beach	60	5.73%	5.92%	6.61%	6.85%
Los Angeles DOT	45	2.54%	1.97%	2.48%	1.93%
Montebello	58	2.21%	2.21%	2.42%	2.43%
Norwalk	63	0.75%	0.81%	0.70%	0.76%
Redondo Beach	12	0.04%	0.01%	0.04%	0.01%
Santa Clarita	64	2.04%	2.25%	1.33%	1.47%
Santa Monica	67	3.71%	4.28%	4.33%	5.01%
Torrance	62	1.58%	1.68%	1.59%	1.70%
TOTAL	**58**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Numbers are estimated based on FY03 NTD and FY04 TPM data for FAP-funded services.
LACMTA's reported FY03 average motorbus capacity is 52. This number is estimated to grow to about 57 with the addition of its recently procured 45-foot and 60-foot buses.

Section 4: Financial Analysis – Stand-Alone Components

The Financial Analysis is Organized To Answer Key Questions

- In order to facilitate understanding of the restructuring impacts, this financial analysis section is organized to answer the following questions in sequence:
  - What is the fare revenue growth potential of **fare restructuring** in a stand-alone fashion?
  - What is the cost savings potential of **service restructuring** stand-alone?
  - What are the financial impacts of **funding restructuring** stand-alone?
  - What are the total revenue impacts associated with **implementing particular combinations** of all three restructuring options? (This is discussed in Section 5)

- The time period for this evaluation is FY06-FY10. It is important to note that:
  - **Fare and service restructuring** have the potential to generate additional funds for MTA and all of the municipal operators
  - **Funding restructuring** redistributes the allocation of funding among operators, but does not generate additional funds
  - When implemented in combination, it is possible for **most or all** of the included and eligible operators to generate net additional funds that exceeds the Baseline case of no fare, service, or funding restructuring. To the extent that particular operators do experience negative impacts, the provision of mitigation funding can be considered (discussed in Appendix D)
  - Restructuring options **were not tested for their feasibility**. It is anticipated that these **alternatives will be refined** in a regional forum

MTA Fare Restructuring Options

- The **fare restructuring** options developed for MTA are summarized in the table below:

FARE TYPE	BASELINE (existing fare structure)	MTA Independent	Partial Participation	Full Participation
Regular MTA Fares:				
Cash Fare	$1.25	<---------- $1.00 or $1.25 ---------->		$1.25, or $1.50 (FY06) then $1.75 (FY08)
Day Pass	$3.00	$4.00 or $5.00	<--------- Becomes the EZ Day Pass --------->	
Monthly Pass	$52.00	<---------- Priced as the EZ Monthly Pass ---------->		
Token	$11.00 for 10 tokens	<---------- Eliminate ---------->		
Discounted MTA Fares:				
Senior (ages 62 and over)/ Disabled/Medicare	64% discount (cash); 50% (day pass); 77% (monthly stamp)	**<------- Standardize discount at 50% for all fare types ------->**		
Student (grades K-12)	62% (monthly stamp only)	**<---------- Eliminate the student discount ---------->**		
College/Vocational	42% (monthly stamp only)	**<--------- Eliminate the college/vocational discount --------->**		
Children (ages 0-4)	first two per adult ride free	<---------- Retain current child policy ---------->		
Regional Fare Media:				
EZ Monthly Pass, Regular	$58.00	$58.00	$60.00	$60.00, or $70.00 (FY06) then $80.00 (FY08)
EZ Day Pass, Regular	none	none	$5.00	$5.00, or $5.00 (FY06) then $6.00 (FY08)
Metro to Muni Transfer, Regular	$0.25	Retain	Retain	Eliminate
Regional Service-Based Cash Fares and Rider Discount Policies	no	no	some operators	yes

Express service surcharges are retained: $0.50 cash or Day Pass surcharge per zone ($0.25 for senior/disabled patrons); $15.00 zone increments for EZ Monthly premium stamps ($7.50 for senior/disabled patrons).

Semi-monthly and weekly passes are eliminated. Night services are priced as regular services.

Fare restructuring begins in January 2006 (FY06). Items shown in **bold** (senior/disabled, student, college monthly pass fares) are phased in over a five-year period (fare changes in Jan 2006; Jan 2008; Jan 2010).

MTA Will Generate Additional Fare Revenue Through Increases in its Average Fare

- MTA's fare restructuring will generate additional fare revenue for MTA through increases in the average fare paid per trip
- The table below shows MTA's average fare by option by fiscal year:
  - Because fare change implementation takes effect in Jan 2006 (mid-way through FY06), an average fare increase is observed in both FY06 and in FY07
  - The average fare continues to increase from FY07 to FY10 because senior/disabled, student (K-12), and college monthly pass fare changes are phased in over a five-year period
  - Full Regional Participation at a $1.50 base fare in FY06 and a $1.75 base fare in FY08 has higher average fares than the other options

	MTA Average Fare per Trip					
	Current	FY06	FY07	FY08	FY09	FY10
Baseline	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62
MTA Independent: MTA at $1.00	$0.62	$0.66	$0.70	$0.71	$0.73	$0.74
Partial Regional Participation: $1.00	$0.62	$0.67	$0.72	$0.73	$0.74	$0.75
MTA Independent: MTA at $1.25	$0.62	$0.70	$0.78	$0.79	$0.81	$0.82
Partial Regional Participation: $1.25	$0.62	$0.70	$0.78	$0.79	$0.81	$0.82
Full Regional Participation: $1.25	$0.62	$0.70	$0.79	$0.80	$0.82	$0.83
Full Regional Participation: $1.50 then $1.75	$0.62	$0.75	$0.88	$0.97	$1.05	$1.07

Each Option Also Has Municipal Operator Fare Restructuring

Operators	Current Base Fare (Baseline)	MTA-Indep Base Fare (MTA: $1.00)	MTA-Indep Base Fare (MTA: $1.25)	Partial Part. Base Fare ($1.00)	Partial Part. Base Fare ($1.25)	Full Particip. Base Fare ($1.25)	Full Particip. Base Fare ($1.50-$1.75)
Los Angeles County MTA	S1.25	$1.00	$1.25	$1.00	$1.25	$1.25	$1.50-$1.75
Antelope Valley	$1.20	$1.20	$1.20	$1.20	$1.20	$1.25	$1.50-$1.75
Arcadia	$1.00	$1.00	$1.00	$1.00	$1.00	$1.25	$1.50-$1.75
Claremont Dial-A-Ride	$1.25	$1.00	$1.25	$1.00	$1.25	$1.25	$1.50-$1.75
Commerce	Free Fare	Free Fare	Free Fare	Free Fare	Free Fare	$1.25	$1.50-$1.75
Culver City	$0.75	$0.75	$0.75	$1.00	$1.25	$1.25	$1.50-$1.75
Foothill	$1.10	$1.25	$1.35	$1.00	$1.25	$1.25	$1.50-$1.75
Gardena	$0.50	$0.50	$0.50	$0.50	$0.50	$1.25	$1.50-$1.75
La Mirada	$1.00	$1.00	$1.00	$1.00	$1.00	$1.25	$1.50-$1.75
Long Beach	$0.90	$0.75	$0.90	$1.00	$1.25	$1.25	$1.50-$1.75
Los Angeles DOT	$0.90	$0.90	$0.90	$1.00	$1.25	$1.25	$1.50-$1.75
Montebello	$0.90	$0.75	$0.90	$1.00	$1.25	$1.25	$1.50-$1.75
Norwalk	$0.60	$0.60	$0.60	$0.60	$0.60	$1.25	$1.50-$1.75
Redondo Beach Wave	$1.00	$0.75	$1.00	$0.75	$1.00	$1.25	$1.50-$1.75
Santa Clarita	$1.00	$1.00	$1.00	$1.00	$1.00	$1.25	$1.50-$1.75
Santa Monica	$0.75	$0.75	$0.75	$1.00	$1.25	$1.25	$1.50-$1.75
Torrance	$0.50	$0.50	$0.50	$0.50	$0.50	$1.25	$1.50-$1.75

- Partial Participation: six highlighted municipal operators are assumed to participate in the regional fare structure. Full Participation: a regional fare structure is implemented that includes all municipal operators

Fare Restructuring Stand-Alone: Fare Revenue Impacts

	FY06-FY10 Baseline Fare Revenue	FY06-FY10 Net Fare Revenue Change from Baseline					
		MTA Independent (selected munis change)		Partial Regional Participation (MTA with six munis)		Full Regional Participation (countywide fare structure)	
		$1.00 Fare	$1.25 Fare	$1.00 Fare	$1.25 Fare	$1.25 Fare	$1.50 - $1.75
Los Angeles MTA	$1,366,806,000	$138,525,000	$256,495,000	$162,660,000	$260,085,000	$274,422,000	$522,340,000
Antelope Valley	$16,328,000	$0	$0	$0	$0	$1,606,000	$5,482,000
Arcadia	$465,000	$0	$0	$0	$0	$112,000	$238,000
Claremont	$226,000	-$25,000	$0	-$25,000	$0	$0	$49,000
Commerce	$0	$0	$0	$0	$0	$2,376,000	$2,918,000
Culver City	$12,917,000	$0	$0	$3,764,000	$6,636,000	$6,636,000	$10,930,000
Foothill	$74,109,000	$6,905,000	$11,413,000	$5,459,000	$15,846,000	$15,846,000	$35,396,000
Gardena	$10,873,000	$0	$0	$0	$0	$11,189,000	$16,085,000
La Mirada	$229,000	$0	$0	$0	$0	$36,000	$92,000
Long Beach	$66,413,000	-$6,121,000	$0	$12,725,000	$23,259,000	$23,259,000	$42,850,000
Los Angeles DOT	$39,074,000	$0	$0	$2,068,000	$5,559,000	$5,559,000	$15,226,000
Montebello	$33,755,000	-$3,093,000	$0	$4,853,000	$11,463,000	$11,463,000	$21,338,000
Norwalk	$5,102,000	$0	$0	$0	$0	$4,196,000	$6,253,000
Redondo Beach	$234,000	-$32,000	$0	-$32,000	$0	$40,000	$99,000
Santa Clarita	$14,278,000	$0	$0	$0	$0	$3,652,000	$7,556,000
Santa Monica	$50,762,000	$0	$0	$14,347,000	$25,558,000	$25,558,000	$42,311,000
Torrance	$12,741,000	$0	$0	$0	$0	$12,557,000	$18,166,000
TOTAL	**$1,704,312,000**	**$136,159,000**	**$267,908,000**	**$205,819,000**	**$348,406,000**	**$398,507,000**	**$747,329,000**

Shaded cells indicate participation in a countywide fare structure. This analysis assumes no service or funding restructuring.

- The fare restructuring alternatives considered generate additional fare revenue ranging from **$136.2 million** to **$747.3 million** over the next five years, depending on MTA's base fare and levels of municipal operator participation (assuming implementation in Jan 2006)

Fare Restructuring Stand-Alone: Ridership Impacts

	FY06-FY10 Baseline Ridership	FY06-FY10 Net Ridership Change from Baseline					
		MTA Independent (selected munis change)		Partial Regional Participation (MTA with six munis)		Full Regional Participation (countywide fare structure)	
		$1.00 Fare	$1.25 Fare	$1.00 Fare	$1.25 Fare	$1.25 Fare	$1.50 - $1.75
Los Angeles MTA	2,190,258,000	-63,351,000	-106,935,000	-70,139,000	-107,780,000	-109,224,000	-186,858,000
Antelope Valley	14,242,000	0	0	0	0	-471,000	-1,201,000
Arcadia	828,000	0	0	0	0	-54,000	-94,000
Claremont	254,000	15,000	0	15,000	0	0	-15,000
Commerce	3,914,000	0	0	0	0	-1,007,000	-1,318,000
Culver City	28,092,000	0	0	-1,916,000	-3,010,000	-3,010,000	-4,255,000
Foothill	78,308,000	-2,321,000	-3,775,000	-1,835,000	-5,241,000	-5,241,000	-9,033,000
Gardena	25,697,000	0	0	0	0	-3,750,000	-4,772,000
La Mirada	312,000	0	0	0	0	-16,000	-32,000
Long Beach	140,034,000	3,554,000	0	-7,388,000	-12,990,000	-12,990,000	-19,412,000
Los Angeles DOT	154,614,000	0	0	-2,616,000	-9,650,000	-9,650,000	-17,182,000
Montebello	57,749,000	1,467,000	0	-2,301,000	-4,768,000	-4,768,000	-7,474,000
Norwalk	10,662,000	0	0	0	0	-1,350,000	-1,799,000
Redondo Beach	490,000	19,000	0	19,000	0	-24,000	-49,000
Santa Clarita	17,848,000	0	0	0	0	-1,211,000	-2,072,000
Santa Monica	107,348,000	0	0	-7,361,000	-11,518,000	-11,518,000	-16,275,000
Torrance	25,370,000	0	0	0	0	-3,588,000	-4,613,000
TOTAL	**2,856,020,000**	**-60,617,000**	**-110,710,000**	**-93,522,000**	**-154,957,000**	**-167,872,000**	**-276,454,000**

Shaded cells indicate participation in a countywide fare structure. This analysis assumes no service or funding restructuring.

- The fare alternatives are projected to result in ridership loss, ranging from **60.6 million** to **276.5 million** passenger trips over the next five years. It is expected that ridership loss could be cut considerably if the additional fare revenue generated is reinvested into new service

If MTA Acts Independently and the FAP Formula is Unchanged, Fare Restructuring will Increase MTA's Share of FAP Funds

- With the current FAP formula:
  - Average fare paid per trip determines the amount of passenger fare revenue, while base fare determines the number of fare units
  - The closer average fare is to base fare (i.e., provision of fewer discounts), the more fare units an operator will receive
  - FAP impacts are observed two years after a fare change is implemented
- The table to the right shows how MTA's average fare compares to its base fare:
  - MTA's fare change in FY04 will increase MTA's share of FAP funds, starting in FY06 and going forward
  - The FY06 fare restructuring options will further increase MTA's share of FAP funds, at either a $1.00 or $1.25 base fare (starting in FY08)

	Base Fare	Average Fare	Percent Difference
Before Jan 2004 Fare Change	$1.35	$0.575	–57%
After Jan 2004 Fare Change	$1.25	$0.624	–50%
MTA Independent at $1.00 (FY07 avg fare)	$1.00	$0.701	–30%
MTA Independent at $1.25 (FY07 avg fare)	$1.25	$0.779	–38%

- If the formula is unchanged, the FAP impacts of Partial or Full Regional Participation will be different than MTA Independent because of the fare adjustments made by municipal operators

Service Restructuring Options Were Established

- The previously identified **service restructuring objectives** are to:
  - Reduce the costs of operating service from a countywide perspective
  - Provide additional service to generate new ridership
- Specific low productivity MTA routes were identified for discontinuation with a start date assumption of FY07, to be operated at a lower cost by municipal operators. Three cases were established that involve **3%, 10%, or 16% of MTA's lowest performing bus services.** Again, feasibility of these services being operated by a municipal operator was not evaluated
- MTA estimated its FY05 marginal cost for directly operated bus service at about 75% of the fully allocated cost. This estimate was escalated by 8.5% for cost growth to the year FY07 (based on the *Metro Ten-Year Forecast*)
- Based on FY2004 TPM data and 3% annual growth, FY07 operating cost estimates per RSH for municipal operators were estimated. These estimates assumed a marginal cost equal to 90% of the fully allocated cost (rather than 75%, in order to be conservative)
- The FY07 marginal operating cost projections for MTA and select munis are shown below:
  - <u>MTA (directly operated):</u> $83.84
  - <u>Foothill:</u> $66.03
  - <u>Long Beach:</u> $75.96
  - <u>Montebello:</u> $69.84
  - <u>Culver City:</u> $80.28
  - <u>Gardena:</u> $82.95
  - <u>Los Angeles DOT:</u> $71.54
  - <u>Santa Monica:</u> $78.99

