

Fiscal Year 1994-1995 Budget



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Los Angeles County Metropolitan Transportation Authority

Fiscal Year 1994 - 1995 Budget



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**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
FISCAL YEAR 1994-1995 BUDGET**

TABLE OF CONTENTS

	PAGE
I. Executive Overview	
A. MTA Overview	1
B. Mission Statement	2
C. CEO's Message	3
II. Financial Summary	11
A. FY 94-95 Budget by Major Program	12
B. FY 94-95 Revenues by Source	13
C. Summary of Major Programs by Funding Category	14
D. Comparison of Expenses by Unit/Section	16
E. Comparison of Expenses by Category	17
F. Summary of Enterprise Fund Revenue and Expenses	18
G. Revenues and Expenditures by Fund	19
III. Organizational Summary	20
A. Staffing by Unit/Section	21
B. Summary of Staffing Changes by Unit/Section	22
C. Organizational Unit and Section Descriptions	23
D. MTA Organizational Charts	30
IV. Major Project Descriptions	37
V. Appendix	
A. Description of MTA Funding Sources	45
B. Glossary	51
VI. Addendum	
Changes Between the Fiscal Year 1994-1995 Proposed and Adopted Budgets	65

**SECTION I. EXECUTIVE
OVERVIEW**

MTA OVERVIEW

On May 19, 1992, Governor Pete Wilson signed AB 152 into law to reorganize transportation services within Los Angeles County by consolidating the Los Angeles County Transportation Commission (LACTC) and the Southern California Rapid Transit District (SCRTD) to create the Los Angeles County Metropolitan Transportation Authority (MTA). In accordance with the provisions of AB 152, the LACTC and the SCRTD were abolished, and the MTA succeeded to all of the respective powers and obligations of the LACTC and the SCRTD on April 1, 1993.

The MTA plans, designs, constructs, operates, maintains, and funds for public ground transportation in Los Angeles County. The MTA's activities are broad in scope, impacting personal mobility, congestion, air quality, and the economy. High visibility MTA programs include operating over 80 percent of the public bus service in Los Angeles County, developing an urban rail system, funding the emerging HOV lane network with Caltrans, implementing transportation-related mandated programs, funding Commuter Rail activities, and maintaining programmatic oversight of local, state, and federal transportation-related funding. These programs and other activities comprise the \$2.9 billion in MTA expenditures anticipated in FY 94-95.

The MTA consists of the following units:

- o Executive Office
- o External Affairs
- o Operations
- o Planning and Programming
- o Administration
- o Construction
- o SCRRA/MetroLink

Details of the units follow in the Organizational Summary chapter of this document.

MISSION STATEMENT

"The mission of the Los Angeles County Metropolitan Transportation Authority is to design, construct, operate, and maintain a safe, reliable, affordable, and efficient transportation system that increases mobility, relieves congestion, and improves air quality to meet the needs of all Los Angeles County residents."

MTA Board
February, 1994

CEO'S MESSAGE

This proposed FY 94-95 budget reflects the difficult challenges and painful choices facing the Los Angeles County Metropolitan Transportation Authority (MTA) as it completes its first full year of existence. Los Angeles County's economic downturn has placed the MTA on a difficult financial path. This path will require tough expenditure control, capital project deferral, a fare increase, and transit service cuts.

Last year, the MTA Board was alerted to the potential for a \$126 million transit operating shortfall in FY 94-95. This estimate recognized the on-going impact of three structural problems: (1) the growing costs of existing transit operations including substantial outlays for labor under existing agreements, (2) increasing costs associated with regulatory requirements, and (3) declining fare and subsidy revenues due to the lingering recession, increasing pass usage, and no fare increase in six years.

This structural gap between operating costs and revenues has existed for several years, but had been offset previously with reserve funds. That option no longer exists since reserves are effectively exhausted. Accordingly, the proposed FY 94-95 MTA budget proposes changes and solutions that require all MTA stakeholders to share the pain necessary to balance the deficit.

The changes and solutions proposed here recognize that deficits may be reduced both by lowering costs and by increasing revenues. Where possible and sensible, operating costs have been reduced, deferred or eliminated. Capital projects requiring local operating eligible funds have been slowed. Every attempt has been made to fund eligible expenses from the operating budget with federal capital dollars. Fare increases and service cuts were considered only as a last resort.

The proposed budget is balanced, but the structural gap between operating costs and revenues is not fixed completely. Some of the proposed solutions produce only "one-time" benefit to the MTA. During the coming year, the MTA has further to go to create long-term financial stability.

The following sections explain the proposed budget. The first section details the operating shortfall and the five principal activities the MTA has undertaken to resolve it. The second section discusses our capital spending philosophy. This section is followed by a summary of the budget overview and assumptions, including summaries of the budgets for the Operations, Planning and Programming, Administration, and Construction Units.

OPERATING SHORTFALL SOLUTIONS

The now well-chronicled \$126 million shortfall in revenues required to maintain transit operations is remedied in this proposed budget using solutions examined during the year through the Finance, Budget and Efficiency Committee's Special Work Program. Additionally, the proposed budget begins to implement Deloitte and Touche's recommendations from their *Cost Reduction Project (Deloitte Study)*, which provides a framework of recommendations for achieving meaningful cost reductions over a term of one to five years.

The Special Work Program demonstrated that near-term relief from the shortfall could come only from five major areas. These areas and the amount of shortfall solution from each are shown in the table below.

Internal Cost Reductions	\$27
Net Fare Adjustments	25
Service Adjustments	21
Labor	14
New or Reallocated Resources	39
TOTAL	\$126

This budget relies on all five areas to solve the shortfall. Importantly, the solutions provide long-term structural changes that will establish an improved financial foundation on which to build.

INTERNAL COST REDUCTIONS

The MTA has pursued internal cost reductions aggressively during FY 93-94. The reduction of duplicative functions after the SCRTD-LACTC merger eliminated 246 administrative and planning staff positions. During March, the MTA initiated additional internal cost reductions that will eliminate 269 positions and save \$23 million in operating costs during FY 94-95. Since its creation, over 500 MTA administrative, planning, supervisory, and support positions have been eliminated, an approximately 6% reduction in total staff, but nearly 20% of staff not directly involved with operating, protecting or maintaining daily service.

These cost reductions are consistent with Deloitte Study recommendations to:

- o Reduce general and administrative staff in Operations;
- o Reduce Operations overhead activities;
- o Eliminate low utilization Operating Divisions - specifically Division 16;
and
- o Take full advantage of the opportunity presented by the merger to cut costs.

Other internal cost reductions will be pursued during FY 94-95 as part of on-going management efforts to reduce costs. The MTA has established an internal task force focused on restructuring the Operations Unit to improve service quality and to reduce costs. As opportunities are identified, they will be implemented. The proposed budget, however, does not rely on unspecified cost savings to offset the shortfall.

The recent decision that the MTA Transit Police Department provide security on the Blue Line should result in a \$4 million savings.

FARE ADJUSTMENTS

The MTA has held system fares constant since July 1988. Inflation-related cost growth since then has totaled 25%. A 25% increase in fare revenue to match inflation would total \$51 million in additional operating revenues. Also, MTA fare revenue per passenger boarding is more than \$.20 lower than on comparable major city systems. Increasing our revenue per boarding to match MTA's peers would produce nearly \$80 million in additional operating revenues.

After considering the above, testimony from the Fare and Service Hearing, and our fiscal situation, I propose a \$.25 fare increase that will yield \$40 million in additional operating revenue during FY 94-95. In subsequent years, the increase will, on a full annual basis, provide \$51 million. The details of this fare proposal are included in a separate report to the Board.

Notably, fare revenues have not reached levels previously forecast during FY 93-94. This fare shortage, caused by declining ridership, will produce \$15 million in additional shortfall. This current shortfall requires the use of all remaining discretionary funds to balance the FY 93-94 books.

SERVICE ADJUSTMENTS

Our philosophy in reviewing the MTA's services was to minimize the impact on our riders by eliminating high subsidy bus lines, reducing the volume of bus service paralleling rail lines, and reducing overall service levels to take account of known ridership decline.

I propose service changes and eliminations that will produce a net \$21 million reduction of operating costs during FY 94-95. Included herein is \$5 million which will be redeployed to improve service on our heaviest urban lines. The proposed budget includes 6.5 million service hours, a 375,000 service hour or five percent decrease from FY 93-94 authorized levels. Details of these service changes are provided in a separate report to the Board.

LABOR AGREEMENT RENEGOTIATION

The MTA is currently negotiating with its major labor unions. Our review of the MTA's labor contracts indicates that the existing agreements are among the most costly agreements in the nation. The Deloitte Study indicated that MTA bus operator and mechanic wages were 10% above national averages, with relatively costly fringe benefits.

Given our current financial situation, the need to raise fares and reduce service, and on-going efforts to trim internal costs, labor contract costs must not increase this year. This freeze in wages will allow the MTA to avoid the \$11.6 million of anticipated increased labor costs included in the FY 94-95 shortfall calculation. The budget also provides no salary increase for non-represented employees for the third consecutive year, a \$2.4 million savings.

NEW OR REALLOCATED RESOURCES

This proposed budget reflects our on-going effort to direct all eligible, available resources toward filling the operating revenue shortfall. Since the initial calculation of the \$126 million gap, forecasts indicate that the local economy, on which our subsidy revenues depend, has improved. These new forecasts indicate that the MTA will receive \$3 million additional funding through the countywide formula funding procedure. Also, where possible, funds previously identified as programmed to match rail capital projects and from debt service savings have been redirected to operating

needs. These resources total \$16 million. Finally, \$20 million of eligible expenses from the operating budget have been funded using federal capital sources.

PRUDENT CAPITAL INVESTMENT

Last year, we also indicated that the MTA's capital programs faced significant funding shortages. The adopted FY 93-94 budget included solutions that allowed major projects to proceed. However, estimates at that time indicated that the recession had left the MTA \$170 million short of the funding level necessary to continue major rail capital projects at their desired pace during FY 94-95.

The proposed FY 94-95 budget does not provide a long-term solution that returns the MTA's capital program to desired levels. Instead, this budget allows major capital improvement efforts to move forward at a fiscally prudent pace, funding major rail and bus capital projects, along with system maintenance, rehabilitation, and replacement. The Red Line continues on schedule, except for known delays on Segment 3 Mid-City, caused by hydrogen sulfide problems. Pasadena Blue Line construction continues with the Arroyo Seco Bridge reconstruction.

This capital program recognizes the MTA's financial limitations resulting from stresses on all of our major funding sources: federal, state, local, and private. Federal funding appropriations have been lower than in prior years. The State Transportation Improvement Program faces shortfalls. Prior aggressive implementation of major rail capital projects required local debt issuance to finance construction. The recession has limited the MTA's ability to issue additional local debt to fund large capital projects. Available local funds in excess of existing debt service are programmed for operating needs.

BUDGET OVERVIEW

The proposed \$2.9 billion FY 94-95 budget funds a variety of services, projects, and programs. Operation of bus, rail, and congestion relief services totals \$0.7 billion. Transit system capital projects total \$1.0 billion, including new rail construction and existing system maintenance and replacement. The transportation subsidy program is \$0.9 billion. Debt service of \$0.2 billion and other programs of \$0.1 billion account for the balance.

BUDGET ASSUMPTIONS

The FY 94-95 MTA budget focuses closely on the mission drafted at the February 1994 Board Retreat. A summary of top programmatic goals and service level assumptions are listed below:

OPERATIONS

The primary goal of the Operations Unit is to operate transit service that is safe, reliable, courteous, convenient and accessible, in cooperation with local communities, employers, and neighboring counties. Our operating level must acknowledge the MTA's current fiscal difficulties. During FY 94-95, key objectives will be to:

- o Improve operational efficiency through continuous improvement efforts and examination of reorganization possibilities;
- o Maintain aggressive MTA anti-graffiti efforts to combat all forms of vandalism on MTA vehicles and facilities;
- o Promote the development of clean fuel vehicles and technologies in support of regional air quality goals;
- o Improve grade crossing safety; and
- o Team with the Construction Unit to prepare for Metro Green Line start-up, including a bus-rail interface plan.

The proposed budget assumes fare increases and includes the following assumptions regarding service levels:

- o A bus revenue service hour level of 6.5 million hours;
- o A light rail revenue service hour level of 75,300 hours and a heavy rail revenue service level of 19,300 hours; and,
- o Anticipated bus and rail boardings of approximately 360-370 million passengers.

PLANNING AND PROGRAMMING

The primary goal of the Planning and Programming Unit is to develop plans, policies and funding programs, in cooperation with local communities, state and federal governments, and the private sector, that will promote an integrated, innovative and comprehensive transportation system. During FY 94-95 key objectives will be to:

- o Develop a fiscally-constrained, multimodal long-range plan for the MTA;
- o Complete final studies for MOS-3 Eastside and the San Fernando Valley East/West rail alignment, schedule, and financial plan decisions;
- o Maintain the Congestion Management Program and Deficiency Plan;
- o Obtain grants necessary to fund our projects and programs;
- o Ensure compliance with all federal, state, and local laws and regulations in the programming and delivery of transportation funding; and
- o Prepare viable financial plans for next major capital projects and needed maintenance and replacement capital costs.

ADMINISTRATION

The Administration Unit's primary goal is to develop and maintain processes and procedures that support planning, building, and operating an integrated, efficient transportation system. During FY 94-95 key objectives will be to:

- o Implement and administer a sound financial plan that provides adequate resources to accomplish the MTA mission;
- o Implement a comprehensive financial information system;
- o Complete and implement the classification/compensation program; and
- o Transition MTA security efforts to the transit police.

CONSTRUCTION

The Construction Unit's primary goal is to build a quality rail system that meets the highest engineering standards, is on schedule and within budget, and is supported by the community it serves. During FY 94-95, key objectives will be to:

- o Complete construction of the Metro Green Line and team with the Operations Unit to prepare for start-up, including a bus-rail interface plan;
- o Continue construction on the Metro Red Line Segment 2;
- o Improve construction site safety;
- o Continue work on all three extensions of the Metro Red Line Segment 3, continuing construction of the North Hollywood extension; resolving design and alignment problems caused by hydrogen sulfide on the Mid-City extension; and securing a Full Funding Grant Agreement on the Eastern Extension;
- o Continue construction of the Pasadena Blue Line bridge projects; and
- o Continue the LA Rail Car project.

