

FY2002-2003

ADOPTED BUDGET

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY



Los Angeles County
Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2932

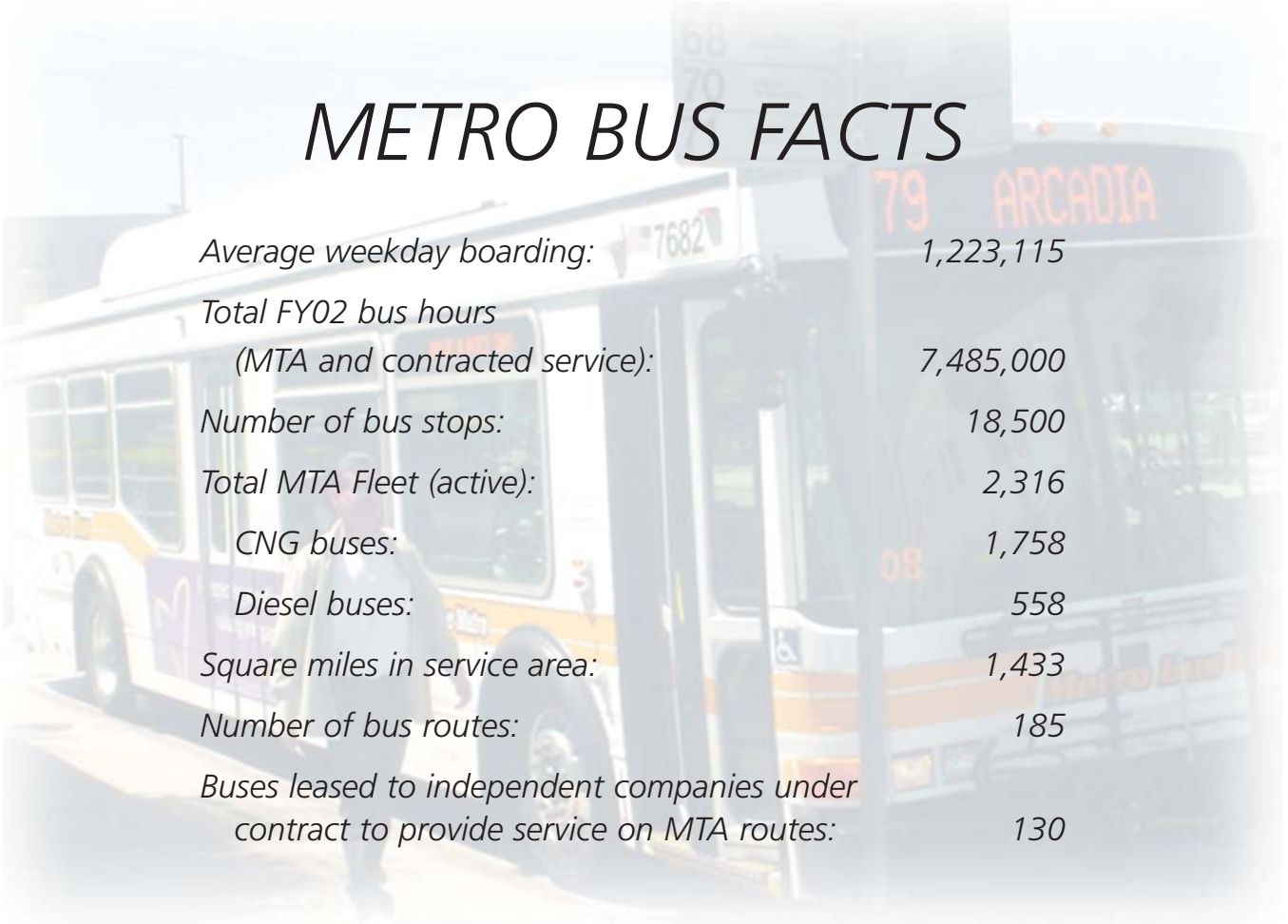
Table of Contents

1 BUDGET SUMMARY	1-0
MTA Board of Directors.....	1-1
Message From the Chief Executive Officer	1-6
MTA Profile	1-9
MTA Organization Chart	1-11
MTA Vision/Mission/Goals	1-12
FY03 Budget Highlights.....	1-13
Significant Changes In FY03	1-13
Statement of Combined Revenues, Expenditures and Changes in Fund Balance	1-16
Summary of Expenditures by Program	1-18
Major Budget Assumptions	1-19
FY02 Accomplishments	1-21
2 CUSTOMER SERVICES.....	2-0
Introduction.....	2-1
Transit Services	2-1
Metro Freeway Service Patrol (FSP)	2-8
Service Authority For Freeway Emergencies (SAFE)	2-9
Paratransit Services	2-9
High Occupancy Vehicle (HOV) Lanes	2-9
Rideshare Program	2-9
1-800-commute.....	2-10
Discount Fares Program.....	2-10
www.mta.net.....	2-10
3 FINANCIALS.....	3-0
Enterprise Fund.....	3-1
Budget & Service Levels.....	3-2
Combined Statement of Revenues, Expenses and Changes in Retained Earnings	3-4
Internal Service Fund.....	3-6
Statement of Revenues, Expenses and Changes in Retained Earnings	3-7
Special Revenue Fund	3-8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances	3-10
Regional Programs.....	3-12
Budget Assumptions.....	3-12

FY03 Revenue Summary - Regional Programs Budget	3-12
Regional Subsidy Program Budget Detail	3-13
Regional Programs Descriptions	3-14
Municipal Operator Programs	3-14
ADA/Accessibility Funding Programs	3-14
CFP Projects and Programs	3-14
Other Local Programs	3-15
Regional Rail Program	3-16
Capital Fund	3-17
Combined Statement of Revenues, Expenditures And Changes in Fund Balances	3-18
General Fund	3-20
Statement of Revenues, Expenditures and Changes in Fund Balances	3-21
Debt Fund	3-22
Statement of Revenues, Expenditures and Changes in Fund Balances	3-24
MTA FY03 Debt Service Schedule	3-26
4 CAPITAL PROGRAM	4-0
Introduction	4-1
Projects Discussion	4-2
Infrastructure Improvement and Acquisition Capital Projects	4-4
Capital Program Project List	4-6
Capital Program Revenues & Expenditures	4-14
5 APPENDIX	5-0
Appendix 1: MTA Budget Process	5-1
Appendix 2: Financial Standards Policy	5-6
Appendix 3: MTA FY02-03 Financial Standards	5-8
Appendix 4: Activity Based Bus Cost Model	5-14
Appendix 5: Activity Based Light Rail Cost Model	5-16
Appendix 6: Activity Based Heavy Rail Cost Model	5-18
Appendix 7: Modal Operating Statistics	5-19
6 GLOSSARY	6-0
Terms	6-1

BUDGET SUMMARY

METRO BUS FACTS



<i>Average weekday boarding:</i>	1,223,115
<i>Total FY02 bus hours (MTA and contracted service):</i>	7,485,000
<i>Number of bus stops:</i>	18,500
<i>Total MTA Fleet (active):</i>	2,316
<i>CNG buses:</i>	1,758
<i>Diesel buses:</i>	558
<i>Square miles in service area:</i>	1,433
<i>Number of bus routes:</i>	185
<i>Buses leased to independent companies under contract to provide service on MTA routes:</i>	130

FY2002-2003

ADOPTED BUDGET

MTA BOARD OF DIRECTORS



John Fasana
MTA Chairman, City Council
Member, Duarte

John Fasana, a City of Duarte Councilmember, is one of four City Selection Committee appointees to the 13-member MTA Board of Directors and has represented the 30 San Gabriel Valley Cities as a Director to the Los Angeles County Metropolitan Transportation Authority (MTA) since its inception in 1993. He currently serves as the Chair of the Board of Directors, Chairs the Executive Management Committee and is a member of the Operations Committee. Fasana was elected to the Duarte City Council in November 1987, and reelected in 1991, 1995, and 1999, and served as Mayor in 1990, and 1997. He has promoted Duarte's interests in transportation, community services, and environmental protection. As Chair of the San Gabriel Valley Council of Governments Transportation Committee, Fasana has provided policy direction that has led to the creation of the Alameda Corridor East Gateway to America and the Pasadena Metro Blue Line Construction Authority. Fasana currently represents seven cities on the Foothill Transit Executive Board. He is also a member of the Transportation Committees of Southern California Association of Governments (SCAG) and the League of California Cities, Los Angeles County Division. Fasana has worked 21 years with Southern California Edison and is a graduate of Whittier College. John and his wife, Kris, have lived in Duarte with their three children since 1985. Their children attend or are graduates of Duarte public schools and currently, he has two children enrolled in California Universities.



James K. Hahn
1st Vice Chair
Mayor of Los Angeles

Mr. Hahn was elected Mayor of the City of Los Angeles in June 2001. He served Los Angeles for 16 years as its elected City Attorney (1985-2001) and four years as its elected City Controller (1981-1985). He received a Bachelor of Arts Degree in English and a law degree from Pepperdine University.



Zev Yaroslavsky
2nd Vice Chair
Third Supervisorial District

Mr. Yaroslavsky is a member and Chair of the Los Angeles County Board of Supervisors representing the Third Supervisorial District, having been elected to this office in November 1994. Mr. Yaroslavsky served as a member of the Los Angeles City Council between 1975 and 1994. Prior to his election to the Los Angeles County Board of Supervisors, Mr. Yaroslavsky served on the 13-member MTA Board of Directors as the alternate to Los Angeles Mayor Richard Riordan. The Los Angeles native earned his Bachelor's degree in history and economics from UCLA in 1971, followed by a master's degree in history in 1972.



Michael D. Antonovich
Fifth Supervisorial District

Mr. Antonovich is a member of the Los Angeles County Board of Supervisors and represents the Fifth Supervisorial District, having been reelected to his sixth four-year term in 2000. From 1972 to 1978, he served as a member of the California State Assembly. He also served as a member of the Board of Trustees of the Los Angeles Community College District from 1968 to 1973. Mr. Antonovich has held teaching positions with the Los Angeles School District and Pepperdine University. He holds a Bachelor of Arts degree and Master's Degree from California State University, Los Angeles.



Hal Bernson
Los Angeles City Council Member

Mayor James K. Hahn reappointed Mr. Bernson to the Board in July 2001. Mr. Bernson is a City Councilman for the City of Los Angeles having been first elected in 1979 to represent the northwest San Fernando Valley. During his time as a Councilman he was appointed to the State Seismic Safety Commission where he initiated legislation to rehabilitate 8,000 of Los Angeles' buildings to make them safer against earthquakes. Mr. Bernson has served in the U.S. Navy.



Yvonne Brathwaite Burke
Second Supervisorial District

Mrs. Burke is the Los Angeles County Supervisor for the Second Supervisorial District, having been elected in 1992 and reelected in 1996 and 2000. Mrs. Burke served as a member of Congress from 1972 to 1978, and as an Assemblywoman from 1966 to 1972. She has served on numerous boards, including the University of California Board of Regents, the Board of Trustees of the Amateur Athletic Foundation (formerly the Los Angeles Olympic Organizing Committee), and Chair of the Los Angeles branch of the Federal Reserve Bank of San Francisco. Mrs. Burke received her Bachelor of Arts degree in Political Science from the University of California, Los Angeles, and a Juris Doctorate from the University of Southern California School of Law.



Paul Hudson
Banker

Mr. Hudson is President and Chief Executive Officer of Broadway Federal Bank, a savings and loan institution serving the South Central Los Angeles market. Prior to joining Broadway Federal in 1980, Mr. Hudson practiced law with the Washington D.C. firm of Wilmer, Cutler and Pickering. Mr. Hudson is a past President of the Los Angeles NAACP, and has previously served as a board member for institutions including the Los Angeles Fire and Police Pension Fund. Mr. Hudson received a Bachelors Degree in political science from the University of California, Berkeley. In 1970, he received a Juris Doctorate degree from Boalt Hall School of Law.



Don Knabe
Fourth Supervisorial District

Mr. Knabe is the Los Angeles County Supervisor representing the Fourth Supervisorial District, having been elected in 1996 and reelected in 2000. Following a successful career as a small business owner, Mr. Knabe joined Los Angeles County Supervisor Deane Dana's staff in 1982 and later became Chief of Staff for Deane Dana. Mr. Knabe was also elected to the Cerritos City Council in 1980 and served for eight years, including two terms as Mayor. Mr. Knabe holds a Bachelor's Degree in Business Administration from Graceland College in Lamoni, Iowa.



Gloria Molina
First Supervisorial District

Ms. Molina is the Los Angeles County Supervisor representing the First Supervisorial District, having been first elected to this office in March of 1991 and re-elected in 1994 and 1998. Prior to her election to the Board of Supervisors, Ms. Molina served as State Assemblywoman for the 56th District from 1982 to 1987. In 1987, she was elected to the Los Angeles City Council where she served as the Councilwoman of the 1st District until 1991. Prior to being elected to public office, Ms. Molina served in the Carter White House as a Deputy for Presidential Personnel. After leaving the White House, Ms. Molina served as the Deputy Director for the Department of Health and Human Services in San Francisco. Ms. Molina has attended East L.A. College and Rio Hondo College.



Pam O'Connor
Council Member,
Santa Monica

Ms. O'Connor has served on the Santa Monica City Council since 1994 and twice has served as that city's mayor in 1997 and 1999. She has served as a member of the Southern California Association of Governments' Regional Council and League of California Cities, Transportation and Public Works Committee. Ms. O'Connor also works as a private consultant, specializing in historic preservation. Ms. O'Connor earned a Bachelor of Science Degree in journalism from Southern Illinois University and holds Masters Degrees in historic preservation planning and in technology management from Eastern Michigan University.



Beatrice Proo
City Council Member,
Pico Rivera

Ms. Proo has served on the Pico Rivera City Council since 1992 and has twice served as Mayor. Ms. Proo is a 21-year founding chairman of Pacific Western National Bank. Ms. Proo has served as past president of the League of California Cities' Los Angeles Division and is a board member for the Los Angeles County Local Agency Formation Commission. She is the Chair of the Gateway Cities Council of Governments Transportation Committee. Ms. Proo is also a member of the executive board of the California Joint Powers Insurance Authority and a member of the Regional Council of the Southern California Association of Governments. Ms. Proo is a former teacher and school principal, and holds a Bachelor of Arts Degree in education from Mount St. Mary's College.



Frank C. Roberts
Mayor, City of Lancaster

Mr. Roberts is the Mayor of the City of Lancaster, having been elected in 1996, and re-elected in 1998 and 2002. Prior to his election as Mayor, Mr. Roberts served as a member of the City Council since 1992. Mr. Roberts retired from Antelope Valley College in 1996 after 36 years; 19 years as a teacher of engineering and math and 17 years as the Dean of Applied Academics and Technologies. Mr. Roberts holds a Bachelor of Science degree in Engineering from Cal State University at Los Angeles, a Master of Science degree in Vocational Education from UCLA, and a Masters in Public Administration from Cal State University at Northridge.



Allison Yoh, Urban Planner

Ms. Yoh is a graduate student at the UCLA School of Public Policy and Social Research, and a former MTA intern. She has held several Teaching and Research Assistant positions at the University of Florida and the University of California, Los Angeles. Ms. Yoh earned a bachelor's degree in Anthropology in 1994 from the University of California, Berkeley.



**Robert Sassaman -- Ex-officio
Member Appointed By
Governor**

Mr. Sassaman was appointed by the Governor of California in as the Ex-Officio Member to the Board. Mr. Sassaman is the Director of District 7 of the California State Department of Transportation (CALTRANS), having been named to this position in October 1999. In this position, he is responsible for managing 27 freeways and state highways in Los Angeles and Ventura Counties.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

MTA – leading the nation in mobility, safety and customer satisfaction.

This is the vision that guided my staff and I as we drafted a \$2.6 billion spending plan for FY03. It is where MTA will be within the next three to five years. This budget moves closer to our goal than this agency has ever been.

For starters, MTA will spend \$127 million less in this fiscal year than last year's budget yet deliver more bus and rail service with no fare increase and be more responsive to local communities.

The touchstones for this budget – my first as MTA's new CEO – are delivering excellent customer service and controlling costs.

We owe it to MTA's 10 million customers in Los Angeles County to provide excellent service. No excuses. Anyone who walks, bicycles, uses public transit including paratransit for the disabled, or drives on any street or freeway in the county is an MTA customer. This budget recognizes we have a huge customer base but that everyone counts.

Against that backdrop, MTA will deliver a record amount of Metro Bus and Rail service in FY03. This will give existing customers faster and more convenient service while coaxing motorists who are auto dependent to give public transit a try because they will have a choice.

Included in the budget are plans for expanding Metro Rapid bus service on Vermont and South Broadway, the first of 24 new Metro Rapid lines that will be phased in over the next few years.

In FY03, MTA will gear up to start operating the Los Angeles to Pasadena Metro Gold Line. Service from East Pasadena to Union Station in downtown Los Angeles should start in mid-2003. Next spring, MTA also will break ground on an Eastside extension of the Metro Gold Line as well as a 14-mile busway that will link Warner Center in the West San Fernando Valley with the Metro Red Line subway station in North Hollywood. Planning for new bus and light rail projects in the Mid-City/Westside corridor also are budgeted.

Overlaying the network of expanded transit services, MTA has decentralized Metro Bus operations into five community-based service sectors in an effort to provide better customer service and be more responsive to local communities.

For decades, MTA has run a fleet of more than 2,000 buses serving all Los Angeles County from its downtown Los Angeles headquarters, but it is just too unwieldy and distant from the people we serve.

Both Deputy CEO John Catoe and I have extensive experience running smaller bus operations in Dallas, San Diego, Santa Monica and Orange County, where we knew our employees

by name, and we were easily accessible to the people we served.

Taking our cue from these smaller companies, we have split MTA bus operations into five geographical operating units. Each service sector has its own budget and is headed by a general manager with support staff based in the communities they serve.

Sectors are in place for the San Fernando and San Gabriel Valleys, South Bay, Westside/Central areas, and the Gateway Cities in Southeast Los Angeles County.

MTA headquarters staff are still responsible for Metro Rail, Metro Rapid and express buses that serve multiple communities. Our customers have the best of all worlds: improved local service and more regional transportation options including a new regional transit pass that debuted September 1, 2002, good for travel on all Metro buses and trains and 11 municipal bus lines.

By saving commuters time and money, I am confident we will gain more public transit riders. At the same time, MTA is striving to boost the number of occupants per vehicle on the roads, which has held steady at about 1.12 for more than a decade.

The FY03 budget funds an array of street, highway and other regional programs such as construction of freeway carpool lanes, freeway sound walls, street widening, traffic signal coordination, grade separations at railroad crossings, bikeways, ride-share incentives, shuttles and other transportation programs. It also

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

This spending plan embodies a broad and ambitious mobility program. Yet, MTA's resources are limited. Farebox revenue generates less than 30% of what is needed to operate Metro buses and trains. The rest is largely subsidized by local, state and federal transportation dollars, and there is intense competition for those monies. Controlling costs is imperative.

MTA will deliver more with less in FY03 by reducing administrative overhead, driving down Metro Bus and Rail operating costs and cutting worker's compensation expenses with an aggressive safety management plan. Last fall MTA contracted with Dupont, the industry leader in running safe operations for 200 years. Dupont does not make a penny unless MTA saves on costs associated with employee injuries. The firm helped New York Transit cut worker's compensation costs by 50%. Our goal is to cut MTA costs by at least 51% in five years. In FY03 the goal is to save \$8.3 million compared to FY02.

Worker's compensation is just one of the cost factors computed in MTA's hourly operating expense. By making MTA a safer place to work, reducing administrative overhead, bolstering bus and rail car maintenance, and doing a more efficient job in scheduling service, among other efforts, MTA is controlling costs.

The cost of Metro Bus operations is projected to drop to \$99.14 an hour from \$99.21 an hour in FY02 despite

higher labor costs including rising premiums for health care. Likewise, Metro Rail will cost \$271.52 an hour to operate in FY03, down from \$271.69 the year before.

My predecessor, Julian Burke, did a yeoman's job in shoring up MTA's finances and streamlining operations.

Now I am ready to take MTA to the next step and achieve our vision of making MTA the nation's transportation leader in mobility, safety and customer satisfaction. This FY03 Budget edges us ever closer to that goal.

Sincerely,



Roger Snoble
Chief Executive Officer

MTA PROFILE

Formed in 1993, The Los Angeles County Metropolitan Transportation Authority (MTA) serves as transportation planner, coordinator, designer, builder, and operator for Los Angeles County. More than nine million people, nearly one-third of California's residents, live within the service area.

The MTA is responsible for the planning and programming of funds, and constructing and operating transportation programs and services in Los Angeles including the following:

- Bus and rail transit services, including funding administration for all Los Angeles County transit providers.
- Rail construction.
- Highway construction funding and traffic flow management.
- Rapid bus line development and construction of fixed guideways for buses and multi-passenger vehicles.
- Research and development of alternative energy sources for transit vehicles.
- Air quality, environmental impact, land use and economic development decisions.

MTA transportation service is divided into five bus operating service sectors with eleven bus divisions and three rail divisions. The Metro Bus system provides service to 1.2 million passengers daily with over 91 million

vehicle service miles annually. The entire fleet is wheelchair accessible and over 75% of the fleet is powered by compressed natural gas (CNG). The MTA's Metro Rail system provides service to over 246,000 passengers daily.

MTA headquarters and the Gateway Transit Center are located at historic Union Station. The center connects Los Angeles County to neighboring counties by providing easy connections for commuters using Metro Rail, Amtrak, Metrolink, and the El Monte Busway as well as vanpools, carpools, and taxis.

A Board of Directors governs the MTA with 13 voting members and one non-voting member. The Board of Directors are appointed as follows:

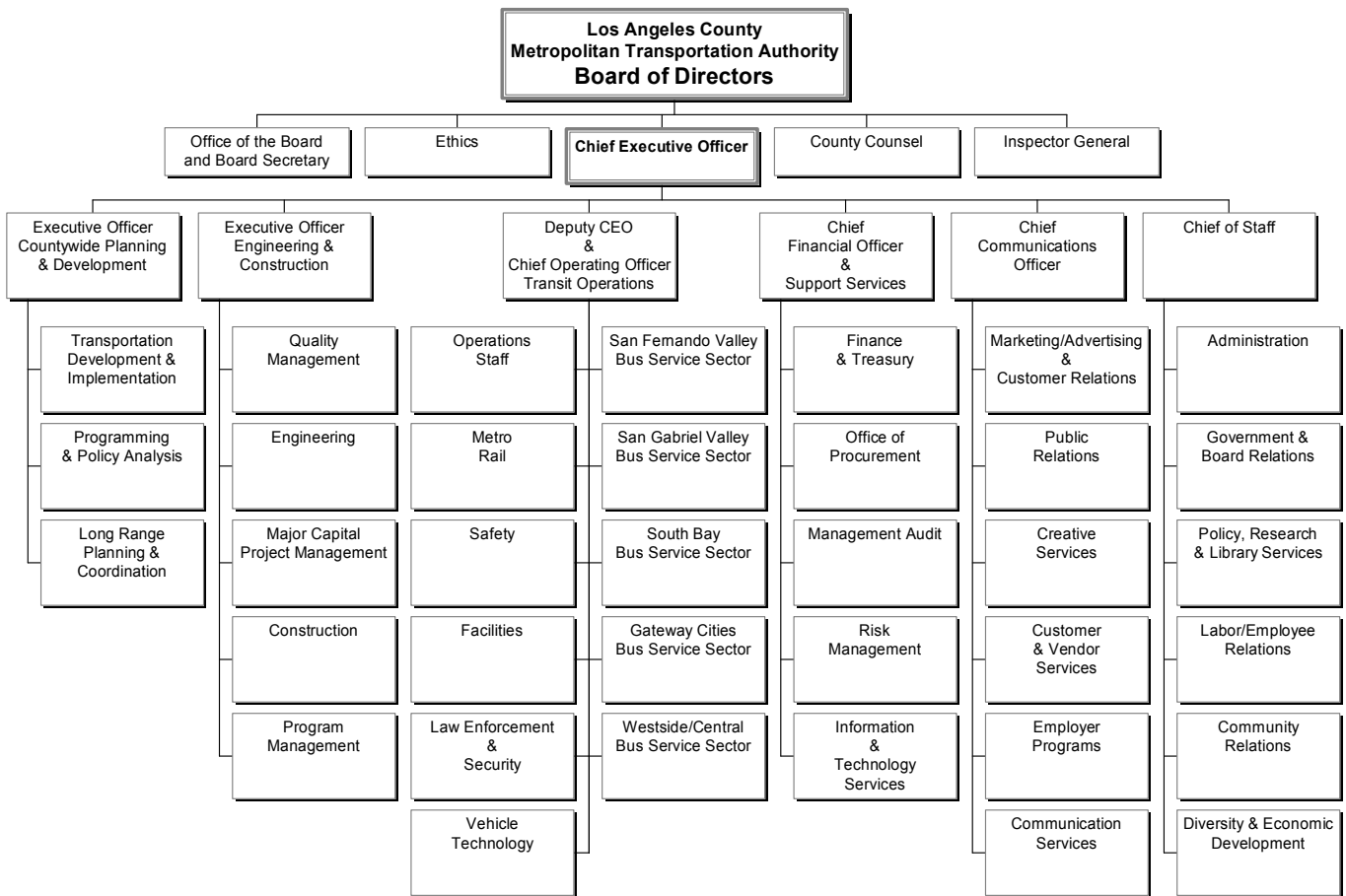
- One non-voting member appointed by the Governor.
- Five members of the Los Angeles County Board of Supervisors.
- The Mayor of the City of Los Angeles.
- Two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles.
- Four members, each of whom shall be a mayor or member of a city council, appointed by the Los Angeles County City Selection Committee.

Though legally separate entities, the MTA's blended component units are, in substance, part of MTA's operations and included as part of MTA's financial reporting. Accordingly, the activities of the Public Transportation Service Corporation (PTSC), the PTSC-MTA Risk Management Authority (PRMA), Service Authority for Freeway Emergencies (SAFE), and two Benefit Assessment Districts (BAD) are included as blended components in the annual budget

presentation. Their respective Board of Directors authorize annual budgets for component units. MTA's Board of Directors approves the annual budget for BAD.

The annual budget and additional information about the organization, programs and services at the MTA can be found on the MTA's website at www.mta.net.

MTA ORGANIZATION CHART



MTA VISION/MISSION/GOALS

MTA Vision

MTA – leading the nation in mobility, safety, and customer satisfaction.

MTA Mission

MTA is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County. Our team members provide expertise and leadership based on their distinct roles:

Transit Operations

- Operating transit system elements for which the agency has delivery responsibility.

Countywide Planning & Development

- Planning the countywide transportation system in cooperation with other agencies.

Engineering & Construction

- Managing the construction and engineering of transportation system components.

Communications

- Strategic evaluation, development and implementation of agency-wide marketing and communications programs.

Support Services

- Delivering timely support services to the MTA organization.

Chief of Staff

- Supporting the overall management of the MTA by coordinating implementation of the CEO's

initiatives, overseeing key programs, and serving as liaison with Board Members and elected officials.

MTA Goals

These goals are organized in a balanced scorecard approach that addresses all aspects of the organization to ensure the success of the enterprise.

Customer

- Improve transportation services to increase customer satisfaction.

Internal Processes

- Improve and streamline business processes.

Learning and Innovation

- Increase innovation to improve performance.

Financial Management

- Increase effective and efficient utilization of resources.

The MTA Strategic Business Plan serves as the basis for linking and allocating resources for major activities in the annual budget. The FY03 budget process includes development of performance measurements to help determine the success of critical program objectives. These key performance indicators are focused on results and outcomes, and will be used to monitor and report on unit cost efficiency, productivity, service quality, and customer service responsiveness of agency programs.

FY03 BUDGET HIGHLIGHTS

The FY03 Budget is \$2.6 billion, which is \$127 million or 4.7% lower than the FY02 Budget. This budget is based on current program requirements and organizational priorities. There are increased expenditures for capital outlays to design and construct the new Transit Corridor projects and for increased health and welfare costs. Reductions in workers' compensation costs due to safety improvements, administrative costs and debt transactions are an offset to growth in expenditures.

Significant Changes In FY03

Salary and Wages

- Budgeted in accordance with labor agreements and a performance-based compensation program for non-represented employees. Also includes an adjustment to the non-contract salary structure based on market survey analysis.

Fringe Benefits

- Price escalation is estimated at 15% for new medical contract renewals.
- Implementation of new labor agreements and actuarial assumption changes has increased the pension costs by \$9.7 million and the ATU Health & Welfare fund increases \$4.9 million in FY03.

Insurance and Workers' Compensation

- Administration of the self-insured and self-administered workers'

compensation program using MTA staff will reduce the overall cost of the program.

- The new Transit Corridor projects will be insured through an owner controlled insurance program (OCIP).
- Total workers' compensation costs will be reduced in FY03 by \$8.3 million, or 14.2% due to aggressive safety management.

Fuel and Propulsion Power

- The FY02 Budget anticipated significant increases in the cost of fuel and propulsion power. These increases did not materialize, resulting in favorable budget variances. The FY03 Budget assumes a cost structure similar to FY02 actual expenditures.

Service Sectors

- Implementation of five new service sectors (San Fernando Valley, San Gabriel Valley, Gateway Cities, South Bay, and Westside/Central) to provide better customer service and improve transportation efficiency.