Key Elements of Service Restructuring (assumed for July 2007)

Scenario	MTA Sector	Municipal Operator	Route(s)	As % of MTA Bus VSM	As % of MTA Bus Ridership	Est. FY07 MTA Marginal Operating Cost	Est. FY07 Muni Marginal Operating Cost	Est. FY07 Difference in Operating Cost
3%	Gateway	LADOT	611, 612, 681	1.05%	0.24%	$6,978,000	$5,962,000	$1,016,000
3%	SGV	LADOT	485, 686, 687	1.06%	0.22%	$5,942,000	$5,076,000	$866,000
3%	South Bay	LADOT	439, 445	0.98%	0.21%	$4,400,000	$3,758,000	$642,000
10%	Gateway	LADOT	460	1.06%	0.25%	$4,283,000	$3,659,000	$624,000
10%	Gateway	Montebello	265	0.37%	0.11%	$1,931,000	$1,611,000	$320,000
10%	SFV	LADOT	161	0.36%	0.11%	$1,567,000	$1,339,000	$228,000
10%	SGV	Foothill	170, 487	0.96%	0.32%	$4,564,000	$3,600,000	$964,000
10%	South Bay	LADOT	444, 446, 550	2.52%	0.78%	$10,193,000	$8,709,000	$1,484,000
10%	West/Central	Culver City	220	0.25%	0.08%	$1,256,000	$1,204,000	$52,000
10%	West/Central	Santa Monica	434	1.05%	0.27%	$3,325,000	$3,133,000	$192,000
16%	Gateway	LADOT	102, 127, 362	0.71%	0.40%	$4,382,000	$3,746,000	$636,000
16%	SFV	LADOT	154, 168, 233, 236	1.52%	0.75%	$8,638,000	$7,380,000	$1,258,000
16%	SGV	Foothill	267, 268, 484, 490	2.91%	1.34%	$13,166,000	$10,388,000	$2,778,000
16%	SGV	LADOT	201, 252	0.32%	0.19%	$2,249,000	$1,923,000	$326,000
16%	SGV	Montebello	259	0.23%	0.13%	$1,389,000	$1,159,000	$230,000
16%	South Bay	Gardena	211	0.20%	0.11%	$1,166,000	$1,154,000	$12,000
16%	South Bay	LADOT	305	0.68%	0.33%	$3,842,000	$3,282,000	$560,000
16%	South Bay	Long Beach	202	0.25%	0.12%	$1,298,000	$1,176,000	$122,000
Sum: 3%	**3 sectors**	**1 muni**	**8 routes**	**3.09%**	**0.68%**	**$17,320,000**	**$14,796,000**	**$2,524,000**
Sum: 10%	**5 sectors**	**5 munis**	**18 routes**	**9.66%**	**2.58%**	**$44,439,000**	**$38,051,000**	**$6,388,000**
Sum: 16%	**5 sectors**	**7 munis**	**35 routes**	**16.48%**	**5.95%**	**$80,569,000**	**$68,259,000**	**$12,310,000**

- The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case. The column to the far right shows the annual countywide cost savings obtained from the restructuring

Service Restructuring: Two-Year Bridge Funding

- Under this alternative, MTA provides munis with **bridge funding for two years** (assume FY07 and FY08) to operate the designated service, with the net difference in operating costs shared equally between MTA and the muni operator:
  - From a cost perspective, this plan makes sense only for MTA routes that are directly operated as opposed to those that are contracted out
  - This alternative will reduce operating costs countywide. Furthermore, countywide ridership and fare revenue may increase if the munis increase their service provision to consume the fund transfer
- The table below shows examples of the bridge funding rates, which nets out the fare revenue that MTA would have earned by operating that route – the $18.42 in MTA fare revenue per RSH shown are illustrative and reflect an estimated average of 35 low performing routes. After two years, starting in FY09, the provision and utilization of the new services will then be funded directly through the FAP formula

	FY07 MTA Marginal Cost per RSH	FY07 Muni Marginal Cost per RSH	FY07 MTA Fare Revenue per RSH	FY07 Bridge Funding Rate per RSH	FY07 Total Savings per Shift in RSH	Savings to MTA per Shift in RSH	Savings to Muni per Shift in RSH
Culver City	$83.84	$80.28	$18.42	$63.64	$3.56	$1.78	$1.78
Foothill	$83.84	$66.03	$18.42	$56.51	$17.81	$8.91	$8.91
Gardena	$83.84	$82.95	$18.42	$64.97	$0.89	$0.45	$0.45
LADOT	$83.84	$71.54	$18.42	$59.27	$12.30	$6.15	$6.15
Long Beach	$83.84	$75.96	$18.42	$61.48	$7.88	$3.94	$3.94
Montebello	$83.84	$69.84	$18.42	$58.42	$14.00	$7.00	$7.00
Santa Monica	$83.84	$78.99	$18.42	$63.00	$4.85	$2.42	$2.42

Fare revenue per RSH shown ($18.42) are illustrative and reflect an average of 35 low performing MTA routes with the current MTA fare structure. The actual numbers vary by route. The MTA motorbus systemwide average fare revenue per RSH is $31.83.

Service Operator Changes Generate Countywide Cost Savings

	FY07 Estimated Operating Cost Savings			
	0% Service Restructuring	3% Service Restructuring	10% Service Restructuring	16% Service Restructuring
Los Angeles MTA	$0	$1,262,000	$3,194,000	$6,155,000
Culver City	$0	$0	$26,000	$26,000
Foothill	$0	$0	$482,000	$1,871,000
Gardena	$0	$0	$0	$6,000
Long Beach	$0	$0	$0	$61,000
Los Angeles DOT	$0	$1,262,000	$2,430,000	$3,820,000
Montebello	$0	$0	$160,000	$275,000
Santa Monica	$0	$0	$96,000	$96,000
TOTAL COST SAVINGS: FY07	**$0**	**$2,524,000**	**$6,388,000**	**$12,310,000**
	FY07-FY10 Estimated Operating Cost Savings			
TOTAL COST SAVINGS: FY07-FY10	**$0**	**$10,560,000**	**$26,724,000**	**$51,500,000**

Munis not shown in the table are not assumed participants in the service restructuring.
This analysis assumes no fare or funding restructuring.

- Service restructuring will generate countywide operating cost savings ranging from **$10.6 million** to **$51.5 million** over the next five years (assuming implementation in FY07):
  - The **3% service restructuring** (eight routes) involves MTA and LADOT
  - The **10% service restructuring** (18 routes) involves MTA, Culver City, Foothill, LADOT, Montebello, and Santa Monica
  - The **16% service restructuring** (35 routes) involves MTA, Culver City, Foothill, Gardena, LADOT, Long Beach, Montebello, and Santa Monica

Service Restructuring: Other Funding Alternatives

- An alternative approach to bridge funding would be for MTA to calculate the route-level FAP revenue of the services, subtract out the fare revenue that would have been earned from the service, and fund the munis accordingly:
  - The candidate routes to be transferred are low performing routes with relatively low fare units
  - Therefore, with this approach, the munis that pick up the service would receive route-level funding that is not commensurate with the added operating costs
- Another option would be to estimate funding based on budgeted data. This is discussed further in Appendix A
- Bridge funding is believed to be a more viable option than these two alternatives – it is the one strategy among the three that is "win-win" for MTA and the munis

Funding Restructuring Impacts Stand-Alone Were Evaluated

- The tables on the following slides show the estimated change in FY06 FAP funding for each Included and Eligible operator if the following funding restructuring changes are made:
  - A **Single Fund Pool** is formed that merges Zero-Fare Compensation, Foothill Mitigation, Transit Service Expansion, Discretionary Base Restructuring, BSIP, MOSIP, and Transit Security services and associated funding into the FAP formula. This would result in **greater simplicity** and an **improved ability to audit**
  - Included and Eligible Operators would both be part of the **Single Fund Pool**
  - **Two special adjustments** would continue to be made: 1.) A TDA % cap for dial-a-ride only operators (Arcadia, Claremont, La Mirada, Redondo Beach) of 0.25% applies. 2.) Antelope Valley and Santa Clarita do not receive TDA Article 4 funds, because these operators instead receive TDA Article 8 funds
  - Several **formula variable alternatives** based on supply and/or demand are evaluated, based on either a one-variable or a two-variable approach

- Information is provided in three ways, assuming no fare or service restructuring:
  - FY06 bus/demand response **transit funding levels** by alternative
  - The **difference in funding levels in dollars** from the current process (i.e., actual funding marks)
  - The **difference in funding levels as a percentage** from the current process

Six Formula Options Were Used for this Analysis

Each of the six formula options used for this analysis are based on the **Single Fund Pool** approach

1. **1/2 Vehicle Service Miles + 1/2 Fare Units** – each operator is allocated funds based on the sum of half vehicle service miles and half fare units. This is the existing formula

2. **100% Vehicle Service Hours** – each operator is allocated funds based on vehicle service hours. Each operator receives the same subsidy per hour. The formula does not consider demand

3. **100% Passenger Boardings** – each operator is allocated funds based on passenger boardings. Each operator receives the same subsidy per boarding. The formula does not explicitly consider supply except to the extent that passenger boardings would be expected to be higher where service supply is higher

4. **100% Passenger Miles** – each operator is allocated funds based on passenger miles. Each operator receives the same subsidy per passenger mile. Like boardings, passenger miles is a measure of demand and only indirectly considers supply. Passenger miles does correct for the deficiency in a boardings-based approach which encourages transfers

5. **50% Capacity Service Hours, 50% Passenger Miles** – each operator is allocated funds 50% on the basis of capacity service hours and 50% on the basis of passenger miles. Shares by operator are determined by scaling the quantities such that each variable is weighted equally in the funding calculation. With capacity service hours, vehicles of different sizes (e.g., articulated buses, 40' buses, vans, taxis) are differentiated

6. **50% Vehicle Service Hours, 50% Passenger Boardings** – each operator is allocated funds 50% on the basis of vehicle service hours and 50% on the basis of passenger boardings. Shares by operator are determined by scaling the quantities such that each variable is weighted equally in the funding calculation

FY06 Bus Transit Funding Levels by Alternative

	FY06 Actual Funding Marks	Single Pool: Existing Variables (VSM + fare units)	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Pass-enger Miles	Formula D: 50% Pass-enger Miles, 50% Capacity Hours	Formula E: 50% Boardings, 50% VSH
Los Angeles MTA	$449,366,618	$445,962,838	$448,106,173	$497,647,084	$498,418,752	$469,331,837	$472,732,216
Antelope Valley	$3,876,351	$4,717,055	$4,270,898	$1,988,326	$6,844,813	$5,595,473	$3,129,170
Arcadia	$714,160	$753,881	$1,373,967	$217,490	$190,114	$328,299	$975,373
Claremont	$205,492	$208,093	$262,601	$66,702	$49,127	$69,121	$198,650
Commerce	$1,121,182	$1,114,559	$1,373,224	$1,027,573	$877,279	$995,490	$1,199,175
Culver City	$8,722,014	$8,484,939	$8,279,766	$7,375,235	$5,826,637	$7,559,117	$7,821,977
Foothill	$43,564,383	$45,125,002	$46,668,171	$20,220,929	$33,393,079	$42,073,886	$33,379,924
Gardena	$10,188,055	$10,323,552	$6,935,846	$6,704,071	$6,236,082	$6,827,542	$6,816,157
La Mirada	$313,502	$318,236	$495,613	$81,828	$98,429	$150,149	$353,476
Long Beach	$40,384,481	$38,928,772	$42,905,674	$36,670,602	$25,326,063	$34,889,823	$39,757,087
Los Angeles DOT	$12,245,804	$11,738,759	$16,109,041	$13,564,780	$9,091,779	$10,801,489	$14,824,933
Montebello	$16,370,817	$18,159,212	$15,849,853	$15,057,623	$11,780,810	$13,823,038	$15,444,638
Norwalk	$4,356,759	$4,583,218	$4,530,723	$2,561,012	$2,551,930	$3,740,830	$3,540,531
Redondo Beach	$120,133	$118,439	$187,572	$39,618	$32,511	$48,087	$137,987
Santa Clarita	$4,611,214	$5,271,299	$4,663,490	$2,479,797	$7,495,336	$6,321,562	$3,571,175
Santa Monica	$32,741,426	$32,321,037	$28,099,700	$28,183,384	$24,564,029	$28,527,076	$28,127,744
Torrance	$11,518,469	$12,291,968	$10,308,548	$6,534,806	$7,644,089	$9,338,043	$8,410,646

FY06 Bus Transit Funding: Difference from Current Process in $

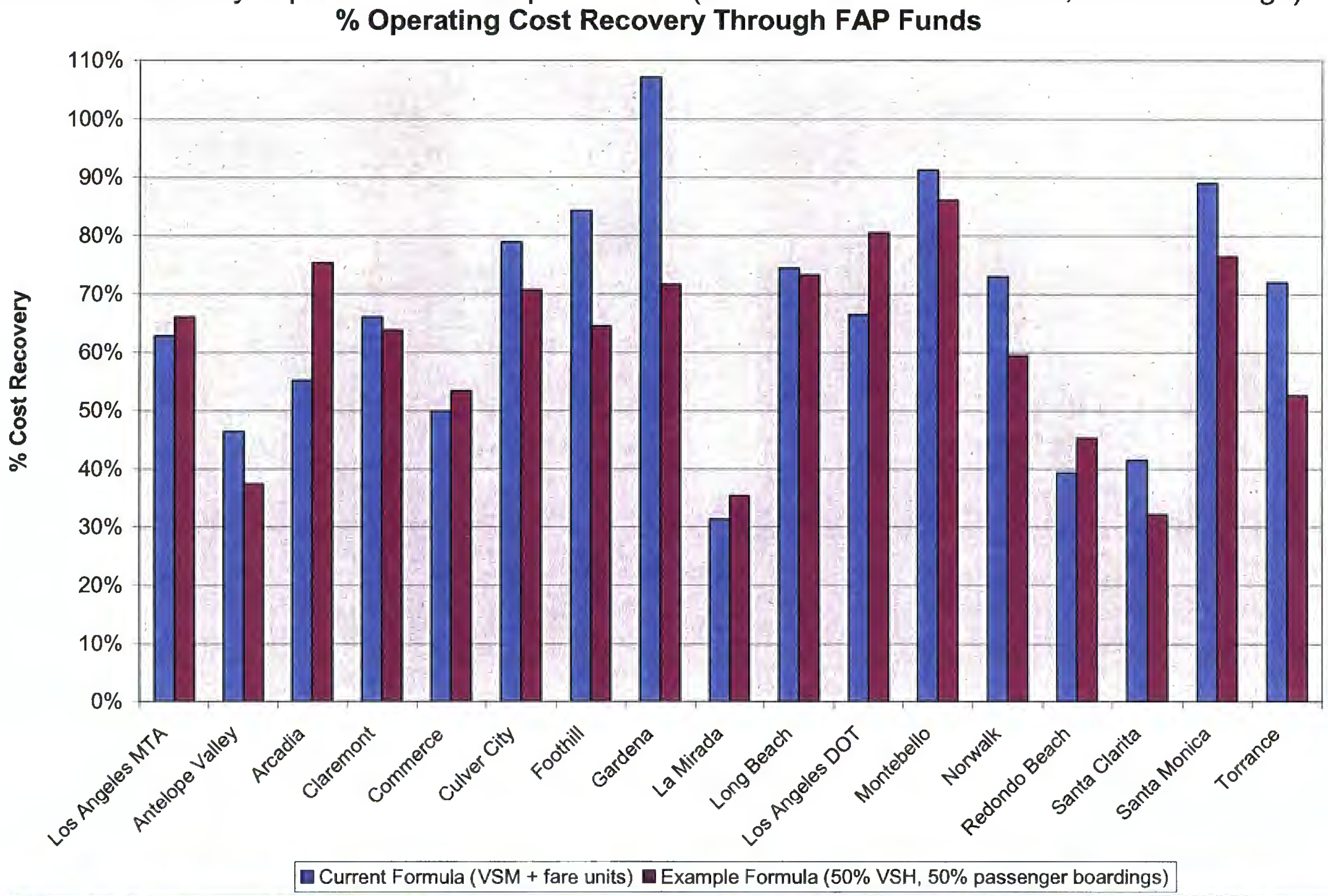
	FY06 Actual Funding Marks	Single Pool: Existing Variables (VSM + fare units)	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Passenger Miles, 50% Capacity Hours	Formula E: 50% Boardings, 50% VSH
Los Angeles MTA	$0	-$3,403,780	-$1,260,445	$48,280,466	$49,052,134	$19,965,219	$23,365,598
Antelope Valley	$0	$840,704	$394,547	-$1,888,025	$2,968,462	$1,719,122	-$747,181
Arcadia	$0	$39,721	$659,807	-$496,670	-$524,046	-$385,861	$261,213
Claremont	$0	$2,601	$57,109	-$138,790	-$156,365	-$136,371	-$6,842
Commerce	$0	-$6,623	$252,042	-$93,609	-$243,903	-$125,692	$77,993
Culver City	$0	-$237,075	-$442,248	-$1,346,779	-$2,895,377	-$1,162,897	-$900,037
Foothill	$0	$1,560,619	$3,103,788	-$23,343,454	-$10,171,304	-$1,490,497	-$10,184,459
Gardena	$0	$135,497	-$3,252,209	-$3,483,984	-$3,951,973	-$3,360,513	-$3,371,898
La Mirada	$0	$4,734	$182,111	-$231,674	-$215,073	-$163,353	$39,974
Long Beach	$0	-$1,455,709	$2,521,193	-$3,713,879	-$15,058,418	-$5,494,658	-$627,394
Los Angeles DOT	$0	-$507,045	$3,863,237	$1,318,976	-$3,154,025	-$1,444,315	$2,579,129
Montebello	$0	$1,788,395	-$520,964	-$1,313,194	-$4,590,007	-$2,547,779	-$926,179
Norwalk	$0	$226,459	$173,964	-$1,795,747	-$1,804,829	-$615,929	-$816,228
Redondo Beach	$0	-$1,694	$67,439	-$80,515	-$87,622	-$72,046	$17,854
Santa Clarita	$0	$660,085	$52,276	-$2,131,417	$2,884,122	$1,710,348	-$1,040,039
Santa Monica	$0	-$420,389	-$4,641,726	-$4,558,042	-$8,177,397	-$4,214,350	-$4,613,682
Torrance	$0	$773,499	-$1,209,921	-$4,983,663	-$3,874,380	-$2,180,426	-$3,107,823