CONCLUSION

In the preceding pages, I have addressed some issues which will require careful deliberation on the part of the Board. FY 94-95 will be a difficult year for the MTA financially; however, the MTA has already taken important steps toward fiscal responsibility by controlling its costs through merger and internal cost reductions. The other difficult actions needed to balance this budget are within our control.

Looking forward, our efforts during the year must continue to produce additional service and administrative efficiencies in order to achieve a self-sustaining transit system, one that lives within its means. In our capital improvement programs, we will prioritize our actions to ensure that our riders' needs are best met within existing resources. We will also pursue new resources aggressively.

**SECTION II. FINANCIAL
SUMMARY**

FINANCIAL SUMMARY

The MTA adopts an operating budget annually. Staff submits initial budget proposals based on prior organization's work programs, priorities, and assessment of current needs. Budget staff consolidates the submittal data for review by an internal review committee. Budgets are developed by each cost center within the context of the stated program and project goals and objectives with assistance from the division director and the Budget staff. After review and analysis by the Budget Office, completed cost center budgets are reviewed with their originators, project and program managers, and divisional management. While the budget is adopted in summarized form, day-to-day administration and control is exercised at the same detailed level at which the budget was developed.

The MTA's budgetary process is based on the governmental model. Modified accrual is the basis of accounting for governmental fund types. Under the modified accrual basis, revenues are recognized when they are both measurable and available. The accrual basis is used for proprietary fund types. Annual budgets are adopted at the fund level and include General, Special Revenue, Capital Projects, Debt Service, and Enterprise Funds.

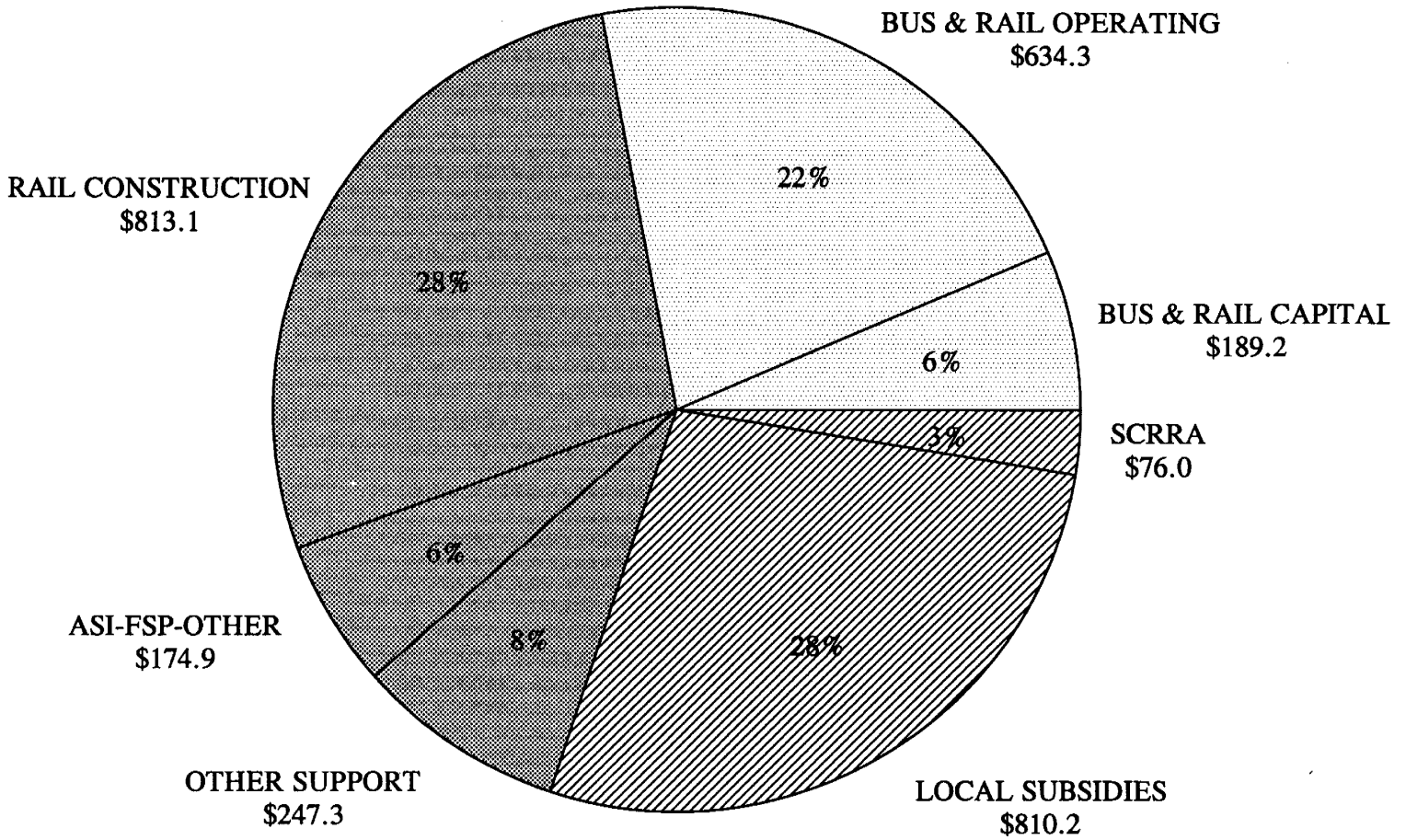
In the Capital Projects Fund, comprehensive multi-year estimate-at-complete construction budgets called Program Plans are established for each capital project. When the Board approves a project for design and construction, it also approves the budget and schedule for that project. Subsequent changes to the budget, if required, are approved individually by the Board. Only the portions of costs expected to be incurred on each project during the fiscal year are included in the annual operating budget.

The draft budget is submitted to the MTA in May and deliberations are held in public session. A final budget is then prepared by staff, incorporating revisions arising from this process, and submitted to the MTA for adoption in June.

In the Fall of 1994, a new long range plan will be presented to the Board. Adoption of the long range plan will give the Board a strategic direction to be considered in the next annual budget production cycle. Next year's goals, objective, and funding priorities will implemented the Board-approved long-range plan.

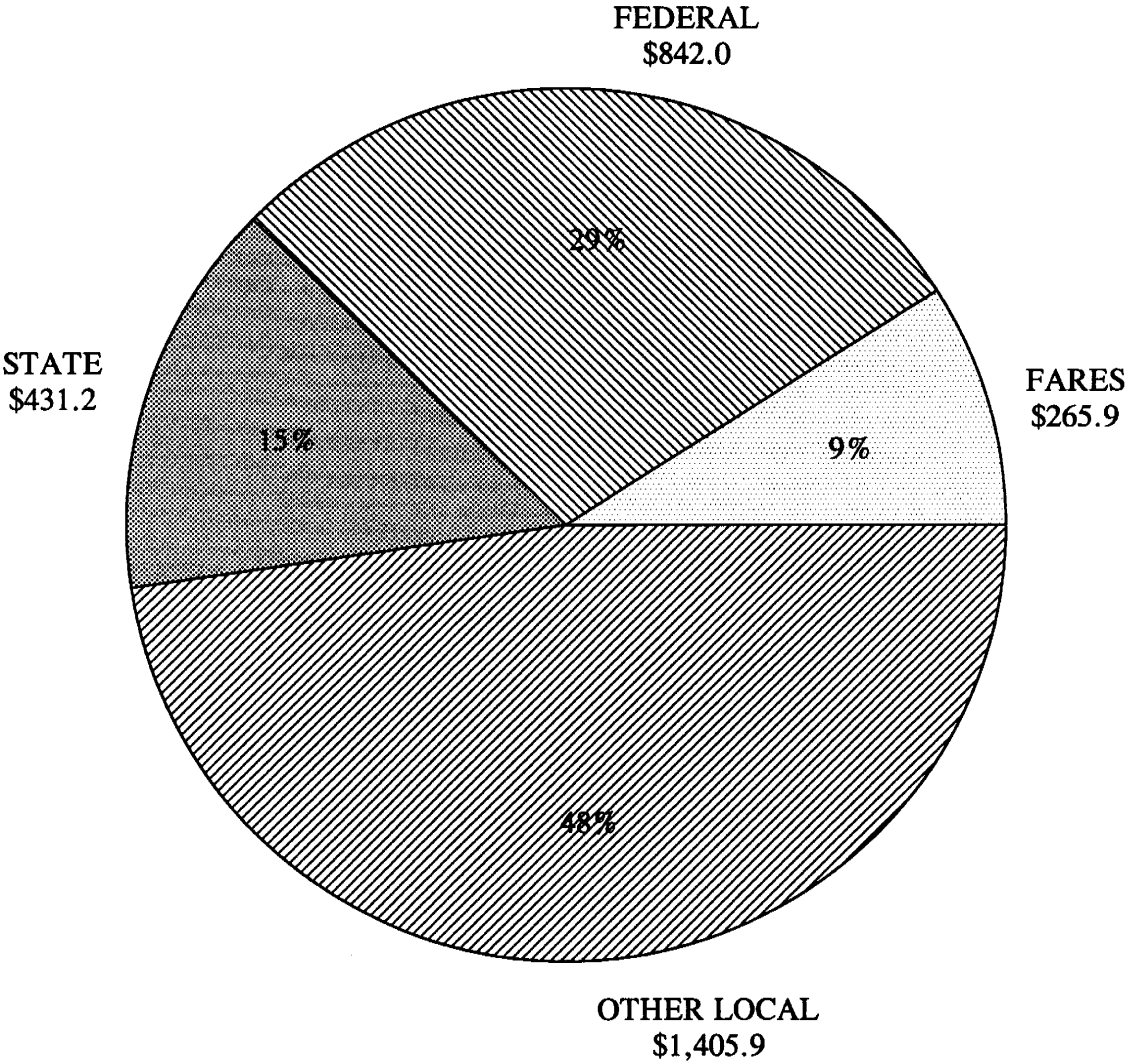
The following schedules summarize the MTA's resources by mode and source, expenditures by organization unit and expense category, and an overall summary of MTA's major programs for FY 94-95.

FY 94-95 BUDGET BY MAJOR PROGRAM \$2.9 BILLION



FY 94-95 REVENUES BY SOURCE

\$2.9 BILLION



SUMMARY OF MAJOR PROGRAMS BY FUNDING CATEGORY
 (IN MILLIONS OF \$'S)

	LOCAL FUNDS	STATE FUNDS	FEDERAL FUNDS	TOTAL
BUS & RAIL OPERATIONS	451.8	137.0	45.5	634.3
RAIL CONSTRUCTION PROJECTS				
RED LINE SEGMENT 1	11.9	0.0	0.0	11.9
RED LINE SEGMENT 2	35.5	35.3	190.4	261.2
RED LINE SEGMENT 2 ENHANCEMENTS	25.8	0.0	0.0	25.8
RED LINE SEGMENT 3 - NORTH HOLLYWOOD	14.5	16.9	111.0	142.4
RED LINE SEGMENT 3 - MID CITY	4.2	0.0	0.0	4.2
RED LINE SEGMENT 3 - EASTERN EXTENSION	2.0	0.0	54.8	56.8
SEGMENT 3 ENHANCEMENTS	0.3	0.0	0.0	0.3
PASADENA LINE	113.4	10.0	0.0	123.4
GREEN LINE	47.2	74.8	0.0	122.0
LA RAIL CARS	18.3	17.3	6.1	41.7
PROGRAMMED RAIL SET-ASIDE	3.1	10.0	0.0	13.1
SYSTEMWIDE AGENCY COST	10.3	0.0	0.0	10.3
RAIL CONSTRUCTION PROJECTS TOTAL	286.5	164.3	362.3	813.1
BUS AND MINOR RAIL CAPITAL				
BUS CAPITAL	37.5	0.0	103.4	140.9
MINOR RAIL CAPITAL	5.6	0.0	9.8	15.4
UNION STATION GATEWAY INTERMODAL TRANSIT CENTER	3.2	17.5	9.2	29.9
TRANSIT POLICE	3.0	0.0	0.0	3.0
BUS AND MINOR RAIL CAPITAL TOTAL	49.3	17.5	122.4	189.2
RAIL PLANNING & PROGRAM SUPPORT				
METRO RED LINE WEST	3.0	0.0	0.0	3.0
METRO RED LINE EAST	2.1	0.0	0.0	2.1
SAN FERNANDO VALLEY LINE	2.0	0.0	0.0	2.0
OTHER PLANNING STUDIES & PROGRAM SUPPORT	10.6	0.0	0.0	10.6
RAIL PLANNING & PROGRAM SUPPORT TOTAL	17.7	0.0	0.0	17.7
PLANNING STUDIES & PROGRAM SUPPORT				
TRANSIT/TRANSIT ENHANCEMENTS	7.9	0.0	0.0	7.9
COMMUTER RAIL	1.1	0.0	0.0	1.1
HIGHWAYS/BIKEWAYS	2.6	0.3	2.4	5.3
CMP/TDM/TSM	2.2	1.6	0.0	3.8
BENEFIT ASSESSMENT DISTRICTS	0.6	0.0	0.0	0.6
EARTHQUAKE PLANNING AND COORDINATION	0.0	0.0	0.1	0.1
CONSTITUENT OUTREACH	0.7	0.0	0.0	0.7
PLANNING STUDIES & PROGRAM SUPPORT TOTAL	15.1	1.9	2.5	19.5
FREEWAY SERVICE PATROL (FSP) & MOTORIST ASSISTANCE				
FSP/TOW SERVICE PATROL	21.5	4.8	1.1	27.4
MAJOR INCIDENT RESPONSE	4.7	0.0	0.0	4.7
SAFE	7.1	0.0	0.0	7.1
FSP & MOTORIST ASSISTANCE TOTAL	33.3	4.8	1.1	39.2

SUMMARY OF MAJOR PROGRAMS BY FUNDING CATEGORY
 (IN MILLIONS OF \$'S)