Pasadena Gold Line (PGL) Start-up

- The Pasadena Gold Line (PGL) is scheduled to begin pre-revenue operations in FY03; revenue operations to begin July 2003. The Capital Program includes funds for hiring and training of train operators, maintenance specialists, and testing of the new equipment.

The budget for start-up activities is \$16.9 million.

Major Bus and Rail Construction

- Design, engineering, and construction for three Transit Corridor projects (Eastside, San Fernando Valley East-West, Mid-City/Wilshire) are included at \$119.8 million.
- Continue construction activity on the Metro Red Line North Hollywood Station pedestrian underpass.

Countywide Programs

- A Preliminary Engineering Report for the Mid-City/Exposition Boulevard Light Rail Line is budgeted for \$16.2 million.
- Access Services, Inc. (ASI) increases by \$7.2 million to cover inflation and business plan increases.
- Regional Programs (e.g., Funds programmed by MTA to other agencies) increases by \$31.9 million.
- Call for Projects (CFP) is anticipated to decrease by \$19.8 million in FY03. Reductions were partially offset by a \$13.7 million increase to the Southern California Regional Rail Authority (SCRRA) for State Transportation Improvement Program (STIP) acceleration projects.
- The Regional Pass Program is budgeted at \$2 million to cover subsidies to operators.

- Sales tax local return distribution to other municipalities and subsidies to other agencies increases by \$4.7 million.
- Formula funds to the Municipal Operators increases by \$7.8 million.

Communication Innovations

- The Rideshare Program, formerly administered by the Southern California Association of Governments (SCAG), is transferred to MTA to refocus efforts on marketing a complete line of programs to employers.

Capital Program

- The five-year FY03 – FY07 Capital Program has increased over the five-year FY02 – FY06 Capital Program primarily due to the inclusion of the Transit Corridor projects.
- The one-year FY03 expenditure plan for the capital projects focused on improving infrastructure and acquiring equipment and has decreased over the one-year FY02 adopted plan by \$144.8 million. This was accomplished by revising the program to match the resources available to deliver completed projects.

Debt Service

- Debt service is budgeted at \$280.2 million, an 7.9% reduction over FY02.

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**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2001, 2002 and 2003**

(Amounts in millions)

	Proprietary Funds						Governmental Funds		
	Enterprise Fund			Internal Service Fund			Special Revenue Fund		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Revenue:									
2 Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365.6	\$ 1,382.9	\$ 1,380.9
3 Intergovernmental grants	-	-	-	-	-	-	65.5	67.7	81.5
4 Investment income	-	-	-	-	-	-	42.8	23.9	18.9
5 Lease and rental	-	-	-	-	-	-	-	-	-
6 Proceeds from sales and leaseback	-	-	-	-	-	-	-	-	-
7 Licenses and fines	-	-	-	-	-	-	6.5	6.1	6.1
8 Other	-	-	-	-	-	-	10.8	-	-
9 Sub-total	-	-	-	-	-	-	1,491.2	1,480.6	1,487.4
10									
11 Operating revenues:									
12 Passenger fares	211.7	243.3	252.1	-	-	-	-	-	-
13 Route subsidies	0.8	0.4	0.4	-	-	-	-	-	-
14 Metrolink interagency agreement	2.3	2.3	2.4	-	-	-	-	-	-
15 Advertising	12.2	13.9	13.6	-	-	-	-	-	-
16 Total revenues	227.0	259.9	268.4	-	-	-	1,491.2	1,480.6	1,487.4
17									
18 Operating expenses/expenditures:									
19 Transportation	469.4	533.8	558.7	-	-	-	-	-	-
20 Maintenance	248.2	305.4	294.2	-	-	-	-	-	-
21 Capital outlay	-	-	-	-	-	-	-	-	-
22 Subsidies	-	-	-	-	-	-	617.5	671.4	703.1
23 Services	-	-	-	-	-	-	42.3	90.5	82.8
24 Debt and interest expenditures	-	-	-	-	-	-	-	-	-
25 General and administrative	32.3	35.6	43.3	-	-	-	5.9	7.2	6.7
26 Total operating expenses/expenditures	749.9	874.8	896.1	-	-	-	665.6	769.1	792.7
27									
28 Excess (deficiency) of revenues over expenditures/ 29 Operating income (loss)	(522.9)	(614.9)	(627.7)	-	-	-	825.6	711.4	694.8
30 Non-operating revenues/(expenses):									
31 Local grants	0.6	0.5	0.5	-	-	-	-	-	-
32 Federal grants	60.2	112.2	94.3	-	-	-	-	-	-
33 Charges for services	-	-	-	(300.5)	(358.1)	(394.1)	-	-	-
34 Interest revenue	7.4	6.9	7.0	4.7	-	-	-	-	-
35 Debt and interest expense	(15.6)	(8.8)	(7.0)	-	-	-	-	-	-
36 Gain (loss) on disposition of fixed assets	(1.8)	1.0	-	-	-	-	-	-	-
37 Other	7.3	2.1	1.8	295.8	358.1	394.1	-	-	-
38 Total non-operating revenues	58.1	113.9	96.5	-	-	-	-	-	-
39									
40 Excess (deficiency) of revenues over expenditures/ 41 Operating income (loss) before other sources	(464.8)	(501.0)	(531.2)	-	-	-	825.6	711.4	694.8
42									
43 Other financing sources (uses):									
44 Operating transfers in	477.3	501.0	531.2	-	-	-	53.6	114.2	62.6
45 Operating transfers out	-	-	-	-	-	-	(828.5)	(917.9)	(966.0)
46 Proceeds from financing	-	-	-	-	-	-	-	-	-
47 Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	-
48 Proceeds of refunding bonds	-	-	-	-	-	-	55.3	-	-
49 Total other financing and sources (uses)	477.3	501.0	531.2	-	-	-	(719.6)	(803.8)	(903.4)
50									
51 Excess (deficiency) of revenues and other financing 52 sources over expenditures and other financing use	12.5	-	-	-	-	-	106.0	(92.3)	(208.7)
53									
54 Deficit/fund balances-beginning of year	(75.8)	(63.3)	(63.3)	-	-	-	617.9	723.9	762.1
55									
56 Deficit/fund balances-end of year	\$ (63.3)	\$ (63.3)	\$ (63.3)	\$ -	\$ -	\$ -	\$ 723.9	\$ 631.6	\$ 553.5

Note - The Benefit Assessment Districts, an Agency Fund, has been excluded from the Combined Statement, see Appendix 11 for financial data.

Note - For FY02 and FY03, the Internal Service Fund is adjusted to be consistent with CAFR reporting.

Note - FY03 Beginning fund balances primarily include projected FY02 favorable revenue and expenditure variances for the Special Revenue and General Funds.

**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

	Governmental Funds									Totals		
	Capital Funds			General Fund			Debt Service Fund			(Memorandum Only)		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1												
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365.6	\$ 1,382.9	\$ 1,380.9
3	349.7	446.5	362.3	4.5	15.0	14.4	3.3	4.4	2.7	423.0	533.6	460.8
4	8.2	-	-	6.7	1.0	1.2	16.4	9.0	9.0	74.0	33.9	29.1
5	-	-	-	13.0	12.0	10.2	-	-	-	13.0	12.0	10.2
6	-	-	-	-	10.0	5.0	-	-	-	-	10.0	5.0
7	-	-	-	-	-	-	-	-	-	6.5	6.1	6.1
8	(1.4)	-	-	6.5	2.9	2.8	-	-	-	16.0	2.9	2.8
9	356.5	446.5	362.3	30.7	40.9	33.6	19.7	13.4	11.7	1,898.1	1,981.3	1,894.9
10												
11												
12	-	-	-	-	-	-	-	-	-	211.7	243.3	252.1
13	-	-	-	-	-	-	-	-	-	0.8	0.4	0.4
14	-	-	-	-	-	-	-	-	-	2.3	2.3	2.4
15	-	-	-	-	-	-	-	-	-	12.2	13.9	13.6
16	356.5	446.5	362.3	30.7	40.9	33.6	19.7	13.4	11.7	2,125.1	2,241.2	2,163.4
17												
18												
19	-	-	-	-	-	-	-	-	-	469.4	533.8	558.7
20	-	-	-	-	-	-	-	-	-	248.2	305.4	294.2
21	359.6	655.3	510.5	-	-	-	-	-	-	359.6	655.3	510.5
22	-	-	-	1.7	0.6	2.1	-	-	-	619.2	672.0	705.2
23	-	-	-	47.2	70.9	67.7	4.4	6.6	6.1	93.8	168.1	156.6
24	-	-	-	-	-	-	264.3	288.8	267.0	264.3	288.8	267.0
25	-	-	-	19.3	14.4	13.7	-	-	-	57.4	57.1	63.7
26	359.6	655.3	510.5	68.2	85.9	83.4	268.7	295.4	273.2	2,111.9	2,680.5	2,555.8
27												
28												
29	(3.1)	(208.8)	(148.2)	(37.5)	(45.0)	(49.8)	(249.0)	(282.0)	(261.5)	13.1	(439.3)	(392.5)
30												
31	-	-	-	-	-	-	-	-	-	0.6	0.5	0.5
32	-	-	-	-	-	-	-	-	-	60.2	112.2	94.3
33	-	-	-	-	-	-	-	-	-	(300.5)	(358.1)	(394.1)
34	-	-	-	-	-	-	-	-	-	12.1	6.9	7.0
35	-	-	-	-	-	-	-	-	-	(15.6)	(8.8)	(7.0)
36	-	-	-	-	-	-	-	-	-	(1.8)	1.0	-
37	-	-	-	-	-	-	-	-	-	303.1	360.2	395.8
38	-	-	-	-	-	-	-	-	-	58.1	113.9	96.5
39												
40	(3.1)	(208.8)	(148.2)	(37.5)	(45.0)	(49.8)	(249.0)	(282.0)	(261.5)	71.3	(325.4)	(296.0)
41												
42												
43												
44	50.9	146.2	90.3	46.6	42.5	44.3	244.6	282.7	260.6	873.0	1,086.6	988.9
45	(32.4)	(165.6)	(13.7)	(0.6)	(3.0)	(9.3)	(11.5)	-	-	(873.0)	(1,086.6)	(988.9)
46	5.2	226.7	59.9	-	-	-	-	-	-	5.2	226.7	59.9
47	-	-	-	-	-	-	(408.7)	(290.9)	-	(408.7)	(290.9)	-
48	-	-	-	-	-	-	431.9	290.9	-	487.2	290.9	-
49	23.7	207.2	136.5	46.0	39.5	35.0	256.3	282.7	260.6	83.7	226.7	60.0
50												
51												
52	20.6	(1.6)	(11.7)	8.5	(5.5)	(14.9)	7.3	0.7	(0.9)	154.9	(98.7)	(236.0)
53												
54	60.5	81.0	79.5	99.3	107.9	143.2	253.2	260.5	261.2	955.0	1,110.0	1,182.8
55												
56	\$ 81.0	\$ 79.5	\$ 67.8	\$ 107.9	\$ 102.4	\$ 128.4	\$ 260.5	\$ 261.2	\$ 260.3	\$ 1,109.9	\$ 1,011.3	\$ 946.7

SUMMARY OF EXPENDITURES BY PROGRAM

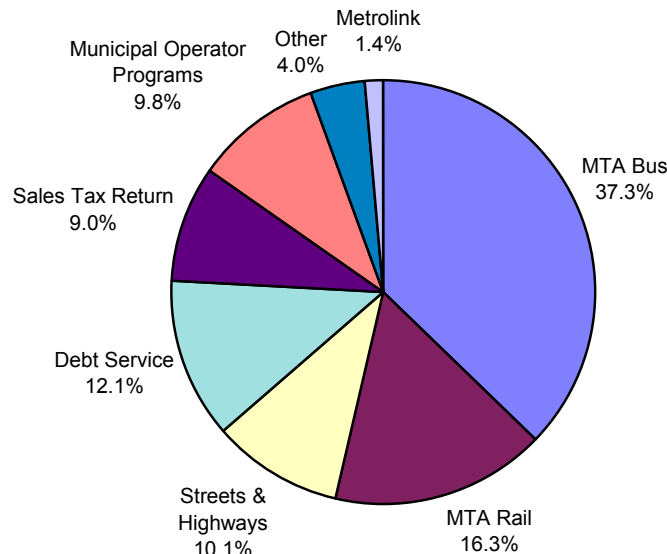
(Amounts in millions)	FY99 Actual*		FY00 Actual*		FY01 Actual*		FY02 Adopted*		FY03 Adopted	
MTA Bus										
Capital	\$ 119.2	5.1%	\$ 166.8	7.7%	\$ 180.9	8.5%	\$ 329.8	12.0%	\$ 156.8	6.1%
Operating	681.6	29.1%	683.4	31.4%	635.6	29.7%	735.1	27.0%	740.7	28.5%
BRT-SFV/Mid-City	-	0.0%	-	0.0%	1.6	0.1%	15.0	0.6%	70.5	2.7%
MTA Bus Subtotal	800.8	34.2%	850.2	39.1%	818.1	38.3%	1,079.9	39.6%	968.0	37.3%
MTA Rail										
Rail Construction	391.4	16.7%	234.9	10.8%	127.5	6.0%	180.0	6.6%	150.4	5.8%
Capital	70.8	3.0%	22.4	1.0%	30.2	1.4%	44.6	1.6%	51.3	2.0%
Operating	98.9	4.3%	105.1	4.9%	121.5	5.7%	146.5	5.4%	155.4	6.0%
LRT-Eastside/Expo	-	0.0%	-	0.0%	4.4	0.2%	39.8	1.5%	65.7	2.5%
MTA Rail Subtotal	561.1	24.0%	362.4	16.7%	283.6	13.3%	410.9	15.1%	422.8	16.3%
Municipal Operator and Paratransit Programs	157.9	6.7%	163.3	7.5%	227.0	10.6%	239.1	8.8%	255.2	9.8%
Metrolink	38.8	1.7%	30.6	1.4%	31.7	1.5%	35.2	1.3%	37.6	1.4%
Sales tax return to local jurisdictions	195.8	8.4%	227.6	10.5%	229.4	10.7%	229.6	8.4%	234.3	9.0%
Streets and Highways	185.6	7.9%	192.2	8.8%	177.7	8.3%	265.3	9.7%	262.8	10.1%
Debt Service **	348.9	14.8%	300.7	13.8%	292.5	13.7%	339.3	12.5%	314.8	12.1%
Other Governmental	51.4	2.2%	48.2	2.2%	77.7	3.6%	125.6	4.6%	102.2	4.0%
Total Expenditures by Program	\$ 2,340.3	100.0%	\$ 2,175.2	100.0%	\$ 2,137.7	100.0%	\$ 2,724.9	100.0%	\$ 2,597.7	100.0%

* Prior year amounts have been reclassified to conform to the FY03 year presentation.

** Includes Principal liability payments, Benefit Assessment debt payments, and excludes debt refunding.

** Debt Service includes proprietary funds principal reduction of \$17.3 million in FY99, \$17.7 million in FY00 and \$18.2 million in FY01, \$19.3 million in FY02 and \$19.8 million in FY03.

FY03 Adopted Budget



MAJOR BUDGET ASSUMPTIONS

Bus and Rail Operating Assumptions

FY03 Adopted Service Levels

MODE		VEHICLE REVENUE HOURS (000)	CHANGE FROM FY02
Metro Bus	MTA Operated	6,888	0.8%
	Contracted Service	654	0.0%
	Total Metro Bus	7,542	0.8%
Metro Rail	Blue Line	215	8.6%
	Green Line	88	1.5%
	Red Line	269	4.3%
	Total Metro Rail	572	5.3%
Total		8,114	1.1%

- Bus Operations will reorganize into five geographic service sectors responsible for bus service.
- Delivery of 30 new high capacity compressed natural gas (CNG) buses.
- Diesel fuel price decrease of 10%; natural gas price decrease of 44%.

Capital Program Assumptions

- FY03 Budget includes the carryover of eligible FY02 revenues and expenditures.
- Major rail construction program will consist of closeout activities of Segments 2 and 3.
- Funds are included for final design and construction of four approved Transit Corridor Projects: Eastside \$49.5 million; Mid-City/Wilshire \$15.0 million; San Fernando Valley

East-West \$55.5 million; and Exposition Transit Corridor \$16.2 million.

- Funds are included for purchase of light rail vehicles, \$41.1 million.
- Funds are included for Pasadena Gold Line Betterments and Start-up, \$18.9 million.

Other Budget Assumptions

- Sales tax revenue increases 2.0% over the FY02 revenue estimate.
- Wage increases for represented employees based on current labor agreements.
- Salary increases of non-represented employees planned in a performance-based pool.

- Workers' Compensation expenses forecast to be reduced by \$8.3 million, or 14.2%, assuming the Safety Program Goal set up in the safety management program.
- Employee pension expenses forecast to increase by \$9.7 million, or 27%, as a result of the collective bargaining agreements and actuarial assumption changes.
- Health and other employee insurance rates projected to increase by 21% primarily due to increased costs for health and welfare plans and adjustments to labor agreements.

FY02 ACCOMPLISHMENTS

The following are key FY02 MTA accomplishments:

- Increased bus and rail ridership by 40,000 boardings per day or 3%.
- Completed Metro Blue Line platform extensions and expanded capacity on both the Metro Blue and Metro Green Lines.
- Continued to operate the Metro Rapid Bus Demonstration Program. Passenger travel times have been reduced by approximately 25%. Ridership increased nearly 35%, with one-third of the increase new riders to public transit. Increased the number of vehicles assigned to the Wilshire Rapid Bus from 65 to 80 due to increased ridership. Developed Phase II implementation plan for future Rapid Bus routes.
- Received over 370 new CNG buses into the MTA fleet, increasing the total CNG fleet to over 1,700 buses.
- Began an aggressive Safety's 1st training program to train managers and supervisors to be more diligent in pursuit of a safe working environment.
- Awarded the Universal Fare System (UFS) contract for design and implementation.
- Adopted the 2001 Call for Projects (CFP) awarding \$893.4 million to regional grantees for transportation improvements throughout Los Angeles County.
- Developed the first regional transit pass for Los Angeles County.
- Approved the Municipal Operator Service Improvement Program (MOSIP) for Municipal Operators for \$15 million. The additional funding for five years will be used for improvements that benefit Consent Decree-related services.
- Implemented an in-house, self-insured and self-administered workers' compensation claims program.
- Received Board approval for the Environmental Impact Reports (EIR) for the Eastside Light Rail Transit (LRT) and the San Fernando Valley Bus Rapid Transit (BRT).
- Implemented new 'Wayfinding Kit' that will help the sight-impaired travel the Metro Rail System.
- Opened the US-405 San Diego Freeway carpool lane through the Sepulveda Pass bringing the total carpool system to 396 miles.
- Improved service for students, seniors, and disabled customers (June 2002) via new automated technology for issuance and delivery of reduced fare identification cards.

**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

Performance Improvement:	Milestone:
<i>Bus In-Service On-Time Performance</i>	Bus In-Service On-Time Performance increased to 64.90% from 63.71% in FY01.
<i>Bus On-Time Pullouts (OTP)</i>	OTP reached an all-time record level, averaging 99.74% in the third quarter of FY02.
<i>Bus Revenue Service Hours Delivered</i>	In December 2001, Revenue Service Hours delivered reached a historic high of 99.15%.
<i>Metro Blue Line Revenue Service Hours Delivered</i>	For the first time, the Metro Blue Line Revenue Service Hours delivered remained above 99% throughout FY02.
<i>Metro Green Line Safety</i>	During FY02, the Metro Green Line posted its 13 th consecutive month without a reportable accident.
<i>Bus Cleanliness</i>	Bus cleanliness continued to rise in FY02, posting 10 consecutive quarters of improvement.
<i>Past Due Bus Preventive Maintenance Program (PMPs)</i>	The FY02 goal for Bus Past Due PMPs is 0.50 per assigned coach. In FY02, the goal was bettered every month, dropping from 0.18 in the first quarter to 0.08 in the third.
<i>Bus Accidents</i>	In September 2001, the bus accident rate dropped below the goal of 3.5 to 3.44 accidents per 100,000 miles.
<i>Bus Complaints</i>	Bus complaints remained below 3.4 per 100,000 boardings throughout every quarter of FY02.
<i>Bus Mean Miles Between Mechanical Failures (MMBMF)</i>	MMBMF reached an all-time high of 7,260 in January of FY02.

CUSTOMER SERVICES

METRO FREEWAY SERVICE PATROL FACTS

LACMTA, in partnership with the California Department of Transportation (CALTRANS) and the California Highway Patrol (CHP), manages the largest fleet of tow and service trucks in the country known as the Los Angeles County Metro Freeway Service Patrol (FSP). The goal is to quickly repair or remove disabled vehicles to relieve freeway congestion.

<i>Number of motorists assisted annually:</i>	<i>350,000</i>
<i>Number of freeway miles served:</i>	<i>422</i>
<i>Number of tow trucks on patrol:</i>	<i>145</i>
<i>Number of tow truck beats:</i>	<i>40</i>

FY2002-2003

ADOPTED BUDGET

INTRODUCTION

MTA provides a wide range of customer services to increase mobility throughout Los Angeles County. These services include transit operations, freeway services, highway construction, and transportation information.

Transit Services

MTA directly operates three modes of transit service: bus, light rail, and heavy rail, carrying over 1.2 million passengers per weekday. Transit operations and supporting capital expenditures make up 36% of the FY03 Budget.

Technology Improvements

Work continues on the Universal Fare System (UFS) and the Advanced Transportation Management System (ATMS). Each will provide a broad array of improvements in service. UFS will allow customers greater flexibility in their transportation options and facilitate better and more expeditious accounting of fares and ridership.

The new regional pass will be introduced in FY03 and will eventually integrate with UFS to provide seamless connections between the Metro Bus system and participating municipal operations. The ATMS project will replace obsolete radio communication systems, provide automatic vehicle location, computer aided dispatch, automatic passenger counters and interface with the UFS.

Metro Bus

MTA is the second largest bus operator in the United States. MTA bus service carries over 1.2 million passengers 250,000 miles on 185 bus routes with 18,500 bus stops each weekday. Passenger complaints have dropped to the lowest levels in six years.

In FY02, \$1.1 billion was expended in support of Metro Bus operating and capital programs. In FY03, this will decrease by 10.4% to \$968 million. This decrease is a combination of lower capital expenditures and minor increases in bus service.

The FY03 Budget includes funds for the acquisition of 30 high capacity buses. MTA will provide 33 buses to contractors operating MTA service and will add new vehicles for the Metro Green Line shuttle.

MTA is the largest operator of alternative fueled buses. Currently 1,758 or 76% of the 2,316 buses in the active fleet are powered by engines using clean-burning compressed natural gas (CNG).

Service Sectors

The most significant change in the provision of bus service included in the FY03 Budget is the creation of five bus operations service sectors. This reorganization of the management of bus service is to improve service quality and bring decision-making closer to our customers.

The sectors will foster partnerships with other bus service providers around a shared vision for responsive community based transportation services.

The San Fernando Valley and San Gabriel Valley service sectors will begin operations July 1, 2002. The other three sectors will begin operations later in the fiscal year.

Community councils will provide recommendations to sector general managers who will evaluate and implement changes and improvements in transit services within the sector.

Each sector manager will oversee the operation of a fleet of approximately 400 to 600 buses. In addition to operations and maintenance personnel, each sector will include its own Human Resources, Planning, Scheduling, Marketing and Public Affairs staff.

Sector Goals

- Create business units with municipal operator-like size.
- Establish each sector with geographic areas emerging from study of existing and potential route structures.
- Locate management and essential, customer-focused, support functions at sector operating bases within local communities served.
- Establish new relationships with MTA corporate support functions.

Sector Objectives

- To organize the functions of the MTA to best serve our customers in an effective manner.
- To develop an organizational framework that will lead the MTA toward improved safety and customer satisfaction.
- To foster a more dynamic working environment, to reduce management layers by moving responsibility and accountability closer to the customer.
- To achieve overall improvement in service quality.

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FY03 Bus Operating Statistics By Service Sector

	SAN FERNANDO VALLEY	SAN GABRIEL VALLEY	GATEWAY	SOUTH BAY
BOARDINGS (000)	67,905	69,391	57,042	90,630
VEHICLE SERVICE HOURS (000)	1,235	1,262	1,037	1,648
VEHICLE SERVICE MILES (000)	17,169	15,563	10,995	19,847
HUB MILES (000)	18,322	18,723	15,391	24,454
BOARDINGS PER REVENUE SERVICE HOUR	55.0	55.0	55.0	55.0
PASSENGER MILES	338,158	328,074	213,617	368,748
VEHICLES OPERATED	364	353	293	448
COST PER REVENUE SERVICE HOUR	\$84.49	\$81.38	\$86.08	\$77.84
COST PER PASSENGER MILE	\$0.31	\$0.31	\$0.42	\$0.35
COST PER BOARDING	\$1.54	\$1.48	\$1.57	\$1.42
SUBSIDY PER BOARDING				
SUBSIDY PER PASSENGER MILE				
FARE RECOVERY RATIO				
FARE REVENUE PER BOARDING				

¹ Systemwide statistics include bus operating expenses from support activities not assigned directly to sector management, including, but not limited to, Central Maintenance, Central Control & Instruction, Facilities and Operations Security.

FY03 Bus Operating Statistics By Service Sector, continued

	WESTSIDE/ CENTRAL	CONTRACT SERVICES	SYSTEMWIDE ¹
BOARDINGS (000)	93,853	13,081	391,903
VEHICLE SERVICE HOURS (000)	1,706	654	7,542
VEHICLE SERVICE MILES (000)	20,446	7,978	91,998
HUB MILES (000)	25,323	9,706	111,919
BOARDINGS PER REVENUE SERVICE HOUR	55.0	20.0	52.0
PASSENGER MILES	433,531	42,905	1,725,035
VEHICLES OPERATED	499	166	2,123
COST PER REVENUE SERVICE HOUR	\$81.71	\$51.00	\$99.14
COST PER PASSENGER MILE	\$0.32	\$0.78	\$0.43
COST PER BOARDING	\$1.49	\$2.55	\$1.91
SUBSIDY PER BOARDING			\$1.33
SUBSIDY PER PASSENGER MILE			\$0.30
FARE RECOVERY RATIO			30%
FARE REVENUE PER BOARDING			\$0.54

Bus Performance Indicators	FY00 Actual	FY01 Actual	FY02 Estimated	FY03 Target
Customer Indicators				
In-Service On-Time Performance	65.39%	63.71%	64.19%	75.00%
Financial Indicators				
Bus cost per service hour ¹	\$99.59	\$99.59	\$99.21	\$99.14
Farebox Recovery	32.87%	30.75%	30.53%	30.16%
Subsidy per Boarding	\$1.29	\$1.34	\$1.34	\$1.33
Internal Process Indicators				
Mean miles between mechanical failures	5,585	4,808	5,470	6,000
Learning/Innovation Indicators				
Vehicle accidents per 100k miles	4.15	4.0	3.5	2.7

¹ Reclassified to reflect the board adopted change to Prop A & C Admin.

Metro Rapid

Metro Rapid provides faster regional travel. The key features of Metro Rapid that make it faster and easier to use include simple route layout, frequent service, greater distance between stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stops and traffic signal priority at intersections.

Launched in 2000, the Metro Rapid Demonstration Program, consisting of two lines, one along Ventura Boulevard in the San Fernando Valley and the other along the Wilshire/Whittier Transit Corridor, has reduced travel time by about 25%. Ridership has increased nearly 35% with one-third of those riders using Metro Rapid representing new riders to the system.

During FY02, the MTA Board of Directors approved the implementation of the Metro Rapid Expansion Program. This includes operation of two new lines in FY03 and development of five additional Metro Rapid Bus Lines to begin service within the next 12-18 months.

In approving the Metro Rapid Expansion Program, additional corridors were identified and prioritized into four implementation phases.

Metro Rail

MTA operates 59 miles of rail service. The 22-mile light rail Los Angeles to Long Beach Metro Blue Line, has 66,000 average weekday boardings. Also light rail, the 20-mile Metro Green Line operates on an exclusive

right-of-way on the US-105 Freeway between El Segundo and Norwalk and has approximately 30,000 weekday boardings. The 17-mile Metro Red Line is a heavy rail subway operating between Downtown Los Angeles and North Hollywood, with a branch extending along Wilshire Boulevard to Western Avenue. Metro Red Line ridership increased significantly since the opening of the final segment in July 2000 and now has over 150,000 average weekday boardings.

The FY03 Budget includes additional resources to support a 5% increase in rail vehicle service hours consistent with growing ridership. Other initiatives in the FY03 Budget include: increased overhauls on revenue vehicles and signal and traction power

systems to improve vehicle availability and minimize system interruptions. The budget also includes funds to improve wayside maintenance and warranty tracking system to better track system component maintenance and increase warranty recoveries.

Metro Rail Operations will continue to test and accept the LA Rail Car light rail vehicles. Ensuring these cars are available for revenue operations is essential to providing the increased service and to be prepared to begin operations of the Metro Gold Line in July 2003.