FY06 Bus Transit Funding: Difference from Current Process in %

	FY06 Actual Funding Marks	Single Pool: Existing Variables (VSM + fare units)	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Pass-enger Miles	Formula D: 50% Pass-enger Miles, 50% Capacity Hours	Formula E: 50% Boardings, 50% VSH
Los Angeles MTA	0.0%	-0.8%	-0.3%	10.7%	10.9%	4.4%	5.2%
Antelope Valley	0.0%	21.7%	10.2%	-48.7%	76.6%	44.3%	-19.3%
Arcadia	0.0%	5.6%	92.4%	-69.5%	-73.4%	-54.0%	36.6%
Claremont	0.0%	1.3%	27.8%	-67.5%	-76.1%	-66.4%	-3.3%
Commerce	0.0%	-0.6%	22.5%	-8.3%	-21.8%	-11.2%	7.0%
Culver City	0.0%	-2.7%	-5.1%	-15.4%	-33.2%	-13.3%	-10.3%
Foothill	0.0%	3.6%	7.1%	-53.6%	-23.3%	-3.4%	-23.4%
Gardena	0.0%	1.3%	-31.9%	-34.2%	-38.8%	-33.0%	-33.1%
La Mirada	0.0%	1.5%	58.1%	-73.9%	-68.6%	-52.1%	12.8%
Long Beach	0.0%	-3.6%	6.2%	-9.2%	-37.3%	-13.6%	-1.6%
Los Angeles DOT	0.0%	-4.1%	31.5%	10.8%	-25.8%	-11.8%	21.1%
Montebello	0.0%	10.9%	-3.2%	-8.0%	-28.0%	-15.6%	-5.7%
Norwalk	0.0%	5.2%	4.0%	-41.2%	-41.4%	-14.1%	-18.7%
Redondo Beach	0.0%	-1.4%	56.1%	-67.0%	-72.9%	-60.0%	14.9%
Santa Clarita	0.0%	14.3%	1.1%	-46.2%	62.5%	37.1%	-22.6%
Santa Monica	0.0%	-1.3%	-14.2%	-13.9%	-25.0%	-12.9%	-14.1%
Torrance	0.0%	6.7%	-10.5%	-43.3%	-33.6%	-18.9%	-27.0%

Any Two Variable Formula Will Lower Variance in FAP Cost Recovery

- Any of the two variable formulas reward both cost efficiency and cost effectiveness, and also reduce the variance in the percentage of operating costs that are covered through FAP funds. The chart shows the estimated cost recovery impacts of an example formula (50% vehicle service hours, 50% boardings)



Section 5: Financial Analysis – Comprehensive Scenarios

A Total of Sixteen Combination Scenarios Were Developed

- Sixteen combination scenarios were developed for further analysis: a **Low**, five **Medium-A**, five **Medium-B**, and five **High**. The Low scenario assumes minimal fare, service, and funding changes; the High scenario assumes the most. These scenarios and their assumed implementation start dates **were not tested for feasibility**. It is anticipated that these **alternatives will be refined** in a regional forum

COMBINATION SCENARIOS	LOW	MEDIUM - A	MEDIUM - B	HIGH
Fare Change Options (Jan 2006):				
MTA	$1.00 base fare; higher pass prices	$1.25 base fare; higher pass prices	$1.25 base fare; higher pass prices	$1.50 base in Jan 2006; $1.75 base in Jan 2008
Municipal Operators	some operators reduce fares in response to MTA's fare adjustment	Six adopt regional fare policies: Culver City, Foothill, Long Beach, LADOT, Montebello, Santa Monica	Countywide fare structure is adopted by MTA and all municipal operators	Countywide fare structure is adopted by MTA and all municipal operators
Service Change Options (Jul 2006):				
MTA	0%: no service operator changes	3% of the lowest performing bus services are discontinued	10% of the lowest performing bus services are discontinued	16% of the lowest performing bus services are discontinued
Municipal Operators	0%: no service operator changes	LADOT picks up this 3% of MTA's bus services	Five munis pick up this 10% of MTA's bus services	Seven munis pick up this 16% of MTA's bus services
Funding Pool Options (FY07):	Current Process	Single Fund Pool	Single Fund Pool	Single Fund Pool
Funding Variable Options (FY07):	Current Formula (50% VSM + 50% fare units)	5 Formula Options considered	5 Formula Options considered	5 Formula Options considered

Net Funding Changes Compared to a Baseline Case are Provided

- The **net funding changes** that result from each of the comprehensive restructuring scenarios are shown **relative to a Baseline case** of no fare, service, or funding restructuring. **Baseline assumptions** are as follows:
  - No operator makes fare changes (based on the fare structures in place as of May 2005)
  - MTA makes no service changes, with the exception of new three startup services: the Orange Line (FY06), the Expo Line (FY08), and the Eastside extension (FY10)
  - Independent of the startup services, MTA bus and rail ridership remain constant
  - Municipal operators increase their vehicle service mile provision by 1.0% annually; municipal operator ridership grows by 1.0% annually
  - The FAP funding pool and formula remain unchanged
- The primary data sources used for this analysis were the FY04 TPM report submittals for each operator. More detailed ridership, fare revenue, and service data for MTA were also used
- A systemwide fare elasticity of -0.23 is used for MTA and the municipal operators, which is supported by data from MTA's last fare change as well as the 1991 APTA *Effects of Fare Changes on Bus Ridership* report
- A service operator change was not assumed to result in a ridership change for that service
- The size of the bus transit funding pool is assumed to grow by 3% annually

Low Scenario: FY06-FY10 Total Additional Funding Generated

- The **Low** scenario has MTA fare restructuring ($1.00 base fare), no municipal operator cooperation, no service operator changes, and no funding changes
- **$136.2 million** in additional fare revenue would be generated from FY06-FY10, largely as a result of MTA's fare change. The remaining funding changes are the result of changes in FAP funding levels

	Existing Formula
Los Angeles MTA	$193,286,000
Antelope Valley	-$1,065,000
Arcadia	-$248,000
Claremont	-$94,000
Commerce	-$338,000
Culver City	-$2,931,000
Foothill	-$10,246,000
Gardena	-$3,340,000
La Mirada	-$112,000
Long Beach	-$18,077,000
Los Angeles DOT	-$3,300,000
Montebello	-$7,868,000
Norwalk	-$1,521,000
Redondo Beach	-$72,000
Santa Clarita	-$1,327,000
Santa Monica	-$11,203,000
Torrance	-$3,567,000

Medium – A: FY06-FY10 Total Additional Funding Generated

- With the **Medium-A** scenarios, **$359.0 million in new countywide funds** are generated:
  - **$348.4 million (97%)** is from MTA and six munis adopting a $1.25 base fare
  - **$10.6 million (3%)** is from 3% service operator changes involving MTA and LADOT
  - The single fund pool results in greater simplicity and an improved ability to audit

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$276,723,000	$480,009,000	$477,485,000	$362,344,000	$377,720,000
Antelope Valley			$1,408,000	-$7,469,000	$14,983,000	$8,377,000	-$3,032,000
Arcadia			$2,791,000	-$2,067,000	-$2,195,000	-$1,641,000	$1,117,000
Claremont			$253,000	-$577,000	-$659,000	-$579,000	-$16,000
Commerce			$989,000	-$57,000	-$766,000	-$433,000	$461,000
Culver City	Yes		$4,159,000	$478,000	-$6,170,000	$1,191,000	$2,297,000
Foothill	Yes		$26,063,000	-$81,220,000	-$22,404,000	$10,759,000	-$27,821,000
Gardena			-$14,560,000	-$12,698,000	-$14,903,000	-$13,677,000	-$13,640,000
La Mirada			$762,000	-$972,000	-$895,000	-$693,000	$167,000
Long Beach	Yes		$31,241,000	$10,623,000	-$39,702,000	-$702,000	$20,816,000
Los Angeles DOT	Yes	Yes	$23,116,000	-$3,556,000	-$20,385,000	-$9,125,000	$9,699,000
Montebello	Yes		$7,632,000	$6,840,000	-$7,621,000	$120,000	$7,203,000
Norwalk			$448,000	-$6,856,000	-$6,911,000	-$2,359,000	-$3,223,000
Redondo Beach			$283,000	-$332,000	-$367,000	-$307,000	$76,000
Santa Clarita			-$65,000	-$8,319,000	$14,890,000	$8,464,000	-$4,194,000
Santa Monica	Yes		$3,670,000	$4,418,000	-$11,184,000	$5,728,000	$3,987,000
Torrance			-$5,888,000	-$19,219,000	-$14,170,000	-$8,441,000	-$12,593,000

Medium – B: FY06-FY10 Total Additional Funding Generated

- With the **Medium-B** scenarios, **$425.2 million in new countywide funds** are generated:
  - **$398.5 million (94%)** is from a countywide $1.25 base fare
  - **$26.7 million (6%)** is from 10% service operator changes involving MTA and five munis
  - The single fund pool results in greater simplicity and an improved ability to audit

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$285,243,000	$527,741,000	$496,230,000	$377,230,000	$405,933,000
Antelope Valley	Yes		$3,230,000	-$5,993,000	$16,177,000	$9,895,000	-$1,384,000
Arcadia	Yes		$2,948,000	-$2,002,000	-$2,124,000	-$1,536,000	$1,237,000
Claremont	Yes		$262,000	-$575,000	-$658,000	-$576,000	-$11,000
Commerce	Yes		$3,435,000	$1,810,000	$1,180,000	$1,760,000	$2,618,000
Culver City	Yes	Yes	$4,399,000	-$709,000	-$6,675,000	$1,229,000	$1,820,000
Foothill	Yes	Yes	$30,943,000	-$81,949,000	-$19,779,000	$15,052,000	-$25,767,000
Gardena	Yes		-$3,034,000	-$5,486,000	-$7,393,000	-$4,124,000	-$4,278,000
La Mirada	Yes		$815,000	-$948,000	-$874,000	-$659,000	$209,000
Long Beach	Yes		$33,433,000	$11,297,000	-$39,171,000	$784,000	$22,243,000
Los Angeles DOT	Yes	Yes	$32,259,000	-$7,847,000	-$7,394,000	-$904,000	$12,088,000
Montebello	Yes	Yes	$8,906,000	$5,826,000	-$8,271,000	$476,000	$7,326,000
Norwalk	Yes		$4,869,000	-$3,946,000	-$3,989,000	$1,334,000	$438,000
Redondo Beach	Yes		$329,000	-$300,000	-$333,000	-$267,000	$117,000
Santa Clarita	Yes		$3,800,000	-$5,167,000	$17,115,000	$11,533,000	-$685,000
Santa Monica	Yes	Yes	$6,215,000	$3,763,000	-$2,994,000	$11,686,000	$4,923,000
Torrance	Yes		$7,180,000	-$10,289,000	-$5,817,000	$2,319,000	-$1,601,000

High Scenarios: FY06-FY10 Total Additional Funding Generated

- With the **High** scenarios, **$798.8 million in new countywide funds** are generated:
  - **$747.3 million (94%)** is from a countywide base fare of $1.50 in FY06 then $1.75 in FY08
  - **$51.5 million (6%)** is from 16% service operator changes involving MTA and seven munis
  - The single fund pool results in greater simplicity and an improved ability to audit

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$537,009,000	$802,815,000	$753,263,000	$633,086,000	$669,416,000
Antelope Valley	Yes		$7,106,000	-$2,175,000	$19,854,000	$13,684,000	$2,463,000
Arcadia	Yes		$3,074,000	-$1,882,000	-$2,003,000	-$1,412,000	$1,362,000
Claremont	Yes		$311,000	-$529,000	-$611,000	-$527,000	$38,000
Commerce	Yes		$3,977,000	$2,327,000	$1,699,000	$2,293,000	$3,146,000
Culver City	Yes	Yes	$8,744,000	$3,437,000	-$2,489,000	$5,525,000	$6,065,000
Foothill	Yes	Yes	$61,440,000	-$57,887,000	$18,519,000	$50,585,000	$1,491,000
Gardena	Yes	Yes	$1,874,000	-$1,324,000	-$3,334,000	$454,000	$255,000
La Mirada	Yes		$871,000	-$894,000	-$820,000	-$604,000	$264,000
Long Beach	Yes	Yes	$53,365,000	$29,502,000	-$20,796,000	$20,114,000	$41,308,000
Los Angeles DOT	Yes	Yes	$50,544,000	-$1,451,000	$2,902,000	$10,246,000	$24,396,000
Montebello	Yes	Yes	$19,550,000	$15,324,000	$1,225,000	$10,608,000	$17,395,000
Norwalk	Yes		$6,926,000	-$1,955,000	-$1,999,000	$3,373,000	$2,463,000
Redondo Beach	Yes		$388,000	-$243,000	-$275,000	-$208,000	$176,000
Santa Clarita	Yes		$7,704,000	-$1,333,000	$20,809,000	$15,347,000	$3,183,000
Santa Monica	Yes	Yes	$23,157,000	$19,944,000	$13,283,000	$28,400,000	$21,483,000
Torrance	Yes		$12,789,000	-$4,846,000	-$403,000	$7,863,000	$3,923,000