	LOCAL FUNDS	STATE FUNDS	FEDERAL FUNDS	TOTAL
PARATRANSIT SERVICE - METRO ACCESS	18.1	0.0	0.0	18.1
AGENCY SUPPORT				
FUNDS ADMINISTRATION	1.7	0.0	0.0	1.7
MTA HEADQUARTERS BUILDING	72.8	0.0	0.0	72.8
FINANCIAL MANAGEMENT INFORMATION SYSTEM (FMIS)	5.0	0.0	0.0	5.0
PROPERTY MANAGEMENT	0.9	0.0	0.0	0.9
AGENCY SUPPORT TOTAL	80.4	0.0	0.0	80.4
MTA SUBTOTAL (WITHOUT OVERHEAD & DEBT SERVICE)	952.2	325.5	533.8	1,811.5
OTHER COSTS				
ALLOCATED CAPITAL OVERHEAD	50.3	0.0	0.0	50.3
DEBT SERVICE	197.0	0.0	0.0	197.0
OTHER COSTS TOTAL	247.3	0.0	0.0	247.3
MTA SUBTOTAL	1,199.5	325.5	533.8	2,058.8
SCRRRA SUBSIDY (OPERATING & CAPITAL)	46.0	18.6	11.4	76.0
LOCAL SUBSIDIES	426.3	87.1	296.8	810.2
TOTAL	1,671.8	431.2	842.0	2,945.0

EXPENSES BY UNIT/SECTION
 (IN MILLIONS OF \$'S)

UNIT/SECTION	FY 93-94 BUDGET	FY 93-94 ESTIMATE	FY 94-95 ADOPTED	FY 93-94 BUDGET TO FY 94-95 ADOPTED AMOUNT	%
EXECUTIVE OFFICE					
CHIEF EXECUTIVE OFFICER	1.8	2.3	2.0	0.2	11%
EQUAL OPPORTUNITY	4.7	5.5	6.2	1.5	32%
EXECUTIVE OFFICE TOTAL	6.5	7.8	8.2	1.7	26%
BOARD OFFICIALS					
BOARD SECRETARY	1.1	0.9	1.2	0.1	9%
GENERAL COUNSEL	2.4	2.4	5.2	2.8	117%
INSPECTOR GENERAL	0.8	1.1	2.2	1.4	175%
BOARD OFFICIALS TOTAL	4.3	4.4	8.6	4.3	100%
EXTERNAL AFFAIRS					
INTERGOVERNMENTAL AFFAIRS	3.6	5.7	4.3	0.7	19%
PUBLIC COMMUNICATIONS	7.2	5.1	6.9	(0.3)	-4%
EXTERNAL AFFAIRS TOTAL	10.8	10.8	11.2	0.4	4%
OPERATIONS					
EXECUTIVE OFFICER	1.8	1.6	5.1	3.3	183%
BUS OPERATIONS	443.5	457.4	385.9	(57.6)	-13%
RAIL OPERATIONS	37.7	37.2	26.8	(10.9)	-29%
FACILITIES MAINTENANCE	40.2	35.8	37.2	(3.0)	-7%
SCHEDULING & OPERATIONS PLANNING	7.5	9.0	6.9	(0.6)	-8%
CUSTOMER RELATIONS	11.3	12.3	10.1	(1.2)	-11%
ENGINEERING & MATERIEL	35.6	22.9	56.3	20.7	58%
OPERATIONS TOTAL	577.6	576.2	528.3	(49.3)	-9%
PLANNING & PROGRAMMING					
EXECUTIVE OFFICER	1.7	0.3	0.6	(1.1)	-65%
COUNTYWIDE PLANNING	21.3	2.3	22.0	0.7	3%
MULTIMODAL PLANNING	116.6	13.3	24.4	(92.2)	-79%
CAPITAL PLANNING	4.4	2.0	2.4	(2.0)	-45%
PLANNING & PROGRAMMING TOTAL	144.0	17.9	49.4	(94.6)	-66%
ADMINISTRATION, SECURITY & FINANCE					
EXECUTIVE OFFICER	0.7	0.6	0.6	(0.1)	-14%
FINANCE	25.4	55.0	28.0	2.6	10%
AUDIT	3.2	2.8	3.1	(0.1)	-3%
FACILITIES & PROCUREMENT	222.4	49.4	136.3	(86.1)	-39%
ADMINISTRATIVE SERVICES	25.1	22.4	24.4	(0.7)	-3%
TRANSIT POLICE	22.8	25.9	31.1	8.3	36%
ADMIN., SECURITY & FINANCE TOTAL	299.6	156.1	223.5	(76.1)	-25%
CONSTRUCTION					
	796.8	591.1	686.9	(109.9)	-14%
BUS AND RAIL OPERATIONS CAPITAL					
	147.6	94.2	258.2	110.6	75%
NON-DEPARTMENTAL					
	335.9	245.3	284.5	(51.4)	-15%
MTA EXPENSES SUB-TOTAL					
	2,323.1	1,703.8	2,058.8	(264.3)	-11%
SCRR/METROLINK					
	124.0	46.7	76.0	(48.0)	-39%
LOCAL TRANSPORTATION SUBSIDIES					
	1,056.8	857.0	810.2	(246.6)	-23%
TOTAL EXPENSES					
	3,503.9	2,607.5	2,945.0	(558.9)	-16%

EXPENSES BY EXPENSE CATEGORY
 (IN MILLIONS OF \$'S)

EXPENSE CATEGORY	FY 93-94 BUDGET	FY 93-94 ESTIMATE	FY 94-95 ADOPTED	FY 93-94 BUDGET TO FY 94-95 ADOPTED	
				AMOUNT	%
LABOR & FRINGE BENEFITS	569.4	569.9	521.7	(47.7)	-8%
PROFESSIONAL SERVICES	180.0	37.3	128.1	(51.9)	-29%
MATERIALS & SUPPLIES	81.9	85.5	68.1	(13.8)	-17%
UTILITIES	14.4	14.2	14.6	0.2	1%
CASUALTY & LIABILITY	27.4	24.4	30.4	3.0	11%
MISCELLANEOUS EXPENSES	9.8	13.6	14.9	5.1	52%
LEASES & RENTALS	13.7	12.6	14.1	0.4	3%
DEBT SERVICE & INTEREST	268.5	170.1	211.7	(56.8)	-21%
RAIL CONSTRUCTION	811.5	552.2	689.7	(121.8)	-15%
BUS AND RAIL OPERATIONS CAPITAL	147.6	94.2	258.2	110.6	75%
REAL ESTATE ACQUISITIONS	198.9	50.6	107.3	(91.6)	-46%
MTA EXPENSES SUB-TOTAL	2,323.1	1,624.6	2,058.8	(264.3)	-11%
SCRRA/METROLINK	124.0	46.7	76.0	(48.0)	-39%
LOCAL TRANSPORTATION SUBSIDIES	1,056.8	936.2	810.2	(246.6)	-23%
TOTAL EXPENSES	3,503.9	2,607.5	2,945.0	(558.9)	-16%

SUMMARY OF BUS AND RAIL OPERATIONS REVENUES AND EXPENSES
 (IN MILLIONS OF \$'S)

	FY 93-94 BUDGET	FY 93-94 ESTIMATE	FY 94-95 ADOPTED	FY 93-94 BUDGET TO FY 94-95 ADOPTED AMOUNT	%
REVENUES					
BUS FARE REVENUE	216.9	199.7	233.8	16.9	8%
ADVERTISING & AUXILIARY	16.7	15.8	17.2	0.5	3%
FORMULA ALLOCATION	279.8	279.8	302.8	23.0	8%
TDA CAPITAL	(14.2)	(17.8)	(28.3)	(14.1)	99%
TDA CAPITAL CONTRIBUTION	5.0	0.0	0.0	(5.0)	-100%
OTHER SUBSIDIES	3.2	6.4	4.4	1.2	37%
PROP C 40% DISCRETIONARY RESERVES	25.3 84.8	25.3 111.4	16.0 0.0	(9.3) (84.8)	-37% -100%
SUBTOTAL BUS REVENUES	617.5	620.6	545.9	(71.6)	-12%
RAIL FARE REVENUE	7.2	5.8	7.9	0.7	10%
STA POPULATION SHARE	8.3	8.3	8.4	0.1	1%
PROP C 40% DISCRETIONARY	40.1	40.1	39.0	(1.1)	-3%
SUBTOTAL RAIL REVENUES	55.6	54.2	55.3	(0.3)	-1%
PROP C 5% SECURITY	22.5	22.5	18.5	(4.0)	-18%
PROP C 40% DISCRETIONARY	14.5	14.5	14.6	0.1	1%
SUBTOTAL SECURITY REVENUES	37.0	37.0	33.1	(3.9)	-11%
TOTAL REVENUES	710.1	711.8	634.3	(75.8)	-11%
EXPENSES					
BUS OPERATIONS	617.5	620.6	545.9	(71.6)	-12%
BLUE LINE	38.2	36.3	37.3	(0.9)	-2%
RED LINE	17.4	17.9	18.0	0.6	3%
SUBTOTAL RAIL EXPENSES	55.6	54.2	55.3	(0.3)	-1%
BUS SECURITY	19.1	19.1	19.7	0.6	3%
BLUE LINE SECURITY	14.5	14.5	10.0	(4.5)	-31%
RED LINE SECURITY	3.4	3.4	3.4	0.0	0%
SUBTOTAL SECURITY EXPENSES	37.0	37.0	33.1	(3.9)	-11%
TOTAL EXPENSES	710.1	711.8	634.3	(75.8)	-11%
REVENUE - EXPENSE	0.0	0.0	0.0	0.0	NA

REVENUES AND EXPENDITURES BY FUND
 (IN MILLIONS OF \$'S)

	GENERAL	-- SPECIAL REVENUE --			DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE FUND	MEMO ONLY TOTAL
		PROP A	PROP C	OTHER				
REVENUES								
SALES TAXES		\$379.0	\$373.3					\$752.3
INTERGOVERNMENTAL				671.3		534.3	2.8	1,208.4
FARES/OPERATING REVENUES						7.0	258.9	265.9
INTEREST		3.0	3.0					6.0
OTHER								0.0
TOTAL REVENUES	0.0	382.0	376.3	671.3	0.0	541.3	261.7	2,232.6
EXPENDITURES								
PERSONNEL	10.9	0.6	5.8	2.8		37.5	466.8	524.4
ADMINISTRATIVE	12.1	0.4	52.1	16.2		35.4	148.1	264.3
CAPITAL	0.1					258.4		258.5
CONSTRUCTION			0.4	3.1		686.1		689.6
LOCAL TRANSPORTATION SUPPORT		137.2	284.7	386.1		64.4		872.4
DEBT SERVICE		2.0			195.0		14.7	211.7
REAL ESTATE						107.3		107.3
OTHER	0.4	8.0	0.2	0.2		3.3	4.7	16.8
TOTAL EXPENDITURES	23.5	148.2	343.2	408.4	195.0	1,192.4	634.3	2,945.0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23.5)	233.8	33.1	262.9	(195.0)	(651.1)	(372.6)	(712.4)
OTHER FINANCING SOURCES/(USES)								
OPERATING TRANSFERS IN	25.8				141.8	492.5	372.6	1,032.7
OPERATING TRANSFERS OUT		(359.7)	(245.7)	(427.3)				(1,032.7)
PROCEEDS FROM FINANCING			5.9		38.4	135.7		180.0
TOTAL OTHER FINANCING SOURCES (USES)	25.8	(359.7)	(239.8)	(427.3)	180.2	628.2	372.6	180.0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2.3	(125.9)	(206.7)	(164.4)	(14.8)	(22.9)	0.0	(532.4)
ESTIMATED FUND BALANCES, 7/1/94	0.0	163.6	314.0	401.1	97.8	98.1	0.0	1,074.6
ESTIMATED FUND BALANCES, 6/30/95	2.3	37.7	107.3	236.7	83.0	75.2	0.0	542.2

**SECTION III.
ORGANIZATIONAL SUMMARY**

ORGANIZATIONAL SUMMARY

The proposed organization reflects a three percent decrease in FY 94-95 staffing from the FY 93-94 authorized levels. Additionally, the proposed positions are consistent with the internal cost reduction presented to the Board during the current fiscal year.