Rail Performance Indicators	FY00 Actual	FY01 Actual	FY02 Estimated	FY03 Target
Customer Indicators				
Light Rail On-Time Performance	n.a.	97.43%	98.00%	99.20%
Heavy Rail On-Time Performance	97.62%	99.13%	99.00%	98.25%
Complaints per 100,000 boardings				
Systemwide	1.02	0.85	0.78	0.80
Light Rail	0.95	0.76	0.80	0.80
Heavy Rail	0.83	0.83	0.80	0.80
Financial Indicators				
Light Rail cost per RVSH ¹	\$302.23	\$369.06	\$296.40	\$293.24
Heavy Rail cost per RVSH ¹	\$245.62	\$223.38	\$244.52	\$247.13
Farebox Recovery				
Light Rail	22.66%	24.58%	22.05%	27.49%
Heavy Rail	15.00%	18.28%	23.04%	27.77%
Subsidy per Boarding				
Light Rail	\$1.53	\$1.69	\$2.27	\$1.64
Heavy Rail	\$1.39	\$1.43	\$1.30	\$1.19
Internal Process Indicators				
Mean Miles Between Mechanical Failures	4,485	6,093	6,075	6,500
Learning/Innovation Indicators				
Rail accidents per 100,000 revenue train miles				
Light Rail (MGL, MBL)	n.a.	0.93	0.30	0.20
Heavy Rail (MRL)	n.a.	0.08	0.10	0.00

¹. Reclassified to reflect the board adopted change to Prop A & C Admin.

Metro Freeway Service Patrol (FSP)

MTA, in partnership with the California Department of Transportation (CALTRANS) and the California Highway Patrol (CHP), manage the largest fleet of tow and service trucks in the country. This service is known as the Los Angeles County Metro Freeway Service Patrol (FSP). Private tow operators are

contracted to patrol designated portions of freeways during morning and afternoon commute hours. The goal is to quickly repair or remove disabled vehicles to relieve freeway congestion. The program is funded through local Proposition C 25% sales tax and state highway funds.

Over 70% of motorists wait less than five minutes for assistance. Drivers change flat tires, fill radiators, tape

leaky hoses, provide jump-starts, provide gasoline or when necessary, will tow the vehicle to a safe location off the freeway.

The FY03 Budget total is \$20.8 million for FSP.

Service Authority For Freeway Emergencies (SAFE)

Service Authority for Freeway Emergencies (SAFE) is a separate agency from the MTA that is responsible primarily for the maintenance and operation of the County's system of approximately 4,500 call boxes. These call boxes provide call-answering services for people with vehicle problems on busy roads. During FY03, the SAFE Program will award and begin the process of privatizing the call-answering function currently being provided by the CHP. Once implemented, this action should reduce the cost of this activity by as much as 50%.

Paratransit Services

Access Services, Inc. (ASI) manages the Americans with Disabilities Act (ADA) paratransit service. The purpose of ASI is to improve the quality and effectiveness of transportation services to elderly and persons with disabilities through coordination of public transportation with social service agencies and other charitable organizations, and to provide services to persons with disabilities in accordance with the ADA.

Over the past year, paratransit ridership has increased dramatically

with an annual growth rate of over 20%.

The FY03 Budget for paratransit services is \$68 million which includes \$58.6 million funding for ASI and \$9.4 million funding for other ADA activities.

High Occupancy Vehicle (HOV) Lanes

There are 396 miles of High Occupancy Vehicle (HOV) lanes in operation in Los Angeles County. Built with the purpose of reducing congestion by using the capacity of the freeway system more efficiently, it is estimated that HOV lane use exceeds 700,000 person trips per day in Los Angeles County.

In FY03, the budget provides \$15.1 million for HOV lane improvements.

Rideshare Program

Over the past years, the five county transportation commissions, which fund regional and local rideshare services, have been reviewing service delivery options to optimize rideshare program performance. The MTA Board also directed staff to conduct a rideshare evaluation study during FY02 to review rideshare service delivery. As a result of these efforts, the county transportation commissions are coordinating with SCAG on the transition of rideshare responsibilities to service delivery approaches that maintain regional coordination but enhance employer outreach locally.

As the first step in this transition, MTA will move the Employer

Outreach/Account Executive function in-house starting July 2002 and will refocus its efforts on marketing a complete line of programs to employers, from the promotion of transit pass programs to promotion of ridesharing and carpool lane use. During FY03, SCAG will continue to provide other rideshare activities, including the regional ridematch database. During the next year, MTA will continue working with SCAG and the other county transportation commissions in developing a plan for the transition of remaining rideshare activities by July 2003. This transition will promote close local coordination with employers, which is essential to meet regional rideshare goals in a cost-effective manner.

1-800-commute

1-800-commute provides personal transit assistance via telephone seven days a week. Callers are given route, schedule and fare information for all operators in the county, using the county's database of transit information.

Discount Fares Program

The Discount Fares Program provides personalized identification cards to eligible students (grades K-12 and full time college/vocational), seniors and disabled individuals. This enables them to ride MTA trains and buses at a significantly reduced cost under the MTA Reduced Fares Program. Student ID Cards are valid for an academic term, persons 62-years and above qualify for a senior ID Card, and disabled ID Cards are issued for various time periods based on an individual's disability.

www.mta.net

www.mta.net is the address of MTA's Internet site. The site offers an interactive trip planner accessible via the web 24 hours a day from anywhere in the world, offering complete transit information for Los Angeles County. The site also features detailed information on MTA's other transportation services and projects.

FINANCIALS

METRO RAIL FACTS

LACMTA operates 59.4 miles of rail service. The FY03 Budget includes additional resources to support a 5% increase in rail vehicle service hours consistent with growing ridership.

METRO BLUE LINE

Opening date:	1990
Average weekday boarding:	66,225
Number of stations:	22
Length of route in miles:	22
Number of cars in fleet:	54

METRO RED LINE

Opening date:	1993
Average weekday boarding:	150,000
Number of stations:	16
Length of route in miles:	17.4
Number of cars in fleet:	102

METRO GREEN LINE

Opening date:	1995
Average weekday boarding:	29,800
Number of stations:	14
Length of route in miles:	20
Number of cars in fleet:	15

FY2002-2003

ADOPTED BUDGET

ENTERPRISE FUND

Fund Narrative

The Enterprise Fund accounts for transit services in a manner similar to the private sector. The transit services included within the Enterprise Fund are Metro Bus, contracted bus service, and Metro Rail.

Revenues

Bus and rail operating revenues recover approximately 30% of the cost to provide transit services. The remaining 70% of the cost to provide service is funded through a combination of non-operating revenues (primarily federal grants) and transfers (Prop A & C, TDA and STA tax-based revenues).

Expenses

The Enterprise Fund FY03 budgeted expenses are as follows:

	Amount in Millions	%
Bus	\$747.6	82.8
Light Rail	88.8	9.8
Heavy Rail	66.6	7.4
Total	\$903.1	100.0%

Enterprise Fund expenses of \$903.1 million are composed of \$896.1 million operating expenses and \$7.0 million of non-operating interest expenses.

Approximately 69% of the Enterprise Fund expenses are for labor and fringe benefits. Fuel and materials represents another 12% of expenses with the remainder of the expenses being comprised of purchased transportation (7%), security (6%) and debt and other expenses (6%).

Budget & Service Levels

Mode		Vehicle Revenue Hours	Vehicle Revenue Miles	Unlinked Passenger Trips	Passenger Miles
Bus	MTA Operated	6,887,676	84,019,994	378,822,290	1,682,129,767
	Contracted Svc	654,041	7,978,381	13,080,820	42,905,089
	Subtotal Bus	7,541,717	91,998,375	391,903,110	1,725,034,856
Rail	Blue Line	214,980	4,586,240	27,947,400	194,782,199
	Green Line	87,950	2,730,976	11,433,500	79,686,922
	Red Line	269,641	6,111,603	40,446,150	163,985,142
	Subtotal Rail	572,571	13,428,819	79,827,050	438,454,263
Totals		8,114,288	105,427,194	471,730,160	2,163,489,119

Cost Per Unit of Service

Mode		Vehicle Revenue Hours	Vehicle Revenue Miles	Unlinked Passenger Trips	Passenger Miles
Bus	MTA Operated	\$102.58	\$8.50	\$1.89	\$.42
	Contracted Svc	\$51.00	\$4.18	\$2.55	\$.78
	Blended Bus	\$99.14	\$8.13	\$1.91	\$.43
Rail	Blue Line	\$248.65	\$11.66	\$1.91	\$.27
	Green Line	\$402.22	\$12.95	\$3.09	\$.44
	Red Line	\$247.13	\$10.90	\$1.65	\$.41
	Blended Rail	\$271.52	\$11.58	\$1.95	\$.35

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Combined Statement of Revenues, Expenses and Changes in Retained Earnings For the Years Ending June 30, 2001, 2002 and 2003

(Amounts in millions)

Enterprise Fund by Mode	Bus			Light Rail		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Revenue:						
2 Operating revenues						
3 Passenger fares	\$ 186.9	\$ 212.1	\$ 212.6	\$ 16.8	\$ 18.6	\$ 23.5
4 Route subsidies	0.8	0.4	0.4	-	-	-
5 Metrolink interagency agreement	0.3	0.3	0.4	-	-	-
6 Advertising	12.2	13.9	12.2	-	-	1.0
7 Total revenues	200.2	226.7	225.5	16.8	18.6	24.4
8						
9 Operating expenses:						
10 Transportation	399.1	454.1	472.8	39.1	46.6	49.8
11 Maintenance	203.9	249.1	239.2	25.0	31.1	30.7
12 General and administrative	25.4	24.9	28.7	3.7	6.2	8.2
13 Total operating expenses	628.4	728.1	740.7	67.8	83.9	88.8
14						
15 Operating income (loss)	(428.2)	(501.4)	(515.2)	(51.0)	(65.3)	(64.3)
16						
17 Non-operating revenues/(expenses):						
18 Local operating grants	0.6	0.5	0.5	-	-	-
19 Federal operating grants	59.3	107.1	94.3	0.8	3.4	-
20 Interest revenue	7.4	6.9	5.9	-	-	0.6
21 Debt and interest expense	(15.6)	(8.8)	(7.0)	-	-	-
22 Gain (loss) on disposition of fixed assets	(1.8)	1.0	-	-	-	-
23 Other	7.3	1.5	1.0	-	0.4	0.2
24 Total Non-operating revenues	57.2	108.2	94.7	0.8	3.8	0.8
25						
26 Other financing sources (uses):						
27 Operating transfers in						
28 Prop A	121.9	130.6	132.2	20.6	21.6	26.3
29 Prop C	113.6	97.5	106.3	16.8	21.0	34.0
30 TDA	154.8	164.3	179.9	2.0	0.9	-
31 STA	-	-	2.1	10.7	18.1	3.3
32 Other	(6.8)	0.8	-	-	-	-
33 Total other financing and sources (uses)	383.5	393.2	420.5	50.1	61.6	63.5
34						
35 Increase (decrease) in retained earnings	12.5	-	-	-	-	-
36						
37 Deficit - beginning of year	(75.8)	(63.3)	(63.3)	-	-	-
38						
39 Deficit - end of year	\$ (63.3)	\$ (63.3)	\$ (63.3)	\$ -	\$ -	\$ -

**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

	Heavy Rail			Total		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1						
2						
3	\$ 7.9	\$ 12.6	\$ 16.0	\$ 211.7	\$ 243.3	\$ 252.1
4	-	-	-	0.8	0.4	0.4
5	2.0	2.0	2.0	2.3	2.3	2.4
6	-	-	0.5	12.2	13.9	13.6
7	9.9	14.6	18.5	227.0	259.9	268.4
8						
9						
10	31.2	33.1	36.1	469.4	533.8	558.7
11	19.3	25.2	24.3	248.2	305.4	294.2
12	3.2	4.4	6.3	32.3	35.6	43.3
13	53.7	62.7	66.7	749.9	874.8	896.1
14						
15	(43.8)	(48.1)	(48.2)	(522.9)	(614.9)	(627.7)
16						
17						
18	-	-	-	0.6	0.5	0.5
19	0.0	1.6	-	60.2	112.2	94.3
20	-	-	0.5	7.4	6.9	7.0
21	-	-	-	(15.6)	(8.8)	(7.0)
22	-	-	-	(1.8)	1.0	-
23	-	0.3	0.6	7.3	2.1	1.8
24	0.0	1.9	1.0	58.1	113.9	96.5
25						
26						
27						
28	10.3	10.8	19.4	152.7	163.0	177.9
29	23.1	25.9	25.3	153.5	144.4	165.6
30	5.0	0.5	-	161.8	165.7	179.9
31	5.4	9.1	2.5	16.1	27.2	7.8
32	-	-	-	(6.8)	0.8	-
33	43.8	46.2	47.2	477.3	501.0	531.2
34						
35	-	-	-	12.5	-	-
36						
37	-	-	-	(75.8)	(63.3)	(63.3)
38						
39	\$ -	\$ -	\$ -	\$ (63.3)	\$ (63.3)	\$ (63.3)

INTERNAL SERVICE FUND

Fund Narrative

The Internal Service Fund accounts for the receipt and expenses of goods and services provided to projects and funds on a cost reimbursement basis. These expenses are allocated to the functional units of Transit Operations, Countywide Planning and Development, Engineering & Construction, as well as the blended component units, Public Transportation Services Corporation (PTSC) and PTSC/MTA Risk Management Authority (PRMA).

Revenues

Charges for financial and administrative service functions are allocated to MTA's programs and projects. As part of the allocation methodology, the program reimburses the MTA's overhead projects in the Internal Service Fund.

Expenses

Internal Service Fund expenses are in support of the MTA's core business units. The significant expenses in FY03 include:

- Salaries and fringes for financial, administrative and human resource functions.
- Professional and contractual services for the maintenance of MTA facilities, Gateway, and waste disposal at all divisions and rail facilities.
- Original equipment vendor repair and maintenance of specialized ITS machinery and systems.
- Communication support of signage production and posting for Metro Bus and Metro Rail.
- Medical testing and support services for personnel recruitment activities and employment standard compliances.
- Accounting and auditing expenses.
- Utility and telecommunication expenditures for all MTA facilities and Gateway.

Statement of Revenues, Expenses and Changes in Retained Earnings For the Years Ending June 30, 2001, 2002 and 2003

(Amounts in millions)

Internal Service Fund	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Operating expenses:			
2 Services	\$ -	\$ -	\$ -
3 Total operating expenses	-	-	-
4			
5 Operating income (loss)	-	-	-
6			
7 Non-operating revenues/(expenses):			
8 Charges for services	(300.5)	(358.1)	(394.1)
9 Interest revenue	4.7	-	-
10 Other	295.8	358.1	394.1
11 Total non-operating revenues	-	-	-
12			
13 Increase (decrease) in retained earnings	-	-	-
14			
15 Retained Earnings(deficit)-beg. of year	-	-	-
16			
17 Retained Earnings(deficit)-end of year	\$ -	\$ -	\$ -

Note: FY02 and FY03 expenses are adjusted to be consistent with CAFR reporting requirements.

SPECIAL REVENUE FUND

Fund Narrative

The Special Revenue Fund accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are earmarked for specified purposes. The Special Revenue Fund reflects MTA's responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County.

Revenue

The primary sources of revenue are from Proposition A sales tax, Proposition C sales tax, TDA sales tax, STA sales tax, Service Authority for Freeway Emergencies (SAFE), Congestion Mitigation and Air Quality (CMAQ) and other funds used to account for programs with dedicated revenue sources.

Expenditures

Laws, ordinances or grants that created these funds designate their use. Regional programs detailed in the following section account for 89% of Special Revenue expenditures, 11% for SAFE, FSP, other contracts and overhead and labor.

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Combined Statement of Revenues, Expenditures and Changes in Fund Balances For the Years Ending June 30, 2001, 2002 and 2003

(Amounts in millions)

	Proposition A			Proposition C			Transportation Develop. Act		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
Special Revenue Funds									
1 Revenue:									
2 Sales tax	\$ 528.3	\$ 528.4	\$ 539.2	\$ 528.4	\$ 528.3	\$ 539.2	\$ 283.2	\$ 266.8	\$ 274.3
3 Intergovernmental grants	-	-	-	59.6	57.8	54.8	0.3	-	-
4 Investment income	8.5	6.0	4.0	21.5	14.0	10.0	9.0	3.5	3.5
5 Licenses and fines	-	-	-	-	-	-	-	-	-
6 Other	2.6	-	-	7.7	-	-	-	-	-
7 Total revenues	539.4	534.4	543.2	617.2	600.1	604.1	292.5	270.3	277.8
8									
9 Expenditures:									
10 Subsidies	187.0	194.4	204.2	314.7	377.1	378.1	111.9	87.0	98.5
11 Services	-	-	-	38.6	78.2	68.4	-	-	-
12 General and administrative	-	-	-	4.8	6.6	5.8	-	-	-
13 Total expenditures	187.0	194.4	204.2	358.1	461.9	452.4	111.9	87.0	98.5
14									
15 Excess (deficiency) of revenues									
16 over expenditures	352.4	340.0	339.0	259.1	138.2	151.7	180.6	183.3	179.3
17									
18 Other financing sources (uses):									
19 Operating transfers in									
20 Prop A	-	-	-	24.2	-	-	-	-	-
21 Prop C	-	-	-	-	38.0	52.2	-	-	-
22 TDA	-	-	-	8.4	-	-	3.1	0.9	1.0
23 STA	-	-	-	-	-	-	-	-	-
24 Other	-	-	-	16.7	75.3	7.6	1.2	-	-
25 Operating transfers out									
26 Prop A	-	-	-	-	-	-	-	-	-
27 Prop C	(24.2)	-	-	-	(38.0)	(52.5)	(8.4)	-	-
28 TDA	-	-	-	-	-	-	(3.1)	(0.9)	(1.0)
29 General Fund	(30.1)	(26.4)	(26.9)	(10.9)	(8.3)	(10.7)	(5.3)	(6.0)	(6.7)
30 Debt Service Fund	(147.7)	(151.0)	(153.6)	(97.0)	(131.7)	(107.0)	-	-	-
31 Capital Fund	(2.0)	-	(29.3)	1.8	(5.8)	(5.0)	(3.0)	(23.9)	(29.4)
32 Enterprise Fund	(152.7)	(163.0)	(177.9)	(153.6)	(144.3)	(165.6)	(161.7)	(165.7)	(179.9)
33 Proceeds from financing	-	-	-	55.3	-	-	-	-	-
34 Total other financing sources (uses)	(356.7)	(340.4)	(387.7)	(155.1)	(214.8)	(281.0)	(177.2)	(195.6)	(216.0)
35									
36 Excess (deficiency) of revenue and other financing									
37 sources over expenditures/other financing uses	(4.3)	(0.4)	(48.7)	104.0	(76.7)	(129.3)	3.4	(12.3)	(36.7)
38									
39 Fund surplus balance - beginning of year*	125.6	121.3	118.9	310.5	414.5	412.0	136.3	139.7	173.8
40									
41 Fund surplus balance - end of year	\$ 121.3	\$ 120.9	\$ 70.2	\$ 414.5	\$ 337.8	\$ 282.7	\$ 139.7	\$ 127.5	\$ 137.0

*FY03 Beginning fund balances primarily include projected FY02 favorable revenue and expenditure variances.

**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

	State Transit Assistance-STA			SAFE			Other			Total		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1												
2	\$ 25.7	\$ 59.3	\$ 28.2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365.6	\$ 1,382.9	\$ 1,380.9
3	-	-	-	-	-	2.5	5.6	9.9	24.1	65.5	67.7	81.5
4	2.0	0.4	0.4	1.7	-	1.0	0.1	-	-	42.8	23.9	18.9
5	-	-	-	6.2	6.1	6.1	0.3	-	-	6.5	6.1	6.1
6	-	-	-	0.5	-	-	-	-	-	10.8	-	-
7	27.7	59.7	28.6	8.4	6.1	9.6	6.0	9.9	24.1	1,491.2	1,480.6	1,487.4
8												
9												
10	3.9	8.5	3.7	-	-	-	-	4.4	18.7	617.5	671.4	703.1
11	-	-	-	3.7	12.2	12.5	-	0.1	1.9	42.3	90.5	82.8
12	-	-	-	1.0	0.6	0.9	-	0.1	-	5.9	7.2	6.7
13	3.9	8.5	3.7	4.7	12.8	13.4	-	4.5	20.6	665.6	769.1	792.7
14												
15												
16	23.8	51.2	24.9	3.7	(6.7)	(3.7)	6.0	5.4	3.5	825.6	711.5	694.8
17												
18												
19												
20	-	-	-	-	-	-	-	-	-	24.2	-	-
21	-	-	-	-	-	-	-	-	-	-	38.0	52.2
22	-	-	-	-	-	-	-	-	-	11.5	0.9	1.0
23	-	-	-	-	-	-	-	-	-	-	-	-
24	-	-	-	-	-	-	-	-	1.9	17.9	75.3	9.4
25												
26	-	-	-	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	(6.0)	(5.4)	-	(38.5)	(43.4)	(52.5)
28	-	-	-	(1.2)	-	-	-	-	-	(4.3)	(0.9)	(1.0)
29	-	-	-	-	-	-	(0.3)	-	-	(46.6)	(40.8)	(44.3)
30	-	-	-	-	-	-	-	-	-	(244.6)	(282.7)	(260.6)
31	(9.6)	(20.3)	(12.8)	-	-	-	-	-	-	(12.7)	(50.0)	(76.5)
32	(13.6)	(27.2)	(7.8)	-	-	-	-	-	-	(481.7)	(500.2)	(531.2)
33	-	-	-	-	-	-	-	-	-	55.3	-	-
34	(23.2)	(47.5)	(20.6)	(1.2)	-	-	(6.2)	(5.4)	1.9	(719.6)	(803.8)	(903.4)
35												
36												
37	0.6	3.7	4.4	2.5	(6.7)	(3.7)	(0.2)	-	5.4	106.0	(92.3)	(208.7)
38												
39	19.1	19.7	29.4	22.1	24.6	24.0	4.3	4.1	4.1	617.9	723.9	762.1
40												
41	\$ 19.7	\$ 23.4	\$ 33.8	\$ 24.6	\$ 17.9	\$ 20.2	\$ 4.1	\$ 4.1	\$ 9.5	723.9	631.6	553.5

REGIONAL PROGRAMS

Budget Assumptions

The MTA provides funding directly to projects through grants of local funds or indirectly through allocated federal or state grants. Local funds consist mainly of Proposition A and Proposition C funds which are disbursed by the MTA to agencies based on an approved spending plan. Federal and state grant funds are programmed or allocated by the MTA and disbursed directly by the granting agency or disbursed by MTA to the

grantee or recipient. The recipient agency is responsible for administering and managing the federal or state grant.

The FY03 Budget for local funding commitments to the Call for Projects (CFP) reflects current year cash flow. Funding for all other local programs, including Municipal Operator programs, ASI, Proposition A Incentive, Local Return, Metrolink, and state and federal funding programs reflect the FY03 programmed amounts.

FY03 Revenue Summary - Regional Programs Budget

(Amounts in thousands)	Municipal Operator Programs	ADA Funding Program	CFP Projects & Programs	Other Local Projects	Commuter Rail & Intercity Rail	Total Subsidy Budget
1 Revenue						
2 Prop A - Admin 5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Prop A - Local Return 25%			128,068			128,068
4 Prop A - Discretionary 95% of 40%	63,783					63,783
5 Prop A - Incentive 5% of 40%		9,365				9,365
6 Prop C - Local Return 20%			106,226			106,226
7 Prop C - Security 5%	4,246					4,246
8 Prop C - Commuter Rail 10%			30,486		37,644	68,130
9 Prop C - Streets & Hwys 25%			82,098			82,098
10 Prop C - Discretionary 40%	29,901	7,705	9,905	5,700		53,212
11 Prop C - Bonds						-
12 Other		45,809	7,566			53,375
13 TDA	76,630		21,822			98,452
14 STA Formula	3,701					3,701
15 Interest	8,933	5,087				14,020
16 Regional Grantee Funds				18,453		18,453
17 Total	\$ 187,194	\$ 67,966	\$ 386,171	\$ 24,153	\$ 37,644	\$ 703,128

Regional Subsidy Program Budget Detail

(Amounts in thousands)

Regional Fund Description	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Municipal Operator Programs			
2 Operating funding program	\$ 161,045	\$ 149,109	\$ 156,258
3 Transit Security	4,663	4,252	4,246
4 Bus Service Improvement Program	630	17,572	18,071
5 Transit Service Expansion	7,407	5,562	5,658
6 Base bus restructuring	2,801	2,881	2,962
7 Municipal Operator Programs Total	176,546	179,377	187,194
8			
9 ADA/Accessibility Funding Programs			
10 ASI - Access Services, Inc.	43,546	51,363	58,601
11 Proposition A Incentive programs	5,655	6,600	9,365
12 ADA Accessibility Funding Programs Total	49,201	57,963	67,966
13			
14 CFP Projects and Programs			
15 Proposition A and C Local Return	229,373	229,588	234,294
16 Call for Projects	108,539	138,641	130,055
17 TDA Bikeways/Transit/Streets & Hwys Pgms	17,309	19,950	21,822
18 Local Projects and Programs Total	355,221	388,179	386,171
19			
20 Other Local Projects			
21 Immediate Needs	3,533	5,000	5,000
22 SHORE/General Relief Tokens	1,400	1,050	700
23 Regional Grantee-FTA	-	4,462	18,453
24 Other Local Projects Total	4,933	10,512	24,153
25			
26 Commuter Rail & Inter-City Rail Programs			
27 Metrolink	31,531	35,182	37,619
28 Intercity Rail	25	25	25
29 Commuter Rail & Intercity Rail Programs	31,556	35,207	37,644
30			
31 Total MTA Funded Programs	\$ 617,458	\$ 671,238	\$ 703,128

REGIONAL PROGRAMS DESCRIPTIONS

Municipal Operator Programs

Municipal Operator Programs provide for the equitable allocation of STA, TDA, Proposition A 40% Discretionary and Propositions A and Proposition C Interest Revenues to sixteen transit service providers in Los Angeles County. These funds are allocated based on formulas prescribed by state law and by the MTA Board of Directors.

In addition, operators receive Proposition C 40% Discretionary funds under five programs approved by the Board of Directors: Foothill Mitigation Program, Transit Service Expansion, Discretionary Bus Restructuring and Bus Service Improvement Plan (BSIP) including Overcrowding Relief, and the Municipal Operator Service Improvement Program (MOSIP).

ADA/Accessibility Funding Programs

MTA contracts with Access Services, Inc (ASI) to provide complementary paratransit services for persons with disabilities who cannot use fixed route buses and trains, enabling the county's fixed route operators to be fully compliant with ADA requirements. ASI is also the Consolidated Transportation Services Agency (CTSA) for Los Angeles County, responsible for improving mobility options and coordination of specialized transportation. In FY03, \$58.6 million is included for ASI.

Paratransit Programs

Paratransit is an important component of Los Angeles County's comprehensive public transportation network. Paratransit service is operated by a variety of public and private providers, including many local jurisdictions within Los Angeles County.

In FY03, the Proposition A Discretionary Incentive Program includes funding of \$8.6 million for Sub regional Paratransit programs, which are coordinated by multi-jurisdiction paratransit services throughout Los Angeles County.

CFP Projects and Programs

Propositions A and C Local Return

The Proposition A and Proposition C ordinances require that each of the 88 cities and Los Angeles County receive a direct share, based on population, of the total Proposition A and Proposition C sales tax revenues. Known as "local return", these funds must be used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance (Prop C only) on streets heavily used by transit, and other transit-related improvements. In FY03, cities will receive over \$234.3 million under the Local Return Program.

Transportation Improvement Program (TIP) CFP

The Transportation Improvement Project (TIP) CFP is a biennial process for allocating selected local, state and federal transportation funds to cities in Los Angeles County, Los Angeles County, municipal transit operators, joint power authorities and other public agencies. After MTA establishes funding estimates, eligible organizations submit project applications for review.

MTA staff, based on a scoring system adopted by the Board of Directors, evaluates the merits of each submittal and develops a priority ranking. The Board of Directors reviews the staff recommendations and adopts a multi-year funding program. After adoption by the Board of Directors, the MTA programs funding based on project cash flow plans and secures written agreements with successful project sponsors.

TDA Article 3 and Article 8

TDA Article 3 funds are allocated to all cities and the unincorporated areas of Los Angeles County based on population. TDA Article 3 funds may be used for pedestrian and bicycle facilities, including retrofitting facilities to comply with the Americans with Disabilities Act (ADA). TDA Article 8 funds may be used for transit and paratransit.

If the MTA finds that all transit needs in the jurisdiction have been met, funds may be used for the development, construction and maintenance of local streets and roads. Eligible claimants for TDA

Article 8 funds include the cities of Avalon, Lancaster, Palmdale, Santa Clarita and the unincorporated areas of Los Angeles County.

Other Local Programs

The MTA provides \$5.7 million in funding for three programs: Immediate Needs, Support for Homeless Re-Entry (SHORE) and General Relief. The Department of Public Social Services (DPSS) funds several staff positions to implement the Welfare to Work Transportation Plan approved by the Board of Supervisors and the MTA Board of Directors. Staff also participates in coordination activities with city and county agencies. The goal of these activities is to improve coordination of public transportation access to the multitude of health and human service programs.

Regional Grantee

In a significantly expanding role, the MTA is acting as the grantee for federal funds on a pass-through basis. In FY03, the budgeted amount will increase from \$4.4 million to \$18.5 million. In FY02, federal funds were passed through to the Figueroa Corridor project and for projects in the cities of Bell, Burbank, Cudahy, Maywood, Monrovia, Monterey Park and Playa Vista Corporation.