Section 6: Conclusions and Next Steps

Summary of Restructuring Options

- For **fare restructuring**, while each operator has the exclusive authority to change its fares, the benefits of a countywide fare structure would be tremendous for riders as well as from a countywide revenue perspective. The TAP program will provide greater capabilities to implement regional fares, including a regional Day Pass

- **Service restructuring** involves a win-win approach for both MTA and the municipal operators by leveraging cost efficiency. A bridge funding approach will require agreement from multiple parties. Capacity of municipal operators to take on additional service could be a concern (particularly LADOT, Foothill) – need to consider the following issues:
  - Transfer of vehicles
  - Adequacy of maintenance and storage facilities
  - Impacts on ability to meet fleetwide emission reduction goals
  - Discussions with other entities, including the labor unions and potentially courts

- **Funding pool restructuring** can provide greater simplicity and an improved ability to audit data with respect to the regional transit funding process

- **Funding variable restructuring** provides technical veracity and better alignment with regional policies. The choice of variables will have widely different funding impacts for individual operators

Each Scenario will Generate Additional Funds for Reinvestment

- These scenarios could provide the county with two significant sources of funds:
  - **Additional fare revenue** from fare restructuring – up to **$747.3 million** over five years by implementing a countywide fare of $1.50 in Jan 2006 and $1.75 in Jan 2008
  - **Operating cost savings** by leveraging the cost profiles of municipal operators – up to **$51.5 million** over five years, assuming FY07 implementation
- MTA and the munis could reinvest these funds for additional service, deferred maintenance, or new capital projects
- While funding pool and funding variable restructuring do not generate additional funds, benefits would be realized with respect to simplicity, ability to audit, and alignment with regional policies
- How do we move forward?
  - Assign a multi-agency team to review details and refine options
  - Define a schedule and reporting back mechanism
  - Establish targets for discussions with the MTA and municipal operator Boards

Appendix A: Options to Address the Two-Year Lag

FAP Funds Are Allocated Based on Actual and Auditable Data

- Presently, FAP allocates transit funds based on the most recent audited performance data submitted for each operator, as required by Section 99285 (d) of the California PUC. This procedure causes a **two year lag** -- allocations for a given fiscal year are based on data from two years prior (i.e., FY02 audited data determines FY04 fund allocations)

- This funding methodology **impacts an operator's financial position** where the operator has expanded or increased service in the current fiscal year, but does not receive a corresponding increase in FAP funds for two more years

Analyzing the Option to Allocate Funds Based on Budgeted Data

- An option to the current FAP procedure would be to explore the possibility and benefits of **allocating transit funds based on budgeted data**. This option would require legal staff to research Section 99285 (d) of the California PUC to determine whether an an alternate methodology that allocates funding based on budget with adjustments correcting for over/under-estimates would still be in compliance

- An upside to having allocations based on budgeted data would be that operators would have the financial ability and stability to **fund operating costs and service changes in the year that they occur**. A two year lag would still exist, however, as the operators would need to reconcile budgeted against actual audited data two years later (and then reconcile the funding amounts) – thereby **adding at least one more reporting, calculation, and funding step** to the existing process

- Under this scenario, the value of funds impacted by the two year lag would be a small percent, as measured by the **variance of actual data from budgeted data**. Additional analysis of the difference between service levels over a two year period and annual budget variances should be conducted to determine if the benefit of moving to a budget-based allocation is significant enough to justify the change

- A methodology for funding based on budgeted data would need to have penalties in place for operators that significantly over-estimated their budgets (e.g., five percent or more) and thereby received more funding than what they should have been entitled

Appendix B: Options to Include MTA Rail for FAP Funds

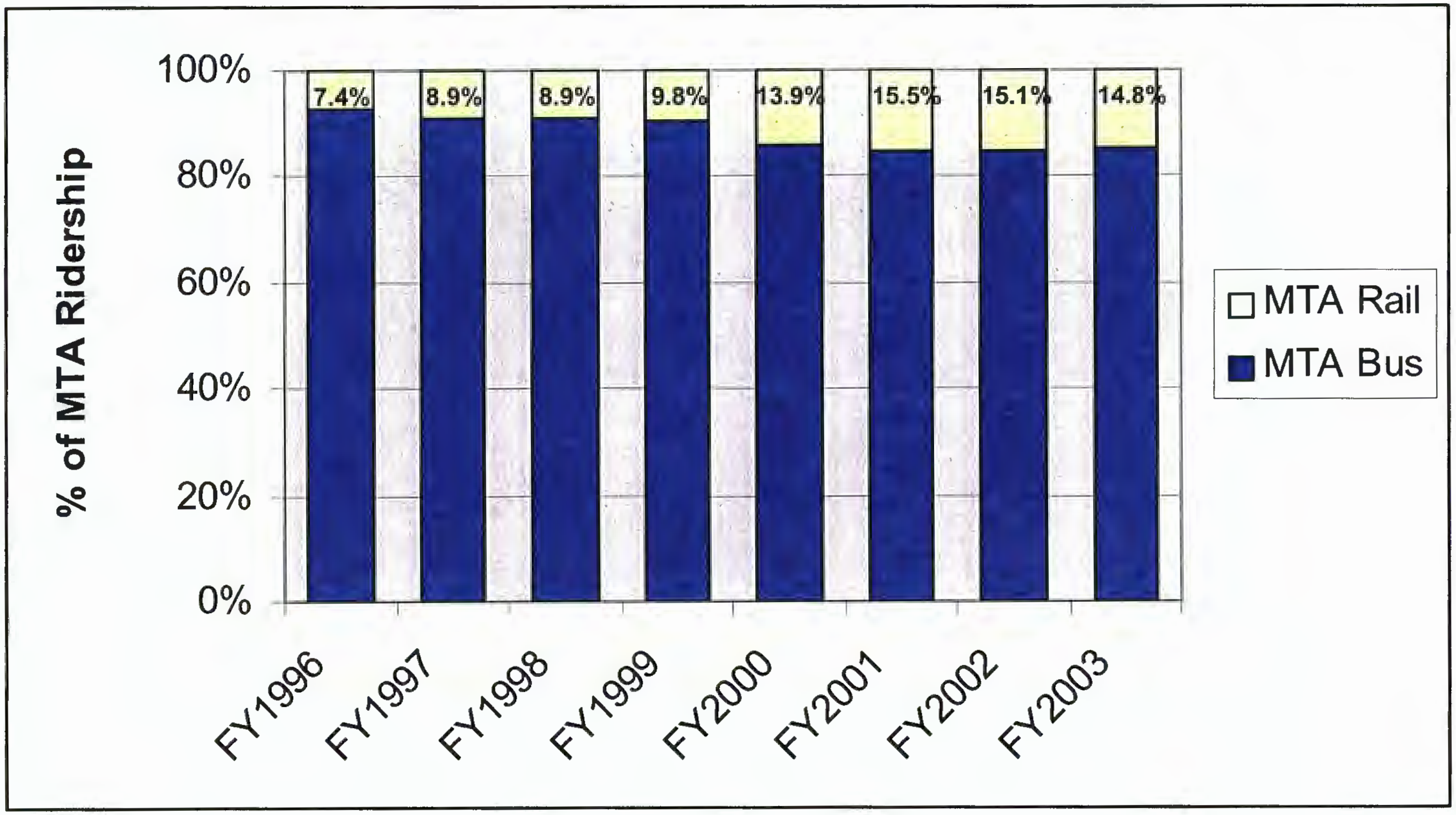
The Countywide Roles of Rail and Bus Service In Los Angeles Are Changing Over Time

- FAP currently allocates funds to operators for bus service only; rail service is not included. It is noted that when FAP was created in 1979, rail service in Los Angeles County did not exist. Currently, rail receives dedicated funding outside of FAP through the Proposition A Rail Development Fund (35% of Prop A revenues)

- Proposition A 35% revenues must be exclusively used on rail development projects (capital) and rail operations

- Since 1990 when the county's first rail line (i.e., Metro Blue Line) opened, rail has become an increasingly larger part of the region's transit system
  - Audited data reflects that rail ridership, which includes light and heavy rail, has grown from **26.7 million in 1996** to **63.5 million in 2003** (growth of 138%)
  - Prior to 1990 MTA rail carried 0% of regional trips; in FY2003 MTA rail carried 14.8% of MTA's total bus and rail ridership, and **11.5% of total countywide ridership** (i.e., MTA bus, MTA rail and FAP-funded municipal operators) and **16.4% of countywide passenger miles**

As of FY2003 Rail Ridership Accounted for Approximately 15% of MTA's Total Ridership



Rail Funding is Fixed at 35% of Prop A Revenues, Yet the Amount of Rail Service Provided Continues to Grow

- Between 1990 and 2003, MTA has consistently increased and expanded rail service:
  - 1990 Opening of Metro Blue Line
  - 1993 Opening of Metro Red Line
  - 1995 Opening of Metro Green Line
  - 1996-2000 Opening of 3 Red Line Extensions

- Over time, as MTA rail system continues to grow, the region may wish to consider adjusting rail revenues to more closely reflect its importance in the regional transit system. Rail funding could be adjusted as **a step function in increments of 5%**, based on either countywide passenger boardings or passenger miles. With the step function approach, year-to-year fluctuations in rail and bus service levels would not need to be taken into account

- Moving 5% of bus transit funding to rail would increase rail funding levels by about $32 million annually. A movement of 10% would increase rail funding by about $64 million annually

- Metrolink, like MTA rail, has a dedicated funding source – Prop C Commuter Rail (10% of Prop C funds). A similar case for funding adjustments over time could apply to Metrolink, but with the added complexity of Metrolink being a multi-county operator. Specifically, a detailed procedure would need to be established to determine the LA County share of Metrolink service provision and/or utilization

Appendix C: Review of Criteria for Becoming an Included Operator

Criteria for Becoming an Included Operator

- As discussed previously, included operators are those that were part of the FAP when established in 1979 or were otherwise awarded included operator status by meeting criteria established by MTA's predecessor, the LACTC

- There are nine criteria for becoming an included operator which can be classified into two primary categories:
  - Five ***Service Criteria*** that pertain to the length of operation and type of service provided in terms of service area and need for transit in the service area
  - Four ***Regulatory or Compliance Criteria*** that pertain to MTA or other agency requirements not specific to the service operated

- It is the service criteria that have been the most restrictive in allowing new operators to achieve included operator status. The last to do so was Foothill Transit in 1995. Several new operators – LADOT, Antelope Valley, and Santa Clarita – have been made eligible operators which allows them to earn the equivalent of their FAP share while not decreasing the shares of the included operators

There are Five Service Criteria for Becoming an Included Operator

1. Length of continuous operation (minimum of three years)

2. Availability for use by the general public during same three-year period

3. Meeting a need that would otherwise not be met or cannot be effectively provided by a current operator receiving TDA

4. Eligibility for funding if system consists of a reorganization or replacement of another transit system previously eligible for funding and provides substantially similar service which previously received TDA subsidies

5. Notwithstanding criteria #1, 2, and 3, an operator may be designated an Included Operator for specific service previously funded through an LACTC demonstration grant by eight affirmative votes of the LACTC

- The emphasis of these criteria on providing service previously funded, or where unmet needs cannot be provided, by an existing Included operator **protects the funding levels of existing FAP-eligible operators**. Four operators, however, have achieved included or eligible status – Foothill Transit and LADOT (both taking over previously funded service) and Antelope Valley and Santa Clarita which provide service to a previously unmet need (in North County)

The Four Remaining Criteria pertain to Regulatory/Compliance Issues

6. Minimum 50% level of support of the system's operating expenses through fares, city general funds, or federal UMTA [now FTA] programs (Proposition A Local Return funds cannot be considered as part of city's general fund contribution)

7. Approval of system's Short Range Transit Plan by LACTC [now LACMTA]

8. Integration and coordination with neighboring transit systems

9. Meeting the requirements of TDA and Section 15 [now 5307] of the Urban Mass Transportation Act [now FTA], as amended

- The nature of these Regulatory/Compliance criteria make them **relatively easier to meet** (i.e., determination of whether the criteria have been met is more objectively determined) than the Service criteria

- These criteria require Included operators to meet compliance issues associated with the funding sources allocated through the FAP (i.e., TDA and federal 5307), and ensures that service provided by a potential new Included operator is part of a regional, coordinated transit system

Service Criteria and Special Funding Programs Help Preserve the Funding Levels of Operators Already Included or Eligible

- Service criteria three, four, and five essentially eliminate the inclusion of new Included operators in the FAP except where service has not previously been provided and cannot be effectively provided by an existing operator:
  - While LADOT and Foothill Transit now receive formula equivalent and FAP funds, respectively, both became eligible for funding due to operation of service previously operated by RTD/LACMTA
  - Antelope Valley and Santa Clarita now receive formula equivalent funds as they provide service in the newly developed area of North County, not previously served by another operator

- While these operators have become eligible for funding through the FAP, the impacts on the funding levels of already included operators has been mitigated through a variety of special funding arrangements as discussed previously:
  - Included operators are allocated additional funding to compensate for growth in Foothill Transit service over the base year in which they became included
  - LADOT, Antelope Valley and Santa Clarita (and also Foothill – BSCP) receive formula equivalent funds which allows the "included" operators shares to be determined before these operators' shares are calculated. Additionally, these eligible operators are funded through a different pool of revenues
  - As operators (both included and eligible) have expanded service to relieve issues such as overcrowding, additional revenue sources (mostly Prop C 40%) have been used to fund these services meaning they are not included in determining FAP shares

Passage of the Calderon Bill in 1996 Also Preserves the Funding Levels of Operators Already Included or Eligible (Continued)

- The FAP program in place today, including the funding sources, the funding programs, and the funding levels have been codified through the passage of the Calderon Bill (SB 1755) in 1996
- Specifically, the legislation states that each included and eligible operator will not receive less than the proportional share of funds that were allocated in FY96:
  - This covers both FAP-funded operators; formula equivalent-funded operators; any operators receiving funding through the TSE, BSIP, Foothill Mitigation, or Base Restructuring programs (Prop C 40%); and Commerce which receives Zero Fare Compensation Funding
  - Any changes to the FAP formula or funding amounts must be approved by a ¾ affirmative vote of the MTA Board of Directors
  - Changing the criteria for admitting new municipal operators to the FAP program requires a 2/3 affirmative Board vote, as does the actual designation of a new included municipal operator
  - As Calderon requires the funding levels for included and eligible operators to not be lower than their proportional shares in FY96, the inclusion of new operators in the program would presumably require additional funds beyond those already allocated to be used to fund the new included operator(s)
- In a purely conceptual sense, any entity in Los Angeles County that provides public transportation service and provides its riders with mobility is generating benefit for the region – and could therefore make a case to receive regional funds provided that the appropriate data is properly and accurately documented. Changes to the existing policies, programs, and regulations described in this section could be considered in order to best promote regional benefit and funding equity

Appendix D: Options to Provide Mitigation Funding

Mitigations Against Funding Impacts Resulting from Changes to the FAP Formula Could be Considered

- Fare changes, service operator changes, and additional Prop A Discretionary funds over the CPI (as discussed previously in this report) could allow for **most or all** of the included and eligible operators to generate net additional funds that exceeds the Baseline case

- If a particular operator still experiences a net negative funding impact, **mitigation funding** for that operator could be considered. Mitigation funding could be implemented using one of the following methods:
  - **Timed** – Impacts of changes in funding shares would occur in steps over a multi-year period (e.g., 2-4 years). Each step need not be the same, but could vary (such as smaller jumps in early years and larger jumps in later years)