This Section includes the following:

- o Staffing by Unit/Section
- o Summary of Staffing Changes by Unit/Section
- o Detailed Organizational Unit/Section Descriptions
- o Organizational Charts

STAFFING BY UNIT/SECTION

UNIT/SECTION	FY 93-94 CURRENTLY AUTHORIZED	FY 93-94 FILLED	FY 94-95 ADOPTED	FY 93-94 AUTHORIZED TO FY 94-95 ADOPTED AMOUNT	%
EXECUTIVE OFFICE					
CHIEF EXECUTIVE OFFICER	16	15	15	(1)	-6%
EQUAL OPPORTUNITY	34	21	39	5	15%
EXECUTIVE OFFICE TOTAL	50	36	54	4	8%
BOARD OFFICIALS					
BOARD SECRETARY	13	10	13	0	0%
GENERAL COUNSEL	16	13	15	(1)	-6%
INSPECTOR GENERAL	25	19	25	0	0%
BOARD OFFICIALS TOTAL	54	42	53	(1)	-2%
EXTERNAL AFFAIRS					
INTERGOVERNMENTAL AFFAIRS	38	26	34	(4)	-11%
PUBLIC COMMUNICATIONS	44	35	42	(2)	-5%
EXTERNAL AFFAIRS TOTAL	82	61	76	(6)	-7%
OPERATIONS					
EXECUTIVE OFFICER	23	22	30	7	30%
BUS OPERATIONS	6,273	6,185	5,795	(478)	-8%
RAIL OPERATIONS	328	279	399	71	22%
FACILITIES MAINTENANCE	362	346	401	39	11%
SCHEDULING & OPERATIONS PLANNING	124	119	110	(14)	-11%
CUSTOMER RELATIONS	200	192	189	(11)	-6%
ENGINEERING & MATERIEL	257	251	262	5	2%
OPERATIONS TOTAL	7,567	7,394	7,186	(381)	-5%
PLANNING & PROGRAMMING					
EXECUTIVE OFFICER	5	5	4	(1)	-20%
COUNTYWIDE PLANNING	43	35	36	(7)	-16%
MULTIMODAL PLANNING	60	50	53	(7)	-12%
CAPITAL PLANNING	31	23	26	(5)	-16%
PLANNING & PROGRAMMING TOTAL	139	113	119	(20)	-14%
ADMINISTRATION, SECURITY & FINANCE					
EXECUTIVE OFFICER	5	5	5	0	0%
FINANCE	160	151	171	11	7%
AUDIT	21	21	21	0	0%
FACILITIES & PROCUREMENT	291	266	299	8	3%
ADMINISTRATIVE SERVICES	193	176	201	8	4%
TRANSIT POLICE	439	377	539	100	23%
ADMIN., SECURITY & FINANCE TOTAL	1,109	996	1,236	127	11%
CONSTRUCTION	161	149	164	3	2%
NON-DEPARTMENTAL	0	0	0	0	NA
MTA STAFFING SUB-TOTAL	9,162	8,791	8,888	(274)	-3%
SCRRA/METROLINK	45	24	47	2	4%
TOTAL STAFFING	9,207	8,815	8,935	(272)	-3%

SUMMARY OF STAFFING CHANGES BY UNIT/SECTION

UNIT/SECTION	JAN. 1, 1994		POST COST-		FY 94-95 ADOPTED
	FY 93-94 BUDGET	AUTHORIZED POSITIONS	CURRENTLY AUTHORIZED	REDUCTION STAFFING	
EXECUTIVE OFFICE					
CHIEF EXECUTIVE OFFICER	7	13	16	15	15
EQUAL OPPORTUNITY	35	35	34	34	39
EXECUTIVE OFFICE TOTAL	42	48	50	49	54
BOARD OFFICIALS					
BOARD SECRETARY	11	13	13	12	13
GENERAL COUNSEL	15	16	16	15	15
INSPECTOR GENERAL	10	10	25	25	25
BOARD OFFICIALS TOTAL	36	39	54	52	53
EXTERNAL AFFAIRS					
INTERGOVERNMENTAL AFFAIRS	41	41	38	34	34
PUBLIC COMMUNICATIONS	33	44	44	42	42
EXTERNAL AFFAIRS TOTAL	74	85	82	76	76
OPERATIONS					
EXECUTIVE OFFICER	23	23	23	23	30
BUS OPERATIONS	6,273	6,273	6,273	6,092	5,795
RAIL OPERATIONS	328	328	328	318	399
FACILITIES MAINTENANCE	362	362	362	352	401
SCHEDULING & OPERATIONS PLANNING	124	124	124	112	110
CUSTOMER RELATIONS	200	200	200	193	189
ENGINEERING & MATERIEL	257	257	257	242	262
OPERATIONS TOTAL	7,567	7,567	7,567	7,332	7,186
PLANNING & PROGRAMMING					
EXECUTIVE OFFICER	7	7	5	4	4
COUNTYWIDE PLANNING	36	36	43	38	36
MULTIMODAL PLANNING	68	63	60	51	53
CAPITAL PLANNING	30	30	31	26	26
PLANNING & PROGRAMMING TOTAL	141	136	139	119	119
ADMINISTRATION, SECURITY & FINANCE					
EXECUTIVE OFFICER	6	5	5	5	5
FINANCE	148	159	160	160	171
AUDIT	21	22	21	21	21
FACILITIES & PROCUREMENT	271	251	291	291	299
ADMINISTRATIVE SERVICES	186	193	193	193	201
TRANSIT POLICE	439	439	439	439	539
ADMIN., SECURITY & FINANCE TOTAL	1,071	1,069	1,109	1,109	1,236
CONSTRUCTION	174	161	161	153	164
NON-DEPARTMENTAL	0	0	0	0	0
MTA STAFFING SUB-TOTAL	9,105	9,105	9,162	8,890	8,888
SCRRA/METROLINK	49	49	45	45	47
MTA STAFFING TOTAL	9,154	9,154	9,207	8,935	8,935

ORGANIZATIONAL UNIT AND SECTION DESCRIPTIONS

The MTA is comprised of four functional units: Operations, Planning and Programming, Administration, and Construction. Three additional units, Equal Opportunity, External Affairs, and SCRRRA/Metrolink, report directly to the office of the CEO.

OFFICE OF THE CHIEF EXECUTIVE OFFICER

The Office of the Chief Executive Officer (CEO) is responsible for managing all MTA activities, as well as proposing and monitoring goals and objectives to effectively and efficiently achieve MTA Board policy directives.

Equal Opportunity

The Equal Opportunity Section is responsible for developing, implementing, and monitoring the MTA's Equal Opportunity Program; ensuring that personnel policies and procedures are in compliance with Equal Employment Opportunity (EEO) laws and regulations; ensuring the maximum appropriate utilization of women and minority-owned businesses (WBE/MBE) in all MTA contract procurement and activities; and ensuring that MTA contractors and subcontractors adhere to applicable EEO and WBE/MBE contract provisions.

BOARD OFFICIALS

Board Secretary

The Board Secretary is the official custodian of records for the Authority and has the following responsibilities: to issue notices, agendas and minutes for Board meetings and public hearings per applicable laws; to keep and update the rules and regulations of the Authority; to act as filing officer for all Code of Conduct processes; to train and monitor employees and Board officials and members on areas of ethics; and to register lobbyists.

General Counsel

General Counsel serves as legal advisor to the Board of Directors, CEO and other agency management to ensure that policies and procedures comply with applicable laws and regulations. In addition, General Counsel represents the MTA in lawsuits, arbitrations, and other matters before the courts, and approves all form of contracts.

Inspector General

The Inspector General investigates allegations of fraud, waste, and abuse of MTA resources; engages in proactive measures to identify and alert management to potential problems; and is responsible for monitoring the agency's compliance with the Ethics Policy.

EXTERNAL AFFAIRS

The External Affairs Unit manages the intergovernmental relations and public communications for the MTA.

Intergovernmental Relations

Intergovernmental Relations is comprised of two sections: Federal, State and Regional Government Relations, and Multimodal & Local Government Relations. The unit develops, advocates, and implements the MTA's legislative program, analyzes proposed legislation, rules and regulations, facilitates relations between the MTA and Federal, State, Regional, and Local government officials, conducts public outreach programs with community organizations and representatives to mitigate Metro construction, and balances community needs and support for MTA multimodal service delivery and operations.

Public Communications

Public Communications is comprised of three sections: Media Relations, the Art for Rail Transit (A-R-T) Program, and Marketing. The unit manages public relations goals, strategies, programs and activities including print, video, and broadcast media relations, public communications, advertising, marketing research/surveys, vandalism/graffiti abatement, safety education, communications with constituent groups and MTA employees, public communication through temporary and permanent public art and review of all items impacting the public perception of transportation projects and services.

OPERATIONS

The Operations Unit provides reliable and cost-effective bus, rail, and congestion relief service.

Executive Officer - Operations

The Executive Officer - Operations Section is responsible for quality control of all transit service delivery to the public. The Section manages the MTA's transportation, equipment maintenance and facilities programs, and all other areas which directly relate to service. This Section is also responsible for managing the MTA's service privatization and contracts.

Bus Operations

The Bus Operations Section directly operates the MTA's bus service and administers the MTA's Emergency Preparedness Plan. The Section coordinates and supervises the coordinated operation of assigned bus schedules and routes, and provides training and supervision for all bus operators to ensure safe, reliable, and courteous transit service. It is also responsible for providing a clean, safe, and mechanically reliable operating bus fleet to meet the MTA's service commitments. Additionally, the Section is responsible for the light and heavy maintenance of all revenue and non-revenue equipment which is performed within 13 divisions, the regional rebuild center and three satellite operations. The Section also provides training and supervision for all mechanical and service personnel to ensure clean, safe and reliable equipment.

Rail Operations

The Rail Operations Section directly operates the MTA's rail service and maintains the rail fleet. The Section supervises the operation of assigned rail schedules provides training and supervision for all rail operator, mechanical and service personnel to ensure clean, safe and reliable equipment and courteous service.

Facilities Maintenance

The Facilities Maintenance Section is responsible for the maintenance of MTA-owned buildings, service facilities, shop equipment, and fixed guideways. In addition, the Section plans, programs, implements, and maintains the MTA's electronic communications network and equipment; maintains bus stop and rail station signage; provides coordination for rail activity; and manages the Freeway Service Patrol program.

Scheduling and Operations Planning

The Scheduling and Operations Planning Section generates operating schedules for bus and rail service. This activity entails planning and implementing cost-effective programs designed to improve service quality and reduce operating costs. The Section is also responsible for the collection and validation of data related to schedule adherence, passenger boardings, and fare payment.

Customer Relations

The Customer Relations Section provides individualized customer service to the bus and rail-riding public. Services provided include the sale of monthly passes and discount fare tokens, a multilingual telephone information program, and maintenance of passenger relations.

Engineering and Materiel

The Engineering and Materiel Section performs all equipment engineering activities in the design and technology phase, and provides inventory management, central warehousing, stores management, material distribution and building services. Projects currently under development include the Advanced Technology Transit Bus and exploration of alternative fuels. This Section is also responsible for bus and non-revenue vehicle procurement.

PLANNING AND PROGRAMMING

The Planning and Programming Unit is responsible for coordination and oversight of the management and implementation of multimodal transportation projects in the Los Angeles County, as well as providing direction and expertise in the implementation of other MTA projects.

Countywide Planning

The Countywide Planning Section supports countywide initiatives through the oversight of systems planning and integration, modeling activities, systems data analysis, signal support, and the implementation of the ADA-mandated Metro Access service and the Congestion Management Program. Countywide Planning is responsible for coordinating transit services among all Los Angeles County operators.

Multimodal Planning

The Multimodal Planning Section oversees the efforts of the Multimodal area teams to plan, program, budget, and implement transportation services and projects, and ensure administration of Federal, State, and Local funding programs for local jurisdictions and transit operators and the integration of these projects with local plans and community interests. In addition, oversight is provided for Joint Development which develops and implements programs to generate revenue from MTA station areas and properties.

Capital Planning

The Capital Planning Section is responsible for the identification and securing of funding opportunities and programming of those funds toward the Los Angeles County's transportation projects. As part of this responsibility, oversight is provided for the administration of Benefit Assessment Districts, the Transportation Improvement Plan (TIP), and the Long Range Plan.

ADMINISTRATION, SECURITY, AND FINANCE

The Administration, Security, and Finance Unit provides oversight critical to those functions supporting the day-to-day operations of the MTA.

Finance

The Finance Section prepares and administers the annual operating and capital budgets; collects, tracks, and disburses funds from all available sources, forecasts and monitors receipts of all revenue sources; ensures compliance with all federal and state funding statutes and bond covenants; structures debt in a creative yet prudent manner, and protects the financial assets of the MTA; and renders services and assistance to other sections and units in a timely and professional manner.

Internal Audit

The Internal Audit Section performs operational and financial audits of MTA entities in order to evaluate and assess agency operations, and to determine the efficiency of various agency functions and activities. Internal Audit is also responsible for pre-award and close-out audits for all MTA vendors.

Facilities and Procurement

The Facilities and Procurement Section is responsible for facilities support, real estate management, and procurement.

Administrative Services

The Administrative Services Section is responsible for human resources, management information systems, labor relations, and management support. The Information Systems Section is responsible for providing computerized management information systems, data processing services, information security, and records management assistance in support of the MTA.

Transit Police

The Transit Police Section is responsible for augmenting local law enforcement efforts to provide security and protection for transit riders. In addition, the Section is responsible for internal security of MTA employees, revenues, and property.

CONSTRUCTION

Executive Officer - Construction

The Executive Officer - Construction leads the Construction Unit in the development and implementation of major MTA capital projects in accordance with adopted MTA policies and procedures.

Project Management

Project Management leads, directs, and manages the engineering and construction of major MTA capital projects in accordance with approved budget and schedules.

Engineering Management

The engineering departments are directly responsible for managing rail facilities and systems design consultants in the preparation of design criteria, drawings and specifications for design and construction of major rail projects; coordination of master cooperative agreements between the MTA and other public agencies; and planning and implementing rail activation and start-up activities.

Systems Safety and Security/Construction Safety

This department manages the overall MTA Safety Certification; Fire/Life Safety Programs; and construction safety programs on all MTA capital projects.

Construction Management

The Construction Department provides management and oversight of all construction activities, environmental mitigation efforts, and hazardous materials identification and mitigation activities on major MTA capital projects.

Contracts Management

The Contracts Department directs the preparation of requests for proposals; administers professional services, construction and procurement contracts on major MTA capital projects; monitor contract compliance, and vendor relations activities; and monitor compliance with Disadvantage Business Enterprise, and Women-owned Business Enterprises programs.

Program Management

The Program Management Department is responsible for managing project budgets, design and construction schedules, cash flow and commitment plans, funding allocations, configuration management processes, and all project management information systems on major MTA rail capital projects.