In FY03, new participants will include the cities of Baldwin Park, Compton, Covina, El Monte, El Segundo, Glendale, Santa Fe Springs, South Pasadena, Sierra Madre, West Covina and the Pasadena Metro Blue Line Construction Authority.

Regional Rail Program

Metrolink is a regional passenger rail system which links downtown Los Angeles to the four surrounding counties and the Antelope Valley. Within Los Angeles County, Metrolink trains travel up to 79 miles per hour, with average passenger trip length over 35 miles. Construction, operation

and maintenance of the Metrolink fleet, right-of-way and facilities is performed by the Southern California Regional Rail Authority (SCRRA), a Joint Powers Authority (JPA). MTA and the other four county members of the JPA, in combination with state and federal grants, provide funding.

CAPITAL FUND

Fund Narrative

The Capital Fund accounts for projects to improve infrastructure, acquire equipment, and construct new bus and rail transportation facilities. The capital budget is developed concurrently and approved with the operating budget.

Revenues

Revenues for the Capital Fund are primarily from intergovernmental grants for infrastructure improvements and equipment acquisition projects (capital projects) and a combination of intergovernmental grants and long-term debt for the major bus and rail projects.

The Capital Fund reflects cost estimates and implementation plans for projects based on agency priorities

as established by the Capital Review Committee. Funding is allocated based on plans and schedules to provide resources for project implementation.

Expenditures

The total five-year FY03-07 Capital Program (CP) is \$2.6 billion. For FY03, \$293.8 million has been included for major bus and rail construction, \$216.1 million for other capital projects, and \$600,000 for capital support expenses.

Capital Program expenditures are comprised of direct project costs for the acquisition, expansion, rehabilitation of infrastructure, and capital assets as well as staff necessary for successful design, construction, acquisition, and implementation.

Combined Statement of Revenues, Expenditures and Changes in Fund Balances For the Years Ending June 30, 2001, 2002 and 2003

(Amounts in millions)

Capital Project Funds	Light Rail*			Heavy Rail**		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Revenue:						
2 Intergovernmental grants	\$ 11.7	\$ 42.4	\$ 75.4	\$ 164.0	\$ 69.5	\$ 53.3
3 Investment income	0.2	-	-	7.9	-	-
4 Other	-	-	-	(1.3)	-	-
5 Total revenues	11.9	42.4	75.4	170.6	69.5	53.3
6						
7 Expenditures:						
8 Capital program						
9 Bus acquisitions	-	-	-	-	-	-
10 Bus facilities maintenance	-	-	-	-	-	-
12 Rail facilities maintenance	15.6	7.0	2.5	1.7	6.0	4.5
13 Rail MOW	-	-	-	7.2	0.5	0.0
14 Transit corridors	4.3	39.8	65.7	-	-	-
15 Construction	16.6	56.0	74.7	111.0	124.1	75.9
16 Other	-	0.1	-	-	-	-
17 Subtotal-capital program	36.5	102.9	142.9	119.9	130.6	80.3
18 Other capital support	-	-	-	-	-	-
19 Total expenditures	36.5	102.9	142.9	119.9	130.6	80.3
20						
21 Excess (deficiency) of revenues over expenditures	(24.6)	(60.5)	(67.5)	50.8	(61.1)	(27.0)
22						
23 Other financing sources (uses):						
24 Operating transfers in						
25 Prop A	3.8	-	29.3	(1.8)	-	-
26 Prop C	-	-	-	(2.3)	4.5	1.9
27 TDA	-	-	0.2	0.1	3.2	0.3
28 STA	-	1.1	2.8	0.8	3.1	0.0
29 Other	14.8	41.8	2.5	4.5	7.4	1.4
30 Operating transfers out						
31 Prop C	-	(69.5)	-	(0.2)	-	-
32 Capital Fund	(1.2)	(5.3)	(0.9)	(25.3)	(90.8)	(12.8)
33 Proceeds from financing	5.2	92.6	33.5	-	134.1	26.4
34 Total other financing sources (uses)	22.6	60.6	67.4	(24.3)	61.5	17.3
35						
36 Excess (deficiency) of revenues and other financing						
37 sources over expenditures and other financing use	(2.0)	0.1	(0.1)	26.5	0.4	(9.7)
38						
39 Fund surplus (deficit) balance - beginning of year	0.6	(1.4)	(1.3)	55.0	81.5	81.9
40						
41 Fund surplus (deficit) balance - end of year	\$ (1.4)	\$ (1.3)	\$ (1.4)	\$ 81.5	\$ 81.9	\$ 72.2

* Note - FY01 Actual for Light Rail excludes Bus Rapid Transitways, which was reported in CAFR.

** Note - FY01 Actual for Heavy Rail includes SB 1995 Rail, which was reported in CAFR.

**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

	Bus Rapid Transitways			Bus Capital and Other			Total		
	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted	FY01 Actual	FY02 Adopted	FY03 Adopted
1									
2	\$ 1.6	\$ 15.0	\$ 70.5	\$ 172.5	\$ 319.5	\$ 163.0	\$ 349.7	\$ 446.5	\$ 362.3
3	-	-	-	-	-	-	8.2	-	-
4	-	-	-	(0.1)	-	-	(1.4)	-	-
5	1.6	15.0	70.5	172.4	319.5	163.0	356.5	446.5	362.3
6									
7									
8									
9	-	-	-	158.7	260.0	73.7	158.7	260.0	73.7
10	-	-	-	14.6	56.3	43.5	14.6	56.3	43.5
12	-	-	-	6.3	20.0	23.7	23.6	33.0	30.7
13	-	-	-	-	10.3	9.1	7.2	10.9	9.1
14	1.6	15.0	70.5	-	-	-	6.0	54.8	136.2
15	-	-	-	-	-	-	127.6	180.0	150.6
16	-	-	-	22.0	60.1	66.1	22.0	60.2	66.1
17	1.6	15.0	70.5	201.6	406.7	216.1	359.6	655.3	509.9
18	-	-	-	-	-	0.6	-	-	0.6
19	1.6	15.0	70.5	201.6	406.7	216.7	359.6	655.3	510.5
20									
21	-	-	-	(29.2)	(87.2)	(53.7)	(3.1)	(208.8)	(148.2)
22									
23									
24									
25	-	-	-	-	-	-	2.0	-	29.3
26	-	-	-	0.5	1.4	3.1	(1.8)	5.8	5.0
27	-	-	-	2.8	20.7	28.8	2.9	23.9	29.4
28	-	-	-	8.8	16.0	9.9	9.6	20.3	12.8
29	-	-	-	18.9	47.0	9.9	38.2	96.2	13.8
30									
31	-	-	-	-	-	-	(0.2)	(69.5)	-
32	-	-	-	(5.6)	-	-	(32.2)	(96.1)	(13.7)
33	-	-	-	-	-	-	5.2	226.7	59.9
34	-	-	-	25.3	85.1	51.8	23.7	207.2	136.5
35									
36									
37	-	-	-	(3.9)	(2.1)	(1.9)	20.6	(1.6)	(11.7)
38									
39	-	-	-	4.9	1.0	(1.1)	60.5	81.1	79.5
40									
41	\$ -	\$ -	\$ -	\$ 1.0	\$ (1.1)	\$ (3.0)	\$ 81.1	\$ 79.5	\$ 67.8

GENERAL FUND

Fund Narrative

The General Fund includes activities associated with government that are not legally required or are not required to be accounted for in another fund.

The General Fund provides key compliance and oversight functions legal services, planning and development programs and MTA communication activities with constituents and customers.

Revenues

The primary sources of revenue to the General Fund are Propositions A and Proposition C sales tax administration funds, Proposition C Discretionary funds, TDA sales tax administration funds, and Federal, State, and Local grants. MTA also collects rental and lease revenue on owned property and generates revenue from property

management functions provided by the Real Estate Department. Revenues collected from non-recurring sources are included in the General Fund.

Expenditures

Labor expenditures in the General Fund are for Board support functions, management oversight and regional activity functions. The major portion of the professional services budgeted in FY03 are attributable to legal services, auditing, lobbyist contracts, transportation studies and consulting services for transportation planning models. Expenditures associated with property management activities that are not directly attributable to construction efforts are also included in the General Fund. The anticipated Regional Pass Subsidy of \$2 million is also included in the General Fund.

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ending June 30, 2001, 2002 and 2003
(Amounts in millions)

General Fund	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Revenue:			
2 Intergovernmental grants	\$ 4.5	\$ 15.0	\$ 14.4
3 Investment income	6.7	1.0	1.2
4 Lease and rental	13.0	12.0	10.2
5 Proceeds from sales and leaseback	-	10.0	5.0
6 Other	6.5	2.9	2.8
7 Total revenues	30.7	40.9	33.6
8			
9 Expenditures:			
10 Subsidies	1.7	0.6	2.1
11 Services	47.2	70.9	67.7
12 General and administrative	19.3	14.4	13.7
13 Total expenditures	68.2	85.9	83.4
14			
15 Excess (deficiency) of revenues over expenditures	(37.5)	(45.0)	(49.8)
16			
17 Other financing sources (uses):			
18 Operating transfers in			
19 Prop A	30.1	26.4	26.9
20 Prop C	10.9	8.3	10.7
21 TDA	5.3	6.0	6.7
22 Other	0.3	1.8	-
23 Operating transfers out			
24 Prop C	(0.1)	(0.4)	(7.6)
25 Enterprise Fund	-	(0.8)	-
26 Other	(0.5)	(1.8)	(1.8)
27 Total other financing sources (uses)	46.0	39.5	35.0
28			
29 Excess (deficiency) of revenues and other financing			
30 sources over expenditures and other financing uses	8.5	(5.5)	(14.9)
31			
32 Fund surplus balance - beginning of year (1)	99.3	107.9	143.2
33			
34 Fund surplus balance - end of year	\$ 107.9	\$ 102.4	\$ 128.4

Note 1 - FY03 Beginning fund balances primarily include projected FY02 favorable revenue and expenditure variances.

DEBT FUND

Fund Narrative

The Debt Service Fund accounts for the accumulation and disbursement of resources related to the payment of general long-term debt principal and interest. Debt service related to the Enterprise and BAD funds are budgeted in those funds.

The Debt Policy, adopted by the Board of Directors, sets forth guidelines for the issuance and management of the MTA's debt, sets limitations on the amount of debt that may be incurred from each funding source and specifies other factors to be considered and documented when issuing debt. Proceeds from this year's commercial paper issuance and any long-term bond issuance will be used to fund the required local contribution to major capital projects including bus, rail and highway capital equipment and facilities.

The MTA has about \$4.06 billion of debt outstanding as of June 30, 2002. The MTA has refunded more than \$3.0 billion of its long-term debt to achieve debt service savings. Those savings exceed \$194 million on a present value basis.

Revenues

Annual revenues budgeted for the payment of debt service consists primarily of local sales tax revenues from Proposition A and Proposition C. Other sources include federal grants, fare collections, other financing sources and other operating revenues.

Expenditures

Commercial paper will be issued to provide interim funding for capital expenditures prior to the issuance of long-term bonds. If deemed appropriate during the fiscal year, long-term bonds may be issued. Otherwise, long-term bonds will be issued in a subsequent fiscal period to retire the commercial paper and provide permanent, long-term financing.

MTA's total FY03 debt service requirement is \$297.4 million and \$273.2 million is included in the Debt Service fund. The remaining \$24.2 million is budgeted in the Enterprise and the Benefit Assessment Districts funds. See MTA FY03 Debt Service Schedule for further detail.

Debt Limitations/Use Restrictions

MTA issues additional debt consistent with the Board adopted multi-year Capital Program. Revenues are allocated in accordance with the applicable ordinances, legislation, and planning processes.

Although MTA's bonds are not subject to California constitutional debt limitations, the MTA has contractual covenants as part of its bond indentures that set bounds for

additional issuance. Some covenants restrict the percentage amount of specific revenue sources that may be used to service debt. These covenants provide protection to bondholders and limit the amount of additional bonds that may be issued. As a result, the MTA's senior lien sales tax revenue bonds carry the high credit ratings of A+ and AA.

Statement of Revenues, Expenditures and Changes in Fund Balances For the Years Ending June 30, 2001, 2002 and 2003

(Amounts in millions)

Debt Service Funds	FY01 Actual	FY02 Adopted	FY03 Adopted
1 Revenue:			
2 Intergovernmental grants	\$ 3.3	\$ 4.4	\$ 2.7
3 Investment income	16.4	9.0	9.0
4 Total revenues	19.7	13.4	11.7
5			
6 Expenditures:			
7 Services	4.4	6.6	6.1
8 Debt and interest expenditures	264.3	288.8	267.0
9 Total expenditures	268.7	295.4	273.2
10			
11 Excess (deficiency) of revenues over expenditures	(249.0)	(282.0)	(261.5)
12			
13 Other financing sources (uses):			
14 Operating transfers in			
15 Prop A	147.7	151.0	153.6
16 Prop C	97.0	131.7	107.0
17 Operating transfers out			
18 Prop A/C	(9.9)	-	-
19 Capital Fund	(1.7)	-	-
20 Payment to refunding bond escrow agent	(408.7)	(290.9)	-
21 Proceeds of refunding bonds	431.9	290.9	-
22 Total other financing sources (uses)	256.3	282.7	260.6
23			
24 Excess (deficiency) of revenues and other financing 25 sources over expenditures and other financing uses	7.3	0.7	(0.9)
26			
27 Fund surplus balance - beginning of year	253.2	260.5	261.2
28			
29 Fund surplus balance - end of year	\$ 260.5	\$ 261.2	\$ 260.3

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**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

MTA FY03 Debt Service Schedule

Transaction Name	Principal Adjustments							Principal Pmt FY03	Principal Bal. as of 6/30/03
	Initial PAR Value	Principal Balance As of 6/30/02 (1)	Interim Commercial Paper Financing	New Money	New Money Financing Cost	Commer. Paper Refunding			
1 1986-A New Money	707,615,000	-	-	-	-	-	-	-	
2 1987-A Refunding	271,550,000	-	-	-	-	-	-	-	
3 1988-A Refunding	112,274,129	-	-	-	-	-	-	-	
4 1989-A Refunding	174,303,858	-	-	-	-	-	-	-	
5 1991-A New Money	500,000,000	-	-	-	-	-	-	-	
6 1991-B Refunding	281,425,000	66,450,000	-	-	-	-	940,000	65,510,000	
7 1992-A Refunding	98,700,000	98,700,000	-	-	-	-	-	98,700,000	
8 1992-B Refunding	107,665,000	33,615,000	-	-	-	-	18,310,000	15,305,000	
9 1993-A Refunding	560,570,000	540,115,000	-	-	-	-	3,195,000	536,920,000	
10 1996-A New Money	110,580,000	14,535,000	-	-	-	-	2,130,000	12,405,000	
11 1997-A Refunding	256,870,000	241,410,000	-	-	-	-	9,690,000	231,720,000	
12 1999-A Refunding	160,205,000	160,205,000	-	-	-	-	-	160,205,000	
13 1999-B New Money	150,340,000	135,114,982	-	-	-	-	8,500,000	126,614,982	
14 1999-C Refunding	170,495,000	169,690,000	-	-	-	-	425,000	169,265,000	
15 2001-A New Money	55,685,000	54,750,000	-	-	-	-	970,000	53,780,000	
16 2001-B Refunding	191,215,000	190,012,716	-	-	-	-	190,000	189,822,716	
17	-	-	-	-	-	-	-	-	
18 1990-A Lease Rev. Bnd (CBL)	26,400,000	9,966,000	-	-	-	-	1,012,000	8,954,000	
19 1990-A Yen Obligation (CBL)	6,600,000	4,834,987	-	-	-	-	1,894,434	2,940,553	
20 1993-A CRA Housing	9,454,406	9,365,513	-	-	-	-	184,841	9,180,672	
21 1993-A CRA Redevelopment	21,665,000	-	-	-	-	-	-	-	
22 2002-A CRA Redevelopment Refunding	20,825,000	20,825,000	-	-	-	-	13,750	20,811,250	
23 1996 Refunding	104,715,000	22,155,000	-	-	-	-	1,970,000	20,185,000	
24 Tax-Exempt Commercial Paper	350,000,000	183,306,000	80,295,000	-	-	-	-	263,601,000	
25 Prop A Debt Sub-Total	4,449,152,392	1,955,050,198	80,295,000	-	-	-	49,425,025	1,985,920,173	
26	-	-	-	-	-	-	-	-	
27 1992-A New Money	516,855,000	59,725,000	-	-	-	-	10,550,000	49,175,000	
28 1993-A Refunding	204,095,000	200,709,968	-	-	-	-	955,000	199,754,968	
29 1993-B New Money	312,350,000	278,010,000	-	-	-	-	7,500,000	270,510,000	
30 1995-A New Money	250,000,000	235,680,000	-	-	-	-	5,270,000	230,410,000	
31 1998-A Refunding	219,710,000	219,709,965	-	-	-	-	-	219,709,965	
32 1999-A New Money	124,805,000	120,939,964	-	-	-	-	2,285,000	118,654,964	
33 2000-A New Money	161,995,000	156,925,000	-	-	-	-	2,725,000	154,200,000	
34 2003-A New Money	-	-	-	-	-	-	-	-	
35 Taxable Commercial Paper	150,000,000	73,656,000	34,433,000	-	-	-	-	108,089,000	
36 Local Allocation -- City of Los Angeles	21,700,000	15,190,000	-	-	-	-	2,170,000	13,020,000	
37 Prop C Debt Sub-Total	1,961,510,000	1,360,545,897	34,433,000	-	-	-	31,455,000	1,363,523,897	
38	-	-	-	-	-	-	-	-	
39 1995-A New Money (USG)	169,500,000	-	-	-	-	-	-	-	
40 2000 Breda Lease (Norwest)	71,120,005	68,400,205	-	-	-	-	2,719,796	65,680,409	
41 2000 Breda Lease (CIBC)	15,240,004	14,680,395	-	-	-	-	552,924	14,127,471	
42 2000 Breda Lease (Comerica)	96,520,000	92,864,196	-	-	-	-	3,406,464	89,457,732	
43 2001 Comerica Lease	82,500,000	82,500,000	-	-	-	-	1,553,558	80,946,442	
44 Debt Overhead Costs	-	-	-	-	-	-	-	-	
45 1991-G CSDA COP	19,340,000	3,452,500	-	-	-	-	1,720,000	1,732,500	
46 1992-C CTFC COP - Torrance	3,390,000	580,000	-	-	-	-	290,000	290,000	
47 Other Debt Sub-Total	457,610,009	262,477,296	-	-	-	-	10,242,742	252,234,554	
48	-	-	-	-	-	-	-	-	
49 1992-B LA Bus Lease (Dollar)	11,372,509	-	-	-	-	-	-	-	
50 1992-B LA Bus Lease (Yen)	-	-	-	-	-	-	-	-	
51 1992-C LA Bus Lease (Dollar)	9,477,000	-	-	-	-	-	-	-	
52 1992-C LA Bus Lease (Yen)	-	-	-	-	-	-	-	-	
53 1993-A LA Bus Lease (Dollar)	(see below)	(see below)	-	-	-	-	-	-	
54 1993-A LA Bus Lease (Yen)	-	-	-	-	-	-	-	-	
55 1992-A Worker Comp COP	(see below)	(see below)	-	-	-	-	-	(see below)	
56 1992-B CTFC COP - RTD	(see below)	(see below)	-	-	-	-	-	(see below)	
57 Enterprise Fund Sub-Total	(see below)	-	-	-	-	-	-	-	
58	-	-	-	-	-	-	-	-	
59 1992-A Bnft Assmt. Dist. A1	(see below)	(see below)	-	-	-	-	-	(see below)	
60 1992-A Bnft Assmt. Dist. A2	(see below)	(see below)	-	-	-	-	-	(see below)	
61 2001-A Bnft Assmt. Dist. A1 Refunding	(see below)	(see below)	-	-	-	-	-	(see below)	
62 2001-A Bnft Assmt. Dist. A2 Refunding	(see below)	(see below)	-	-	-	-	-	(see below)	
63 Special Rev. Fund Sub-Total	-	-	-	-	-	-	-	-	
64	-	-	-	-	-	-	-	-	
65 1996-A Refunding (USG)	185,735,000	185,735,000	-	-	-	-	-	185,735,000	
66 Internal Fund Sub-Total	185,735,000	185,735,000	-	-	-	-	-	185,735,000	
67	-	-	-	-	-	-	-	-	
68 Budgeted Total	7,054,007,401	3,763,808,391	114,728,000	-	-	-	91,122,767	3,787,413,624	
69	-	-	-	-	-	-	-	-	
70 Reduction In Liabilities	-	-	-	-	-	-	-	-	
71 1992-A Bnft Assmt. Dist. A1	154,055,000	127,095,000	-	-	-	-	7,510,000	119,585,000	
72 1992-A Bnft Assmt. Dist. A2	8,115,000	6,715,000	-	-	-	-	425,000	6,290,000	
73 2001-A Bnft Assmt. Dist. A1 Refunding	42,465,000	42,465,000	-	-	-	-	235,000	42,230,000	
74 2001-A Bnft Assmt. Dist. A2 Refunding	6,705,000	6,705,000	-	-	-	-	115,000	6,590,000	
75 1992-A Worker Comp COP	160,000,000	98,800,000	-	-	-	-	9,900,000	88,900,000	
76 1992-B CTFC COP - RTD	118,375,000	19,725,000	-	-	-	-	9,865,000	9,860,000	
77 Liability Reduction Total	489,715,000	301,505,000	-	-	-	-	28,050,000	273,455,000	
78	-	-	-	-	-	-	-	-	
79	-	-	-	-	-	-	-	-	
80 Total	7,543,722,401	4,065,313,391	114,728,000	-	-	-	119,172,767	4,060,866,624	

Foot Notes

- Accrual basis. Reflects 7/1/02 principal payment.
- For transactions existing since before 1999, Miscellaneous Fees are not secured from sales tax revenues and may therefore be budgeted to be paid from other available funding sources.
- Capital needs are \$150 million for Prop C in FY03. An additional 10 percent represents the finance cost. Currently, capital needs for Prop A fall below the optimal financing issuance of \$150 million; hence, no bond financing for Prop A will be issued in FY03.
- A portion of Prop A 40% Discr. is pledged to fund debt service for these bonds. The developer is expected to reimburse the MTA from net project revenues.
- Assumes a weighted average of the beginning balance of \$183.3 million plus increases of \$80.3 million during the year @ 4.0%.
- Assumes a weighted average of the beginning balance of \$73.7 million plus increases of \$34.4 million during the year @ 6.0%.
- The MTA has issued COP's to finance the acquisition of buses and/or facilities, for which it anticipates receiving reimbursement from the user as a sublease payment.
- Only the miscellaneous fees are debt. OMB and Accounting have reprogrammed the P&I expenses to be a reduction of a liability -- which is not a debt expense. The P&I expenses are found in the section entitled "Reduction of a Liability."

**Los Angeles County Metropolitan Transportation Authority
Adopted Budget**

MTA FY03 Debt Service Schedule, continued

	Principal	Interest	Total D/S P&I	Misc. Fees (2)	Total D/S Expense	Debt Service Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Foot Notes
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-	-
6	940,000	4,315,492	5,255,492	17,500	5,272,992	5,272,992	-	-	-	-
7	-	5,783,820	5,783,820	412,600	6,196,420	6,196,420	-	-	-	-
8	18,310,000	2,016,900	20,326,900	12,500	20,339,400	20,339,400	-	-	-	-
9	3,195,000	28,530,016	31,725,016	13,500	31,738,516	31,738,516	-	-	-	-
10	2,130,000	765,240	2,895,240	11,000	2,906,240	2,906,240	-	-	-	-
11	9,690,000	13,443,524	23,133,524	9,500	23,143,024	23,143,024	-	-	-	-
12	-	8,136,412	8,136,412	9,500	8,145,912	8,145,912	-	-	-	-
13	8,500,000	6,145,200	14,645,200	9,500	14,654,700	14,654,700	-	-	-	-
14	425,000	8,369,260	8,794,260	9,500	8,803,760	8,803,760	-	-	-	-
15	970,000	2,585,384	3,555,384	9,500	3,564,884	3,564,884	-	-	-	-
16	190,000	9,860,576	10,050,576	9,500	10,060,076	10,060,076	-	-	-	-
17	-	-	-	-	-	-	-	-	-	3
18	1,012,000	713,108	1,725,108	9,500	1,734,608	1,734,608	-	-	-	-
19	1,894,434	-	1,894,434	9,500	1,903,934	1,903,934	-	-	-	-
20	184,841	544,168	729,009	5,000	734,009	734,009	-	-	-	4
21	-	-	-	-	-	-	-	-	-	4
22	13,750	1,134,507	1,148,257	2,500	1,150,757	1,150,757	-	-	-	4
23	1,970,000	1,120,656	3,090,656	9,500	3,100,156	3,100,156	-	-	-	-
24	-	8,891,086	8,891,086	1,646,514	10,537,600	10,537,600	-	-	-	5
25	49,425,025	102,355,349	151,780,374	2,206,614	153,986,988	153,986,988	-	-	-	-
26	-	-	-	-	-	-	-	-	-	-
27	10,550,000	3,769,920	14,319,920	10,000	14,329,920	14,329,920	-	-	-	-
28	955,000	10,299,708	11,254,708	805,680	12,060,388	12,060,388	-	-	-	-
29	7,500,000	14,321,004	21,821,004	8,500	21,829,504	21,829,504	-	-	-	-
30	5,270,000	12,551,472	17,821,472	8,500	17,829,972	17,829,972	-	-	-	-
31	-	11,234,876	11,234,876	8,500	11,243,376	11,243,376	-	-	-	-
32	2,285,000	5,760,388	8,045,388	8,500	8,053,888	8,053,888	-	-	-	-
33	2,725,000	8,000,976	10,725,976	8,500	10,734,476	10,734,476	-	-	-	-
34	-	-	-	-	-	-	-	-	-	3
35	-	5,165,160	5,165,160	720,518	5,885,678	5,885,678	-	-	-	6
36	2,170,000	539,788	2,709,788	-	2,709,788	2,709,788	-	-	-	-
37	31,455,000	71,643,292	103,098,292	1,578,698	104,676,990	104,676,990	-	-	-	-
38	-	-	-	-	-	-	-	-	-	-
39	-	-	-	-	-	-	-	-	-	-
40	2,719,796	521,004	3,240,800	-	3,240,800	3,240,800	-	-	-	-
41	552,924	120,468	673,392	-	673,392	673,392	-	-	-	-
42	3,406,464	952,762	4,359,226	-	4,359,226	4,359,226	-	-	-	-
43	1,553,558	105,436	1,658,994	-	1,658,994	1,658,994	-	-	-	-
44	-	-	-	2,321,000	2,321,000	2,321,000	-	-	-	-
45	1,720,000	168,792	1,888,792	18,500	1,907,292	1,907,292	-	-	-	7
46	290,000	34,512	324,512	19,000	343,512	343,512	-	-	-	7
47	10,242,742	1,902,974	12,145,716	2,358,500	14,504,216	14,504,216	-	-	-	-
48	-	-	-	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-	-	-	-
50	-	-	-	-	-	-	-	-	-	-
51	-	-	-	-	-	-	-	-	-	-
52	-	-	-	-	-	-	-	-	-	-
53	-	-	-	-	-	-	-	-	-	8, 9
54	-	-	-	-	-	-	-	-	-	10
55	-	6,290,200	6,290,200	107,600	6,397,800	6,397,800	-	-	-	11
56	-	616,252	616,252	9,500	625,752	625,752	-	-	-	7, 11
57	-	6,906,452	6,906,452	117,100	7,023,552	7,023,552	-	-	-	-
58	-	-	-	-	-	-	-	-	-	-
59	-	4,553,209	4,553,209	9,000	4,562,209	4,562,209	-	-	4,562,209	11, 12
60	-	19,125	19,125	9,000	28,125	28,125	-	-	28,125	11, 12
61	-	1,635,547	1,635,547	9,000	1,644,547	1,644,547	-	-	1,644,547	11, 12
62	-	238,302	238,302	9,000	247,302	247,302	-	-	247,302	11, 12
63	-	6,446,183	6,446,183	18,000	6,464,183	6,464,183	-	-	6,464,183	-
64	-	-	-	-	-	-	-	-	-	-
65	-	10,739,733	10,739,733	9,500	10,749,233	10,749,233	-	10,749,233	-	13
66	-	10,739,733	10,739,733	9,500	10,749,233	10,749,233	-	10,749,233	-	-
67	-	-	-	-	-	-	-	-	-	-
68	91,122,767	199,993,982	291,116,750	6,288,412	297,423,162	273,168,194	7,023,552	10,749,233	6,482,183	-
69	-	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-	-
71	7,510,000	-	7,510,000	-	7,510,000	-	-	-	7,510,000	11
72	425,000	-	425,000	-	425,000	-	-	-	425,000	11
73	235,000	-	235,000	-	235,000	-	-	-	235,000	11
74	115,000	-	115,000	-	115,000	-	-	-	115,000	11
75	9,900,000	-	9,900,000	-	9,900,000	-	9,900,000	-	-	11
76	9,865,000	-	9,865,000	-	9,865,000	-	9,865,000	-	-	11
77	-	-	-	-	-	-	-	-	-	-
78	28,050,000	-	28,050,000	-	28,050,000	-	19,765,000	-	8,285,000	-
79	-	-	-	-	-	-	-	-	-	-
80	119,172,767	199,993,982	319,166,750	6,288,412	325,473,162	273,168,194	26,788,552	10,749,233	14,767,183	-

9 - The RTD's Bus JLL's lease expense payment which is forwarded to the Trustee who then makes payment to the CTFC as holder of the bonds. The CTFC then forwards the payment to MTA.
10 - This payment is converted into Yen through existing Yen currency swaps with Sumitomo Bank Capital Markets and with Barclays Bank and is then wire transferred to the Japanese lessor.
11 - Only the interest expense is debt. OMB and Accounting have reprogrammed the principal expense to be a reduction of a liability -- which is not a debt expense. The principal expense is found in the section entitled "Reduction of a Liability."
12 - The Benefit Assessment District debt service is solely an obligation of the respective districts and is paid from assessments received through the County Assessor's Office.
13 - OMB and Accounting have reprogrammed the principal and interest of this transaction to overhead administrative costs. Miscellaneous fees have remained in the D/S Fund.