    In March 2004, the General Managers of the FAP-funded municipal operators established guidelines for changing the FAP. One of these guidelines calls for phasing in changes to offset the negative funding impacts resulting from a change to the FAP
  - **Additional Funds** – operators with net negative funding impacts would receive additional funds over a multi-year period to allow them time to adjust to the funding decline

    A potential source of mitigation funding could be Prop C 40% Discretionary funds that are not already being used to fund the Foothill Mitigation, TSE, Base Restructuring, BSIP, MOSIP, and Consent Decree

Provision of Mitigation Funding Could be Subject to Certain Eligibility Criteria

- If the additional funds approach is selected, the appropriate amount of mitigation funding for the selected multi-year period would need to be determined. One approach would be to **fund a fixed percentage of lost funding**:
  - Using an example of 50% for the first year, an operator that experiences an annual net funding loss of $500,000 in the first year of the FAP formula change could receive up to $250,000 in mitigation funding
  - The value of the mitigation funding provided could then be decreased over time
  - This approach may or may not include a minimum amount (or percentage) of revenue loss before becoming eligible to receive the mitigation funding

- Another approach would be to provide mitigation funding only **when funding levels drop to a certain established threshold**:
  - For example, if the regional percentage of operating costs covered by FAP funds is 60%, a rule could be established that mitigation funding would only be provided to operators who fall below 80% of this regional average (80% of 60% = 48%)
  - With this example, an operator that would have less than 48% of its operating costs covered through the FAP would receive sufficient mitigation funding to cover this 48%
  - At a minimum, Antelope Valley and Santa Clarita would need to have lower percentage thresholds defined since these operators do not receive TDA Article 4 funds

- These two approaches could potentially be combined – to fund a fixed percentage of lost funding to operators whose funding levels fall below an established threshold

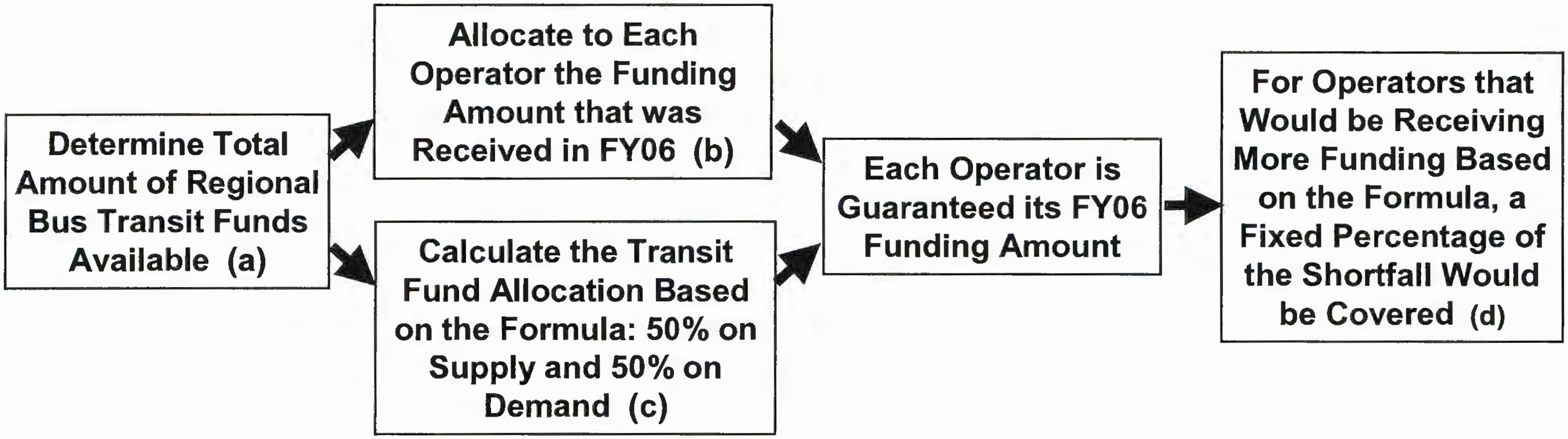
Another Approach to Funding Mitigation Was Discussed

- Another approach to funding mitigation is based on three key concepts for the distribution of regional bus transit funding in Los Angeles County among included and eligible operators:
  - 1.) A **new formula** should be established that ties the allocation of funding to objective and consistent factors, encourages transit equity, simplifies the data reporting process, and takes fare policy out of consideration
  - 2.) The formula should be weighted **50% on supply, 50% on demand**
  - 3.) Each included and eligible operator should be **kept whole** with respect to FY06 funding marks. Every operator will receive an amount of regional funds in FY07 and beyond that equals or exceeds the FY06 amount

- Only funds in excess of the FY06 funding marks will be allocated according to the new formula:
  - Excess funds would be distributed to operators that, based on the new formula, would be getting a funding amount of more than the actual FY06 funding marks
  - A fixed percentage of the shortfalls by operator would be covered. This percentage, which would be the same across all qualifying operators, would be determined based on the amount of excess funds available

- The new formula will fully determine the allocation of regional funds only when every included and eligible operator would receive a funding amount at least equal to what the operator received in FY06

The Diagram Below Shows this Mitigation Approach Graphically



(a) – Regional Bus Transit Funds are currently comprised of TDA Article 4 plus interest, STA plus interest, Prop A & C Discretionary funds, and Prop C Bus Security funds.

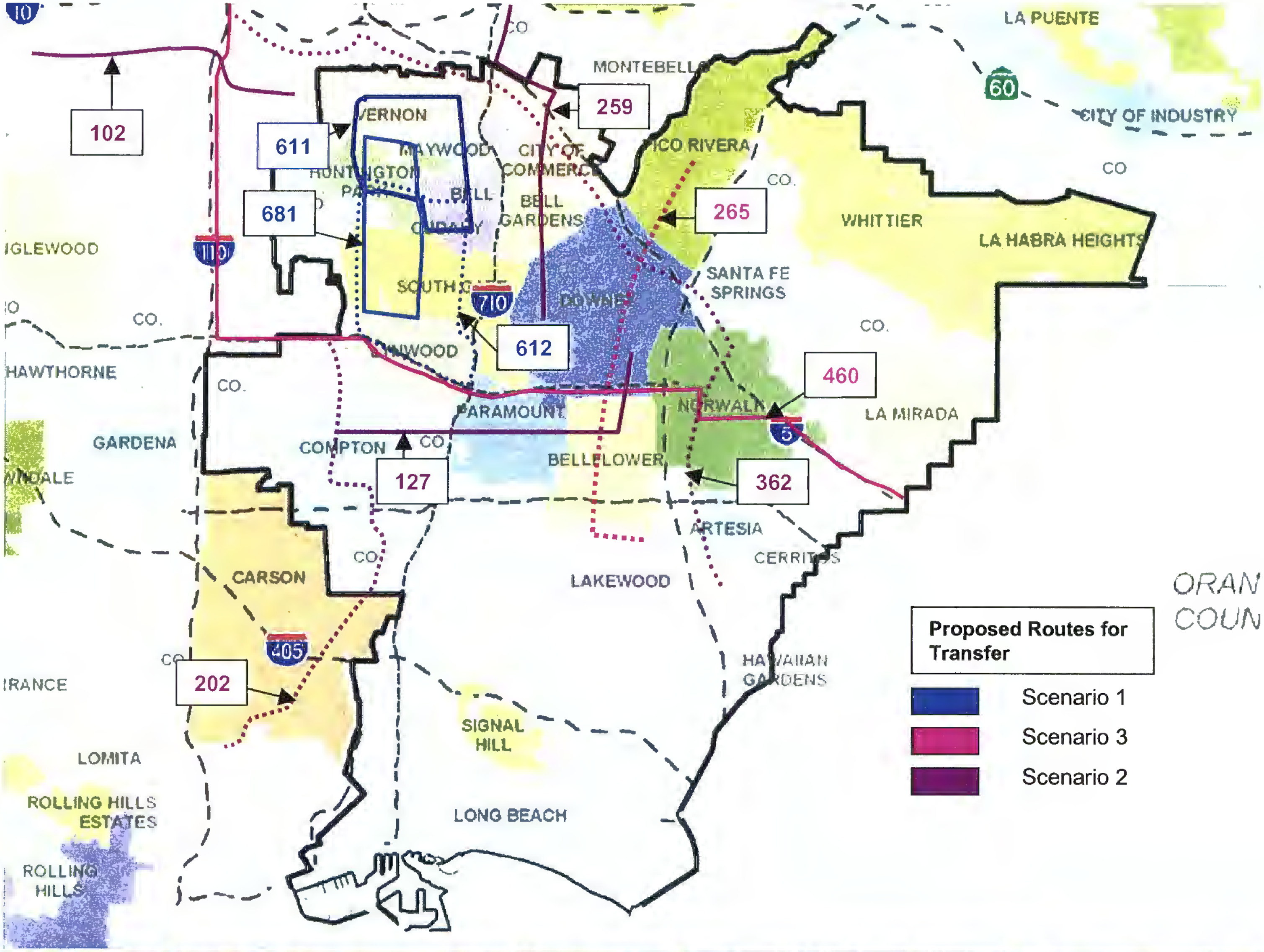
(b) – In the unexpected event that the total funding amount available is less than the FY06 total, each operator would receive a fixed percentage of its FY06 funding mark.

(c) – Quantities are scaled so that the supply and the demand variable count equally in the funding calculation.

(d) – This percentage, fixed for each qualifying operator, depends on the amount of excess funds available.

Appendix E: Service Maps and Tables

Gateway Sector Map



Metro

Booz | Allen | Hamilton

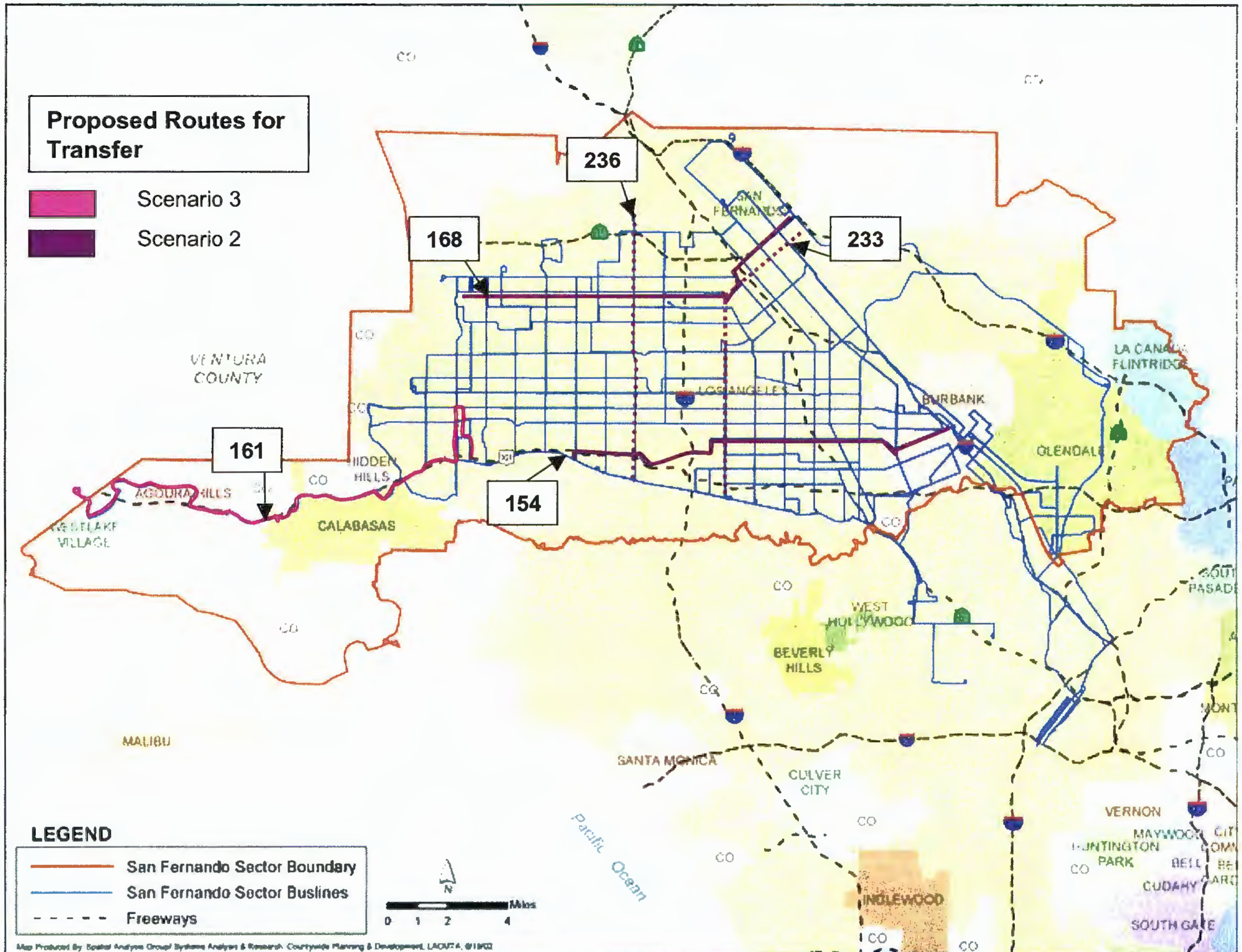
Eight routes in the Gateway Sector were Identified

Primary Sector	Secondary Sector	MTA Route #	Route Type	Description	Case	Agency Picking Up Service
Gateway	Westside/Central	102	Local	E. Jefferson Blvd/Coliseum St	16%	LADOT
Gateway	South Bay	127	Local	Compton/Downey	16%	LADOT
Gateway		265	Local	Lakewood/Pico Rivera	10%	Montebello
Gateway	Westside/Central	362	Local	Hawaiian Gardens/Los Angeles	16%	LADOT
Gateway	Westside/Central	460	Express	Disneyland Express	10%	LADOT
Gateway		611	Shuttle	Huntington Park/Maywood	3%	LADOT
Gateway		612	Shuttle	Huntington Park/Watts	3%	LADOT
Gateway	South Bay	681	Shuttle	Huntington Park/Watts	3%	LADOT

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- There are eight routes within the Gateway Sector that are identified to be picked up by municipal operators in the 16% service restructuring case:
  - Three routes (265, 611, 612) are fully contained within the sector
  - Five routes (102, 127, 362, 460, 681) are partially contained within the sector
- One of these routes (460) is express, three (611, 612, 681) are shuttles, and the other four (102, 127, 265, 362) are local