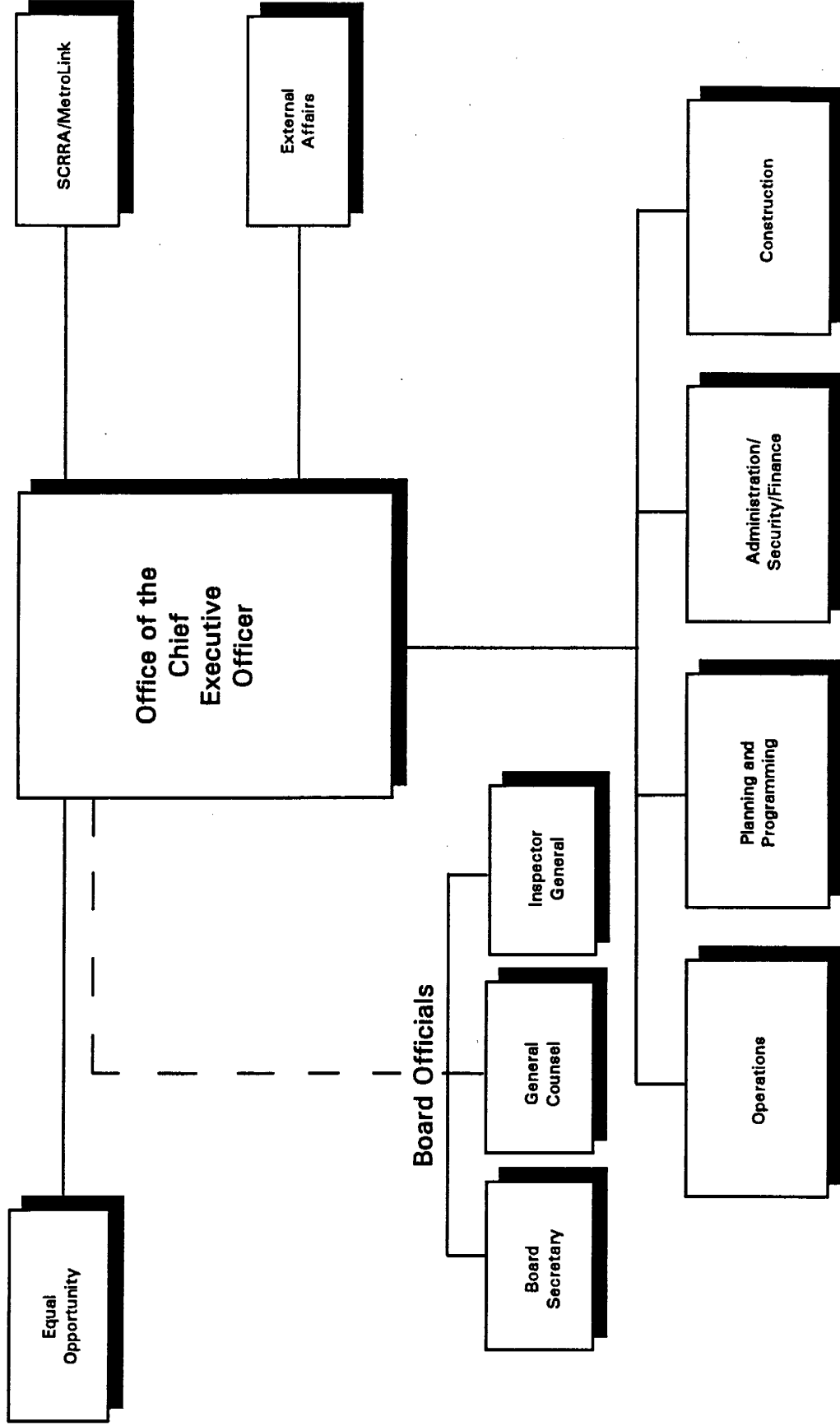
Quality Control/Assurance

The QA/QC Department leads, directs, and manages quality and continuous improvement and Total Quality Management programs in design, construction, and start-up operations of major MTA capital projects.

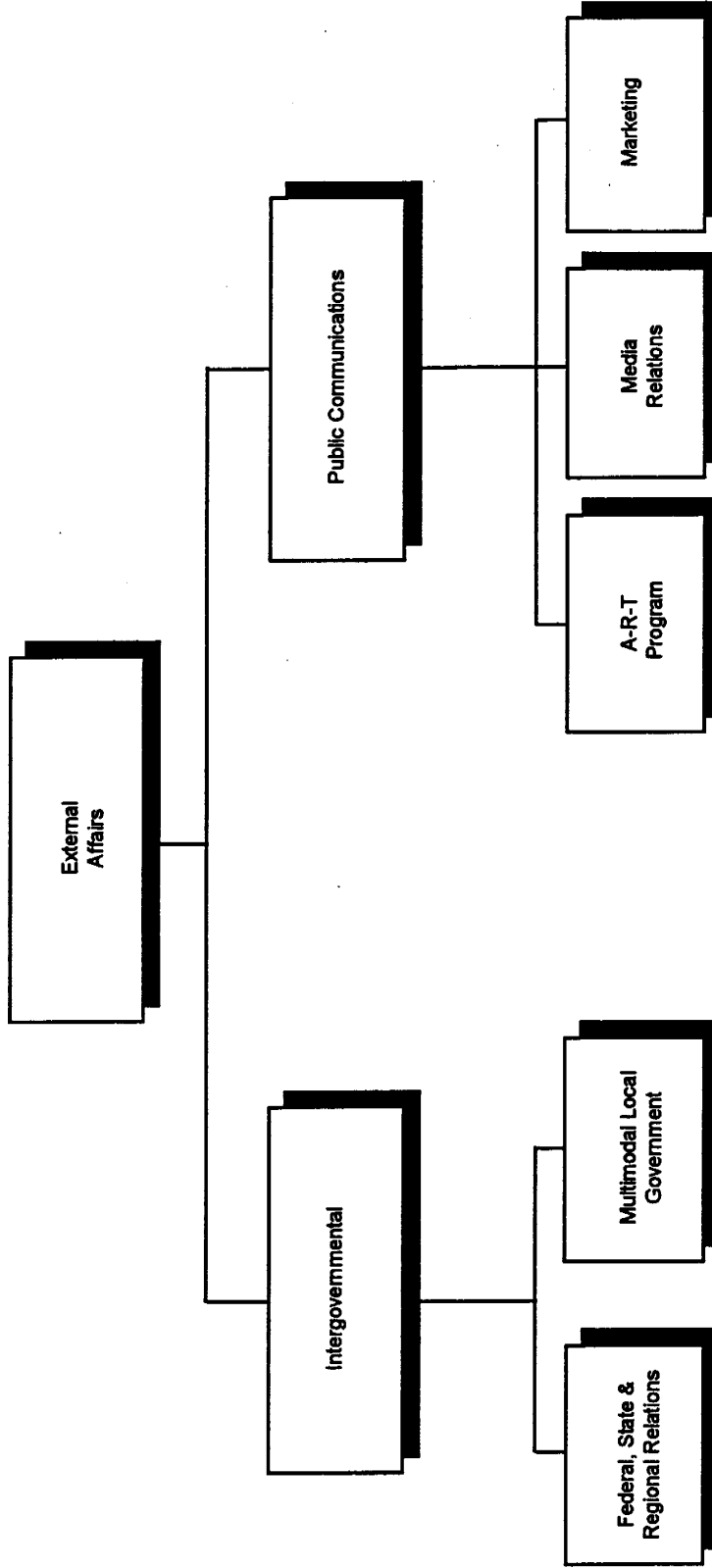
SCRRA/METROLINK

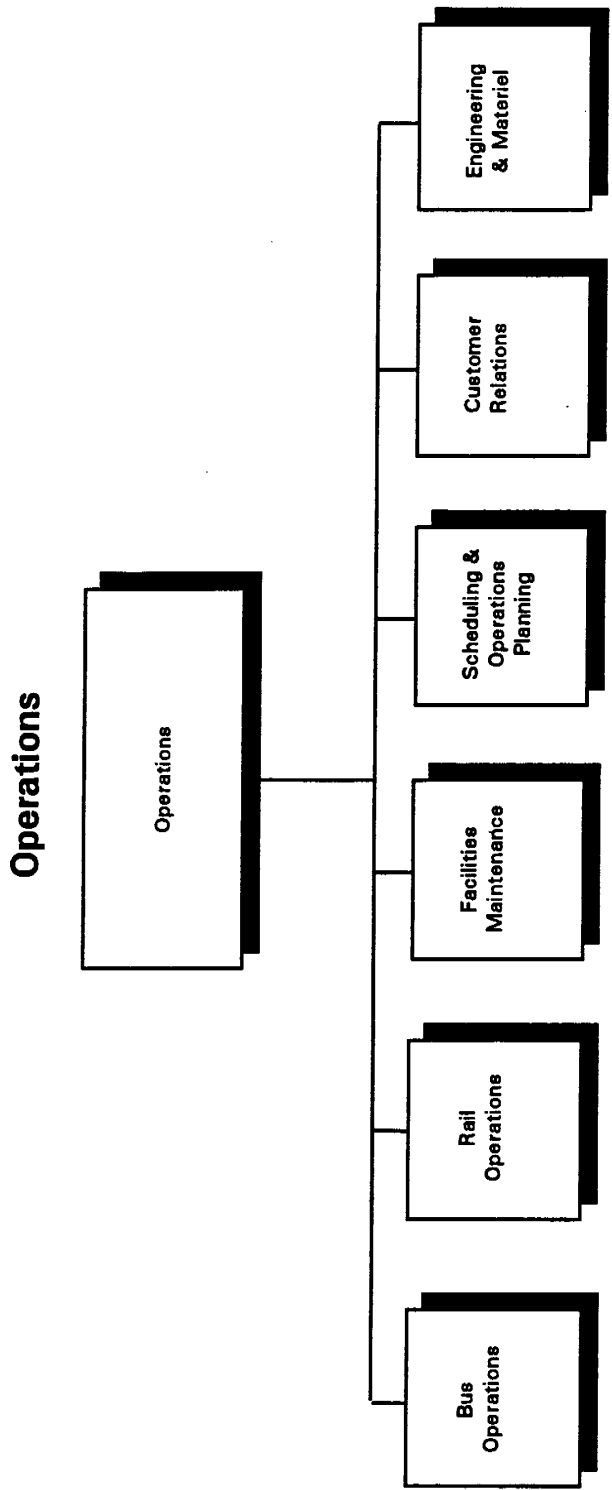
Metrolink, officially known as the Southern California Regional Rail Authority (SCRRA), is a joint powers authority made up of an eleven member board representing Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. The MTA provides support staff services to the SCRRA which is 100% reimbursable from the contributions of the five counties.