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CAPITAL PROGRAM

The FY03 Budget for major bus and rail construction projects include capital expenditures for the following construction projects:

- *L.A. Car*
- *Eastside Light Rail Transit (LRT)*
- *Light Rail Vehicle (LRV) Fleet Enhancement*
- *San Fernando Valley Bus Rapid Transit (BRT) Transit Corridor*
- *Mid-City/Wilshire Transit Corridor*
- *Mid-City/Exposition Transit Corridor*
- *Pasadena Gold Line (PGL) Start-up*

FY2002-2003

ADOPTED BUDGET

INTRODUCTION

The Capital Program (CP) is a financial plan of proposed capital projects, their costs, and timing over a five-year period. The CP is designed to meet MTA infrastructure needs in a responsive and efficient manner. It incorporates the current and future needs of the MTA and is updated annually.

The CP provides for the acquisition, construction, reconstruction, initial fixtures and equipment, renovation, rehabilitation, and replacement of facilities with a life expectancy of at least one year and any related costs for land acquisitions, land improvements, design, feasibility studies, engineering studies and engineering. It includes projects, which are, or will become, the property of MTA as well as projects that although not owned by the MTA, will be part of a joint project agreement with other governmental entities.

Capital projects are planned and executed in phases. The project development phase identifies project requirements and defines the project work scope. This includes preliminary design studies, permitting requirements, data collection, public involvement, legal and technical documentation, cost estimates, and assessment of alternatives.

The design phase includes professional consultant activities, legal and technical documentation, constructibility review, data collection, advertising, assessment of

alternatives related to project design, construction management services, and bid reviews.

The property acquisition phase includes the purchase of land, easements and right-of-way. This also includes negotiating the purchase price, surveys, appraisals, environmental audit, permitting, legal costs, maps, charts, and other costs.

The construction phase includes project construction contracts, professional and technical assistance, advertising, legal and technical documentation, inspection, testing, and permitting.

The MTA's 237 capital projects were grouped in one of the following eight elements: Major Bus and Rail Construction, Bus Acquisition, Bus Facilities Maintenance, Bus Maintenance, Rail Facilities Maintenance, Rail Vehicle Maintenance, Maintenance-of-Way (MOW), and ITS, Communications and Other Capital Projects.

Financing Of The Capital Program

The CP is funded primarily with Federal, State and Local Grants. Additionally, the MTA finances a portion of the capital projects with debt and short term financing.

Capital Projects/Operating Budget Relationship

The CP is a multi-year financial plan for the acquisition, expansion, and

rehabilitation of infrastructure, construction, and other capital assets.

The first year of the Capital Program is authorized with approval of the operating budget. Five years are presented to the Board of Directors to acknowledge that approval of the fiscal year's expenditures provides for multi-year project approval. The CP is updated annually and presented to the Board of Directors for authorization.

Capital projects typically apply to: (1) expenditures which take place over two or more years, requiring continuing appropriations beyond a single fiscal year; (2) funding with debt because of significant costs to be shared by current and future beneficiaries; (3) systematic acquisition over an extended period of time; and (4) scheduled replacement or maintenance of specific elements of physical assets.

PROJECTS DISCUSSION

Major Bus and Rail Construction Projects

The budget for the Major Bus and Rail Construction projects in FY03 reflects costs necessary for construction, closeout, claims settlement, start-up costs and litigation on the Metro Red Line, Blue Line, and Green Line. New to the FY03 Budget are capital expenditures for start-up of the Pasadena Gold Line, the Eastside Light Rail Transit (LRT), as well as engineering and construction of the San Fernando Valley East-West Bus Rapid Transit (BRT).

Metro Red Line Segment 3

Included are costs necessary for completion of the Hollywood Freeway overpass, and the Lankershim Boulevard pedestrian underpass at Universal City Station and costs associated with site restoration, utility relocation, contract closeout, claim settlement and litigation.

Metro Red Line Segment 2

The FY03 Budget includes costs needed for completion of all remaining change order processing and contract closeouts, claim settlements and litigation costs.

Los Angeles Light Rail Vehicle Car

The final eight cars will be accepted in FY03. The budget includes consultant services, administrative support, Automatic Train Protection (ATP), and Train to Wayside Communications (TWC) equipment.

Eastside Light Rail Transit

This project is transitioning from the planning phase to the final design and construction phase. The budget includes the final design work, award of tunneling and underground station excavation, real estate acquisition, costs for award of rail car contract, and third party administration. This extension will connect East Los Angeles with downtown Los Angeles. The corridor will extend from Union Station to Beverly Boulevard and Atlantic Boulevard intersection.

The light rail line will operate at-grade for 5.3 miles and 1.7 miles through tunnels in Boyle Heights.

**San Fernando Valley East-West BRT
Transit Corridor**

In FY03, design will continue and construction will begin on the San Fernando Valley BRT. This project is scheduled for completion in the year 2004. The BRT is an exclusive 14-mile, at-grade busway from the Metro Red Line North Hollywood station to Warner Center via the Burbank/Chandler right-of-way. The full busway project will consist of a 26-foot wide busway, a bikeway and a landscaped median on the typical 60 to 100-foot wide right-of-way. It will parallel several major streets and will have thirteen stations spaced approximately one mile apart.

Total travel time for the full length of the corridor will be approximately 30 minutes. Park and Ride facilities at five stations will provide

approximately 3,250 parking spaces plus existing parking at the North Hollywood Metro Red Line Station.

Mid-City/Wilshire Bus Rapid Transit

Preliminary engineering will continue during FY03. At the completion of preliminary engineering, staff will request direction from the Board of Directors. The Wilshire Boulevard bus corridor improvements are scheduled for completion during FY05. This project builds on the success of the Metro Rapid Bus Whittier/Wilshire line to provide dedicated lanes for transit vehicles. The project includes larger capacity buses, multiple door boarding and alighting, and pre-payment of fares in station areas.

INFRASTRUCTURE IMPROVEMENT AND ACQUISITION CAPITAL PROJECTS

The infrastructure improvement and acquisition projects are sorted by the following elements: Major Bus and Rail Construction, Bus Acquisition, Bus Facilities Maintenance, Bus Maintenance, Rail Facilities Maintenance, Rail Vehicle Maintenance, Maintenance-of-Way, and ITS, Communications and Other Capital Projects.

Bus Acquisitions

The FY03 Bus Acquisition budget is \$73.8 million. The accelerated bus procurement plan is on schedule to be completed in FY04. For FY03, 30 buses are planned for delivery. The other FY03 expenditures in this element are primarily for bus system improvements such as the Universal Fare System (UFS) and the Advanced Transportation Management System (ATMS).

Bus Facilities Maintenance

The FY03 Bus Facilities Maintenance budget is \$43.5 million. Bus Facilities Maintenance projects include construction work at bus divisions to replace and refurbish equipment and facilities, and for the expansion of buildings and facilities and storage tank remediation.

Bus Maintenance

The Bus Maintenance projects budget is \$5.8 million. Projects in this category include refurbishing buses, upgrading emission control equipment and replacing shop equipment.

Maintenance-of-Way

The FY03 Maintenance-of-Way budget is \$9.2 million. This includes funds for upgrading of stations and operating facilities to comply with ADA requirements, station and tunnel water mitigation, installation, maintenance of gas analyzers, maintenance and refurbishment of traction power, signals, facility and track.

Rail Facilities Maintenance

The FY03 Rail Facilities Maintenance budget is \$30.7 million. This covers facility expansion projects, safety improvements, radio system upgrades, and support equipment.

Rail Vehicle Maintenance

The FY03 Rail Vehicle Maintenance budget is \$6.0 million. The Rail Vehicle Maintenance projects include ADA approved between car barriers for Red Line cars and the mid-life overhaul program for light rail vehicles.

ITS, Communications and Other Capital Projects

The FY03 ITS, Communications and Other Capital Projects budget is \$54.8 million. ITS projects support development of communications and information systems and replacement of obsolete computer equipment. Specific efforts include upgrade of human resources and payroll systems, the Financial Information System (FIS), the Customer Information

System and PC applications, division network construction, Maintenance and Material Management System, and obsolete PC workstations.

Other capital projects include equipment procurement and

installation, procurement of various service trucks and small purchases of equipment required for maintenance of the revenue fleet, non-revenue vehicle fleet and facilities.

CAPITAL PROGRAM PROJECT LIST

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Bus Acquisition										
1 Universal Fare Collection System	2100014	High	4,400	15,468	72,628	-	-	-	88,096	
2 Advanced Transportation Management System (ATMS)	2100015	High	6,267	40,718	29,280	-	-	-	69,997	
3 Contract Services - Bus Lease Program	2101021	Negligible	8,654	7,326	9,460	9,656	9,852	9,570	45,864	
4 223 New Flyer Option (FY01)	2101022	Moderate	2,236	320	-	-	-	-	320	
5 215 NABI Option (FY01)	2101023	Negligible	4,338	327	-	-	-	-	327	
6 370 Bus Buy (FY02)	2101024	Negligible	127,451	757	-	-	-	-	757	
7 Bus Buy Option (FY04)	2101027	Negligible	-	-	60	23,255	38,516	15,575	77,406	
8 Bus Buy (FY06)	2102001	Negligible	-	-	-	-	55	49,414	49,469	●
9 Alternate Fuel High Capacity Buses (FY03)	2102003	Negligible	339	6,242	9,251	-	-	-	15,493	●
10 Bus Buy (FY07)	2105001	Negligible	-	-	-	-	-	58	58	●
11 Lease-purchase of Shuttle Buses	2105007	Negligible	-	2,125	2,304	2,304	2,304	2,304	11,340	
12 ATV Bus Purchase	2105008	Negligible	-	500	6,020	-	-	-	6,520	
13 Bus Acquisition Total			153,685	73,783	129,002	35,214	50,727	76,921	365,647	
Bus Facilities Maintenance										
14 Div. 1 CNG Fueling Facility Lease	2300069	Moderate	1,212	1,232	1,265	1,240	742	650	5,128	
15 Bus Division Maintenance Equip.	2303006	Negligible	1,839	1,017	1,208	1,233	1,258	1,283	6,001	
16 Replace Bus Div. Emerg. Generators	2303008	Negligible	84	638	627	-	-	-	1,265	
17 Vacuum System Upgrade and Replacement Program	2303010	Negligible	247	1,067	1,197	2,042	442	394	5,142	
18 Bus Division Roll-Up Doors Refurbishment	2303012	Negligible	399	507	-	-	-	-	507	
19 Division 15 Facility Improvements	2303013	Negligible	99	152	-	-	-	-	152	
20 Landscaping Replacement at Bus Facilities	2303014	Slight	142	115	-	-	-	-	115	
21 Bus Operating Facility Improvements	2303020	Negligible	1,879	748	751	793	813	824	3,929	
22 ADA Compliance at Park-N-Ride Lots	2303035	Slight	10	10	77	-	-	-	87	
23 ADA Compliance at Bus Operating Divisions and Customer Service Centers	2303036	Slight	1,180	737	600	-	-	-	1,337	
24 Replace Underground Storage Tanks at Divisions 1, 8, 15, and RRC.	2303038	Negligible	588	158	-	-	-	-	158	●
25 Site Remediation Project: Divisions 1, 3, 6, 7, 8, 10, 15, 18	2303039	Negligible	1,514	2,797	2,114	1	-	-	4,912	
26 RRC General Building Modifications - Facilities	2303043	Negligible	-	684	-	-	-	-	684	
27 Replacement of Air Compressors	2303077	Negligible	117	101	-	-	-	-	101	
28 Bus Exhaust System	2303083	Negligible	41	445	-	-	-	-	445	
29 Update ASRS Test Equipment	2303090	Negligible	20	83	-	-	-	-	83	
30 Update Radio Shop Test Equipment	2303091	Negligible	-	122	-	-	-	-	122	
31 Div. 5 CNG Fueling Facility Lease	2303113	Moderate	1,092	1,093	887	664	466	332	3,443	
Bus Facilities Maintenance continued next page										

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Bus Facilities Maintenance										
1 Div. 7 CNG Fueling Facility Lease	2303114	Moderate	1,092	1,115	905	677	475	338	3,510	
2 Div. 2 CNG Fueling Facility Lease/Purchase	2303115	Moderate	424	455	473	483	492	502	2,405	
3 Div. 2 Maintenance Facility Mandated CNG Upgrades	2303116	Slight	1,233	158	-	-	-	-	158	
4 Div. 6 Maint. Facility Mandated CNG Upgrades	2303118	Slight	1,105	142	-	-	-	-	142	
5 Div. 9 CNG Fueling Facility Lease/Purchase	2303121	Moderate	702	526	438	447	456	466	2,333	
6 Div. 9 Maint. Facility Mandated CNG Upgrades	2303122	Slight	1,118	144	-	-	-	-	144	
7 Div. 15 CNG Fueling Facility Lease/Purchase	2303123	Moderate	670	437	455	464	474	483	2,313	
8 Division Floor Coating	2304002	Negligible	-	329	626	899	496	-	2,350	●
9 Division Roof Repairs	2304003	Negligible	181	551	-	-	-	-	551	
10 In-Ground Bus Hoist Replacement	2304004	Negligible	292	1,941	2,032	2,122	2,105	2,108	10,309	
11 Replace Drop Ceilings at Divisions	2304005	Negligible	35	405	161	-	-	-	566	
12 Refurbish EVAPCO Open Towers	2304006	Negligible	-	140	-	-	-	-	140	
13 Div. 3 CNG Fueling Facility Expansion Lease/Purchase	2304007	Moderate	2	454	854	872	889	907	3,976	
14 Div. 8 CNG Fueling Facility Expansion Lease/Purchase	2304008	Moderate	1	454	854	872	889	907	3,976	
15 Replace Uninterruptable Power Supply Units (UPS) at Bus Facilities	2304009	Negligible	78	389	266	-	-	-	655	
16 Division 8 Vault House	2304018	Negligible	56	320	-	-	-	-	320	
17 Remove and upgrade underground storage tanks	2304022	Negligible	1,049	3,637	2,418	2,476	-	-	8,531	
18 Landscape Enhancements	2305002	Negligible	-	73	1,440	813	-	-	2,326	●
19 Permanent restroom facilities at selected locations.	2305008	Slight	-	141	179	352	359	190	1,219	●
20 Two New Bus Divisions	2305012	Negligible	-	4,963	-	-	-	-	4,963	●
21 Division Remodel/Upgrades	2305013	Negligible	-	62	1,914	1,953	1,993	1,735	7,657	●
22 Bus System Fire Code Corrections (Reg. 4 Violations)	2305015	Negligible	-	504	579	591	603	615	2,891	●
23 Bus Facilities Maintenance Projects 03-07 (Under \$1.0 million)	2305017	Slight	-	4,765	5,597	6,101	6,101	6,101	28,665	●
24 Div. 9 Shop Renovation & Expansion	2305018	Negligible	-	3,701	2,484	680	-	-	6,865	●
25 Repave LAX & Other Terminals	2305019	Negligible	-	940	-	-	-	-	940	●
26 Temple & Beaudry Layover Facility	2305020	Negligible	-	-	1,735	-	-	-	1,735	●
27 Div. 7 Facility Improvements	2305021	Negligible	-	2,621	1,000	-	-	-	3,621	●
28 Div. 2 Maintenance Building Modernization	2305022	Negligible	-	923	856	-	-	-	1,779	●
29 Division 6 Soundwall	2305023	Negligible	-	804	-	-	-	-	804	●
30 LAX Terminal Improvements	2305024	Negligible	-	366	-	-	-	-	366	●
31 El Monte Transit Station Enhancements	2305025	Slight	-	113	-	-	-	-	113	●
32 Screen Process Shop - Degreasing System	3908006	Negligible	200	249	-	-	-	-	249	
33 Bus Facilities Maintenance Total			18,700	43,528	33,992	25,775	19,055	17,835	140,185	

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Bus Maintenance										
1 Engine Rebuild - EPA Kits	2200031	Slight	1,456	1,254	889	5	-	-	2,149	
2 Replace Regional Rebuild Center Shop Equipment	2200044	Negligible	810	813	499	509	527	537	2,885	
3 RTS 4400 Series Refurbishment Project	2203000	Negligible	751	869	-	-	-	-	869	
4 CRT Installation on Revenue Diesel Bus Fleet (Diesel Emissions Systems Retrofit)	2203001	Slight	323	1,810	1,624	1	-	-	3,435	
5 Particulate Traps for MTA Leased Buses	2203004	Slight	113	650	828	1	-	-	1,479	
6 Refurbish 4 Diesel Buses for Contract Service	2205001	Slight	-	366	-	●	-	-	366	
7 Bus Maintenance Total			3,452	5,762	3,840	516	527	537	11,182	
Construction										
8 Segment 3 North Hollywood (800082)	4002010	High	42,031	52,018	12,292	-	-	-	64,311	●
9 Green Line Construction (800023)	4002012	Slight	6,402	5,719	100	-	-	-	5,819	
10 L.A. Rail Car (800150)	4002013	High	35,431	29,334	2,450	104	-	-	31,888	
11 Rail Construction- 800001 Blue Line	4002015	High	672	813	-	-	-	-	813	
12 Rail Construction-800005 Pasadena Line	4002016	Slight	-	10,002	-	-	-	-	10,002	
13 Rail Construction-800020 Imperial Grade Separation	4002017	Slight	87	126	-	-	-	-	126	
14 Rail Construction-800080 Red Line Segment 1	4002019	Slight	292	332	102	-	-	-	434	
15 Rail Construction --800081 Red Line Segment 2	4002020	Slight	36,642	21,467	3,500	-	-	-	24,967	
16 Rail Construction-800083 Mid- City Extension	4002021	Slight	458	146	-	-	-	-	146	
17 Rail Construction--800084 Eastside Extension Project	4002022	Slight	2,882	1,899	102	-	-	-	2,001	
18 Rail Construction-800382 Trizechahn Facility	4002026	Slight	42	19	-	-	-	-	19	
19 Light Rail Vehicle Fleet Enhancement (800151)	4005002	High	-	11,774	15,000	39,606	18,755	6,179	91,314	●
20 San Fernando Corridor N/S -	4005004	High	-	-	-	51,700	52,000	47,300	151,000	●
21 Mid-City/Wilshire Transit Corridor (Project 800111)	4005005	High	7,073	15,008	75,453	87,900	48,785	15,936	243,083	●
22 Eastside LRT - Union Station to Beverly & Atlantic (Project 800088)	4005006	High	33,979	49,502	87,700	114,600	120,100	148,500	520,402	●
23 SFV East-West BRT Transit Corridor (Project 800112)	4005007	High	10,104	55,485	116,200	109,277	45,342	8,400	334,705	●
24 Mid--City/Exposition Transit Corridor (Project 800113)	4005008	High	-	16,221	40,700	52,300	79,400	60,200	248,821	●
25 PGL Startup (Project 800007)	4005009	High	-	16,926	-	●	-	-	16,926	
26 Construction Total			176,096	286,790	353,600	455,487	364,382	286,516	1,746,775	

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Maintenance-of-Way (MOW)										
1 PGL Midway Warehouse - Equipment and Storage	3105000	Negligible	-	949	26	-	-	-	976	●
2 MBL Grade Crossing Improvements	3300001	Slight	799	898	553	564	588	-	2,604	
3 MOW Tools and Equipment	3300002	Negligible	754	253	514	525	536	546	2,374	
4 UCS - Overhead Catenary Upgrade/Refurbishment	3300004	Slight	648	581	573	585	597	609	2,944	
5 MOW - Acquire Track Geometry Car	3300005	Slight	-	10	1,714	-	-	-	1,724	
6 MOW Battery Replacement/Refurbishment	3300006	Slight	837	276	342	349	356	370	1,694	
7 Crossing Gate Equipment Replacement	3300009	Slight	172	280	185	189	193	197	1,044	
8 Replace Guarded Rail Crossings	3300010	Slight	51	619	-	-	-	-	619	
9 Replace MRL Transformers	3300011	Slight	308	96	625	-	-	-	721	
10 Construct Division 22 blow-down pit and building enclosure	3306008	Slight	274	0	2,287	694	-	-	2,981	
11 Rail System Bridge, Tunnel, and Facility Inspection Services	3306010	Negligible	424	585	337	-	-	-	922	
12 MRL MOW Facility Expansion	3307000	Slight	84	9	-	514	-	-	523	
13 MBL Train Tracking Improvements	3308001	Negligible	-	278	887	-	-	-	1,165	●
14 Mobile Rail Safety Educational Program	3308003	Negligible	-	523	319	-	-	-	842	●
15 Core Capacity Enhancements to the Metro Blue Line	3308005	Slight	-	244	882	946	954	1,003	4,028	●
16 PGL MOW Gold Line enhancements for 2.0 min headways between Union and Midway Station.	3308006	Slight	-	346	445	829	7,159	13	8,792	●
17 Pasadena Gold Line - MOW Vehicles	3308011	Moderate	-	1,496	-	-	-	-	1,496	●
18 Rail MOW Projects 03-07 (Under \$1.0 million)	3308012	Moderate	-	1,722	1,990	2,431	2,431	2,431	11,005	●
19 Maintenance-Of-Way Total			4,351	9,166	11,681	7,626	12,813	5,169	46,455	
Other Capital Projects										
20 Rail TVM Communications & Components Upgrade	2203003	Slight	180	9	186	-	-	-	194	
21 New Cash Room Facility	2303060	Negligible	784	1,132	2,325	-	-	-	3,458	
22 Replace ASRS Modicon PLC controllers	2303071	Negligible	9	305	-	-	-	-	305	
23 Replace ASRS automatic guided vehicles (AGV)	2303072	Negligible	12	1,402	-	-	-	-	1,402	
24 Replace and or repair all Unit Load and Mini Load aisle rails	2303073	Negligible	249	288	-	-	-	-	288	
25 Seal Storeroom floors at six (6) Bus Storerooms (Div 1-6).	2303107	Negligible	-	-	-	473	8	-	481	●
26 Upgrade Miniloading System	2304011	Negligible	601	421	-	-	-	-	421	
27 Metro Rapid Bus Program Phase 1	2304015	High	-	4,596	-	-	-	-	4,596	●
28 New storage building for Division 20 warehouse Red Line Heavy Rail Maintenance Yard	3105001	Moderate	-	410	19	-	-	-	429	●
29 New Storage Building for Division 22 warehouse	3105002	Moderate	-	-	494	-	-	-	494	●
Other Capital Projects Continued Next Page										

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Other Capital Projects										
1 Storage Building - Division 11.	3205009	Slight	65	336	-	-	-	-	336	
2 Covered Awning for Division 11	3205015	Negligible	-	77	9	-	-	-	86	●
3 Covered Awning for Division 22	3205085	Negligible	-	-	108	48	-	-	155	●
4 MBL Expanded Photo Enforcement Program in Los Angeles	3306014	Slight	349	304	-	-	-	-	304	
5 MBL Long Beach Photo Enforcement Program	3306015	Slight	45	125	466	-	-	-	591	
6 MBL Four Quadrant Gate Program Expansion	3306017	Slight	124	1,766	707	-	-	-	2,472	
7 MBL fiber optic "TRAIN" sign program in Long Beach	3306018	Slight	260	270	-	-	-	-	270	
8 Seg.-1 Remote Terminal Unit (RTU) Upgrade	3308009	Slight	-	1,895	1,693	-	-	-	3,588	●
9 General Services chemical storage facility	3900038	Slight	984	1,395	-	-	-	-	1,395	
10 FIS Oracle Upgrade	3900048	Negligible	1,344	847	-	-	-	-	847	
11 Real Estate Property Management System	3900051	Negligible	480	512	-	-	-	-	512	
12 HR/Payroll System Upgrades	3900061	Negligible	544	267	136	-	-	-	403	
13 Application Enhancement / Replacement	3900095	Negligible	792	232	716	265	270	761	2,244	
14 Enlarge MTA's Computer Room	3900110	Negligible	972	280	-	-	-	-	280	
15 Wide Area Network Upgrade (WAN)	3900120	Slight	110	496	2,871	2,653	-	-	6,021	
16 Replacement Revenue Processing Equipment	3907006	Slight	265	365	305	216	230	-	1,116	
17 Maintenance and Material Management System Replacement	3907054	Slight	2,186	4,147	7,022	1,263	-	-	12,432	
18 Automatic Guidance Vehicle (AGV) Battery Charging System	3907057	Negligible	25	234	-	-	-	-	234	
19 Automated Pallet Replenishment System RRC	3907058	Negligible	-	2	142	-	-	-	144	
20 Automate Bulk Storage Area	3907062	Negligible	-	-	1,424	-	-	-	1,424	
21 Spot Cooling for Warehouse Work Area at RRC	3907063	Slight	-	-	245	8	-	-	254	●
22 Central Instruction Independent Learning System	3907078	Negligible	93	563	-	-	-	-	563	
23 Workstation and Network Technology Refresh Program	3907082	Negligible	1,859	447	341	333	324	331	1,776	
24 Document Processing Management System (DPMS)	3907084	Slight	306	1,757	2,003	1,085	-	-	4,845	
25 Security Cameras for Divisions 11, 20, 22, 61 to protect MTA property.	3907201	Slight	16	93	307	-	-	-	400	
26 Integrate HR, Payroll, and Labor Systems	3907208	Negligible	61	544	1,437	4,278	937	-	7,196	
27 Increase Pallet Racking for Division 22 Green Line	3907215	Slight	-	-	57	1	-	-	58	
28 Gateway Elevator Improvements	3907239	Negligible	451	386	-	-	-	-	386	
29 Division Network Construction Project (DNCP)	3907244	Slight	5,781	5,210	3,156	-	-	-	8,366	
30 Bus & Rail Radio Transmitters Upgrade	3907249	Negligible	167	492	-	-	-	-	492	
31 FY01 Replacement Non-Revenue Vehicles	3907253	Negligible	617	3,512	-	-	-	-	3,512	
32 Replace Non-Rev Veh Pickup Trucks	3907254	Negligible	630	557	-	-	-	-	557	
33 Replace Non-Rev Veh--ForkLifts	3907257	Negligible	627	362	-	-	-	-	362	
34 Replace Non-Rev Veh--Tow Trucks	3907258	Negligible	13	140	-	-	-	-	140	
35 Replace Non-Rev Veh--Rail Service Pickups	3907259	Negligible	10	707	-	-	-	-	707	
36 Replace Non-Rev Veh--Large Utility Veh	3907260	Negligible	296	29	-	-	-	-	29	
37 Completion of Metro Blue Line Art Program	3907262	Slight	285	323	251	288	-	-	862	
38 Scheduling Software Acquisition (Hastus-ATP Module)	3908002	Negligible	598	29	-	-	-	-	29	
39 FY02 New/Expansion Non-Rev Veh	3908005	Slight	1,580	4,755	-	-	-	-	4,755	
40 Screen Process Shop Equip.	3908007	Negligible	54	54	-	-	-	-	54	
Other Capital Projects Continued Next Page										