San Fernando Valley Sector Map



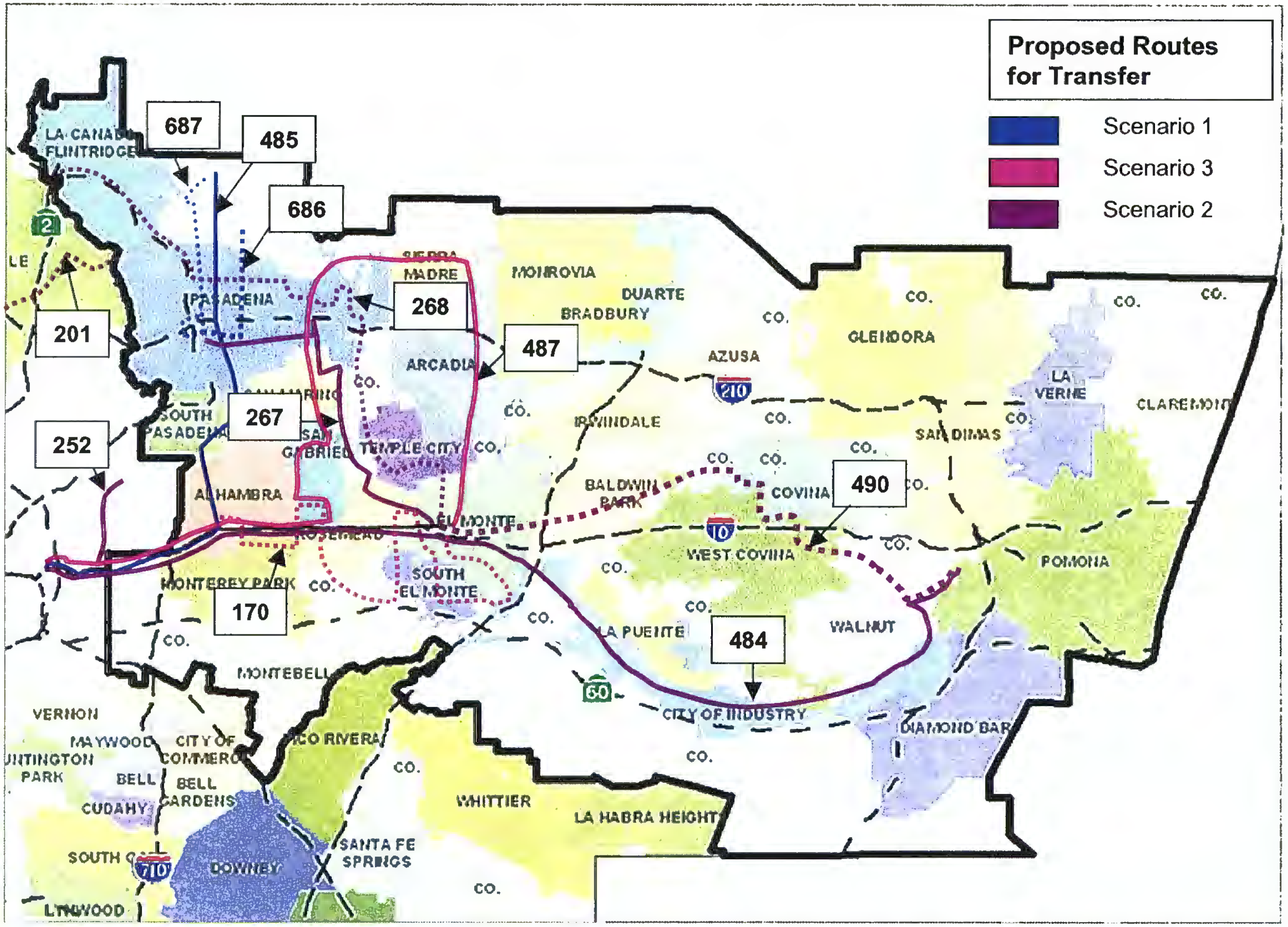
Five routes in the San Fernando Valley Sector were Identified

Primary Sector	Secondary Sector	MTA Route #	Route Type	Description	Scenario	Agency Picking Up Service
San Fernando		154	Local	Burbank/Porter Ranch	16%	LADOT
San Fernando		161	Local	Westlake Village/Canoga Park	10%	LADOT
San Fernando		168	Local	Chatsworth/Pacoima	16%	LADOT
San Fernando		233	Local	Sherman Oaks/Pacoima	16%	LADOT
San Fernando		236	Local	Sherman Oaks/Encino	16%	LADOT

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- There are five routes within the San Fernando Valley Sector that are identified to be picked up by municipal operators in the 16% service restructuring case:
  - All five routes (154, 161, 168, 233, 236) are fully contained within the sector
  - All five routes are local

San Gabriel Valley Sector Map



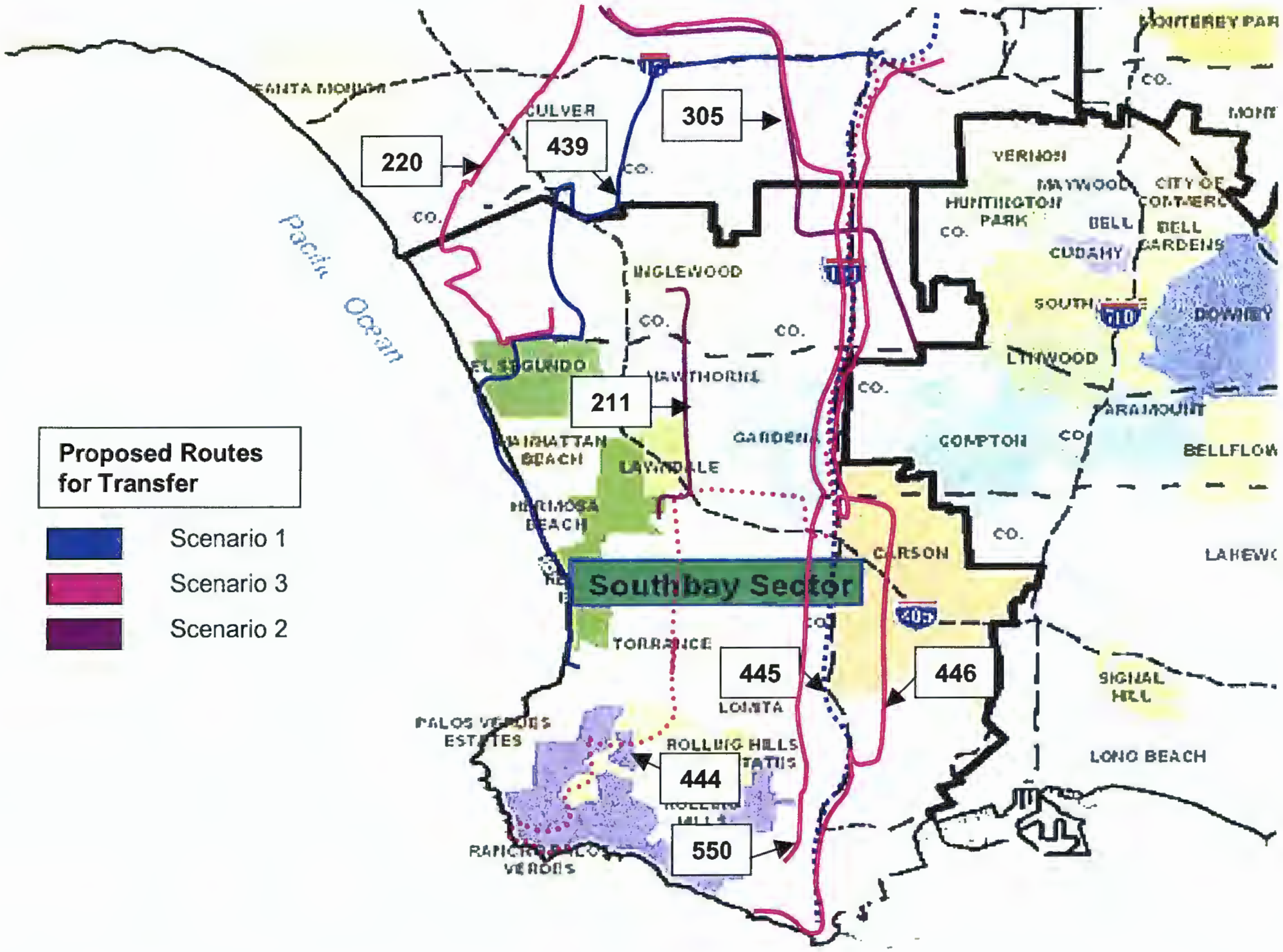
Twelve routes in the San Gabriel Valley Sector were Identified

Primary Sector	Secondary Sector	MTA Route #	Route Type	Description	Scenario	Agency Picking Up Service
San Gabriel	Westside/Central	170	Local	Cal State LA/El Monte	10%	Foothill
San Gabriel	Westside/Central	201	Local	Silverlake Blvd/Glendale	16%	LADOT
San Gabriel	Westside/Central	252	Local	Lynwood/Boyle Heights	16%	LADOT
San Gabriel	Gateway	259	Local	South Gate/El Soreno	16%	Montebello
San Gabriel		267	Local	El Monte/Altadena	16%	Foothill
San Gabriel		268	Local	El Monte/La Canada	16%	Foothill
San Gabriel	Westside/Central	484	Express	Los Angeles/Pomona Expr	16%	Foothill
San Gabriel	Westside/Central	485	Express	Altadena/Los Angeles Express	3%	LADOT
San Gabriel	Westside/Central	487	Express	Sierra Madre Express	10%	Foothill
San Gabriel	Westside/Central	490	Express	Pomona/Los Angeles Expr	16%	Foothill
San Gabriel		686	Shuttle	Pasadena-Arroyo Parkway	3%	LADOT
San Gabriel		687	Shuttle	Pasadena-Los Robles Ave	3%	LADOT

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- There are twelve routes within the San Gabriel Valley Sector that are identified to be picked up by municipal operators in the 16% service restructuring case:
  - Four routes (267, 268, 686, 687) are fully contained within the sector
  - Eight routes (170, 201, 252, 259, 484, 454, 487, 490) are partially contained
- Four routes (484, 485, 487, 490) are express, two routes (686, 687) are shuttles, and six routes (170, 201, 252, 259, 267, 268) are local

Southbay Sector Map



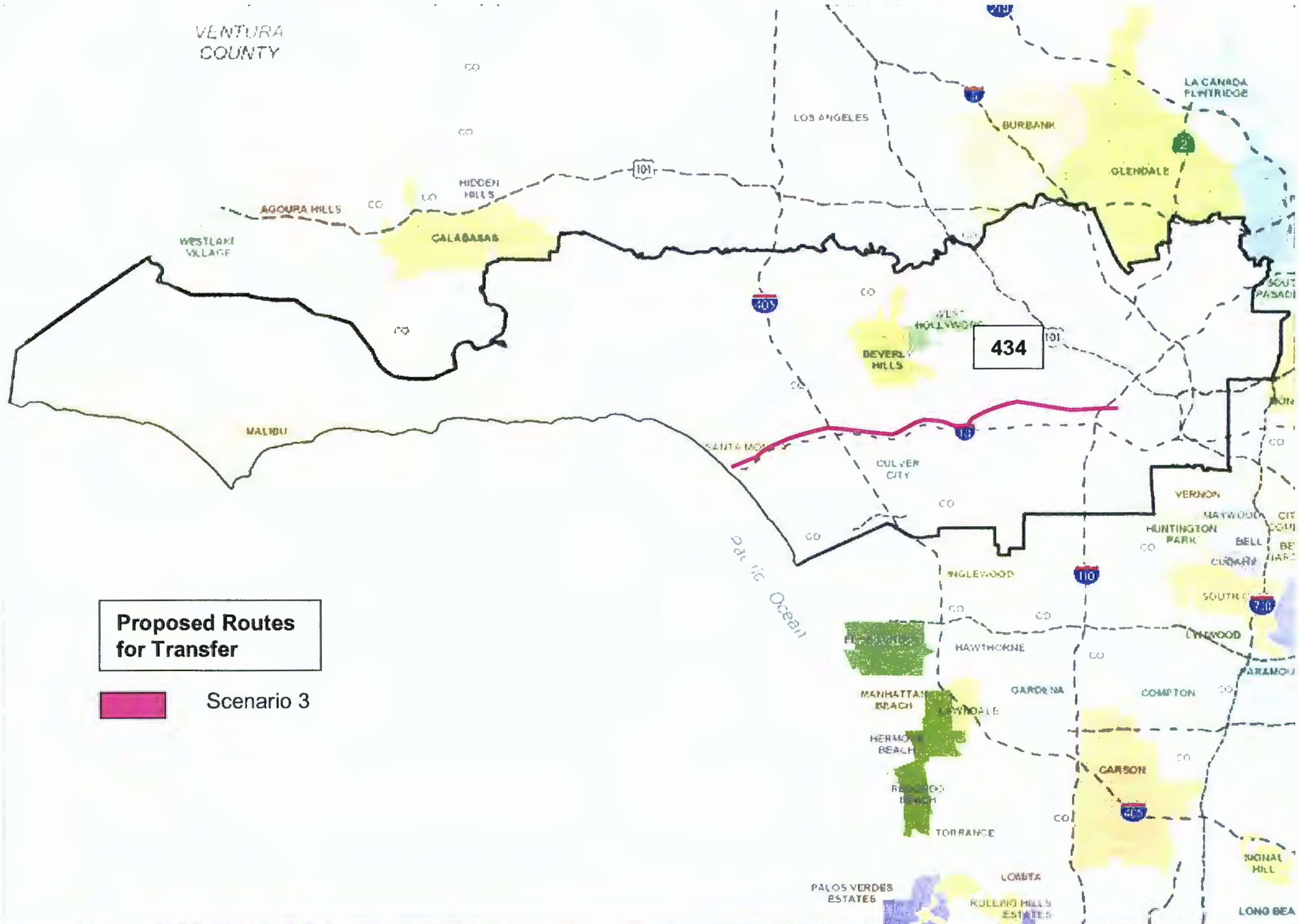
Eight routes in the Southbay Sector were Identified

Primary Sector	Secondary Sector	MTA Route #	Route Type	Description	Scenario	Agency Picking Up Service
South Bay	Gateway	202	Local	Willowbrook/Wilmington	16%	Long Beach
South Bay		211	Local	Prairie Ave/So. Bay Galleria	16%	Gardena
South Bay	Westside/Central	305	Local	W. Hollywood/Willowbrook	16%	LADOT
South Bay	Westside/Central	439	Express	Redondo Beach/Union Station	3%	LADOT
South Bay	Westside/Central	444	Express	Palos Verdes Express	10%	LADOT
South Bay	Westside/Central	445	Express	Union Station/San Pedro	3%	LADOT
South Bay	Westside/Central	446	Express	San Pedro/Union Station	10%	LADOT
South Bay	Westside/Central	550	Express	San Pedro/W. Hollywood Expr	10%	LADOT

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- There are eight routes within the Southbay Sector that are identified to be picked up by municipal operators in the 16% service restructuring case:
  - One route (211) is fully contained within the sector
  - Seven routes (202, 305, 439, 444, 445, 446, 550) are partially contained within the sector
- Five routes (439, 444, 445, 446, 550) are express, and three routes (202, 211, 305) are local

Westside/Central Sector Map



Two routes in the Westside/Central Sector were Identified

Primary Sector	Secondary Sector	MTA Route #	Route Type	Description	Scenario	Agency Picking Up Service
Westside/Central	South Bay	220	Local	West Hollywood/LAX	10%	Culver City
Westside/Central		434	Express	Malibu/Union Station	10%	Santa Monica

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- There are two routes within the Southbay Sector that are identified to be picked up by municipal operators in the 16% service restructuring case:
  - One route (434) is fully contained within the sector
  - The other route (220) is partially contained within the sector
- One route (434) is express, and the other route (220) is local

Twenty-three routes were Identified for LADOT

Agency Picking Up Service	Scenario	MTA Route #	Route Type	Description	Primary Sector	Secondary Sector
LADOT	3%	439	Express	Redondo Beach/Union Station	South Bay	Westside/Central
LADOT	3%	445	Express	Union Station/San Pedro	South Bay	Westside/Central
LADOT	3%	485	Express	Altadena/Los Angeles Express	San Gabriel	Westside/Central
LADOT	3%	611	Shuttle	Huntington Park/Maywood	Gateway	
LADOT	3%	612	Shuttle	Huntington Park/Watts	Gateway	
LADOT	3%	681	Shuttle	Huntington Park/Watts	Gateway	South Bay
LADOT	3%	686	Shuttle	Pasadena-Arroyo Parkway	San Gabriel	
LADOT	3%	687	Shuttle	Pasadena-Los Robles Ave	San Gabriel	
LADOT	10%	161	Local	Westlake Village/Canoga Park	San Fernando	
LADOT	10%	444	Express	Palos Verdes Express	South Bay	Westside/Central
LADOT	10%	446	Express	San Pedro/Union Station	South Bay	Westside/Central
LADOT	10%	460	Express	Disneyland Express	Gateway	Westside/Central
LADOT	10%	550	Express	San Pedro/W. Hollywood Expr	South Bay	Westside/Central
LADOT	16%	102	Local	E. Jefferson Blvd/Coliseum St	Gateway	Westside/Central
LADOT	16%	127	Local	Compton/Downey	Gateway	South Bay
LADOT	16%	154	Local	Burbank/Porter Ranch	San Fernando	
LADOT	16%	168	Local	Chatsworth/Pacoima	San Fernando	
LADOT	16%	201	Local	Silverlake Blvd/Glendale	San Gabriel	Westside/Central
LADOT	16%	233	Local	Sherman Oaks/Pacoima	San Fernando	
LADOT	16%	236	Local	Sherman Oaks/Encino	San Fernando	
LADOT	16%	252	Local	Lynwood/Boyle Heights	San Gabriel	Westside/Central
LADOT	16%	305	Local	W. Hollywood/Willowbrook	South Bay	Westside/Central
LADOT	16%	362	Local	Hawaiian Gardens/Los Angeles	Gateway	Westside/Central