MTA Organizational Structure

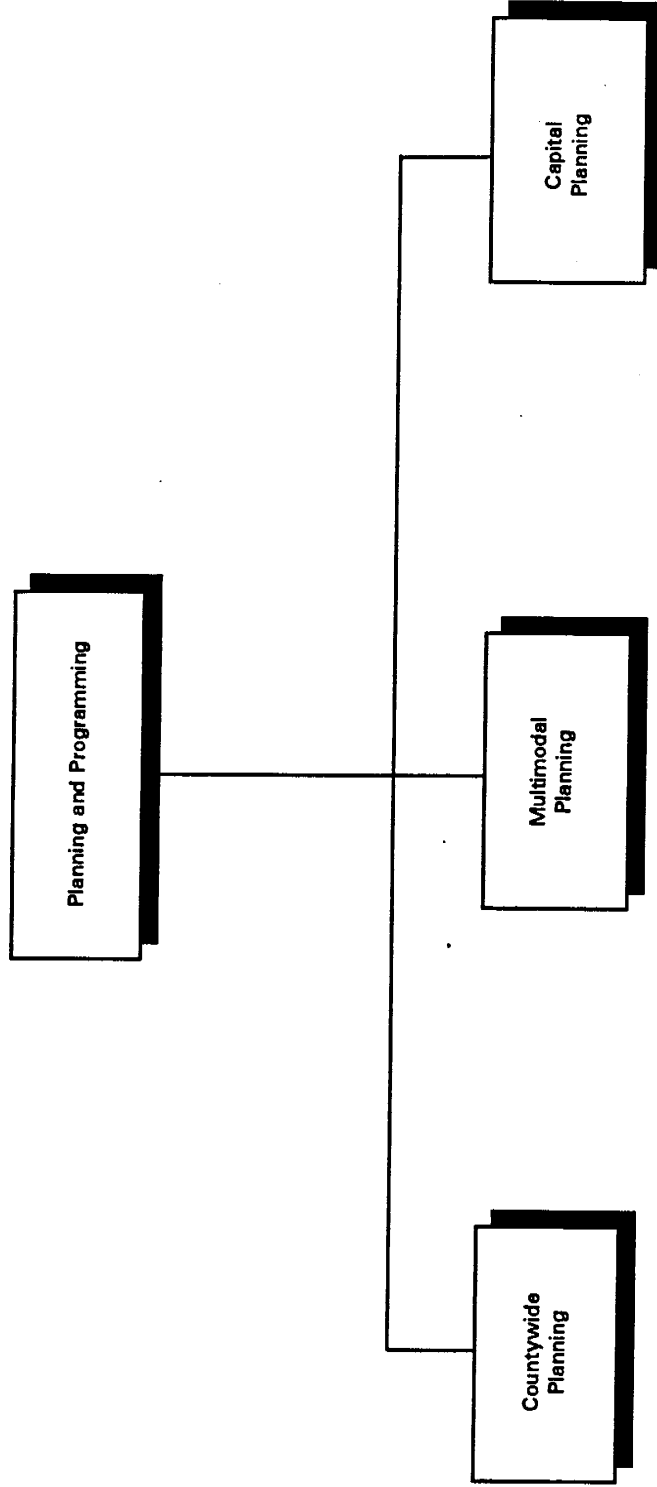


External Affairs

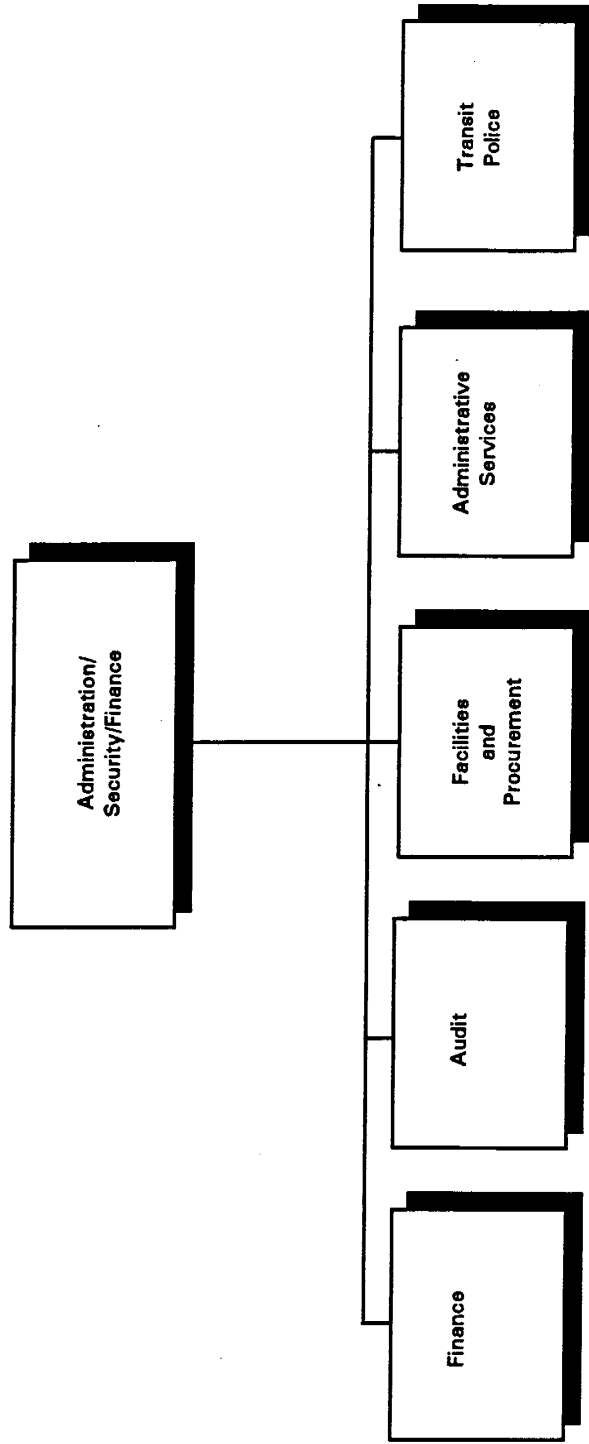




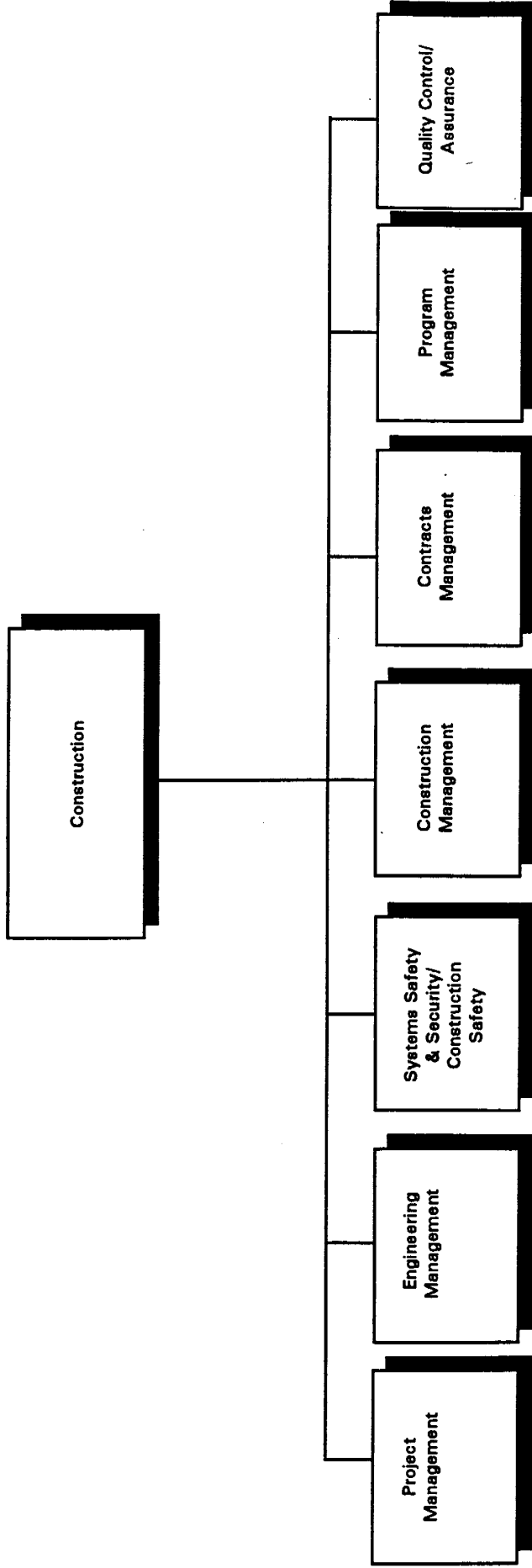
Planning and Programming



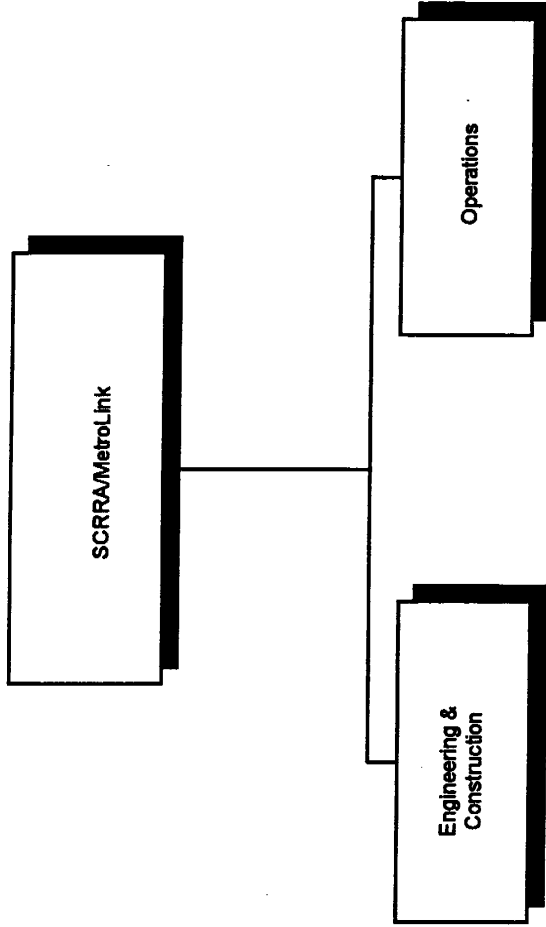
Administration/Security/Finance



Construction



SCRRRA/MetroLink



**SECTION IV. MAJOR
PROJECT DESCRIPTIONS**

PROJECT DESCRIPTIONS AND MAJOR EXPENDITURE ELEMENTS

BUS AND RAIL OPERATIONS \$634.3 Million

MTA will operate 6.5 million bus revenue service hours during FY 94-95. These operations involve a total bus fleet of over 2000 buses.

The MTA also will operate 75,300 Blue Line light rail revenue service hours and 19,300 Red Line heavy rail revenue service hours.

RAIL CONSTRUCTION PROJECTS

Metro Red Line Segment 1 \$11.9 Million

The 4.4-mile, 5-station Red Line Segment 1 project, which connects Union Station to Westlake/MacArthur Park, opened for revenue service in January 1993. The project team will conclude contract and financial close-out on Federal and State grants and will resolve internal financial issues.

Metro Red Line Segment 2 \$261.2 Million

The Wilshire Corridor extends from the Westlake/MacArthur Park Station northwest to Wilshire/Vermont, and west along Wilshire Boulevard to Western Avenue terminating at the Wilshire/Western station. The FY 94-95 budget includes costs for continuing station installations, rail bed and rail, fire sprinklers, automatic train control, traction power, air handling, and communications.

The Vermont/Hollywood Corridor extends north from Wilshire/Vermont along Vermont Avenue, turning west along Hollywood Boulevard to the Hollywood/Vine station. This corridor terminates at the tail track immediately west of the Hollywood/Vine station. The FY 94-95 budget includes costs for the completion of tunneling for all stations; the initiation of concrete installation for tunnel liner; the awarding of shop drawings; initiation of fabrication; and the securing of excavation support for the Vermont/Hollywood corridor.

Metro Red Line Segment 2 Transit Enhancements/ Construction Mitigation \$25.8 Million

Red Line Segment 2 Transit Enhancements/Construction Mitigation includes several components related to improvements along the Vermont Avenue and Wilshire

Boulevard sections of the Metro Red Line Segment 2 project. The project includes a 14-point construction mitigation program designed to minimize inconveniences to commuters and businesses due to the heavy construction activity involved in building Segment 2 of the Red Line. Additionally, this budget includes funds for ADA compliance.

Metro Red Line Segment 3 - North Hollywood \$142.4 Million

The North Hollywood Segment of the Metro Red Line Project is a 6.4-mile project with three stations, which begins just west of the Segment 2 Hollywood/Vine Station and continues west under Hollywood Boulevard to the Hollywood/Highland Station and north under the Santa Monica mountains to its terminus in North Hollywood. The FY 94-95 work plan includes Parking Structure, Station, Tunnel Construction and Trackwork Installation.

Metro Red Line Segment 3 - Mid-City \$4.2 Million

The Mid-City Segment 3 portion of Red Line is a 2.3-mile project with two stations that begins west of the Wilshire/Western Station, passes through the Crenshaw/Olympic Station and terminates at the Pico/San Vicente Station.

Metro Red Line Segment 3 - East \$56.8 Million

The Eastern Extension is a four mile alignment running east from Union Station to First and Lorena Street. The alignment includes four stations. Each station will be designed, as practical, using the modular station concepts developed on the North Hollywood and Mid-City projects.

Metro Red Line Segment 3 Transit Enhancements \$0.3 Million

Funding is provided for the Art in Transit program.

Pasadena Line \$123.4 Million

The Pasadena Line is a 13.6-mile, 14-station, conventional light rail project that connects Sierra Madre Villa in Pasadena to Union Station downtown. The current budget includes final design of the Pasadena Line, bridges over the Los Angeles River and the Arroyo Seco, and real estate acquisition for future construction.

Metro Green Line **\$122.0 Million**

The 20-mile Green Line begins in Norwalk, running 16.5 miles west in the center of the I-105 (Glen Anderson) Freeway to just south of the Los Angeles International Airport. At Aviation Boulevard and Imperial Highway, the Green Line curves south for the 3.5-mile El Segundo Branch ending at Freeman and Marine Avenues in Redondo Beach. Metro Green Line activation is scheduled during FY 94-95.

LA Car **\$41.7 Million**

The Los Angeles Light Rail Vehicle Procurement consists of a base order of 72 standard cars and two prototype cars for a total of 74 light rail vehicles. The standard cars will be used on the Metro Blue Line, Pasadena Line, and planned extensions of each of these lines. The two prototype cars will be used to: 1) test products derived from the MTA's Advanced Transit Products Program and 2) test the Metro Green Line's driverless automated train control.

Programmed Rail Set Aside **\$13.1 Million**

Funding for the MTA Rail Program is reserved for funding plans which are not yet complete or for other Rail Program expenditures as they may arise during FY 94-95 or future fiscal years. For example, this funding may be made available for the Blue Line to Pasadena once a funding plan has been put in place. Other possible uses include additional funding requirements for the Los Angeles Light Rail Car and minor rail capital uses such as equipment and facility improvements.

Systemwide Agency Costs **\$10.3 Million**

The Systemwide project takes advantage of standardization of design and specifications of materials and equipment used in constructing rail lines. Although the project's activities impact all Metro Rail Projects, the costs and hours associated with the project are not assignable to separate projects. The project includes staff time and costs related to construction insurance.

BUS AND RAIL CAPITAL

Bus Capital **\$140.9 Million**

Bus Capital Funding is annually provided for bus replacement and/or refurbishment of existing facilities. Projects included in the FY 94-95 budget are Bus Procurement, Bus Spare Parts/Refurbishment, Miscellaneous Support Vehicles & Equipment, MIS

Equipment, Communications Equipment, Bus Radios, Facilities Maintenance Rehabilitation, Fuel Tank Upgrade, Non-Revenue Vehicles, Revenue Vehicle Tire Lease, COP Debt Service, ETC Debt Service, and Contingency.

Minor Rail **\$15.4 Million**

Minor Rail Capital Improvements include replacement and refurbishment for existing rail systems. Budgeted expenditures for FY 94-95 include CAD Implementation, Computer Software and Hardware Procurement, Project Management Assistance, Seismic Inspection and Retrofit, Maintenance of Way Facility, and Rail Maintenance Facility.

Union Station Gateway Intermodal Transit Center **\$29.9 Million**

The Union Station Gateway Intermodal Transit Center will be a major intermodal center which includes light rail, heavy rail, bus, commuter rail, and intercity rail. Included facilities consist of a bus plaza, a 2,500-space park-and-ride lot, and off-site improvements designed to serve the transit center. Off-site improvements include a fly over ramp between the bus plaza and the El Monte Busway. Approximately 115,000 daily transit riders are expected to utilize the facility by the year 2010.

Transit Police **\$3.0 Million**

This project will include funding to purchase communication equipment and expansion vehicles for the Transit Police Department to support the bus system, Metro Red Line, Metro Blue Line and the Metro Green Line scheduled to begin pre-revenue operation in May 1995. This project also includes funding to modify the South Flower and Century Boulevard facilities.

RAIL PLANNING AND PROGRAM SUPPORT

Metro Red Line West-Planning **\$3.0 Million**

The Red Line Western Extension project includes analysis of alternatives and preparation of a draft environmental impact statement and environmental impact report. Potential alignments to extend the Metro Red Line seven miles from Pico/San Vicente to an end point just West of the San Diego freeway will be analyzed. The objective will be to select a Locally Preferred Alternative for MOS-4 of the Red Line. This project also includes studies of the methane zone and hydrogen sulfide concentration.

Metro Red Line East-Planning

\$2.1 Million

The Metro Red Line Eastern Extension Planning project includes the final engineering and the completion of the final Environmental Impact Report (FEIR) and Environmental Impact Statement (FEIS). This project also includes efforts to implement the recommendations advanced by the Eastern Extension Transportation Community Linkages Program in the areas of transit connection, transit-based development, transportation community safety activities and transportation station conceptual master plans. The project includes coordination and monitoring of the environmental mitigation advanced in the FEIS/FEIR Planning process.

San Fernando Valley East/West Line - Planning

\$2.0 Million

Ongoing work in the completion of the Ventura Freeway Project Study Report and SP Burbank Branch Geotechnical studies will be completed in FY 94-95. Following Board consideration of the findings of these studies, an Environmental Impact Statement/Environmental Impact Report (EIS/EIR) must be completed in order to make this project eligible for federal matching funds. These studies will take approximately 14-18 months following authorization to proceed, which will carry over into FY 95-96. Once the Draft EIS/EIR is completed and the Locally Preferred Alternative is selected, the project can compete for federal funding.

Other Planning Studies and Program Support

\$10.6 Million

This category includes studies directed by Board action and the staff necessary to support the studies. Major projects included in this category are the Crenshaw-Prairie Corridor Planning Environment Clearance project, the Exposition Right-of-Way Alternative Refinement and Environmental Impact Report, and the Green Line Northern Extension planning activities.