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget(\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Other Capital Projects										
1 Completion of Metro Red Line Art Program	3908025	Slight	-	639	654	655	654	-	2,602	●
2 Completion of Metro Green Line Art Program	3908027	Slight	-	159	344	346	257	-	1,106	●
3 Dock Leveler for RRC	3908034	Negligible	-	94	5	-	-	-	99	●
4 Gateway Building Security Upgrade	3908035	Slight	-	65	-	-	-	-	65	●
5 FY03 Non Revenue Vehicles	3908038	Negligible	-	5,045	-	-	-	-	5,045	●
6 FY04 Non Revenue Vehicles	3908039	Negligible	-	-	7,165	4	-	-	7,170	●
7 FY05 Non Revenue Vehicles	3908040	Negligible	-	-	-	3,543	-	-	3,543	●
8 FY06 Non Revenue Vehicles	3908041	Negligible	-	-	-	-	5,142	-	5,142	●
9 Gateway Headquarters Improvement Projects	3908044	Slight	1,520	1,377	-	-	-	-	1,377	●
10 Transit Plaza Projects	3908045	Slight	1,043	999	294	-	-	-	1,293	●
11 Vertical Carousel Additional - Division 11	3908046	Negligible	-	83	10	-	-	-	94	●
12 Bus Farebox Refurbishment	3908047	Negligible	804	291	337	354	-	-	982	●
13 Redesign Work Stations in Metro Information Center.	3909004	Negligible	-	113	237	-	-	-	350	●
14 Closed Circuit Television (Bus Divisions)	3909008	Moderate	-	64	683	-	-	-	748	●
15 MBL 12th/Flower Security Upgrades	3909014	Slight	-	2	18	-	-	-	20	●
16 Expansion vehicles for S&Z-MC Department	3909030	Slight	-	208	-	-	-	-	208	●
17 Language Translator Equipment	3909032	Negligible	-	24	-	-	-	-	24	●
18 FY07 Non-Revenue Vehicles	3909034	Negligible	-	-	-	-	-	6,401	6,401	●
19 USG Fire Code Corrections (Reg. 4 Violations)	3909038	Slight	-	130	214	218	223	227	1,012	●
20 Real Estate Dept. ESR Projects	3909039	Slight	-	105	114	117	-	-	335	●
21 Building Services Dept ESR Projects	3909043	Slight	-	104	104	107	111	105	532	●
22 Rapid Bus Art Program	3909052	Negligible	-	607	-	-	-	-	607	●
23 Capital Administration Support	3909053	Negligible	-	600	600	600	600	600	3,000	●
24 PGL SCADA Betterments	4005010	Moderate	-	2,000	-	-	-	-	2,000	●
Other Capital Projects Total			27,188	54,780	37,201	16,854	8,758	8,425	126,020	
Rail Facilities Maintenance										
26 Wheel Boring Machine	2303094	Slight	132	126	-	-	-	-	126	●
27 Emergency Generators for Rail	2303096	Slight	44	456	-	-	-	-	456	●
28 Pallet Racking- Location 80	2304012	Slight	-	-	-	195	-	-	195	●
29 Upgrade Rail Stations to ADA Compliance	3200071	Negligible	406	953	-	-	-	-	953	●
30 Metro Red Line Car Barriers	3205000	Negligible	111	120	-	-	-	-	120	●
31 Upgrade Facilities and Appurtenances to ADA Compliance	3205001	Negligible	397	63	-	-	-	-	63	●
32 Fiber Optic Rail Communication System	3205004	Negligible	573	2,036	-	-	-	-	2,036	●
33 Light Rail Radio System and Console Upgrades	3205005	Negligible	150	1,579	34	-	-	-	1,613	●
34 Grout MRL Station & Tunnel Water Leaks	3205007	Negligible	386	788	362	369	389	409	2,318	●
35 MBL Facility Improvements	3205019	Negligible	827	268	435	444	-	-	1,147	●
36 ROC Reconfiguration	3205023	Negligible	880	1,609	-	-	-	-	1,609	●
37 Power Switches - MBL Stations	3205031	Slight	84	64	367	-	-	-	431	●
38 Elevators at 1st and Hill (Civic Center)	3205034	Negligible	62	-	748	605	-	-	1,353	●
Rail Facilities Maintenance Continued Next Page										

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Rail Facilities Maintenance										
1 Elevators at 4th and Hill (Pershing Square)	3205035	Negligible	59	-	1,174	1,301	-	-	2,475	
2 MGL Elevator and Escalator Sumps and Clarifiers	3205036	Slight	125	252	1,254	-	-	-	1,506	
3 MRL Traction Power Elevator (Wilshire/Vermont)	3205037	Negligible	65	-	603	-	-	-	603	
4 MGL Stations - New Public Address Equipment	3205038	Slight	47	-	-	1,600	-	-	1,600	
5 Relocate and Refurbish Wheel Truing Machine	3205042	Slight	551	130	-	-	-	-	130	
6 SCADA Equipment replacement	3205045	Slight	613	2,115	3,326	3,337	-	-	8,779	
7 Rail Facilities Refurbishment	3205048	Negligible	-	210	209	217	215	217	1,067	
8 Gas Analyzer Installation MRL	3205050	Slight	760	2,820	-	-	-	-	2,820	
9 Industrial Programmable Controllers for Rail Car Hoist	3205051	Negligible	54	57	-	-	-	-	57	
10 Rail Divisions Water Treatment Systems	3205056	Moderate	373	341	-	-	-	-	341	
11 MRL Fire Control System Upgrade	3205058	Negligible	210	105	-	-	-	-	105	
12 MRL Radio System	3205059	Negligible	36	-	520	1,099	-	-	1,619	
13 Upgrade LRT Facilities, MGL	3205062	Slight	740	263	244	148	-	-	655	
14 Upgrade HRT facilities	3205064	Slight	647	342	399	420	-	-	1,161	
15 MRL Segment 1 Drainage Improvements	3205068	Slight	193	337	619	862	-	-	1,818	
16 MRL Station Canopies	3205075	Slight	11	485	2,810	-	-	-	3,295	
17 MRL Fire Code Corrections (Reg. 4 Violations)	3205081	Slight	391	1,048	1,042	1,038	1,059	1,052	5,239	
18 Upgrade 19 MBL Platforms	3205086	Moderate	1,260	1,125	-	-	-	-	1,125	
19 MRL Emergency Escalator Lighting	3205087	Slight	64	-	1,083	-	-	-	1,083	
20 Enhanced MRL Station Signage	3205131	Slight	120	246	13	-	-	-	259	
21 Install Outside Paving at Division 20 Red Line Maintenance Warehouse	3205136	Negligible	-	15	162	1	-	-	178	
22 Division 22 Expansion Program	3205145	Moderate	155	20	2,234	-	-	-	2,254	
23 Division 11 Expansion Program.	3205146	Moderate	216	1,364	2,455	2,514	-	-	6,332	
24 Division 11 Catwalk	3206004	Negligible	45	178	-	-	-	-	178	
25 Division 22 test signal loops	3206006	Negligible	21	-	-	157	-	-	157	
26 Div 20 test signal loops	3206007	Negligible	21	-	-	124	-	-	124	
27 Division 11 storage yard stairways and walkways	3206009	Negligible	37	120	-	185	-	-	305	
28 CCF Air Handling Unit Replacement	3206014	Negligible	101	84	-	-	-	-	84	
29 Underground tank/piping upgrade and soil remediation	3206015	Negligible	74	631	-	-	-	-	631	
30 MRL Uninterruptable Power Supply Replacement Project	3206020	Slight	280	2,454	47	-	-	-	2,500	
31 Escalator Safety Brushes	3207008	Negligible	-	372	655	-	-	-	1,027	●
32 MBL CCTV Video Transmission System Upgrade	3207014	Negligible	-	-	342	750	-	-	1,092	●
33 Rail Communications Systems Upgrade	3207016	Negligible	-	74	1,188	1,106	-	-	2,369	●
34 MRL F&EM & VMS Computer Upgrade	3207017	Slight	-	-	510	1,265	-	-	1,775	●
35 Closed-Circuit Television (Rail)	3207019	Slight	-	-	1,377	-	-	-	1,377	●
36 Civic Center Flooring Replacement	3207034	Negligible	-	-	249	2,048	-	-	2,297	●
37 MBL Long Beach Transit Mall Station redesign for 3-car train operation	3207036	Slight	-	8	1,192	263	-	-	1,463	●
Rail Facilities Maintenance Continued Next Page										

Capital Program Project List (Continued)

Project Title	CP#	Operating Budget Impact	Forecast 2002	Project Budget (\$000s)					FY 03-07 Total	New
				2003	2004	2005	2006	2007		
Rail Facilities Maintenance										
1 MBL Fire Code Corrections (Reg. 4 Violations)	3207037	Negligible	-	257	405	414	422	430	1,928	●
2 MGL Fire Code Corrections (Reg. 4 violations)	3207038	Slight	-	228	380	388	395	403	1,794	●
3 Install Elevators at MRL Hollywood/Vine Station	3207040	Negligible	-	783	591	-	-	-	1,374	●
4 Rail Facilities Maintenance Proejcts 03-07 (Under \$1.0 million)	3207043	Slight	-	5,731	6,813	8,088	8,088	8,088	36,808	●
5 Metro Blue & Green Lines Custodial Operations Facility	3308010	Slight	-	447	242	485	-	-	1,174	●
6 Central A/C - Divisions 22 and 61	3909002	Slight	-	-	-	172	2	-	174	●
7 Rail Facilities Maintenance Total			11,323	30,702	34,082	29,594	10,570	10,600	115,549	
Rail Vehicle Maintenance										
8 Mid-Life Overhaul Program for Rail Vehicles	3106001	Negligible	-	2,662	2,873	2,932	2,992	3,051	14,510	●
9 ADA Between Car Barrier - Metro Red Line	3106003	Slight	-	3,326	-	-	-	-	3,326	●
10 Rail Vehicle Maintenance Total			-	5,988	2,873	2,932	2,992	3,051	17,836	
11 Grand Total			394,795	510,500	606,272	573,999	469,824	409,055	2,569,650	

Operating Budget Impact:

Positive - The project will either generate some revenues to offset expenses or will actually reduce operating costs.

Negligible - The impact will be very small. It will generate less than \$10,000 per year in increased operating expenditures.

Slight - The impact will be between \$10,001 and \$50,000 in increased operating expenditures.

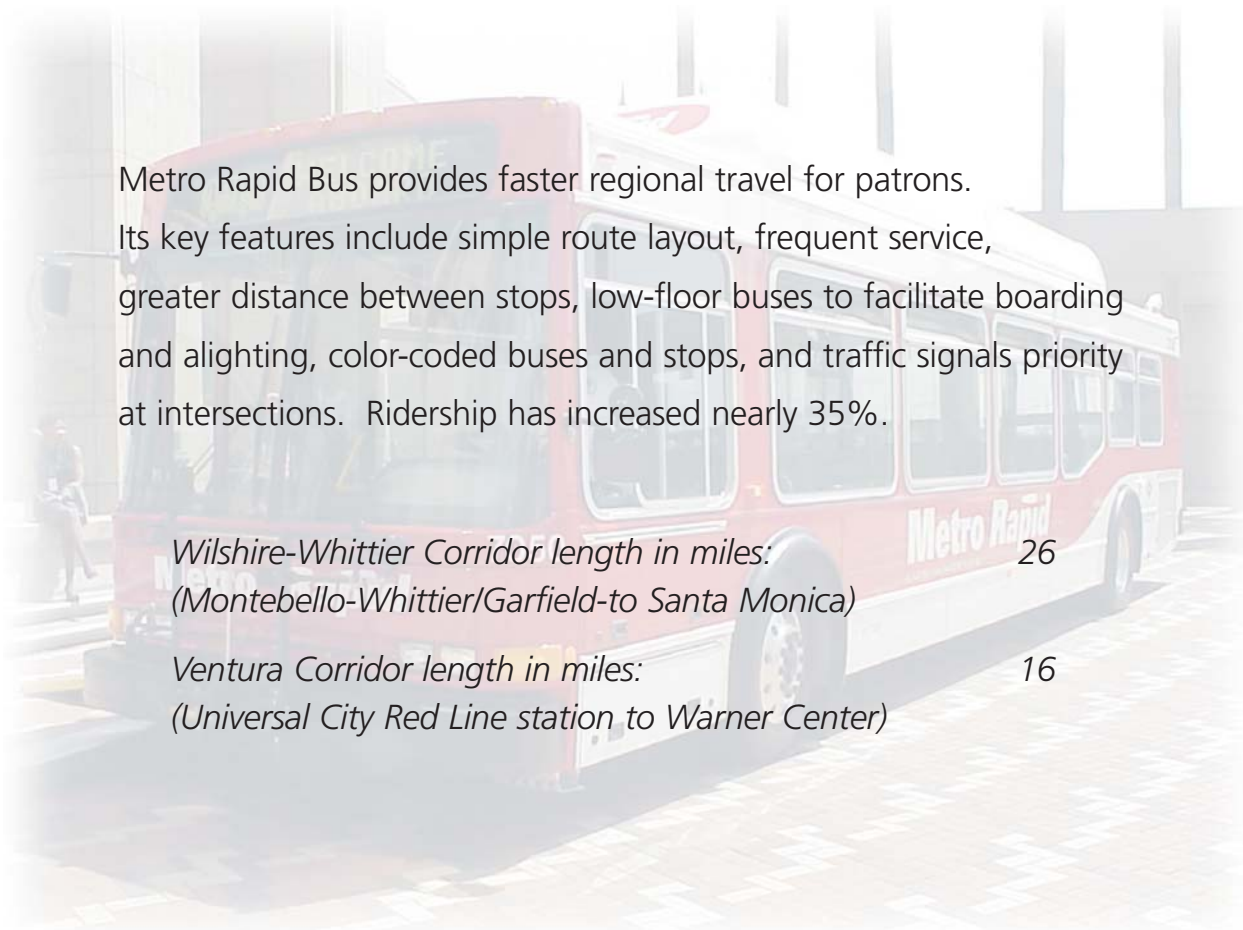
Moderate - The impact will be between \$50,001 and \$100,000 in operating expenditures.

High - This project will cause an increase in operating expenditures of \$100,001 or more annually.

CAPITAL PROGRAM REVENUES & EXPENDITURES

(Amounts in millions)	FY03	FY04	FY05	FY06	FY07	TOTAL
	Budget	Forecast	Forecast	Forecast	Forecast	
FTA SECTION 5307 (includes 15% Discr.)	\$ 77.3	\$ 85.5	\$ 36.2	\$ 26.0	\$ 26.6	\$ 251.5
FTA SECTION 5309 CLEAN FUEL	2.7	3.0	3.3	3.6	4.0	16.7
FTA SECTION 5309 FIXED GUIDEWAYS MOD.	35.4	44.0	26.2	19.5	29.4	154.4
CMAQ	59.0	51.6	17.1	24.4	76.6	228.7
FTA 5309 NEW STARTS	55.1	80.2	104.2	111.7	70.0	421.2
REGIONAL SURFACE TRANSPORTATION - RSTP	0.3	4.6	26.0	33.3	2.0	66.2
REGIONAL IMPROVEMENT FUNDS - STIP	8.8	1.3	14.4	-	6.2	30.7
STATE HIGHWAY ACCOUNT (SHA)	0.3	0.2	-	-	-	0.5
TRAFFIC CONGESTION RELIEF PROGRAM - TCRP	123.3	195.5	196.3	162.1	90.1	767.3
AIR QUALITY REGISTRATION FEE - AB2766	-	-	-	-	6.1	6.1
TDA ARTICLE 4	29.4	29.5	25.7	16.3	13.1	114.1
STA REVENUE SHARE/POPULATION	12.8	16.0	14.3	2.2	1.9	47.2
PROP A 35% CASH	29.3	-	-	-	-	29.3
PROP C 10% CASH	1.9	-	-	-	-	1.9
PROP C 25% CASH	3.1	-	-	-	6.9	10.0
PROP A 35% RAIL BONDS	21.5	3.5	-	-	1.0	26.0
PROP C 25% BONDS	33.6	39.6	90.8	37.9	12.4	214.3
PROP C 40% BONDS	5.0	19.5	-	-	-	24.5
HEADQUARTERS BONDS	1.9	-	-	-	-	1.9
REFUNDED EASTSIDE FUNDING	9.7	15.9	2.6	-	-	28.2
BRIDGE FUNDING	-	16.1	16.7	32.4	62.4	127.6
OTHER	0.1	0.3	0.3	0.3	0.3	1.5
TOTAL AVAILABLE REVENUES	510.5	606.3	574.0	469.8	409.0	2,569.6
BUS ACQUISITION	73.8	129.0	35.2	50.7	76.9	365.6
BUS FACILITIES MAINTENANCE	43.5	34.0	25.8	19.1	17.8	140.2
BUS MAINTENANCE	5.8	3.8	0.5	0.5	0.5	11.2
MAINTENANCE OF WAY	9.2	11.7	7.6	12.8	5.2	46.5
RAIL FACILITIES MAINTENANCE	30.7	34.1	29.6	10.6	10.6	115.5
RAIL VEHICLE MAINTENANCE	6.0	2.9	2.9	2.9	3.1	17.8
CONSTRUCTION (INCLUDES TRANSIT CORRIDORS)	286.8	353.6	455.5	364.4	286.5	1,746.8
OTHER CAPITAL PROJECTS	54.8	37.2	16.9	8.8	8.4	126.0
TOTAL CAPITAL PROGRAM EXPENDITURES	510.5	606.3	574.0	469.8	409.0	2,569.6
SURPLUS/(SHORTFALL)	-	-	-	-	-	-

A P P E N D I C E S



Metro Rapid Bus provides faster regional travel for patrons. Its key features include simple route layout, frequent service, greater distance between stops, low-floor buses to facilitate boarding and alighting, color-coded buses and stops, and traffic signals priority at intersections. Ridership has increased nearly 35%.

Wilshire-Whittier Corridor length in miles: 26
(Montebello-Whittier/Garfield-to Santa Monica)

Ventura Corridor length in miles: 16
(Universal City Red Line station to Warner Center)

FY2002-2003

ADOPTED BUDGET

APPENDIX 1: MTA BUDGET PROCESS

Budget Overview

The annual budget, as adopted by the Board of Directors, is the legal authority to obligate and spend funds. It includes all operating, capital and debt service requirements of the MTA for the fiscal year, July 1st to June 30th. The annual budget is comprised of operating and capital budgets.

The operating budget provides a summary of the planned revenues and expenditures for the fiscal year for MTA services and programs including the following:

- All revenue and expense assumptions and projections.
- Revenue Service Hours and miles of bus and rail service.

The operating budget includes Metro Bus and Rail operations, Freeway Service Patrol (FSP), planning activities and projects, property management activities, debt service, agency administration, and contingencies. The operating budget is comprised of the Enterprise, General, Special Revenue, Internal Service and Debt Funds.

The capital budget process has been integrated into the annual budget process. The capital budget includes all capital projects including corridor and rail construction projects and the five-year Capital Program (CP). The CP consists of all activities associated with bus acquisition, bus and rail capital improvements, facility construction and other capital

improvements such as information technology enhancements. When the Board of Directors approves a capital project, it authorizes the schedule and total expenditures over the life of the project. The annual budget authorizes the anticipated expenditures of the total project budget and the scope of work to be completed within the current fiscal year. Capital projects funding requirements extend over multiple budgetary periods. The approach to providing flexible funding over the life of the project requires the re-appropriation of unexpended carryover revenues and expenses from the prior fiscal year.

The MTA also budgets for regional programs to provide funds directly through grants of local funds or indirectly through allocating Federal and State grants to local agencies and transit operators throughout Los Angeles County. Funds are allocated to other government agencies in accordance with legislative requirements, Board of Directors policy or through a competitive awards process known as the Call for Projects (CFP). The Board of Directors approves the projects recommended for funding through the annual budget and the competitive process.

Regional Programs funded in the Special Revenue Fund include capital and operating allocations to municipal bus operators, direct disbursements to Los Angeles County municipalities for transportation programs, and services

for the disabled persons provided by Access Services, Inc (ASI).

MTA's financial records reflect only those funds that are actually received and directly disbursed by the MTA.

Budget Workflow

In accordance with the Financial Standards, the annual budget is adopted before July 1st to define the legal level of fiscal year expenditures. Budgeting for the fiscal year is divided into three phases: (1) budget formulation and preparation; (2) budget presentation and reviews; and (3) budget implementation.

Budget Formulation and Preparation

- Initial planning, development of assumptions, preparation of instructions and training materials began in January after a mid-year review of the FY02 Budget.
- FY03 Budget Kickoff meetings were held with departments the week of February 25, 2002.
- Budget system training classes were held the first two weeks of February 2002.
- Preparation of the FY03 Budget began in mid-February 2002 with departments developing expense and labor requests that were submitted to Office of Management & Budget (OMB) in mid-March.

Budget Reviews

- The five-year Capital Plan was developed concurrently with the annual operating budget. Recommendations for the update to the five-year plan were reviewed with the Capital Review

Committee in late February and early March 2002.

- Project and department level reviews of budget requests were reviewed in March 2002.

Adoption Phase

- The summary of the proposed budget was released to the Board of Directors and public on May 1, 2002.
- MTA staff briefed the Board of Directors staff on May 8, 2002.
- A workshop was held for the Board of Directors on May 13, 2002.
- The public hearing was held May 16, 2002, in conjunction with the Finance and Budget Committee meeting.
- The annual budget and the Capital Plan updates were adopted on May 23, 2002 at the regularly scheduled Board of Directors meeting.

Budget Implementation

- The FY03 Budget will be implemented on July 1, 2002.
- Periodic financial reports are prepared to enable management to monitor and control the budget.
- Quarterly financial reports are prepared by Finance and presented by the Chief Financial Officer to the Board of Directors. These reports monitor financial performance and ensure compliance with approved budget.

Budget Basis

The MTA is a single, integral entity for budgeting and accounting purposes. Annual budgets are

adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental and proprietary funds, except that depreciation and amortization are not budgeted. The Governmental Accounting Standards Board (GASB) defines a fund as a *“fiscal and accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations”*.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Budgets are adopted for each fund within the groups; the proprietary category includes Enterprise and Internal Service; governmental includes General, Special Revenue, Capital Projects, and Debt Service Funds. Fiduciary funds are not included in the annual budget. That fund category includes pension and agency trust funds. All governmental funds, except the Special Revenue fund, are accounted for using the modified accrual basis of accounting, meaning that revenue is recognized when it is both measurable and available. Special Revenue fund proceeds are budgeted as the “flow of funds” basis, essentially cash basis. The proprietary funds, Enterprise and Internal Service, use the accrual basis of accounting in which revenue is recognized when it is earned or received.

MTA uses Special Revenue funds to account for those funds that are restricted by purpose and use. The

Special Revenue fund reflects MTA’s responsibility to administer special transportation programs as well as its duty to allocate transportation funds to local and regional agencies throughout Los Angeles County. Special revenue funds are shown in the budget summaries on a cash-flow basis.

In addition, MTA is responsible for acting as a trustee for certain funds which are held by the MTA as an agent for individuals, private organizations or other funds. MTA uses Fiduciary funds to account for these assets and includes pension trust funds and restricted agency funds. Benefit Assessment District (BAD) funds are an example of trustee funds that MTA collects and serves as the trustee for debt payment. The outstanding debt is an obligation of the Benefit Assessment District; MTA administers the program through the collection of taxes from property owners and payments to bondholders.

Service Authority for Freeway Emergencies (SAFE) administers the Los Angeles County Call Box program, which coordinates emergency services to motorists on freeways. SAFE is an independent financial entity component unit. SAFE funding is derived from the \$1 fee collected on vehicle registrations.

Budget Policies and Procedures

The annual budget is developed on the basis of the combination of two budget methodologies. Continuation level budgeting is used to develop the funding and resources necessary to sustain critical operating, special

programs and previously approved capital projects. The agency uses the zero-based budgeting methodology to determine resources for new programs and capital projects as well as general and administrative expenses.

The MTA's Chart of Accounts is reviewed and supplemented on an annual basis. In FY02, the Agency's comprehensive Chart of Accounts was consolidated by the Finance Department to improve congruence between budgeting, accounting and financial reporting.

In accordance with the Financial Standards, the Finance unit monitors revenues and budget expenditures throughout the fiscal year.

For all MTA accounting funds except the Enterprise Fund, budgetary oversight and control is attained through checking available funds for non-labor transactions. Available funds are identified as unspent and unencumbered. Available funds are verified for a department and project by monitoring combined budget totals for non-labor account categories or for individual acquisition-related accounts. Project expenditures in the Enterprise Fund will be controlled and monitored based on a cost-per-hour performance target within the budgetary constraints of the appropriation level approved by the Board of Directors.

Budget Amendments

Budget detail is a management plan for financial activity and is prepared at the fund, project, department and expense level. The legal level of

control is at the fund level. Total expenditures cannot exceed the final appropriation adopted by the Board. During the fiscal year, changes in law, economic conditions and emergencies can have an impact on budget authority. Spending authority may be increased or decreased throughout the fiscal year as unanticipated situations arise. Management may make revisions within operational and project budgets only when there is no net dollar impact to the total appropriations at the fund level. As such, the Chief Executive Officer can approve administrative revisions to the financial plan if changes are consistent with the appropriation by fund. MTA's source of authority to make changes is rooted in disclosure on financial policy as stated in MTA's Comprehensive Annual Financial Report (CAFR) where reference to the legal level of authority is at the fund level so that staff has the ability to make changes within that legal authority.

Capital Program Budget Process

In December 2001, MTA initiated a re-engineered Capital Program (CP). A Capital Review Committee, made up of select department representatives, developed a process to bring about a more efficient way of allocating capital dollars for projects.

Meetings were held with the MTA departments to review and discuss the guidelines of the new Capital Program.

Departments were instructed to analyze the project's scope, non-labor and labor costs, and timeframe needed

to implement the capital project. The departments then ranked the projects based on the following criteria:

- “Mission Critical” (If not done, will transportation service be affected?)
- Safety Enhancement (If not done will it cause a hazardous situation?)
- Mandated (Is the project required by law, regulation, Board mandate, or community regulation?)
- Ongoing/Project Readiness (Is the project a current construction/ acquisition project, or carryover from prior fiscal year?)

- Supports Strategic Plan (Does the project support one or more Agency objectives; provides cost savings and increased efficiency?)

The capital projects were compiled and reviewed by the Capital Review Committee. Based on this review. A five-year capital program was developed based on project rankings, project readiness, available agency resources and funding.

APPENDIX 2: FINANCIAL STANDARDS POLICY

POLICY STATEMENT

The Board shall review and approve a set of Financial Standards each year as part of the annual budget and financial planning process.

PURPOSE

The Financial Standards shall be divided into three sections:

1. General Financial Standards - The purpose of the general standards is to ensure that MTA prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.
2. Debt Financial Standards - The purpose of the Debt Standards is to limit the level of debt that may be incurred and to ensure that debt assumptions used in financial planning are based on financial parameters similar to or more conservative than those that would be placed on MTA by the financial marketplace. These standards will be consistent with the Board-approved Debt Policy.
3. Business Planning Parameters - The purpose of the Business Planning Parameters is to provide management with a framework for developing the following year's budget and other MTA financial plans and establishes future business targets for management to achieve.

APPLICATION

This policy applies to all MTA financial plans.

1.0 PROCEDURES

- 1.1 The Management Team will review each of the Financial Standards areas annually.
- 1.2 The MTA's performance against the Financial Standards shall be measured and reported to the CEO throughout the year on a regular cycle.
- 1.3 At least annually, a mid-term report of the MTA's financial and programmatic performance will be presented to the Board.
- 1.4 The Financial Standards may be amended or waived by the Board on a case-by-case basis.

2.0 DEFINITION OF TERMS

- 2.1 Financial Plan – Any plan, denominated in financial terms, that represents the MTA's official intentions to external parties, including other levels of government and their agencies, stakeholders, business partners and customers of the transportation system in Los Angeles County.
- 2.2 CEO – The MTA's chief executive officer or designee.
- 2.3 Management Team – Appointed by the CEO.

- 2.4 Budget – The financial plan that summarizes the MTA’s intentions during a fiscal year.
- 2.5 Capital Program – The financial plan that details the MTA’s investment in its own assets over a five-year period. The Capital Program is updated and included in each year’s budget. The current year’s expenditures are appropriated within the budget.

3.0 RESPONSIBILITIES

- 3.1 OMB shall be responsible for conducting the periodic performance reviews required under this policy.
- 3.2 Based on inputs from all units of the MTA, OMB shall be responsible for presenting the updated financial standards to the Board for review and approval.

4.0 FLOWCHART

Not applicable.

5.0 REFERENCES

- 5.1 MTA Debt Policy
- 5.2 MTA Investment Policy

6.0 ATTACHMENTS

None.

7.0 PROCEDURE HISTORY

- 7.1 Initial Action – February 2002
- 7.2 Adoption of this policy supercedes the following previously adopted policies that are subsumed by FIN 25 or are procedural in nature and will be administered under the authority of the CEO:
 - Fin 1 Fiscal Policies (General)
 - Fin 2 Budget Preparation and Approval
 - Fin 3 Budgetary Controls
 - Fin 4 Budget Amendments and Adjustments
 - Fin 5 Fiscal Monitoring & Reporting
 - Fin 6 Funds Programmed to Other Agencies
 - Fin 7 Contingency Fund
 - Fin 8 Chart of Accounts
 - Fin 9 Revenue Policies

APPENDIX 3: MTA FY02-03 FINANCIAL STANDARDS

The Financial Standards are divided into three sections: General, Debt, and Business Planning Parameters. The purpose of the General standards is to ensure that MTA prudently manages its financial affairs and establishes appropriate cash reserves. The purpose of the Debt standards is to limit the level of debt that may be incurred and to ensure that debt assumptions are based on financial parameters similar to or more conservative than those that would be placed on MTA by the financial marketplace. Actual debt covenants may differ from these standards. In accordance with the MTA's Debt Policy, where this occurs, the actual covenants will be disclosed in the Board report supporting the debt issuance. The Business Planning Parameters provide management with a framework for developing the following year's budget and other longer range financial plans and establishing future business targets for management to achieve.

Financial Standards – General

- G1. Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board. MTA's fiscal year-end for financial reporting purposes shall be June 30.
- G2. An independent accounting firm shall perform an examination of MTA's consolidated financial

statements (including Single Audit requirements) and MTA's retirement plan financial statements on an annual basis. The MTA's goal is to receive an unqualified opinion on the financial statements and an opinion that MTA is in compliance with Federal Single Audit requirements in all material respects and to receive the Government Finance Officers Association (GFOA) award for excellence in financial reporting.

- G3. Funds of the MTA shall be invested within the guidelines of the Board's approved Investment Policy and in compliance with applicable State law, California Government Code Section 53600 et seq.