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- LADOT would pick up the largest number of routes (23) in the 16% service restructuring case:
  - Eight routes (439, 445, 485, 611, 612, 681, 686, 687) are in the 3% case
  - Five more routes (161, 444, 446, 460, 550) are added for the 10% case
  - Ten more routes (102, 127, 154, 168, 201, 233, 236, 252, 305, 362) are added for the 16% case

Twelve routes were Identified for Other Munis

Agency Picking Up Service	Scenario	MTA Route #	Route Type	Description	Primary Sector	Secondary Sector
Foothill	10%	170	Local	Cal State LA/El Monte	San Gabriel	Westside/Central
Foothill	10%	487	Express	Sierra Madre Express	San Gabriel	Westside/Central
Foothill	16%	267	Local	El Monte/Altadena	San Gabriel	
Foothill	16%	268	Local	El Monte/La Canada	San Gabriel	
Foothill	16%	484	Express	Los Angeles/Pomona Expr	San Gabriel	Westside/Central
Foothill	16%	490	Express	Pomona/Los Angeles Expr	San Gabriel	Westside/Central
Culver City	10%	220	Local	West Hollywood/LAX	Westside/Central	South Bay
Gardena	16%	211	Local	Prairie Ave/So. Bay Galleria	South Bay	
Long Beach	16%	202	Local	Willowbrook/Wilmington	South Bay	Gateway
Montebello	10%	265	Local	Lakewood/Pico Rivera	Gateway	
Montebello	16%	259	Local	South Gate/El Soreno	San Gabriel	Gateway
Santa Monica	10%	434	Express	Malibu/Union Station	Westside/Central	

Note: The 10% case includes all routes in the 3% case, and the 16% case includes all routes in the 10% case

- The remaining twelve routes (in the 16% service restructuring case) would be divided among the other operators as follows:
  - Six routes (170, 487, 267, 268, 484, 490) would be picked up by Foothill
  - One route (220) would be picked up by Culver City
  - One route (211) would be picked up by Gardena
  - One route (202) would be picked up by Long Beach
  - Two routes (265, 259) would be picked up by Montebello
  - One route (434) would be picked up by Santa Monica

Appendix F: Detailed Analysis Results

Detailed Analysis Results – Low (FY06-FY10)

	FY06	FY07	FY08	FY09	FY10
Los Angeles MTA	$12,381,000	$24,966,000	$40,043,000	$55,501,000	$60,395,000
Antelope Valley	$0	$0	-$194,000	-$419,000	-$452,000
Arcadia	$0	$0	-$45,000	-$98,000	-$105,000
Claremont	$0	-$4,000	-$20,000	-$35,000	-$35,000
Commerce	$0	$0	-$62,000	-$133,000	-$144,000
Culver City	$0	$0	-$535,000	-$1,151,000	-$1,244,000
Foothill	$745,000	$1,517,000	-$1,714,000	-$5,151,000	-$5,643,000
Gardena	$0	$0	-$610,000	-$1,312,000	-$1,418,000
La Mirada	$0	$0	-$20,000	-$44,000	-$48,000
Long Beach	$0	-$854,000	-$4,138,000	-$6,548,000	-$6,537,000
Los Angeles DOT	$0	$0	-$601,000	-$1,297,000	-$1,401,000
Montebello	$0	-$432,000	-$1,849,000	-$2,806,000	-$2,780,000
Norwalk	$0	$0	-$278,000	-$597,000	-$646,000
Redondo Beach	$0	-$4,000	-$17,000	-$25,000	-$26,000
Santa Clarita	$0	$0	-$242,000	-$522,000	-$563,000
Santa Monica	$0	$0	-$2,046,000	-$4,401,000	-$4,756,000
Torrance	$0	$0	-$651,000	-$1,401,000	-$1,514,000

Detailed Analysis Results – Medium: A (FY06)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	in FY07	$25,216,000	$25,216,000	$25,216,000	$25,216,000	$25,216,000
Antelope Valley			$0	$0	$0	$0	$0
Arcadia			$0	$0	$0	$0	$0
Claremont			$0	$0	$0	$0	$0
Commerce			$0	$0	$0	$0	$0
Culver City	Yes		$716,000	$716,000	$716,000	$716,000	$716,000
Foothill	Yes		$1,710,000	$1,710,000	$1,710,000	$1,710,000	$1,710,000
Gardena			$1,000	$1,000	$1,000	$1,000	$1,000
La Mirada			$0	$0	$0	$0	$0
Long Beach	Yes		$2,509,000	$2,509,000	$2,509,000	$2,509,000	$2,509,000
Los Angeles DOT	Yes	in FY07	$600,000	$600,000	$600,000	$600,000	$600,000
Montebello	Yes		$1,237,000	$1,237,000	$1,237,000	$1,237,000	$1,237,000
Norwalk			$1,000	$1,000	$1,000	$1,000	$1,000
Redondo Beach			$0	$0	$0	$0	$0
Santa Clarita			$2,000	$2,000	$2,000	$2,000	$2,000
Santa Monica	Yes		$2,758,000	$2,758,000	$2,758,000	$2,758,000	$2,758,000
Torrance			$2,000	$2,000	$2,000	$2,000	$2,000

The scenarios assume that FAP funding pool and variable restructuring do not occur until FY07.

Detailed Analysis Results – Medium: A (FY07)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$54,218,000	$97,623,000	$98,554,000	$72,380,000	$75,755,000
Antelope Valley			$335,000	-$1,886,000	$3,251,000	$1,832,000	-$776,000
Arcadia			$664,000	-$505,000	-$534,000	-$398,000	$263,000
Claremont			$58,000	-$141,000	-$160,000	-$140,000	-$7,000
Commerce			$237,000	-$66,000	-$227,000	-$126,000	$84,000
Culver City	Yes		$860,000	$289,000	-$1,355,000	$267,000	$570,000
Foothill	Yes		$5,879,000	-$19,966,000	-$6,014,000	$2,010,000	-$7,104,000
Gardena			-$3,484,000	-$3,386,000	-$3,878,000	-$3,436,000	-$3,438,000
La Mirada			$183,000	-$236,000	-$219,000	-$168,000	$40,000
Long Beach	Yes		$6,975,000	$2,368,000	-$9,709,000	-$574,000	$4,644,000
Los Angeles DOT	Yes	Yes	$6,184,000	$4,242,000	-$496,000	$1,024,000	$5,202,000
Montebello	Yes		$1,589,000	$1,610,000	-$1,871,000	-$131,000	$1,592,000
Norwalk			$105,000	-$1,772,000	-$1,781,000	-$635,000	-$839,000
Redondo Beach			$65,000	-$82,000	-$90,000	-$75,000	$16,000
Santa Clarita			-$19,000	-$2,118,000	$3,187,000	$1,830,000	-$1,069,000
Santa Monica	Yes		$356,000	$1,753,000	-$2,094,000	$1,359,000	$1,042,000
Torrance			-$1,418,000	-$4,937,000	-$3,775,000	-$2,228,000	-$3,188,000

Detailed Analysis Results – Medium: A (FY08)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$61,398,000	$106,801,000	$107,039,000	$80,096,000	$83,929,000
Antelope Valley			$319,000	-$1,869,000	$3,587,000	$1,993,000	-$776,000
Arcadia			$682,000	-$512,000	-$543,000	-$407,000	$272,000
Claremont			$60,000	-$143,000	-$163,000	-$143,000	-$5,000
Commerce			$235,000	-$30,000	-$202,000	-$118,000	$101,000
Culver City	Yes		$802,000	-$114,000	-$1,735,000	$61,000	$339,000
Foothill	Yes		$5,700,000	-$20,578,000	-$6,222,000	$1,872,000	-$7,498,000
Gardena			-$3,634,000	-$3,232,000	-$3,767,000	-$3,450,000	-$3,436,000
La Mirada			$185,000	-$241,000	-$222,000	-$173,000	$39,000
Long Beach	Yes		$6,821,000	$1,702,000	-$10,577,000	-$1,060,000	$4,233,000
Los Angeles DOT	Yes	Yes	$6,245,000	$4,420,000	-$498,000	$1,011,000	$5,322,000
Montebello	Yes		$1,485,000	$1,278,000	-$2,254,000	-$372,000	$1,373,000
Norwalk			$77,000	-$1,728,000	-$1,741,000	-$624,000	-$830,000
Redondo Beach			$70,000	-$82,000	-$91,000	-$76,000	$19,000
Santa Clarita			-$48,000	-$2,087,000	$3,552,000	$2,004,000	-$1,068,000
Santa Monica	Yes		$80,000	$203,000	-$3,602,000	$526,000	$128,000
Torrance			-$1,523,000	-$4,835,000	-$3,608,000	-$2,188,000	-$3,189,000

Detailed Analysis Results – Medium: A (FY09)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$65,897,000	$122,588,000	$120,770,000	$90,080,000	$94,089,000
Antelope Valley			$356,000	-$1,844,000	$3,962,000	$2,210,000	-$744,000
Arcadia			$709,000	-$519,000	-$552,000	-$414,000	$285,000
Claremont			$65,000	-$145,000	-$166,000	-$146,000	-$3,000
Commerce			$250,000	$11,000	-$173,000	-$98,000	$130,000
Culver City	Yes		$860,000	-$238,000	-$1,894,000	$50,000	$305,000
Foothill	Yes		$6,149,000	-$20,990,000	-$6,056,000	$2,365,000	-$7,481,000
Gardena			-$3,694,000	-$3,046,000	-$3,623,000	-$3,384,000	-$3,373,000
La Mirada			$194,000	-$244,000	-$224,000	-$174,000	$43,000
Long Beach	Yes		$7,244,000	$1,787,000	-$10,925,000	-$898,000	$4,486,000
Los Angeles DOT	Yes	Yes	$4,973,000	-$6,370,000	-$9,873,000	-$5,798,000	-$728,000
Montebello	Yes		$1,602,000	$1,258,000	-$2,388,000	-$347,000	$1,422,000
Norwalk			$115,000	-$1,673,000	-$1,689,000	-$560,000	-$783,000
Redondo Beach			$71,000	-$83,000	-$92,000	-$77,000	$19,000
Santa Clarita			-$17,000	-$2,046,000	$3,959,000	$2,243,000	-$1,032,000
Santa Monica	Yes		$183,000	-$277,000	-$4,169,000	$448,000	-$62,000
Torrance			-$1,491,000	-$4,704,000	-$3,402,000	-$2,033,000	-$3,107,000

Detailed Analysis Results – Medium: A (FY10)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$69,994,000	$127,781,000	$125,906,000	$94,572,000	$98,731,000
Antelope Valley			$398,000	-$1,870,000	$4,183,000	$2,342,000	-$736,000
Arcadia			$736,000	-$531,000	-$566,000	-$422,000	$297,000
Claremont			$70,000	-$148,000	-$170,000	-$150,000	-$1,000
Commerce			$267,000	$28,000	-$164,000	-$91,000	$146,000
Culver City	Yes		$921,000	-$175,000	-$1,902,000	$97,000	$367,000
Foothill	Yes		$6,625,000	-$21,396,000	-$5,822,000	$2,802,000	-$7,448,000
Gardena			-$3,749,000	-$3,035,000	-$3,636,000	-$3,408,000	-$3,394,000
La Mirada			$200,000	-$251,000	-$230,000	-$178,000	$45,000
Long Beach	Yes		$7,692,000	$2,257,000	-$11,000,000	-$679,000	$4,944,000
Los Angeles DOT	Yes	Yes	$5,114,000	-$6,448,000	-$10,118,000	-$5,962,000	-$697,000
Montebello	Yes		$1,719,000	$1,457,000	-$2,345,000	-$267,000	$1,579,000
Norwalk			$150,000	-$1,684,000	-$1,701,000	-$541,000	-$772,000
Redondo Beach			$77,000	-$85,000	-$94,000	-$79,000	$22,000
Santa Clarita			$17,000	-$2,070,000	$4,190,000	$2,385,000	-$1,027,000
Santa Monica	Yes		$293,000	-$19,000	-$4,077,000	$637,000	$121,000
Torrance			-$1,458,000	-$4,745,000	-$3,387,000	-$1,994,000	-$3,111,000

Detailed Analysis Results – Medium: B (FY06)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	in FY07	$26,749,000	$26,749,000	$26,749,000	$26,749,000	$26,749,000
Antelope Valley	Yes		$173,000	$173,000	$173,000	$173,000	$173,000
Arcadia	Yes		$12,000	$12,000	$12,000	$12,000	$12,000
Claremont	Yes		$0	$0	$0	$0	$0
Commerce	Yes		$258,000	$258,000	$258,000	$258,000	$258,000
Culver City	Yes	in FY07	$716,000	$716,000	$716,000	$716,000	$716,000
Foothill	Yes	in FY07	$1,710,000	$1,710,000	$1,710,000	$1,710,000	$1,710,000
Gardena	Yes		$1,207,000	$1,207,000	$1,207,000	$1,207,000	$1,207,000
La Mirada	Yes		$4,000	$4,000	$4,000	$4,000	$4,000
Long Beach	Yes		$2,509,000	$2,509,000	$2,509,000	$2,509,000	$2,509,000
Los Angeles DOT	Yes	in FY07	$600,000	$600,000	$600,000	$600,000	$600,000
Montebello	Yes	in FY07	$1,237,000	$1,237,000	$1,237,000	$1,237,000	$1,237,000
Norwalk	Yes		$453,000	$453,000	$453,000	$453,000	$453,000
Redondo Beach	Yes		$4,000	$4,000	$4,000	$4,000	$4,000
Santa Clarita	Yes		$394,000	$394,000	$394,000	$394,000	$394,000
Santa Monica	Yes	in FY07	$2,758,000	$2,758,000	$2,758,000	$2,758,000	$2,758,000
Torrance	Yes		$1,354,000	$1,354,000	$1,354,000	$1,354,000	$1,354,000

The scenarios assume that FAP funding pool and variable restructuring do not occur until FY07.