PLANNING STUDIES AND PROGRAM SUPPORT

Transit/Transit Enhancements

\$7.9 Million

The project includes miscellaneous non-rail planning activities such as bikeways, park and ride, urban greenways, and staff necessary to support the planning studies.

Commuter Rail

\$1.1 Million

This project includes MTA staff activities in support of Los Angeles County commuter rail development..

Highways/Bikeways

\$5.3 Million

This project provides overall coordination of countywide highway planning and programming and monitors project development.

CMP/TDM/TSM

\$3.8 Million

The CMP is a state-mandated program requiring local jurisdictions to address regional congestion. The MTA is the designated Congestion Management Agency for Los Angeles County and as such must develop and biennially update the CMP. The CMP is designed to aid in analyzing and selecting the best mix of projects and strategies for addressing Los Angeles County's mobility needs and to improve coordination of land use and transportation decisions. To accomplish this the CMP focuses on highways, transit, transportation demand management, land use and capital programs. The CMP is also the basis for proposing transportation projects which are eligible to compete for state gas tax funds. Compliance with the CMP statute ensures continued receipt of Prop 111 gas tax money, funding for projects in the STIP, and certain federal funds.

TDM is a set of actions designed to decrease the volume of traffic and vehicle miles traveled by influencing the manner in which people travel. TDM traditionally refers to policies, programs, and actions that are directed towards increasing the use of high occupancy vehicles and the use of bicycling and walking. TDM can also include activities that encourage telecommuting as an alternative to driving. This project was established to integrate TDM projects in the most congested Los Angeles County corridors, to assist cities in complying with the TDM element of the CMP, and to offer a comprehensive package of TDM strategies which can be adopted by cities but is not mandated.

These projects are designed to make better use of transportation rights-of-way. The programming procedures for the TSM were placed into law by the Transportation Blueprint legislation of 1989.

Benefit Assessment District

\$0.6 Million

This program supports exist Benefit Assessment Districts established for Red Line Segment 1.

Earthquake Planning and Coordination **\$0.1 Million**

Ongoing effort to coordinate funding with federal and state agencies in response to the Northridge earthquake.

Constituent Outreach **\$0.7 Million**

This project includes community outreach work such as regularly scheduled focus groups and city issues meetings, staff work and preparation for the MTA's three standing committees, the Citizen's Advisory Group and the Technical Advisory Group.

FREEWAY SERVICE PATROL

Freeway Service Patrol (FSP)/Tow Service Patrol **\$27.4 Million**

This project was established to reduce peak hour congestion by quickly providing emergency roadside assistance to stranded motorists. Since service began on July 1, 1991, over 350,000 motorists have been assisted. Over 360 miles of freeway are patrolled by 132 roving tow trucks during the morning and evening peak periods, and an additional 15 miles of downtown loop freeways are patrolled mid-day on weekdays by six trucks.

Major Incident Response **\$4.7 Million**

The Major Incident Response program is a corollary project to Freeway Service Patrol, designed to provide aerial surveillance with video camera capabilities and improved multi-jurisdictional communications and integrated computer networks.

Service Authority for Freeway Emergencies (SAFE) **\$7.1 Million**

SAFE was established to provide for the installation and operation of 4,500 cellular phone boxes located 1/4 mile apart on all Los Angeles County freeways.

ADA PARATRANSIT SERVICE - METRO ACCESS **\$18.1 Million**

This project implements the ADA-mandated coordinated paratransit plan. The intention of the ADA mandate is that paratransit services be available to that portion of the population unable to access fixed transit routes. The MTA provides long distance and inter-regional services not available from local paratransit operators and is currently operating a pilot program in the San Gabriel Valley. The ADA program is expanding and services will soon be available to Central and West Los Angeles

County, and later in the fiscal year to South Los Angeles County. By the end of the fiscal year, the program will be serving a 750-square mile region with a population of 5.5 million residents. In addition to expanding services, the ADA program also expects to reduce the cost per trip by as much as one third in the coming year.

AGENCY SUPPORT

Funds Administration **\$1.7 Million**

This program accounts for administrative activities associated with the processing of receipts and disbursements of local sales taxes.

Union Station Gateway (MTA Headquarters) **\$72.8 Million**

This project covers the development of a new headquarters facility for the MTA at Union Station. The expected opening of this new facility is September 1995. Staff will be engaged in relocation and consolidation activities for the MTA headquarters project including transfer of equipment, the computer center and development of the telephone system.

Financial Management Information System (FMIS) **\$5.0 Million**

This project will incorporate into a single system the various financial and cash management systems of the agency, improve contract management and accounts payable activities, and revise the payroll reporting system.

Property Management **\$0.9 Million**

This project provides real estate planning analysis, property management and maintenance services for the MTA-owned parcels and rights-of-way.

DESCRIPTION OF FUNDING SOURCES

LOCAL

Proposition A. Proposition A funds are revenues generated from a half-cent sales tax approved by Los Angeles County voters in 1980. After a deduction of up to 5% for MTA administration, funds are apportioned as follows:

<u>Fund Category</u>	<u>Apportionment</u>
Local Return	25%
Rail Development	35%
Discretionary	<u>40%</u>
TOTAL	100%

Proposition C. In November 1990, the voters of Los Angeles County approved an additional half cent sales tax for transportation. The ballot guidelines for programming of Proposition C funds, after a deduction of up to 1.5% for MTA administration, are as follows:

<u>Fund Category</u>	<u>Apportionment</u>
Security	5%
Commuter Rail and Transit Centers	10%
Local Return	20%
Transit on Highway	25%
Discretionary	<u>40%</u>
TOTAL	100%

Proposition A Rideshare Account. The funds in this account are committed by MTA action to fund transportation air quality control measures such as Transportation Demand Management. The revenues are derived from exchanges of Proposition A Local Return funds for Regional Federal Aid Urban funds.

Farebox. Farebox revenues are amounts collected from the riding public.

Benefit Assessments. The MTA has special state legislation that allows the formation of Benefit Assessment Districts for transportation projects. Benefit Assessment Districts have been established around Segment 1 and are planned for Segments 2 and 3 of the Metro Red Line. The MTA depends on these funds for rail construction.

STATE

Proposition 116. Represents revenue generated from the state sale of \$1.99 billion in General Obligation Bonds. Los Angeles County will receive \$80.0 million for the Alameda Consolidated Transportation Corridor Project, plus \$379.0 million for urban and commuter rail projects.

Proposition 111 Gas Tax. These are revenues generated from a five-cent per gallon gas tax which began in August 1990 and increases one cent every January 1, for the following four years for an eventual total of nine cents per gallon. This tax is the main state funding source for many MTA capital programs.

Environmental Enhancement Mitigation Program. The Environmental Enhancement and Mitigation Program was established to fund environmental enhancement and mitigation projects over and above what would be deemed to be normal mitigation. The Program is funded from the Proposition 111 gas tax.

Service Authority for Freeway Emergencies. The Service Authority for Freeway Emergencies receives \$1.00 from the Department of Motor Vehicles for each vehicle registered in Los Angeles County, to be used for freeway call boxes and service patrols.

The State and Local Partnership Program. This is a new, competitive state program providing \$200.0 million annually statewide in new state gas tax funds. The state funding share for eligible rail and highway capital projects is a function of the total value of all projects selected for the program, with a required one-to-one local match to state dollars.

Flexible Congestion Relief. The Flexible Congestion Relief program is for highway and fixed guideway capacity improvements to reduce or avoid congestion. Funding for this program is composed of federal and state gas tax revenues. These funds are programmed through the State Transportation Improvement Program process.

Retrofit Soundwall Funds. Retrofit Soundwall Funds are a subset of Flexible Congestion Relief (FCR) revenues. At the time of STIP adoption, the California Transportation Commission determines how much FCR funds will be made available for soundwalls based on statutory requirements and statewide need.

Interregional Road System Program. The Interregional Road System program was set up to make improvements for interregional traffic on state highways outside urban limit lines. Funding for this program comes from federal and state gas tax revenues. The statute specifies about 100 sections of state highways that are eligible for funding through the program. Caltrans nominates these projects for the STIP. These funds count toward meeting county minimums in counties where they are programmed.

Traffic Systems Management Program. Traffic Systems Management Program (TSM) Projects are projects designed to make better use of transportation rights-of-way. The programming procedures for the TSM were placed in law by the Transportation Blueprint legislation of 1989. Each annual TSM plan is a single-year priority list of projects eligible for funding under the TSM program. Each individual TSM plan is not restricted to a particular level of funding, but the Legislature did place a 10-year statewide funding target for the TSM program of \$1.0 billion in the Blueprint legislation.

Freeway Maintenance. The Freeway Maintenance Program provides capital funding for state highway rehabilitation, operation, and safety improvements by Caltrans. Revenues used to support this program are comprised of state and federal gas taxes.

State Transportation Development Act. The State Transportation Development Act (TDA) provides state funding to eligible operators for operating and capital purposes. Revenues are derived from 1/4 cent of the 6-cent retail sales tax collected state-wide. The 1/4 cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county. Funds are received by the MTA as follows:

TDA Article 3. Article 3 of the Act dedicates 2% of the funds for bicycle and pedestrian facilities.

TDA Article 4. Article 4 of the Act covers the amount of funds given to municipal transit operators, transit authorities, and Joint Powers Authorities. Approximately 93% of the TDA funds received by the MTA are covered by Article 4.

TDA Article 8. Article 8 of the Act covers funds used for transit and paratransit programs to fulfill unmet transit needs in areas outside the service area of MTA operations. Article 8 accounts for approximately 5% of the funds received by the MTA.

State Transit Assistance Fund. The State Transit Assistance Fund (STA), created by an amendment to the Transportation Development Act, provides funding for transit capital and operating purposes. STA funds are derived from the sales tax on gasoline and diesel fuel. These funds are allocated to counties based on population and transit operator revenues.

STA Population Share. The population share of STA (PUC section 99313) is allocated by the State Controller to the MTA, based on the ratio of the population of the county to the total population of the state. It is used for rail construction and operations.

STA Revenue Share. The revenue share of the STA (PUC section 99314) is allocated by the State Controller to the MTA based on the ratio of the total revenue of operators under the MTA's jurisdiction during the prior fiscal year. The MTA includes STA revenue funds in the Formula Allocation Procedure claimed by transit operators.

Article XIX. Article XIX (of the State Constitution) Rail Guideway Funds allow state gas tax funds to be used for rail capital projects in those counties such as Los Angeles whose voters passed Proposition 5 which allows those counties to use the state gas tax for rail capital purposes in addition to highway purposes. The statutory authorization for an Article XIX Guideway Program was discontinued after Fiscal Year 1992-1993 and was replaced by the Flexible Congestion Relief Program (Proposition 111). The California Transportation Commission previously committed \$420.0 million of Article XIX funds to the Metro Red Line Project.

Transit Capital Improvements. Transit Capital Improvements (TCI) is an annual state program funded with TP&D and Article XIX funds. These funds are programmed at the discretion of the California Transportation Commission based upon a statewide competition.

Proposition 108. Proposition 108, passed by the voters in June 1990, authorized the state to sell \$1.0 billion of general obligation bonds in 1990. An identical \$1.0 billion rail bond proposal was not approved by state voters in November 1992. An additional \$1.0 billion will again be presented to voters in November 1994, for a total rail bond package of \$3.0 billion. The California Transportation Commission had programmed

\$1.5 billion of Proposition 108 funds to the MTA urban and commuter rail projects in the STIP.

Budget Change Proposal Funds. Use of these funds for Freeway Service Patrol programs was authorized by AB 3346 in late 1992. The source of these funds is the State Highway Account used to construct and maintain freeways with revenues generated by the state gas tax. Los Angeles County should receive about 40% of the available funds. Tow truck programs are the only eligible use for these funds.

FEDERAL

Federal Highway Demonstration Funds. Federal Highway Demonstration Funds are targeted for projects specifically designated by Congress in the Federal Surface Transportation Acts.

SMART Streets/Intelligent Vehicle Highway Systems Funds. Discretionary grants became available from the federal government for SMART Streets/Intelligent Vehicle Highway Systems (IVHS) projects beginning in Fiscal Year 1992-1993. These new federal IVHS funds can be used in Los Angeles County for the expansion and refinement of SMART corridor technologies. Funds also provide emergency call boxes on county freeway systems.

Intermodal Surface Transportation Efficiency Act. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) included \$880.0 million in new revenues for transportation pursuant to proposed state legislation (SB1435, KOPP) to implement the ISTEA. Of this amount, \$210.0 million is earmarked to continue the Fiscal Year 1990-1991 levels of the flexible formula funds for Los Angeles County local Federal-Aid Urban (FAU) program, which ISTEA absorbed. Funds available under ISTEA are available for a broader variety of uses than those available under FAU. The remaining \$670.0 million in the Surface Transportation Program and Congestion Mitigation and Air Quality flexible funds for all modes of transportation became available to the County at MTA discretion during the Fiscal Year 1992-1993 through Fiscal Year 1997-1998 authorization period. Projects are selected through the "Call for Projects" process and funds are programmed through the MTA Transportation Improvement Program (TIP) process.

Federal Aid Urban Funds. Federal Aid Urban (FAU) funds were apportioned in the 1986 Surface Transportation Assistance Act (STAA) to local jurisdictions and Caltrans for the construction and maintenance of urban transportation systems and for air quality mitigation purposes. This program was abolished in the Federal 1991 ISTEA Reauthorization Act. FAU funds were replaced in Fiscal Year 1991-1992 with a new

funding level guarantee from the new ISTEA formula funds. Local agencies will receive funding equivalent to 110% of their Fiscal Year 1990-1991 program levels.

Federal Aid Urban Cash Account. The funds in this account were committed to local street and highway improvements and local TSM projects by previous MTA action. These revenues were derived from an exchange of Regional Federal Aid Urban apportionment with the cities of San Jose and Irvine.

FTA Section 3 New Rail Starts. This is a discretionary source of federal funds reauthorized every five years. These funds are generated by one cent of the nine-cent Federal Gas Tax and are used for Rail Transit Capital improvements. In Los Angeles County, these funds are earmarked by Congress to the Metro Rail Project.