In accordance with the Investment Policy, the Board shall approve the Financial Institutions Resolution that designates the MTA Officials empowered to open, close, or authorize changes to accounts and authorizes MTA Officials to designate individuals as Official Signatories for the MTA's financial accounts.

- G4. An annual actuarial analysis shall be performed on all MTA self-administered retirement plans. The MTA shall make annual contributions that, when

- combined with employee contributions, fund actuarially computed costs as they accrue.
- G5. Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, the MTA shall record the liabilities, including losses incurred but not reported, at 100% of the net present value.
- It is the MTA's goal that restricted cash balances are maintained in amounts equal to the estimated liabilities but in no event less than the next year's projected cash outflows. An actuarial review of self-insured liabilities will be made annually.
- G6. Since sales taxes are received on a monthly basis, the allocations among the various ordinance categories shall also be recorded monthly.
- Expenditures against appropriations are limited to cash actually on-hand during the fiscal year.
- G7. Sales tax collections received during a fiscal year that are in excess of the sales tax budget for that year shall be reported as unreserved, designated fund balances in the Special Revenue Fund. Excess Local Return monies are disbursed when received. Any other excess balances may only be expended pursuant to Board authorization. Such funds are generally available for appropriation in the subsequent budget cycle in accordance with their ordinance designations.
- G8. The fiscal year of MTA shall end on June 30 of each year. By January of each fiscal year, the Board should review and approve a set of Financial Standards that can be used by management as a framework for developing the following year's Budget. The Board shall approve the Budget by June 30 of each fiscal year.
- G9. The annual budget establishes the legal level of appropriation for a year. The budget shall include operating, capital, regional funding and other components necessary to implement the policy directions containing previously Board adopted longer-term plans, i.e., LRTP, SRTP. The budget shall be prepared in a fashion to clearly describe the projects and programs contained therein and to receive the GFOA award for excellence in budgetary presentation.
- G10. The MTA shall adopt a long-range (covering at least 20 years) transportation plan for Los Angeles County at least once every five years. For interim years, staff will report on changes affecting the major financial assumptions of the plan and progress toward the implementation of new projects and programs. The plan update

report shall also highlight Board approved actions taken during the interim period that affect the plan outcomes or schedules.

progress toward implementation will be reported to the Board's Executive Management and Audit Committee on a regular basis.

G11. Annually, the MTA shall adopt a five-year (short-range) transportation plan (SRTP) for Los Angeles County. The plan will include service levels and ridership by mode for each of the years. The five-year plan will also identify the capital investment needs to support the existing regional system and regional service expansion. The plan will also identify key performance indicators by which to measure the MTA's accomplishment of the plan's goals.

G12. The MTA shall maintain a cost effective system of internal control to adequately safeguard the MTA's assets. In assessing the internal control system, management must weigh the cost of control against the expected benefit to be derived from its implementation.

Recommendations for improvements to the MTA's system of internal controls are requirements of the various regularly scheduled and specifically directed audits that are performed in accordance with generally accepted governmental auditing standards. These recommendations, management's action plans and

Financial Standards - Business Planning Parameters

B1. Sales tax revenue forecasts shall be based on a sales tax model developed specifically for the Los Angeles County by an independent economist, except for the initial five years, which may be based on management's best estimate. The real growth projections in the model shall be reduced by 20% for the balance of the (forecast).

B2. Passenger revenue forecasts shall be derived from ridership and average fare forecasts based on the MTA's approved fare policy and fare structure.

The Board will review and update the fare policy on a regular cycle, at least each 5th year since prior review and approval. From time to time, management may propose fare modifications to achieve transit ridership improvements and subsidy per passenger targets (see B4) and to maintain MTA's financial viability.

B3. The Board desires to steadily improve service efficiency over time. It is the MTA's long-term strategy to achieve this by reducing the subsidy per passenger ratio (operating expenses, excluding depreciation, minus operating

- revenues, divided by passenger boardings). Subsidy per passenger for the MTA's bus and rail system may not be higher in FY03 than \$1.38 plus the additional subsidy required for load factor mitigation.
- B4. For MTA operated bus and rail service, cost per revenue vehicle service hour (measured separately for bus and rail) may not increase by more than the projected rate of inflation for the Los Angeles area, less efficiencies of 1.5%; plus the incremental costs associated with the addition of new services, programs, and/or facilities as approved by the Board. The projected incremental cost impact on cost per revenue vehicle service hour of new services, programs, and/or facilities shall be presented to the Board for approval as part of the annual update of the SRTP each year.
- B5. For FY03 MTA's staffing, measured in FTE's, will be held to the FY 2002 level adjusted for service expansion or other new scope that has been approved by the Board.
- B6. Regional programs such as local return, formula allocation procedure and Call for Projects shall be funded according to the terms of the laws, regulations and/or discretionary procedures approved by the MTA Board.
- B7. The capital plan covers MTA's assets including major transportation infrastructure projects, i.e., BRT, LRT, bus maintenance facilities and is included in each annual budget. The capital plan shall include funding for asset replacement and expansion projects. Capital projects in excess of \$1 million shall be listed separately for approval by the Board.
- Timely replacement of assets shall be the highest priority to ensure a safe system. Accordingly, the capital plan shall include replacement reserves by major asset category to ensure adequate future funding. The reserve levels shall be based on management's assessment of the asset category's condition.
- Expansion projects not previously approved in the short-range plan shall be prioritized based on the project's cost, impact on ridership, return on investment, available funds, and other relevant factors. An inflation rate of 4% shall be used for expansion capital projects.
- B8. MTA applies for and receives discretionary Federal and State funding. Discretionary funding shall be requested for major system expansion projects or extraordinary transit capital needs. (e.g., BRT, LRT or new bus maintenance facilities). Discretionary funding levels shall be estimated by project based on appropriate State and

Federal criteria and the likelihood of obtaining approvals.

The Board shall approve all discretionary State and Federal funding requests by project or program each year.

- B9. Prop A and C administrative funds (Admin) are appropriated through the MTA's annual budget from the Special Revenue Fund to the General Fund to pay for activities not required to be accounted for in other funds. The following statements provide guidance for appropriation and use of Prop A and C administrative funds.

Appropriation

Based on past practice, up to 5% of Prop A may be appropriated for administrative purposes.

The Prop C ordinance allows up to 1.5% to be appropriated for administrative purposes.

Admin funds are transferred from the Special Revenue Fund to the General Fund as received, limited to the lesser of appropriations or actual sales taxes received.

Admin funds must be expended or encumbered within one year after the end of the year of appropriation. Lapsing is accounted for on the first-in, first-out basis. Lapsed Admin funds, if any, are returned to the Special Revenue Fund at the end of each year for re-appropriation through the next budget process.

Eligible Uses

Administrative activities include the management, including planning, of the execution, use and conduct of the projects and programs funded by Prop A and C funds.

Admin funds may not be used for operating or building the transit system.

Examples, not an all-inclusive listing, of eligible uses of administrative funds:

- Indirect costs that are not allowable under federal guidelines, OMB Circular A-87, i.e., lobbying, interest expense, bad debt expense, cost of general governance.
- Indirect costs that MTA elects not to allocate through its annual FTA approved cost allocation plan (CAP) because to do so might burden projects or programs in an inequitable manner, i.e., non-recurring costs of re-organization or service re-structuring.
- Development of planning documents required by federal and state regulations and MTA Board policy.
- Activities that benefit MTA projects and programs indirectly such as internships, career development, training programs, etc.
- Transportation planning activities including bus, rail, highway and other surface transportation modes.
- Consent Decree oversight.

The proposed expenditure programs for these activities will be shown in detail in the annual budget (Appendix 4).

Financial Standards - Debt

- D1. MTA may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable provisions of applicable state and federal laws and the MTA's Debt Policy.
- D2. Long-term debt may be included in the budget or longer range plans; however, no such debt shall be incurred without the specific approval of the MTA Board.
- D3. The average life of debt instruments shall not exceed the average useful lives of the assets financed.
- D4. Reserve funds that may be required by the financial markets for each debt issuance shall be maintained. Cash and securities, insurance or surety

bonds may fund these reserves. For financial planning purposes, reserve requirements shall be included in the par amount of debt issued.

- D5. MTA shall maintain a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to secure rating of "A" or better on sales tax backed securities and secure A1 or P1 rating on other short-term debt, and, if necessary, to secure credit enhancement from financial institution with a rating of "AA" or better.
- D6. Debt service coverage ratio minimums by sales tax ordinance categories are shown in the MTA's Debt Policy. For financial planning purposes, those ratios shall not be exceeded in the development of longer-term financial plans.

APPENDIX 4: ACTIVITY BASED BUS COST MODEL

ACTIVITY	FY02 ADOPTED		FY03 ADOPTED		FY02 TO FY03	
	Dollars	\$/RSH	Dollars	\$/RSH	\$ Inc. \$/RSH	% Inc. \$/RSH
1 TRANSPORTATION						
2 UTU WAGES & BENEFITS	235,786,095	\$ 34.52	250,664,140	\$ 36.39	14,878,045	\$ 1.88
3 SERVICES	11,000	\$ 0.00	2,750	\$ 0.00	(8,250)	\$ (0.00)
4 DIVISION MGT & ADMIN	12,922,898	\$ 1.89	16,385,518	\$ 2.38	3,462,620	\$ 0.49
5 TRAINING	3,888,520	\$ 0.57	5,180,098	\$ 0.75	1,291,578	\$ 0.18
6 CONTROL CENTER	8,469,896	\$ 1.24	7,346,892	\$ 1.07	(1,123,004)	\$ (0.17)
7 SCHEDULING AND PLANNING	3,166,731	\$ 0.46	4,165,463	\$ 0.60	998,732	\$ 0.14
8 UNIFORMS	1,174,783	\$ 0.17	1,207,793	\$ 0.18	33,010	\$ 0.00
9 SUB-TOTAL	265,419,923	\$ 38.85	284,952,654	\$ 41.37	19,532,731	\$ 2.52
10						
11 DIVISION MAINTENANCE						
12 SERVICE ATTENDANT	20,725,954	\$ 3.03	22,850,396	\$ 3.32	2,124,442	\$ 0.28
13 MECHANIC	53,093,397	\$ 7.77	58,703,153	\$ 8.52	5,609,756	\$ 0.75
14 FUEL	37,916,317	\$ 5.55	19,916,834	\$ 2.89	(17,999,483)	\$ (2.66)
15 TIRES	4,303,242	\$ 0.63	4,256,688	\$ 0.62	(46,554)	\$ (0.01)
16 MATERIALS & SUPPLIES	25,829,084	\$ 3.78	27,467,945	\$ 3.99	1,638,861	\$ 0.21
17 SERVICES	103,000	\$ 0.02	93,000	\$ 0.01	(10,000)	\$ (0.00)
18 DIVISION MGT & ADMIN	13,040,456	\$ 1.91	14,653,373	\$ 2.13	1,612,917	\$ 0.22
19 UNIFORMS	1,227,020	\$ 0.18	1,320,151	\$ 0.19	93,131	\$ 0.01
20 PREVENTIVE MAINTENANCE	4,243,550	\$ 0.62	4,673,707	\$ 0.68	430,157	\$ 0.06
21 SUB-TOTAL	160,482,022	\$ 23.49	153,935,246	\$ 22.35	(6,546,775)	\$ (1.14)
22						
23 OTHER MAINTENANCE						
24 INVENTORY MANAGEMENT	5,576,542	\$ 0.82	2,111,859	\$ 0.31	(3,464,683)	\$ (0.51)
25 LOGISTICS	4,436,497	\$ 0.65	5,031,040	\$ 0.73	594,543	\$ 0.08
26 REVENUE ADMINISTRATION	14,152,369	\$ 2.07	14,091,481	\$ 2.05	(60,888)	\$ (0.03)
27 SUB-TOTAL	24,165,408	\$ 3.54	21,234,380	\$ 3.08	(2,931,028)	\$ (0.45)
28						
29 RRC REGULAR MAINTENANCE						
30 ATU	5,251,200	\$ 0.77	6,264,886	\$ 0.91	1,013,686	\$ 0.14
31 MATERIALS & SUPPLIES	3,492,272	\$ 0.51	3,539,698	\$ 0.51	47,427	\$ 0.00
32 SERVICES	389,148	\$ 0.06	-	\$ -	(389,148)	\$ (0.06)
33 RRC MGT & ADMIN	2,312,211	\$ 0.34	1,953,211	\$ 0.28	(359,000)	\$ (0.05)
34 SUB-TOTAL	11,444,831	\$ 1.68	11,757,795	\$ 1.71	312,965	\$ 0.03
35						
36 RRC PREVENTATIVE MAINTENANCE						
37 POWER PLANT ASSEMBLY	14,761,254	\$ 2.16	13,334,409	\$ 1.94	(1,426,845)	\$ (0.22)
38 ACCIDENT REPAIR	747,940	\$ 0.11	843,915	\$ 0.12	95,975	\$ 0.01
39 ETHANOL CONVERSION	-	\$ -	-	\$ -	-	\$ -
40 WHEELCHAIR LIFTS	577,303	\$ 0.08	50,069	\$ 0.01	(527,234)	\$ (0.08)
41 PAINTING	3,061,591	\$ 0.45	2,690,328	\$ 0.39	(371,263)	\$ (0.06)
42 WINDOWS	185,803	\$ 0.03	375,653	\$ 0.05	189,851	\$ 0.03
43 RRC MGT & ADMIN	412,611	\$ 0.06	785,801	\$ 0.11	373,190	\$ 0.05
44 SUB-TOTAL	19,746,502	\$ 2.89	18,080,176	\$ 2.63	(1,666,326)	\$ (0.27)
45						

APPENDIX 4: ACTIVITY BASED BUS COST MODEL

ACTIVITY	FY02 ADOPTED		FY03 ADOPTED		FY02 TO FY03	
	Dollars	\$/RSH	Dollars	\$/RSH	\$ Inc. \$/RSH	% Inc. \$/RSH
46 MAINTENANCE SUPPORT	8,707,544	\$ 1.27	9,167,033	\$ 1.33	459,489	\$ 0.06
47 NON-REVENUE VEHICLES	3,474,149	\$ 0.51	3,660,368	\$ 0.53	186,219	\$ 0.02
48 FACILITIES MAINTENANCE	18,516,027	\$ 2.71	20,664,084	\$ 3.00	2,148,058	\$ 0.29
49 TRAINING	457,748	\$ 0.07	474,158	\$ 0.07	16,410	\$ 0.00
50 OTHER	-	\$ -	-	\$ -	-	\$ -
51 SUB-TOTAL	31,155,468	\$ 4.56	33,965,643	\$ 4.93	2,810,176	\$ 0.37
52						
53 SUB-TOTAL MAINTENANCE	246,994,230	\$ 36.16	238,973,241	\$ 34.70	(8,020,989)	\$ (1.46)
54						
55 TRANSIT SECURITY	26,127,948	\$ 3.82	23,882,488	\$ 3.47	(2,245,460)	\$ (0.36)
56 SAFETY	3,278,505	\$ 0.48	1,589,946	\$ 0.23	(1,688,559)	\$ (0.25)
57 CASUALTY & LIABILITY	31,179,462	\$ 4.56	32,136,579	\$ 4.67	957,117	\$ 0.10
58 WORKERS' COMP	53,225,165	\$ 7.79	42,661,988	\$ 6.19	(10,563,177)	\$ (1.60)
59 TRANSITIONAL DUTY PROGRAM	2,979,017	\$ 0.44	3,093,387	\$ 0.45	114,370	\$ 0.01
60 SUB-TOTAL	116,790,097	\$ 17.10	103,364,387	\$ 15.01	(13,425,710)	\$ (2.09)
61						
62 TRANSIT OPERATIONS SUPPORT DEPARTMENTS						
63 EO/DEO/GM	4,218,249	\$ 0.62	6,447,573	\$ 0.94	2,229,324	\$ 0.32
64 SUPPORT SERVICES	1,531,402	\$ 0.22	3,323,581	\$ 0.48	1,792,179	\$ 0.26
65 OPERATIONS ISF CHARGES	11,299,914	\$ 1.65	15,181,703	\$ 2.20	3,881,789	\$ 0.55
66 OTHER (RAIL)	-	\$ -	-	\$ -	-	\$ -
67 SUB-TOTAL	17,049,565	\$ 2.50	24,952,857	\$ 3.62	7,903,292	\$ 1.13
68						
69 OTHER UNITS CHARGING						
70 BOARD OVERSIGHT	9,588	\$ 0.00	603,014	\$ 0.09	593,426	\$ 0.09
71 CEO/COS	2,254,555	\$ 0.33	5,419,772	\$ 0.79	3,165,217	\$ 0.46
72 MASD	851,603	\$ 0.12	534,843	\$ 0.08	(316,760)	\$ (0.05)
73 OTHER PROCUREMENT	4,016,907	\$ 0.59	3,576,482	\$ 0.52	(440,425)	\$ (0.07)
74 COMMUNICATIONS	6,200,276	\$ 0.91	8,930,530	\$ 1.30	2,730,254	\$ 0.39
75 OTHER FINANCE	13,614,031	\$ 1.99	11,578,641	\$ 1.68	(2,035,390)	\$ (0.31)
76 HUMAN RESOURCES	6,606,063	\$ 0.97	3,007,264	\$ 0.44	(3,598,799)	\$ (0.53)
77 ADMINISTRATION	20,099,181	\$ 2.94	20,635,271	\$ 3.00	536,091	\$ 0.05
78 ENGINEERING & CONSTRUCTION	188,486	\$ 0.03	35,038	\$ 0.01	(153,448)	\$ (0.02)
79 SUB-TOTAL	53,840,689	\$ 7.88	54,320,855	\$ 7.89	480,165	\$ 0.01
80						
81 TOTAL MTA OPERATED	700,094,505	\$ 102.48	706,563,994	\$ 102.58	6,469,489	\$ 0.10
82 REVENUE SERVICE HOURS	6,831,265		6,887,676		56,411	
83						
84 PURCHASED TRANSPORTATION						
85 CONTRACTED SERVICE	30,281,036	\$ 46.30	30,098,714	\$ 46.02	(182,322)	\$ (0.28)
86 SECURITY	2,382,261	\$ 3.64	2,269,522	\$ 3.47	(112,739)	\$ (0.17)
87 ADMINISTRATION	313,928	\$ 0.48	987,854	\$ 1.51	673,926	\$ 1.03
88 SUB-TOTAL	32,977,225	\$ 50.42	33,356,091	\$ 51.00	378,866	\$ 0.58
89 REVENUE SERVICE HOURS	654,041		654,041		-	
90						
91 ENTERPRISE FUND DEBT						
92 INTEREST (610309)	8,819,745	\$ 1.18	7,033,050	\$ 0.93	(1,786,695)	\$ (0.25)
93 ADMINISTRATION (300076)	735,605	\$ 0.10	730,293	\$ 0.10	(5,312)	\$ (0.00)
94 SUB-TOTAL	9,555,350	\$ 1.28	7,763,344	\$ 1.03	(1,792,006)	\$ (0.25)
95						
96 TOTAL BUS PROJECT	\$ 742,627,080	\$ 99.21	747,683,428	\$ 99.14	5,056,348	\$ (0.07)
97 TOTAL REVENUE SERVICE HOURS	7,485,306		7,541,717		56,411	
98						

99 Note: Reclassified to reflect the board adopted change to Prop A & C.

Los Angeles County Metropolitan Transportation Authority
Adopted Budget

APPENDIX 5: ACTIVITY BASED LIGHT RAIL COST MODEL

ACTIVITY	FY02 ADOPTED		FY03 ADOPTED		FY02 TO FY03	
	Dollars	Per RSH	Dollars	Per RSH	\$ Inc. \$/RSH	% Inc. \$/RSH
1 TRANSPORTATION						
2 OPERATOR WAGES & BENEFITS	6,855,011	\$ 24.07	7,072,725	\$ 23.35	217,714	\$ (0.72)
3 SERVICES	-	\$ -	-	\$ -	-	\$ -
4 MATERIALS & SUPPLIES	112,400	\$ 0.39	115,240	\$ 0.38	2,840	\$ (0.01)
5 MGT & ADMIN	1,761,327	\$ 6.18	2,096,742	\$ 6.92	335,415	\$ 0.74
6 CENTROL CONTROL	4,571,399	\$ 16.05	4,866,367	\$ 16.06	294,968	\$ 0.01
7 SCHEDULING AND PLANNING	-	\$ -	-	\$ -	-	\$ -
8 UNIFORMS	40,325	\$ 0.14	48,000	\$ 0.16	7,675	\$ 0.02
9 SUB-TOTAL	13,340,462	\$ 46.84	14,199,074	\$ 46.87	858,612	\$ 0.03
10						
11 DIVISION MAINTENANCE						
12 SERV ATTEN WAGES & BENEFITS	1,898,236	\$ 6.67	1,985,462	\$ 6.55	87,226	\$ (0.11)
13 MECHANIC WAGES & BENEFITS	6,550,705	\$ 23.00	6,243,774	\$ 20.61	(306,931)	\$ (2.39)
14 MATERIALS & SUPPLIES	2,122,000	\$ 7.45	2,265,884	\$ 7.48	143,884	\$ 0.03
15 SERVICES	378,500	\$ 1.33	303,992	\$ 1.00	(74,508)	\$ (0.33)
16 MGT & ADMIN	1,891,702	\$ 6.64	2,143,214	\$ 7.07	251,512	\$ 0.43
17 UNIFORMS	105,000	\$ 0.37	121,950	\$ 0.40	16,949	\$ 0.03
18 PREVENTIVE MAINTENANCE	3,754,299	\$ 13.18	5,357,742	\$ 17.69	1,603,443	\$ 4.50
19 SUB-TOTAL	16,700,442	\$ 58.64	18,422,019	\$ 60.81	1,721,576	\$ 2.17
20						
21 OTHER MAINTENANCE						
22 INVENTORY MANAGEMENT	189,960	\$ 0.67	173,498	\$ 0.57	(16,462)	\$ (0.09)
23 LOGISTICS	921,586	\$ 3.24	990,316	\$ 3.27	68,730	\$ 0.03
24 REVENUE ADMINISTRATION	1,846,443	\$ 6.48	1,868,732	\$ 6.17	22,289	\$ (0.31)
25 SUB-TOTAL	2,957,989	\$ 10.39	3,032,546	\$ 10.01	74,557	\$ (0.38)
26						
27 MAINTENANCE OF WAY						
28 ATU WAGES & BENEFITS	3,370,687	\$ 11.84	3,888,654	\$ 12.84	517,967	\$ 1.00
29 MATERIALS & SUPPLIES	433,170	\$ 1.52	403,170	\$ 1.33	(30,000)	\$ (0.19)
30 SERVICES	313,750	\$ 1.10	276,000	\$ 0.91	(37,750)	\$ (0.19)
31 UNIFORMS	53,010	\$ 0.19	53,000	\$ 0.17	(10)	\$ (0.01)
32 PROPULSION POWER	10,197,000	\$ 35.80	10,300,000	\$ 34.00	103,000	\$ (1.80)
33 MGT & ADMIN	1,178,084	\$ 4.14	1,075,498	\$ 3.55	(102,586)	\$ (0.59)
34 SUB-TOTAL	15,545,701	\$ 54.58	15,996,322	\$ 52.81	450,621	\$ (1.78)
35						
36 MAINTENANCE SUPPORT	-	\$ -	-	\$ -	-	\$ -
37 NON-REVENUE VEHICLES	0	\$ 0.00	0	\$ 0.00	(0)	\$ (0.00)
38 FACILITIES MAINTENANCE	6,060,170	\$ 21.28	7,537,399	\$ 24.88	1,477,229	\$ 3.60
39 OTHER	-	\$ -	-	\$ -	-	\$ -
40 SUB-TOTAL	6,060,170	\$ 21.28	7,537,399	\$ 24.88	1,477,229	\$ 3.60

APPENDIX 5: ACTIVITY BASED LIGHT RAIL COST MODEL

ACTIVITY	FY02 ADOPTED		FY03 ADOPTED		FY02 TO FY03	
	Dollars	Per RSH	Dollars	Per RSH	\$ Inc. \$/RSH	% Inc. \$/RSH
41					-	-
42 TRANSIT SECURITY	14,297,231	\$ 50.20	15,406,731	\$ 50.86	1,109,500	\$ 0.66
43 SAFETY	1,309,735	\$ 4.60	887,315	\$ 2.93	(422,420)	\$ (1.67)
44 CASUALTY & LIABILITY	1,937,064	\$ 6.80	1,132,035	\$ 3.74	(805,029)	\$ (3.06)
45 WORKERS' COMP	2,252,877	\$ 7.91	2,427,875	\$ 8.01	174,998	\$ 0.10
46 TRANSITIONAL DUTY PROGRAM	51,362	\$ 0.18	53,737	\$ 0.18	2,375	\$ (0.00)
47 <u>SUB-TOTAL</u>	<u>19,848,269</u>	<u>\$ 69.69</u>	<u>19,907,693</u>	<u>\$ 65.72</u>	<u>59,423</u>	<u>\$ (3.97)</u>
48						
49 TRANSIT OPERATIONS SUPPORT DEPARTMENTS						
50 DEO/GM	1,466,233	\$ 5.15	1,067,305	\$ 3.52	(398,928)	\$ (1.62)
51 EO	1,920	\$ 0.01	-	\$ -	(1,920)	\$ (0.01)
52 SUPPORT SERVICES	233,977	\$ 0.82	149,807	\$ 0.49	(84,170)	\$ (0.33)
53 OPERATIONS ISF CHARGES	977,032	\$ 3.43	1,275,786	\$ 4.21	298,754	\$ 0.78
54 OTHER (BUS, RRC)	(0)	\$ (0.00)	-	\$ -	0	\$ 0.00
55 <u>SUB-TOTAL</u>	<u>2,679,162</u>	<u>\$ 9.41</u>	<u>2,492,898</u>	<u>\$ 8.23</u>	<u>(186,264)</u>	<u>\$ (1.18)</u>
56						
57 OTHER UNITS CHARGING (300022, 300033 & 300009, 100001, 100003, 100004, 100033)						
58 BOARD	70,968	\$ 0.25	47,332	\$ 0.16	(23,636)	\$ (0.09)
59 CEO/COS	236,747	\$ 0.83	1,273,587	\$ 4.20	1,036,839	\$ 3.37
60 MASD	175,303	\$ 0.62	123,304	\$ 0.41	(51,999)	\$ (0.21)
61 OTHER PROCUREMENT	885,413	\$ 3.11	603,771	\$ 1.99	(281,642)	\$ (1.12)
62 COMMUNICATIONS	878,891	\$ 3.09	1,898,125	\$ 6.27	1,019,234	\$ 3.18
63 OTHER FINANCE	1,567,786	\$ 5.50	1,067,299	\$ 3.52	(500,487)	\$ (1.98)
64 HUMAN RESOURCES	714,413	\$ 2.51	272,773	\$ 0.90	(441,640)	\$ (1.61)
65 ADMINISTRATION	2,051,783	\$ 7.20	1,828,838	\$ 6.04	(222,945)	\$ (1.17)
66 ENGINEERING & CONSTRUCTION	700,691	\$ 2.46	128,346	\$ 0.42	(572,345)	\$ (2.04)
67 <u>SUB-TOTAL</u>	<u>7,281,995</u>	<u>\$ 25.57</u>	<u>7,243,374</u>	<u>\$ 23.91</u>	<u>(38,621)</u>	<u>\$ (1.66)</u>
68						
69 TOTAL MTA OPERATED	84,414,191	\$ 296.40	88,831,324	\$ 293.24	4,417,133	\$ (3.16)
70 <u>REVENUE SERVICE HOURS</u>	<u>284,801</u>		<u>302,930</u>		<u>18,129</u>	
71						
72 Note: Reclassified to reflect the board adopted change to Prop A & C.						