Detailed Analysis Results – Medium: B (FY07)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$59,241,000	$102,646,000	$103,577,000	$77,403,000	$80,778,000
Antelope Valley	Yes		$688,000	-$1,533,000	$3,604,000	$2,185,000	-$423,000
Arcadia	Yes		$689,000	-$480,000	-$509,000	-$373,000	$288,000
Claremont	Yes		$58,000	-$141,000	-$160,000	-$140,000	-$7,000
Commerce	Yes		$759,000	$456,000	$295,000	$396,000	$606,000
Culver City	Yes	Yes	$886,000	$315,000	-$1,329,000	$293,000	$596,000
Foothill	Yes	Yes	$6,361,000	-$19,484,000	-$5,532,000	$2,492,000	-$6,622,000
Gardena	Yes		-$1,030,000	-$932,000	-$1,424,000	-$982,000	-$984,000
La Mirada	Yes		$191,000	-$228,000	-$211,000	-$160,000	$48,000
Long Beach	Yes		$6,975,000	$2,368,000	-$9,709,000	-$574,000	$4,644,000
Los Angeles DOT	Yes	Yes	$7,352,000	$5,410,000	$672,000	$2,192,000	$6,370,000
Montebello	Yes	Yes	$1,749,000	$1,770,000	-$1,711,000	$29,000	$1,752,000
Norwalk	Yes		$1,025,000	-$852,000	-$861,000	$285,000	$81,000
Redondo Beach	Yes		$74,000	-$73,000	-$81,000	-$66,000	$25,000
Santa Clarita	Yes		$779,000	-$1,320,000	$3,985,000	$2,628,000	-$271,000
Santa Monica	Yes	Yes	$452,000	$1,849,000	-$1,998,000	$1,455,000	$1,138,000
Torrance	Yes		$1,338,000	-$2,181,000	-$1,019,000	$528,000	-$432,000

Detailed Analysis Results – Medium: B (FY08)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$62,015,000	$113,934,000	$114,460,000	$84,056,000	$87,818,000
Antelope Valley	Yes		$777,000	-$1,537,000	$3,865,000	$2,361,000	-$381,000
Arcadia	Yes		$728,000	-$497,000	-$527,000	-$381,000	$304,000
Claremont	Yes		$64,000	-$142,000	-$162,000	-$142,000	-$3,000
Commerce	Yes		$795,000	$403,000	$246,000	$383,000	$598,000
Culver City	Yes	Yes	$1,028,000	-$56,000	-$1,680,000	$211,000	$480,000
Foothill	Yes	Yes	$7,315,000	-$19,992,000	-$5,558,000	$3,048,000	-$6,403,000
Gardena	Yes		-$989,000	-$1,754,000	-$2,214,000	-$1,345,000	-$1,376,000
La Mirada	Yes		$201,000	-$235,000	-$217,000	-$164,000	$51,000
Long Beach	Yes		$7,851,000	$1,861,000	-$10,453,000	-$476,000	$4,825,000
Los Angeles DOT	Yes	Yes	$7,834,000	$5,683,000	$751,000	$2,384,000	$6,747,000
Montebello	Yes	Yes	$2,027,000	$1,508,000	-$2,031,000	$7,000	$1,758,000
Norwalk	Yes		$1,115,000	-$1,112,000	-$1,123,000	$208,000	-$5,000
Redondo Beach	Yes		$82,000	-$75,000	-$83,000	-$66,000	$29,000
Santa Clarita	Yes		$868,000	-$1,382,000	$4,061,000	$2,722,000	-$257,000
Santa Monica	Yes	Yes	$853,000	$421,000	-$3,386,000	$1,066,000	$622,000
Torrance	Yes		$1,507,000	-$2,959,000	-$1,878,000	$200,000	-$738,000

Detailed Analysis Results – Medium: B (FY09)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$65,556,000	$139,241,000	$123,018,000	$91,675,000	$102,284,000
Antelope Valley	Yes		$789,000	-$1,536,000	$4,159,000	$2,529,000	-$374,000
Arcadia	Yes		$749,000	-$512,000	-$543,000	-$392,000	$312,000
Claremont	Yes		$68,000	-$144,000	-$166,000	-$145,000	-$1,000
Commerce	Yes		$806,000	$340,000	$187,000	$359,000	$572,000
Culver City	Yes	Yes	$894,000	-$862,000	-$2,181,000	$5,000	$9,000
Foothill	Yes	Yes	$7,733,000	-$21,863,000	-$5,318,000	$3,782,000	-$7,134,000
Gardena	Yes		-$1,071,000	-$1,991,000	-$2,458,000	-$1,475,000	-$1,536,000
La Mirada	Yes		$207,000	-$241,000	-$222,000	-$167,000	$53,000
Long Beach	Yes		$7,981,000	$2,038,000	-$10,727,000	-$370,000	$4,978,000
Los Angeles DOT	Yes	Yes	$8,365,000	-$9,616,000	-$4,609,000	-$2,868,000	-$673,000
Montebello	Yes	Yes	$1,956,000	$569,000	-$2,894,000	-$400,000	$1,251,000
Norwalk	Yes		$1,132,000	-$1,207,000	-$1,218,000	$193,000	-$43,000
Redondo Beach	Yes		$82,000	-$77,000	-$85,000	-$69,000	$28,000
Santa Clarita	Yes		$875,000	-$1,418,000	$4,229,000	$2,834,000	-$272,000
Santa Monica	Yes	Yes	$1,148,000	-$740,000	-$279,000	$3,153,000	$185,000
Torrance	Yes		$1,497,000	-$3,217,000	-$2,126,000	$121,000	-$872,000

Detailed Analysis Results – Medium: B (FY10)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$71,682,000	$145,171,000	$128,426,000	$97,347,000	$108,304,000
Antelope Valley	Yes		$803,000	-$1,560,000	$4,376,000	$2,647,000	-$379,000
Arcadia	Yes		$770,000	-$525,000	-$557,000	-$402,000	$321,000
Claremont	Yes		$72,000	-$148,000	-$170,000	-$149,000	$0
Commerce	Yes		$817,000	$353,000	$194,000	$364,000	$584,000
Culver City	Yes	Yes	$875,000	-$822,000	-$2,201,000	$4,000	$19,000
Foothill	Yes	Yes	$7,824,000	-$22,320,000	-$5,081,000	$4,020,000	-$7,318,000
Gardena	Yes		-$1,151,000	-$2,016,000	-$2,504,000	-$1,529,000	-$1,589,000
La Mirada	Yes		$212,000	-$248,000	-$228,000	-$172,000	$53,000
Long Beach	Yes		$8,117,000	$2,521,000	-$10,791,000	-$305,000	$5,287,000
Los Angeles DOT	Yes	Yes	$8,108,000	-$9,924,000	-$4,808,000	-$3,212,000	-$956,000
Montebello	Yes	Yes	$1,937,000	$742,000	-$2,872,000	-$397,000	$1,328,000
Norwalk	Yes		$1,144,000	-$1,228,000	-$1,240,000	$195,000	-$48,000
Redondo Beach	Yes		$87,000	-$79,000	-$88,000	-$70,000	$31,000
Santa Clarita	Yes		$884,000	-$1,441,000	$4,446,000	$2,955,000	-$279,000
Santa Monica	Yes	Yes	$1,004,000	-$525,000	-$89,000	$3,254,000	$220,000
Torrance	Yes		$1,484,000	-$3,286,000	-$2,148,000	$116,000	-$913,000

Detailed Analysis Results – High (FY06)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	in FY07	$41,304,000	$41,304,000	$41,304,000	$41,304,000	$41,304,000
Antelope Valley	Yes		$473,000	$473,000	$473,000	$473,000	$473,000
Arcadia	Yes		$21,000	$21,000	$21,000	$21,000	$21,000
Claremont	Yes		$4,000	$4,000	$4,000	$4,000	$4,000
Commerce	Yes		$281,000	$281,000	$281,000	$281,000	$281,000
Culver City	Yes	in FY07	$1,005,000	$1,005,000	$1,005,000	$1,005,000	$1,005,000
Foothill	Yes	in FY07	$3,154,000	$3,154,000	$3,154,000	$3,154,000	$3,154,000
Gardena	Yes	in FY07	$1,504,000	$1,504,000	$1,504,000	$1,504,000	$1,504,000
La Mirada	Yes		$8,000	$8,000	$8,000	$8,000	$8,000
Long Beach	Yes	in FY07	$3,890,000	$3,890,000	$3,890,000	$3,890,000	$3,890,000
Los Angeles DOT	Yes	in FY07	$1,334,000	$1,334,000	$1,334,000	$1,334,000	$1,334,000
Montebello	Yes	in FY07	$1,935,000	$1,935,000	$1,935,000	$1,935,000	$1,935,000
Norwalk	Yes		$582,000	$582,000	$582,000	$582,000	$582,000
Redondo Beach	Yes		$8,000	$8,000	$8,000	$8,000	$8,000
Santa Clarita	Yes		$678,000	$678,000	$678,000	$678,000	$678,000
Santa Monica	Yes	in FY07	$3,888,000	$3,888,000	$3,888,000	$3,888,000	$3,888,000
Torrance	Yes		$1,696,000	$1,696,000	$1,696,000	$1,696,000	$1,696,000

The scenarios assume that FAP funding pool and variable restructuring do not occur until FY07.

Detailed Analysis Results – High (FY07)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$91,553,000	$134,958,000	$135,889,000	$109,715,000	$113,090,000
Antelope Valley	Yes		$1,241,000	-$980,000	$4,157,000	$2,738,000	$130,000
Arcadia	Yes		$707,000	-$462,000	-$491,000	-$355,000	$306,000
Claremont	Yes		$65,000	-$134,000	-$153,000	-$133,000	$0
Commerce	Yes		$839,000	$536,000	$375,000	$476,000	$686,000
Culver City	Yes	Yes	$1,505,000	$934,000	-$710,000	$912,000	$1,215,000
Foothill	Yes	Yes	$10,548,000	-$15,297,000	-$1,345,000	$6,679,000	-$2,435,000
Gardena	Yes	Yes	-$313,000	-$215,000	-$707,000	-$265,000	-$267,000
La Mirada	Yes		$199,000	-$220,000	-$203,000	-$152,000	$56,000
Long Beach	Yes	Yes	$9,850,000	$5,243,000	-$6,834,000	$2,301,000	$7,519,000
Los Angeles DOT	Yes	Yes	$10,122,000	$8,180,000	$3,442,000	$4,962,000	$9,140,000
Montebello	Yes	Yes	$3,282,000	$3,303,000	-$178,000	$1,562,000	$3,285,000
Norwalk	Yes		$1,323,000	-$554,000	-$563,000	$583,000	$379,000
Redondo Beach	Yes		$82,000	-$65,000	-$73,000	-$58,000	$33,000
Santa Clarita	Yes		$1,338,000	-$761,000	$4,544,000	$3,187,000	$288,000
Santa Monica	Yes	Yes	$2,866,000	$4,263,000	$416,000	$3,869,000	$3,552,000
Torrance	Yes		$2,152,000	-$1,367,000	-$205,000	$1,342,000	$382,000

Detailed Analysis Results – High (FY08)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$116,973,000	$169,530,000	$170,053,000	$139,332,000	$143,096,000
Antelope Valley	Yes		$1,597,000	-$726,000	$4,654,000	$3,165,000	$435,000
Arcadia	Yes		$755,000	-$471,000	-$501,000	-$355,000	$331,000
Claremont	Yes		$74,000	-$133,000	-$153,000	-$132,000	$7,000
Commerce	Yes		$914,000	$518,000	$361,000	$500,000	$714,000
Culver City	Yes	Yes	$1,946,000	$830,000	-$788,000	$1,116,000	$1,382,000
Foothill	Yes	Yes	$12,896,000	-$14,504,000	-$132,000	$8,552,000	-$869,000
Gardena	Yes	Yes	$71,000	-$721,000	-$1,180,000	-$298,000	-$330,000
La Mirada	Yes		$213,000	-$223,000	-$205,000	-$152,000	$63,000
Long Beach	Yes	Yes	$12,088,000	$5,932,000	-$6,330,000	$3,703,000	$8,978,000
Los Angeles DOT	Yes	Yes	$11,314,000	$9,101,000	$4,189,000	$5,843,000	$10,196,000
Montebello	Yes	Yes	$4,248,000	$3,661,000	$137,000	$2,201,000	$3,945,000
Norwalk	Yes		$1,557,000	-$681,000	-$692,000	$645,000	$432,000
Redondo Beach	Yes		$95,000	-$62,000	-$70,000	-$53,000	$42,000
Santa Clarita	Yes		$1,698,000	-$563,000	$4,857,000	$3,535,000	$567,000
Santa Monica	Yes	Yes	$4,434,000	$3,878,000	$87,000	$4,593,000	$4,141,000
Torrance	Yes		$2,714,000	-$1,779,000	-$703,000	$1,391,000	$455,000

Detailed Analysis Results – High (FY09)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$138,945,000	$224,028,000	$199,130,000	$167,144,000	$181,403,000
Antelope Valley	Yes		$1,885,000	-$461,000	$5,181,000	$3,595,000	$711,000
Arcadia	Yes		$785,000	-$478,000	-$509,000	-$356,000	$348,000
Claremont	Yes		$82,000	-$131,000	-$152,000	-$131,000	$13,000
Commerce	Yes		$965,000	$490,000	$338,000	$515,000	$726,000
Culver City	Yes	Yes	$2,138,000	$306,000	-$1,001,000	$1,232,000	$1,214,000
Foothill	Yes	Yes	$17,147,000	-$15,676,000	$7,853,000	$15,637,000	$656,000
Gardena	Yes	Yes	$334,000	-$942,000	-$1,461,000	-$227,000	-$310,000
La Mirada	Yes		$223,000	-$226,000	-$207,000	-$151,000	$68,000
Long Beach	Yes	Yes	$13,666,000	$6,990,000	-$5,731,000	$5,058,000	$10,295,000
Los Angeles DOT	Yes	Yes	$13,549,000	-$10,471,000	-$3,655,000	-$1,353,000	$1,475,000
Montebello	Yes	Yes	$5,014,000	$3,099,000	-$378,000	$2,418,000	$4,044,000
Norwalk	Yes		$1,723,000	-$640,000	-$652,000	$779,000	$536,000
Redondo Beach	Yes		$99,000	-$61,000	-$69,000	-$52,000	$45,000
Santa Clarita	Yes		$1,985,000	-$334,000	$5,262,000	$3,913,000	$825,000
Santa Monica	Yes	Yes	$5,974,000	$3,796,000	$4,258,000	$7,886,000	$4,865,000
Torrance	Yes		$3,112,000	-$1,663,000	-$582,000	$1,716,000	$712,000

Detailed Analysis Results – High (FY10)

	Regional Fare Participant?	Service Change Participant?	Formula A: 100% VSH	Formula B: 100% Boardings	Formula C: 100% Passenger Miles	Formula D: 50% Capacity Hours, 50% Passenger Miles	Formula E: 50% VSH, 50% Boardings
Los Angeles MTA	Yes	Yes	$148,234,000	$232,995,000	$206,887,000	$175,591,000	$190,523,000
Antelope Valley	Yes		$1,910,000	-$481,000	$5,389,000	$3,713,000	$714,000
Arcadia	Yes		$806,000	-$492,000	-$523,000	-$367,000	$356,000
Claremont	Yes		$86,000	-$135,000	-$157,000	-$135,000	$14,000
Commerce	Yes		$978,000	$502,000	$344,000	$521,000	$739,000
Culver City	Yes	Yes	$2,150,000	$362,000	-$995,000	$1,260,000	$1,249,000
Foothill	Yes	Yes	$17,695,000	-$15,564,000	$8,989,000	$16,563,000	$985,000
Gardena	Yes	Yes	$278,000	-$950,000	-$1,490,000	-$260,000	-$342,000
La Mirada	Yes		$228,000	-$233,000	-$213,000	-$157,000	$69,000
Long Beach	Yes	Yes	$13,871,000	$7,447,000	-$5,791,000	$5,162,000	$10,626,000
Los Angeles DOT	Yes	Yes	$14,225,000	-$9,595,000	-$2,408,000	-$540,000	$2,251,000
Montebello	Yes	Yes	$5,071,000	$3,326,000	-$291,000	$2,492,000	$4,186,000
Norwalk	Yes		$1,741,000	-$662,000	-$674,000	$784,000	$534,000
Redondo Beach	Yes		$104,000	-$63,000	-$71,000	-$53,000	$48,000
Santa Clarita	Yes		$2,005,000	-$353,000	$5,468,000	$4,034,000	$825,000
Santa Monica	Yes	Yes	$5,995,000	$4,119,000	$4,634,000	$8,164,000	$5,037,000
Torrance	Yes		$3,115,000	-$1,733,000	-$609,000	$1,718,000	$678,000