APPENDIX 6: ACTIVITY BASED HEAVY RAIL COST MODEL

ACTIVITY	FY02 ADOPTED		FY03 ADOPTED		FY02 TO FY03	
	Dollars	PER RSH	Dollars	Per RSH	\$ Inc. \$/RSH	% Inc. \$/RSH
1 TRANSPORTATION						
2 OPERATOR WAGES & BENEFITS	3,841,923	\$ 14.84	3,925,950	\$ 14.56	84,028	\$ (0.28)
3 SERVICES	-	\$ -	-	\$ -	-	\$ -
4 MATERIALS & SUPPLIES	40,000	\$ 0.15	51,380	\$ 0.19	11,380	\$ 0.04
5 MGT & ADMIN	994,530	\$ 3.84	1,122,770	\$ 4.16	128,240	\$ 0.32
6 MATERIAL CONTROL	2,115,663	\$ 8.17	2,259,640	\$ 8.38	143,977	\$ 0.21
7 SCHEDULING AND PLANNING	-	\$ -	-	\$ -	-	\$ -
8 UNIFORMS	25,875	\$ 0.10	24,000	\$ 0.09	(1,875)	\$ (0.01)
9 SUB-TOTAL	7,017,991	\$ 27.11	7,383,740	\$ 27.38	365,750	\$ 0.28
10						
11 DIVISION MAINTENANCE						
12 SERV ATTEN WAGES & BENEFITS	1,512,626	\$ 5.84	1,673,420	\$ 6.21	160,794	\$ 0.36
13 MECHANIC WAGES & BENEFITS	4,476,183	\$ 17.29	4,256,140	\$ 15.78	(220,043)	\$ (1.51)
14 MATERIALS & SUPPLIES	1,199,000	\$ 4.63	1,796,150	\$ 6.66	597,150	\$ 2.03
15 SERVICES	164,000	\$ 0.63	101,442	\$ 0.38	(62,559)	\$ (0.26)
16 MGT & ADMIN	1,024,343	\$ 3.96	1,425,350	\$ 5.29	401,007	\$ 1.33
17 UNIFORMS	74,000	\$ 0.29	76,942	\$ 0.29	2,942	\$ (0.00)
18 PREVENTIVE MAINTENANCE	1,800,015	\$ 6.95	3,468,730	\$ 12.86	1,668,715	\$ 5.91
19 SUB-TOTAL	10,250,167	\$ 39.59	12,798,174	\$ 47.46	2,548,007	\$ 7.87
20						
21 OTHER MAINTENANCE						
22 INVENTORY MANAGEMENT	129,579	\$ 0.50	122,199	\$ 0.45	(7,380)	\$ (0.05)
23 LOGISTICS	536,863	\$ 2.07	599,511	\$ 2.22	62,648	\$ 0.15
24 REVENUE ADMINISTRATION	1,227,571	\$ 4.74	1,237,399	\$ 4.59	9,828	\$ (0.15)
25 SUB-TOTAL	1,894,013	\$ 7.32	1,959,109	\$ 7.27	65,096	\$ (0.05)
26						
27 MAINTENANCE OF WAY						
28 ATU WAGES & BENEFITS	3,503,188	\$ 13.53	3,774,469	\$ 14.00	271,281	\$ 0.47
29 MATERIALS & SUPPLIES	291,850	\$ 1.13	294,850	\$ 1.09	3,000	\$ (0.03)
30 SERVICES	16,000	\$ 0.06	19,750	\$ 0.07	3,750	\$ 0.01
31 UNIFORMS	49,290	\$ 0.19	49,290	\$ 0.18	(0)	\$ (0.01)
32 PROPULSION POWER	6,350,000	\$ 24.53	6,670,000	\$ 24.74	320,000	\$ 0.21
33 MGT & ADMIN	918,499	\$ 3.55	805,551	\$ 2.99	(112,948)	\$ (0.56)
34 SUB-TOTAL	11,128,827	\$ 42.99	11,613,910	\$ 43.07	485,083	\$ 0.09
35						
36 MAINTENANCE SUPPORT	-	\$ -	-	\$ -	-	\$ -
37 NON-REVENUE VEHICLES	-	\$ -	-	\$ -	-	\$ -
38 FACILITIES MAINTENANCE	8,531,159	\$ 32.95	9,668,334	\$ 35.86	1,137,175	\$ 2.90
39 OTHER	-	\$ -	-	\$ -	-	\$ -
40 SUB-TOTAL	8,531,159	\$ 32.95	9,668,334	\$ 35.86	1,137,175	\$ 2.90
41						
42 TRANSIT SECURITY	12,843,543	\$ 49.61	11,789,209	\$ 43.72	(1,054,334)	\$ (5.89)
43 SAFETY	416,822	\$ 1.61	174,771	\$ 0.65	(242,051)	\$ (0.96)
44 CASUALTY & LIABILITY	2,799,507	\$ 10.81	2,732,891	\$ 10.14	(66,616)	\$ (0.68)
45 WORKERS' COMP	1,654,440	\$ 6.39	1,765,376	\$ 6.55	110,936	\$ 0.16
46 TRANSITIONAL DUTY PROGRAM	51,362	\$ 0.20	53,737	\$ 0.20	2,375	\$ 0.00
47 SUB-TOTAL	17,765,674	\$ 68.62	16,515,984	\$ 61.25	(1,249,691)	\$ (7.37)
48						
49 TRANSIT OPERATIONS SUPPORT DEPARTMENTS						
50 DEO/GM	739,640	\$ 2.86	510,978	\$ 1.90	(228,662)	\$ (0.96)
51 EO	960	\$ 0.00	-	\$ -	(960)	\$ (0.00)
52 SUPPORT SERVICES	363,546	\$ 1.40	86,283	\$ 0.32	(277,263)	\$ (1.08)
53 OPERATIONS ISF CHARGES	714,466	\$ 2.76	964,199	\$ 3.58	249,733	\$ 0.82
54 OTHER (BUS, RRC)	-	\$ -	-	\$ -	-	\$ -
55 SUB-TOTAL	1,818,612	\$ 7.02	1,561,460	\$ 5.79	(257,152)	\$ (1.23)
56						
57 OTHER UNITS						
58 BOARD	704	\$ 0.00	38,792	\$ 0.14	38,088	\$ 0.14
59 CEO/COS	170,032	\$ 0.66	359,613	\$ 1.33	189,580	\$ 0.68
60 MASD	106,661	\$ 0.41	77,337	\$ 0.29	(29,324)	\$ (0.13)
61 OTHER PROCUREMENT	496,568	\$ 1.92	381,790	\$ 1.42	(114,778)	\$ (0.50)
62 COMMUNICATIONS	804,952	\$ 3.11	1,451,947	\$ 5.38	646,996	\$ 2.28
63 OTHER FINANCE	1,136,032	\$ 4.39	910,829	\$ 3.38	(225,203)	\$ (1.01)
64 HUMAN RESOURCES	518,599	\$ 2.00	228,319	\$ 0.85	(290,280)	\$ (1.16)
65 ADMINISTRATION	1,512,482	\$ 5.84	1,547,319	\$ 5.74	34,837	\$ (0.10)
66 ENGINEERING & CONSTRUCTION	152,387	\$ 0.59	138,980	\$ 0.52	(13,407)	\$ (0.07)
67 SUB-TOTAL	4,898,418	\$ 18.92	5,134,927	\$ 19.04	236,509	\$ 0.12
68						
69 TOTAL MTA OPERATED	63,304,862	\$ 244.52	66,635,639	\$ 247.13	3,330,777	\$ 2.61
70 REVENUE SERVICE HOURS	258,896		269,641		10,745	
71						
72 Note: Reclassified to reflect the board adopted change to Prop A & C.						

APPENDIX 7: MODAL OPERATING STATISTICS

Bus	Notes	FY01 Actual	FY02 Adopted	FY03 Adopted	Inc/(Dec) Adopted
1 Fares (\$000)		\$187,206	\$212,101	\$212,605	\$504
2 Other Revenue (\$000)		\$12,998	\$14,598	\$12,913	(\$1,685)
3 Expenses (\$000)	1,4	\$651,119	\$742,627	\$747,683	\$5,056
4 Boardings (000)		336,309	385,420	391,903	6,483
5 Farebox Recovery Ratio		30.75%	30.53%	30.16%	-0.36%
6 Vehicle Service Hours (000)	4	6,538	7,485	7,542	56
7 Cost per Hour	4	\$99.59	\$99.21	\$99.14	(\$0.07)
8 Cost per Passenger Mile	5	\$0.50	\$0.54	\$0.43	(\$0.11)
9 Vehicle Service Miles (000)		80,282	91,683	91,998	315
10 Passenger Miles (000)		1,300,688	1,372,094	1,725,035	352,941
11 Fare Revenue per Boarding		\$0.56	\$0.55	\$0.54	(\$0.01)
12 Subsidy per Boarding	2	\$1.34	\$1.34	\$1.33	(\$0.01)
13 Subsidy per Passenger Mile	2	\$0.35	\$0.38	\$0.30	(\$0.07)
14 Vehicles Operated		2,026	2,129	2,123	(6)

Light Rail	Notes	FY01 Actual	FY02 Adopted	FY03 Adopted	Inc/(Dec) Adopted
15 Fares (\$000)		\$16,839	\$18,611	\$23,460	\$4,849
16 Other Revenue (\$000)		\$0	\$0	\$960	\$960
17 Expenses (\$000)	1,4	\$68,504	\$84,414	\$88,831	\$4,417
18 Boardings (000)		30,610	29,004	39,381	10,377
19 Farebox Recovery Ratio		24.58%	22.05%	27.49%	5.44%
20 Vehicle Service Hours (000)	3	186	285	303	18
21 Cost per Hour		\$369.06	\$296.40	\$293.24	(\$3.16)
22 Cost per Passenger Mile		\$0.32	\$0.42	\$0.32	(\$0.09)
23 Vehicle Service Miles (000)	3	4,367	6,879	7,317	438
24 Passenger Miles (000)	5	213,339	202,738	274,469	71,731
25 Fare Revenue per Boarding		\$0.55	\$0.64	\$0.60	(\$0.05)
26 Subsidy per Boarding	2	\$1.69	\$2.27	\$1.64	(\$0.63)
27 Subsidy per Passenger Mile	2	\$0.24	\$0.32	\$0.23	(\$0.09)

Heavy Rail	Notes	FY01 Actual	FY02 Adopted	FY03 Adopted	Inc/(Dec) Adopted
28 Fares (\$000)		\$7,944	\$12,558	\$16,016	\$3,458
29 Other Revenue (\$000)		\$2,000	\$2,027	\$2,488	\$461
30 Expenses (\$000)	1,4	\$54,407	\$63,305	\$66,636	\$3,331
31 Boardings (000)		31,191	37,502	40,446	2,944
32 Farebox Recovery Ratio		18.28%	23.04%	27.77%	4.73%
33 Vehicle Service Hours (000)	3	244	259	270	11
34 Cost per Hour		\$223.38	\$244.52	\$247.13	\$2.61
35 Cost per Passenger Mile		\$0.43	\$0.56	\$0.41	(\$0.16)
36 Vehicle Service Miles (000)	3	5,540	5,868	6,112	244
37 Passenger Miles (000)	5	126,461	112,506	163,985	51,479
38 Fare Revenue per Boarding		\$0.25	\$0.33	\$0.40	\$0.06
39 Subsidy per Boarding	2	\$1.43	\$1.30	\$1.19	(\$0.11)
40 Subsidy per Passenger Mile	2	\$0.35	\$0.43	\$0.29	(\$0.14)

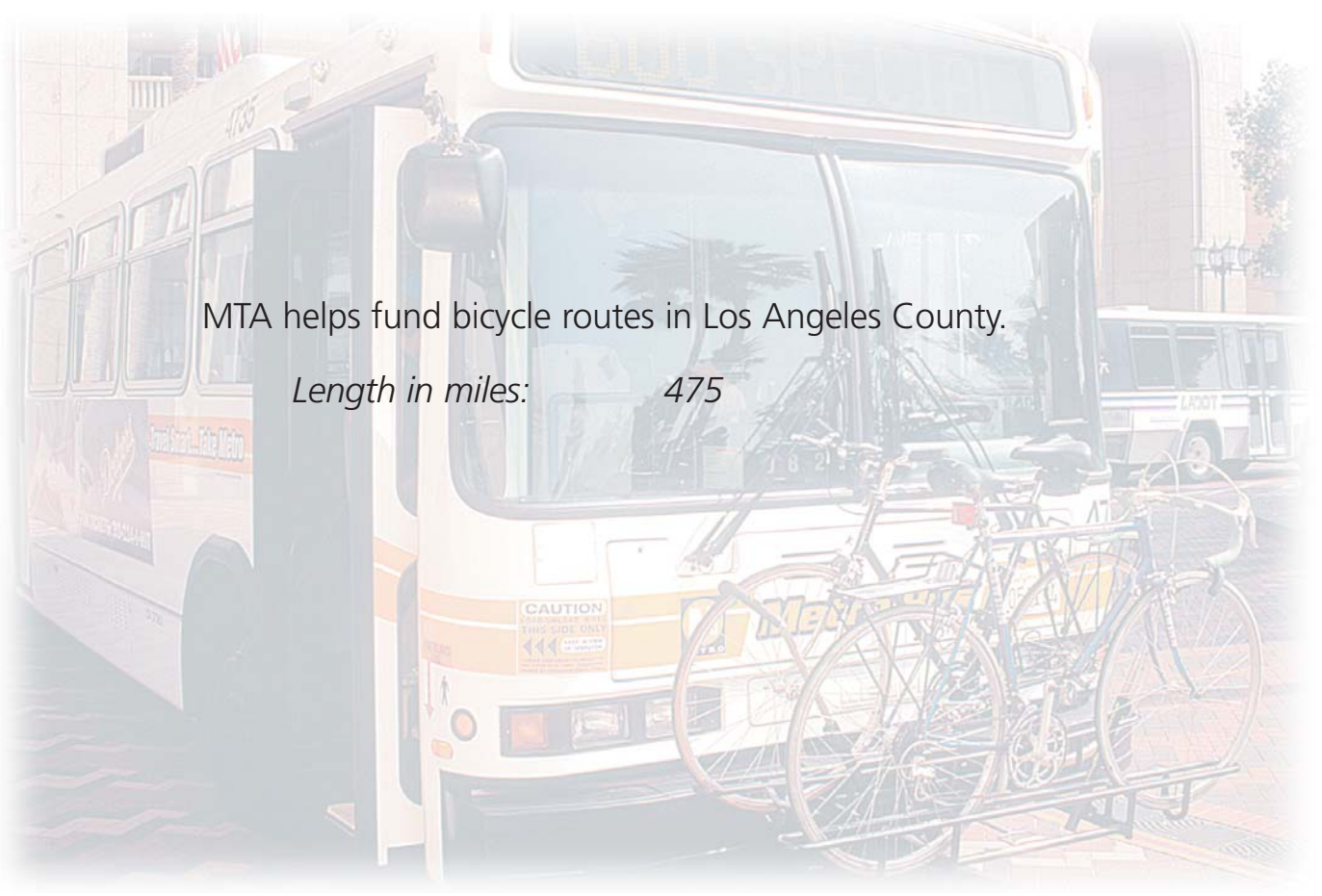
Notes:

All statistics reclassified to reflect the board adopted change to Prop A & C.

- (1) Expenses include Transitional Duty Program and interest
- (2) Subsidy excludes all operating revenue
- (3) Reflect revenue vehicle hours & miles
- (4) FY01 Actual includes impact of 32 day strike
- (5) FY01 restated to reflect updated average trip length

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GLOSSARY



MTA helps fund bicycle routes in Los Angeles County.

Length in miles: 475

FY2002-2003

ADOPTED BUDGET

TERMS

ABC	Activity Based Cost. Methodology that measures the cost and performance of activities, resources, and cost objects. Resources are assigned to activities, then activities are assigned to cost objectives based on their use. ABC recognizes the causal relationships of cost drivers to activities.
ADA	Americans with Disabilities Act. A comprehensive civil rights measure signed into law July 1990 to ensure persons with disabilities receive equal access to transportation and other services.
AFSCME	American Federation of State County and Municipal Employees. The union representing maintenance and transportation supervisors.
APC	Automatic Passenger Counters
ASI	Access Services Incorporated. ASI is a private non-profit corporation, which is the Consolidated Transportation Services (CTSA) for Los Angeles County, and as such has the responsibility to improve and coordinate the paratransit services for 187 different social service and public paratransit operators.
ATMS	Advanced Transportation Management System
ATTB	Advanced Technology Transit Bus. A fuel cell powered, zero emissions, low floor, lightweight prototype transit bus that the LACMTA is helping to fund. It uses aerospace composite material for a curb weight of 10,000 lbs. below current buses.
ATU	Amalgamated Transit Union. The union representing mechanics and other maintenance employees.
BAD	Benefit Assessment District. A limited area around public transportation stations in which non-residential property owners are taxed for benefits derived from proximity to the system.
BALANCED SCORECARD	A management instrument that translates an organization's mission and strategy into a comprehensive set of performance measures that provides a framework for strategic measurement and management. The balanced scorecard has 4 perspectives: financial management,

	customer, internal processes, and innovation or learning.
BIAS	Budget Information Analysis System. A computerized database application designed to enable departments (cost centers) to enter their budget requests and report those requests.
BOND	An interest-bearing promise to pay a specified sum of money due on a specified date.
BOS	Bus Operations Subcommittee
BRT	Bus Rapid Transit – Dedicated Busways
BSIP	Bus Service Improvement Program - Additional buses on existing lines for overcrowding relief in FY97, plus additional bus routes in FY98.
BUDGET	A plan of financial operations for a given period including proposed expenditures and revenues, and authorized staffing levels.
CAFR	Comprehensive Annual Financial Report. MTA’s annual financial statements.
CALTRANS	California Department of Transportation
CAPITAL ASSET	The acquisition of property, facility, or equipment whose cost exceeds \$2,500 per unit. Capital project costs include installation, delivery cost, sales and use taxes, and General and Administrative overhead costs.
CAPITAL FUND	Fund used to account for financial resources to be used for the acquisition or construction of major capital assets.
CAPITAL PROJECT	Major construction, acquisition, or renovation activities that add value to a government’s physical assets or significantly increase their useful life.
CBD	Central Business District
CFP	Call for Projects. Primary process for the selection of transportation improvement projects for funding with discretionary federal, state, and local revenues.
CMAQ	Congestion Mitigation and Air Quality
CNG	Compressed Natural Gas

COMMERCIAL PAPER	Short-term interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility. The maturity can range from 1 to 270 days.
CORRIDORS	Eastside light rail lines and fixed guideway projects in mid-cities and San Fernando Valley.
COSO/CSA	Committee of Sponsoring Organization/Control Self-Assessment.
CPD	Countywide Planning & Development
CPI	Consumer Price Index. A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).
CPUC	California Public Utilities Commission
CTC	California Transportation Commission
CTSA	Consolidated Transportation Services Agency. The LACMTA has been designated as the CTSA for Los Angeles County to coordinate all paratransit services to ensure compliance with the Americans with Disabilities Act (ADA).
CWO	Contract Work Order
DBE	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.
DEBT SERVICE FUND	Fund used to account for the accumulation and disbursement of resources related to the payment of general long-term debt principal and interest.
DOT	United States Department of Transportation
EEO/AA	Equal Employment Opportunity/Affirmative Action
EIR	Environmental Impact Report. A detailed statement describing and analyzing the significant environmental effects of a project, and discussing ways to mitigate or avoid those effects.
EIS	Environmental Impact Statement. Same as EIR, except prepared under the (federal) National Environmental Policy Act.

ENCUMBRANCES	The unperformed portion of a contract for goods or services.
ENTERPRISE FUND	Fund established to finance and account for the operation and maintenance of facilities and services that are entirely or predominantly self-supporting.
ESR	Engineering Service Request
FAP	Formula Allocation Program. FAP is the adopted method for allocation of federal, state, and local transit operating subsidies to Los Angeles County bus operators. The current formula allocates funds as follows: 50% based on vehicle service miles and 50% based on “fare units”. Allocations are made using audited performance data.
FAU	Federal Aid Urban. Authorized by the enactment of the Federal Highway Act every five years. Cities and the county are eligible for FAU funds for projects such as street reconstruction and widening, and installation of lights and signals.
FIS	Financial Information System. An automated, integrated financial accounting and control system.
FISCAL YEAR	The period at the end of which a governmental agency determines its financial position and results of operations. The MTA’s fiscal year begins July 1 and ends June 30 of the following calendar year.
FIXED ASSETS	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
FSP	Metro Freeway Service Patrol - Service financed by the LACMTA, which uses roving tow trucks to remove disabled vehicles and debris from freeways.
FTA	Federal Transit Administration. Formerly the Urban Mass Transportation Administration (UMTA).
FTE	Full-Time Equivalent Position. A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to a .5 of a full-time position.

FUNCTION	An activity or a group of related activities for which the Reporting Unit is responsible.
FUND	A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and changes in these assets and liabilities.
FY	See Fiscal Year.
GENERAL FUND	The General Fund is used to account for those financial resources which are not required to be accounted for in another fund.
GOALS	Target that guides an organization's efforts in moving toward a desired future state.
HEAVY RAIL	High-speed passenger rail cars operating singly or in trains of two or more cars on fixed rails in separate rights-of-way from which all other vehicular and foot traffic is excluded.
HOV	High Occupancy Vehicle lanes or Carpool lanes on freeways dedicated for use by vehicles with multiple occupants.
IMMEDIATE NEEDS TRANSPORTATION PROGRAM	As a response to the Los Angeles uprisings, the LACMTA supports the First African Methodist Episcopal Church (FAME) and the International Institute of Los Angeles to distribute taxi vouchers and bus tokens in South Central Los Angeles.
INTERNAL SERVICE FUND	Fund is used to account for the goods and services provided to MTA projects and funds on a cost reimbursement basis.
ITS	Intelligent Transportation System Technologies that use computers to monitor real time traffic flow and congestion points through pavement sensors and closed circuit cameras.
JOINT DEVELOPMENT	Projects that combine public and private resources to build mixed use development around transit station areas.
JPA	Joint Powers Authority
KEY PERFORMANCE INDICATOR	Indicators that measure and analyze performance in terms of quantity, effectiveness or efficiency.

L.A. LIGHT RAIL VEHICLE CAR	Los Angeles Light Rail Vehicle Car. Patterned after the Blue Line Car, the LA Light Rail Vehicle Car will be a generic vehicle that will allow for upgrades in technology and automation.
LACMTA	Los Angeles County Metropolitan Transportation Authority
LIGHT RAIL	Lightweight passenger rail cars operating on fixed rails in right-of-way that is not separated from other traffic for much of the way. Light rail vehicles are driven electronically with power drawn from an overhead electric line.
LOCAL RETURN	Local return is a direct share, based on population, that the 88 cities and the Los Angeles County receive from the total Propositions A and C sales tax revenue. These funds are used to support transit needs or other transportation related projects, including paratransit and fixed route service, street and road maintenance and other transit related improvements.
LOSSAN	Los Angeles-San Diego Inter-city Railway
LRT	Light Rail Transit
LRTP	Long Range Transportation Plan – 25 year plan for multi-modal transportation needs of Los Angeles County.
LRV	Light Rail Vehicle
MIS	Major Investment Study
M3	Formerly, Maintenance and Materiel Management System
METRO BLUE LINE	Long-Beach-Los Angeles Light Rail Transit Project. A 22-mile electrically powered light rail line constructed by the LACMTA. It opened for service July 14, 1990.
METRO GREEN LINE	Norwalk-El Segundo Light Rail Transit Project. A 20-mile electric rail line constructed by the LACMTA on the median of the I-105 freeway. It opened for service August 12, 1995.
METRO PASADENA GOLD LINE	Union Station to Pasadena light rail line scheduled to begin service in FY04.

METRO RED LINE - SEGMENT I	Segment I of the Metro Rail project constructed by the LACMTA from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993.
METRO RED LINE - SEGMENT II	Segment II of the Metro Rail project includes Wilshire/Alvarado west to Wilshire/Western, which opened for service in August 1996. Wilshire/Vermont north to Hollywood/Vine opened for service in June 1999.
METRO RED LINE - SEGMENT III	Segment III of the Metro Rail project includes Hollywood/Vine to North Hollywood, which opened for service in June 2000.
METROLINK	The regional commuter rail system connecting Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. Service began in October 1992.
MISSION	An enduring statement of purpose, the organization's reason for existence. Describes what the organization does, whom it does it for, and how it does it.
MODE	A particular form of transportation identified by the vehicle or mode used i.e., bus, light rail, heavy rail, or pedestrian automated guide way, bikeways, highways, arterials.
MOSIP	Municipal Operator Service Improvement Program
MOU	Memorandum of Understanding. A formal contractual agreement between two or more public agencies.
MOW	Maintenance of Way
MTA	Metropolitan Transportation Authority. Also known as LACMTA.
MULTIMODAL	Public transportation system, which employs a combination of highway, bus, rail, HOV, bikeway, pedestrian land use, and demand management systems.
MUNICIPAL OPERATOR	A city or county (including any non-profit corporation or other legal entity wholly-owned or controlled by the city or county) which operates a public transportation system, or which on July 1, 1972, financially supported in whole or in part a privately-owned public transportation system and which is not included within an existing transit district.
NON-REVENUE VEHICLES	Vehicles that do not carry fare-paying passengers.

NTD	National Transit Database. This publication consists of consolidated profiles for the thirty (30) largest transit agencies in the United States.
OBJECTIVE	Time-phased measurable accomplishment required realizing the successful completion of a strategic goal.
OCIP	Owner Controlled Insurance Program. OCIP self-insurance coverage includes workers' compensation, employer's liability, bodily injury and property damage liability, builder's risk (property), and railroad protective liability.
OVERHEAD	Expenses not directly chargeable to a particular program, which support multiple programs of the LACMTA.
PERFORMANCE INDICATORS	Specific quantitative and qualitative measure of work performed as an objective of specific departments or programs.
PERFORMANCE MEASURES	Data collected to determine how effective or efficient a program is in achieving its objectives.
PRMA	PTSC/MTA Risk Management Authority. Established in September 1998 is a public entity, between the MTA and PTSC for the purposes of establishing and operating a program of cooperative self-insurance and risk management.
PROGRAM	A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.
PROP A	Proposition A was a sales tax initiative approved by Los Angeles County voters in 1980. It established a one-half cent sales tax to be used for public transit.
PROP C	Proposition C was a sales tax approved by the Los Angeles County voters in 1990. It established a one half-cent sales tax to be used for public transportation purposes.
PTSC	Public Transportation Services Corporation. Created by the LACMTA in December 1996, the PTSC is a non-profit public benefit corporation organized under the laws of the State.

RAPID BUS	Demonstration Program based on Curitiba, Brazil Public Transportation Model. Metro Rapid is a bus operating program with several attributes to improve service operating speeds including bus signal priority, level boarding and alighting with low floor buses, headway, fewer stops, far-side intersection location of stations and active management of service operation.
REVENUE SERVICE HOURS (RSH)	Total number of scheduled hours that a bus or train is in service. This total excludes hours spent traveling to and from storage facilities and during other non-service travel.
REVENUE VEHICLE	Vehicles that carry fare-paying passengers.
REVENUE VEHICLE HOURS (RVSH)	Total number of scheduled hours that a vehicle is in service. Excludes hours spent traveling to and from storage facilities and during other non-service travel.
REVENUE VEHICLE MILES	Total number of miles traveled by a vehicle operating on rails or tracks, bus, van trolley, ferry, cable car, or other vehicle used to provide public transportation for which a fare is collected. Excludes miles spent traveling to and from storage facilities and during other non-service travel.
RFP	Request for Proposal. An RFP is a tool used by governments and businesses to purchase equipment and services by promoting competitive proposals among suppliers. Through this competitive process, suppliers offer a wide array of potential solutions and prices and compete with each other to win the business. Buyers evaluate the many different supplier solutions and pick the one that most closely fits their needs and budget.
ROD	Revenue Operations Date
RTAA	Regional Transit Alternatives Analysis
S-1 Gards	A device also called the “Dangerzone Deflector” – that can push a fallen pedestrian out from under the rear wheels of a moving bus.
SAFE	Service Authority for Freeway Emergencies, a separate legal entity. Funds generated from one dollar from each vehicle registration within Los Angeles County used to provide expanded and improved emergency call box service along the highways.

SB-45	Senate Bill 45. This bill revised the procedures for the development and implementation of the State Transportation Improvement Program.
SBE	Small Business Enterprise. Businesses in which at least 51% of the business is owned and operated primarily by socially or economically disadvantaged individuals.
SBU	Strategic Business Unit
SCADA	Supervisory Control and Data Acquisition
SCAG	Southern California Association of Governments functions as the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial. As the designated Metropolitan Planning Organization, the Southern California Association of Governments is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management, and air quality.
SCAQMD	South Coast Air Quality Management District. The non-desert portions of Los Angeles, Riverside, San Bernardino and Orange counties.
SCRRA	Southern California Regional Rail Authority. A joint powers agency including Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties formed to plan, construct, and operate the regional commuter rail system known as Metrolink.
SHORE	Support for Homeless Re-entry Program. The LACMTA provides bus tokens to Los Angeles County shelters and missions.
SPECIAL REVENUE FUND	Fund used to account for specific revenue sources (other than major capital projects) that are restricted for specified purposes.
SRTP	Short Range Transportation Plan. A five-year business plan, completed every three years, which is used for internal planning.
STA	State Transit Assistance Fund. Used to account for the revenue from the sales tax on gasoline used for transit purposes. The STA fund was created as an amendment to the Transportation Development Act of 1976.

STIP	State Transportation Improvement Program. This program was adopted by the California Transportation Commission (CTC) and serves as the primary vehicle for programming funds for highway projects.
TCU	Transportation Communications Union. Union represents clerical workers.
TDA	Transportation Development Act. Created by state law in 1972, the TDA authorized the use of ¼ of 1% of the state sales tax for transportation purposes. 1% of this revenue is allocated to the LACMTA for its transportation planning activities.
TEA-21	Transportation Equity Act for the 21 st Century. On June 9, 1998, the President signed the Transportation Equity Act for the 21st Century (TEA-21) authorizing highway, highway safety, transit and other surface transportation programs for the next 6 years.
TEAMSTERS	Union representing security guards
TIP	Transportation Improvement Program. The programming document, which establishes allocation of funding for Los Angeles County highways and transit.
TOTS	Transit Operating and Trend System
TSM	Transportation Systems Management. A program of user incentives and disincentives to maximize capacity and usage of the existing transportation network.
TVM	Ticket Vending Machines
UFS	Universal Fare System
WELFARE TO WORK	MTA in collaboration with the Los Angeles County Department of Public Social Services (DPSS) provides transportation services for welfare recipients to connect them to their jobs, healthcare, childcare and/or employment related services.