Section 3 Fixed Guideway Modernization Funds. This source of federal funds is generated by a portion of the Federal Gas Tax. These funds are provided on a formula basis for capital improvements to existing fixed guideway systems.

FTA Section 9. These federal formula-based transit operating and capital funds are based on population and transit operating statistics.

FHWA Emergency Relief. FHWA Emergency Relief funds are provided to agencies to restore essential services to highway corridors affected by a disaster. FHWA Emergency Relief funds were made available to Los Angeles County beginning in January 1994 as a result of the Northridge Earthquake. These funds are used for capital expenditures on highways and streets and roads on the federal aid system, motorist information, Metrolink stations, and park and ride lots to address transportation needs following the earthquake.

Federal Emergency Management Agency Public Assistance. Federal Emergency Management Agency (FEMA) funds are provided for disaster relief assistance. By law, FHWA Emergency Relief has the first obligation to pay for this assistance. If FHWA refuses or is unable to pay, FEMA makes a determination as to cost eligibility and funds those services. FEMA is funding bus and Metrolink operating costs, shuttle services, Metrolink tunnel and track repair, and marketing of transit services in Los Angeles County as a result of the Northridge earthquake.

GLOSSARY OF TERMS AND ABBREVIATIONS

AA/DEIS	Alternatives Analysis/Draft Environmental Impact Statement.
ACCESSIBLE SERVICE	Transit vehicles equipped with wheelchair lifts.
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.
AMTRAK	Rail service operator for Metrolink, under contract with the Southern California Regional Rail Authority (SCRRA).
AQMD	Air Quality Management District. See SCAQMD.
A-R-T	Art for Rapid Transit (previously Art for Rail Transit). One-half percent of local (Proposition A) rail funds allocated to art projects commissioned by the Los Angeles County Metropolitan Transportation Authority (MTA).
ATU	Amalgamated Transit Union. The union representing the MTA's mechanics and other maintenance employees.
BASIS OF ACCOUNTING	Refers to that point in time when revenues, expenditures or expenses (as appropriate), and related assets and liabilities are recognized in the accounts and reported in the financial statement.
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.
BOND	An interest-bearing promise to pay a specified sum of money -- the principal -- due on a specified date.

BUDGET	A plan of financial operations for a given period including proposed expenditures, authorized staffing levels, and a proposed means of financing them.
CALL FOR PROJECTS	Primary process for the MTA to select projects for funding with discretionary federal, state, and local revenues.
CALTRANS	California Department of Transportation.
CAPITAL ASSET	The acquisition of property, facility, or equipment whose cost exceeds \$5,000 per unit. Capital project costs include installation, delivery cost, sales and use taxes, and General and Administrative overhead costs.
CAPITAL PROJECT FUNDS	Funds used to account for resources restricted for major capital outlays.
CARB	California Air Resources Board.
CHP	California Highway Patrol.
CLEAN FUELS	Lower polluting replacements for conventional diesel fuel. The state has mandated that all buses purchased after January 1, 1992 be clean-fueled.
CMA	Congestion Management Agency. In response to a state initiative, the MTA has been designated as the CMA for Los Angeles County.
CMAQ	Congestion Mitigation Air Quality. A source of federal ISTEA funds.
CMP	Congestion Management Program. A new, countywide program enacted by the state to improve traffic congestion in California's urbanized areas.
COLA	Cost-of-Living Adjustment. An annual salary adjustment (quarterly for Contract employees) tied to inflation.

COMMERCIAL PAPER	Short-term, interest-bearing promissory note secured by pledged revenues and a liquidity/credit facility. The maturity can range from one to 270 days.
COP	Certificate of Participation. A debt obligation used to finance a large lease obligation.
CPI	Consumer Price Index. A measurement of inflation of goods and services used by consumers.
CPUC	California Public Utilities Commission.
CRP	Combined Road Plan. An FAU program to assist localities in road and highway projects. FAU has been replaced by ISTEA, and the CRP program is currently under review.
CTC	California Transportation Commission. The state commission responsible for approving highway and transit-related capital improvements.
CTP	The Corporate Transit Partnership program provides transit service marketing and information to corporations and large employment centers.
CTS	Commuter Transportation Services. Also known as "Commuter Computer;" matches commuters for ridesharing.
CTSA	Consolidated Transportation Services Agency. The MTA 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).
DAR	Dial-a-Ride. Curb-to-curb transit service provided to the general public and/or elderly or disabled persons.
DBE	Disadvantaged Business Enterprise. Businesses owned and operated primarily by minorities and women.

DEBT SERVICE FUND	Funds to account for those resources used to repay the principal and interest on long-term debt.
EIR	Environmental Impact Report. A detailed statement prepared under the California Environmental Quality Act (CEQA) describing and analyzing the significant environmental effects of a project and discussing ways to avoid or mitigate the effects.
EIS	Environmental Impact Statement. The same as an EIR, except prepared under the (federal) National Environmental Policy Act.
ENCUMBRANCES	Commitments related to unperformed contracts for goods or services. A purchase order is the most common encumbrance.
ENTERPRISE FUND	Fund established to finance and account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.
EPA	Environmental Protection Agency.
ETB	Electric Trolley Bus.
EXPENDITURES	Decreases in net financial resources. Expenditures include current operating expenses which require the current use of net current assets.
EXPENSE RECOVERY RATIO	Total system-generated revenue (including farebox revenue) divided by Section 15 operating costs.

FAP	Formula Allocation Program. Reviewed by the MTA, the 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.
FAREBOX REVENUE	Fares paid by passengers (and fare subsidy providers) by means of cash in farebox and prepaid sales (passes, tokens, etc.).
FARE DEBIT CARD	A stored-value fare collection system for multimodal transit operations.
FARE RECOVERY RATIO	Farebox revenue divided by Section 15 operating costs.
FARE UNITS	A transit operator's passenger revenue divided by the base cash fare that an operator charges.
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.
FCR	Flexible Congestion Relief. A federal program of capital improvements to relieve congestion by building/enhancing highways.
FFGA	Full-funding grant agreement. The grant agreement with FTA for Metro Rail segments.
FHWA	Federal Highway Administration.
FISCAL YEAR	The period at the end of which a governmental agency determines its financial position and results of operations. The MTA fiscal year begins July 1 and ends June 30.
FSP	Metro Freeway Service Patrol uses roving tow trucks to remove disabled vehicles and debris from freeways.

FTA	Federal Transit Administration. Formerly the Urban Mass Transportation Administration (UMTA).
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	Fiscal Year.
GENERAL FUND	The fund used to account for all resources not required to be reported in another fund.
GFOA	Government Finance Officers Association.
GREENWAYS	Pedestrian, bicycle, and transit parkways often built on existing rail rights-of-way.
HEAVY RAIL	A type of transit vehicle railway with the capacity for a "heavy volume" of traffic and characterized by exclusive rights-of-way, multi-car trains, high speed and rapid acceleration, sophisticated signaling, and high platform loading, e.g., Red Line.
HOV LANES	High Occupancy Vehicle lanes - "carpool" lanes.
HSOPP	Highway Systems Operation and Protection Plan.
HUB MILES	Total miles driven by the MTA's bus fleet.
JOINT DEVELOPMENT	Projects which combine public and private resources to build mixed use development to generate income and passengers around transit station areas.
ISTEA	Intermodal Surface Transportation Efficiency Act of 1991 is a federal program that includes funds to continue the FAU program and additional funds for congestion mitigation and air quality improvement.
LA CAR	Los Angeles Car. Patterned after the highly successful Blue Line Car, the LA Car will be a generic vehicle that will allow for upgrades in technology and automation.

LACBD	Los Angeles Central Business District.
LACMTA	Los Angeles County Metropolitan Transportation Authority. Created in 1993 by AB 152, the LACMTA is a 14-member board overseeing the merged entities of the former LACTC and SCRTRD. Also known as MTA.
LACTC	Los Angeles County Transportation Commission.
LAND BANK CORPORATION	A subsidiary of the MTA which reserves land and financial commitments for future transportation projects.
LEVERAGE	Use of debt to match federal, and state funding to expand current cash flows.
LIGHT RAIL	A type of electric transit vehicle railway with a "light volume" traffic capacity compared to "Heavy Rail." Light rail may be on exclusive or shared rights-of-way, high or low platform loading, multi-car trains or single cars, automated or manually-operated, e.g., Blue Line.
LOS	Level of Service. A measurement monitor based on traffic counts. Used by the CMP to assign ratings at specific corridor locations ranging from "A" (Best) to "F" (Worst).
LOSSAN	Los Angeles-San Diego Intercity Railway.
LRT	Light Rail Transit.
LTF	Local Transportation Fund. Created by the Transportation Development Act (TDA). A one-fourth percent state sales tax allocated by formula to eligible transit operators for operating and capital purposes.
LRV	Light Rail Vehicle.

METRO BLUE LINE	Long Beach-Los Angeles Light Rail Transit Project. A 22-mile electrically-powered light rail line constructed and opened for service on July 14, 1990 (final link to the Seventh and Flower Street Station opened February 14, 1991).
METRO GREEN LINE	Norwalk-El Segundo Light Rail Transit Project. A 20-mile electric rail line to be constructed by the MTA on the median of the I-105 freeway. Operation is scheduled to commence in November 1994.
METRO RED LINE - SEGMENT 1	Segment 1 of the Metro Rail project from Union Station to Wilshire/Alvarado (4.4 miles). Operation began in January 1993.
METRO RED LINE - SEGMENT 2	Segment 2 of the Metro Rail project under construction by the MTA from Wilshire/Alvarado north to Hollywood/Vine and west to Wilshire/Western (6.7 miles).
METRO RED LINE - SEGMENT 3	Segment 3 of the Metro Rail project under design by the MTA. Segment III includes three branches: Branch 1 will be from Hollywood/Vine to Lankershim Boulevard/Chandler Boulevard; Branch 2 will extend from Wilshire/Western to Pico/San Vicente; and Branch 3 is still under study but will serve the East Los Angeles area (total length 11.6 miles).
MIS	Management Information Systems. The name of the computer services function at the MTA.
METROLINK	The regional commuter rail system connecting the five counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. Service began in October 1992.
MODE	A particular form of transit, i.e., bus, light rail, heavy rail, or automated guideway.

**MODIFIED
ACCRUAL BASIS**

The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are recognized when the related fund liability is incurred.

MOS

Minimum Operable Segment. Original names for the three Metro Red Line project modules.

MOU

Memorandum of Understanding. A formal contractual agreement between two or more public agencies.

MTA

Metropolitan Transportation Authority. The name of the entity resulting from the April 1, 1993 merger of the LACTC and the SCRTD.

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 other than passenger-carrying buses and rail cars.

**OFF-PEAK
VEHICLES**

Total revenue vehicles required to meet off-peak period service needs per weekday.

OPERATIONS

The part of the transit system that produces the transportation, e.g., activities involving vehicle operators, vehicle scheduling, and maintenance.

OVERHEAD

Expenses not chargeable to a particular program or chargeable to multiple programs.

PHIM	Ports Highway Improvement Match. The MTA acts as an escrow agent and accumulates in this fund matching monies which are contributed by participating agencies in order to receive a Federal Demonstration Grant. Participating agencies are as follows: Caltrans, City of Los Angeles, City of Long Beach, Port of Los Angeles, and Port of Long Beach.
PIR	Project Information Report.
PMOC	Project Management Oversight Consultant.
PROPOSITION A	Proposition A sales tax initiative approved by Los Angeles County voters in 1980. It established one-half of a 1% sales tax to be used for public transit. Proposition A revenues are accounted for in a Special Revenue Fund. A portion of revenues are used to partially finance General Fund activities.
PROPOSITION C	Proposition C, another half-cent sales tax, was approved by Los Angeles County voters in 1990 for public transportation purposes, effective April 1991.
PSR	Project Study Report.
PUBLIC TRANSPORTATION SYSTEM	Any system of an operator which provides transportation services to the general public by any vehicle which operates on land or water, regardless of whether operated separate from or in conjunction with other vehicles.
PUC	Public Utilities Code.
PVEA	Petroleum Violation Escrow Account. A state Special Revenue Fund available to the MTA for transportation projects on a competition basis.
RCC	Rail Construction Corporation. Formerly a subsidiary of the LACTC responsible for designing and constructing the non-commuter rail network in Los Angeles County. Now the Construction Unit of the MTA.

REGULATION XV	Trip Reduction Plan managed by the AQMD.
REVENUE VEHICLES	Passenger-carrying buses and rail cars.
REVENUE VEHICLE HOURS	Total number of scheduled hours that a vehicle is in revenue 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, a bus, van trolley, ferry, cable car, or other vehicle used to provide public transportation for which a fare is collected. Revenue Vehicle Miles exclude non-service miles.
RIDESHARING	A fund used to account ridesharing contributions from various local governments. Resources are currently used to fund CTS and TDM projects. More generically, any alternative to the single occupant vehicle.
RMC	Records Management Center. The group within the Information Services Section of the MTA which maintains critical records in accordance with the MTA's records retention policy.
ROW	Right-of-Way. Land purchased for a transit system generally but not exclusively for rail.
RTD	Southern California Rapid Transit District. Also referred to as SCRTD.
RTIP	Regional Transportation Improvement Program. This plan is required in order for the region to qualify for federal funding, which is the basis for Los Angeles County input into the State Transportation Improvement Program (STIP).

SAFE	Service Authority for Freeway Emergencies. Created by the MTA, as permitted by state law, to receive one dollar from each vehicle registration within the Los Angeles County. Funds are used to provide expanded and improved emergency call box service along the freeways. The activities are accounted for in a Special Revenue Fund.
SCAG	Southern California Association of Governments. The regional planning agency for Ventura, Orange, Los Angeles, Riverside, San Bernardino, and Imperial Counties.
SCAQMD	South Coast Air Quality Management District. Also known as AQMD.
SCRRA	Southern California Regional Rail Authority. A Joint Powers Agency including Los Angeles, Ventura, Riverside, San Bernardino, and Orange Counties formed to plan, construct, and operate the regional commuter rail system known as Metrolink.
SECTION 15 OPERATING COSTS	Operating costs as defined by the FTA for reporting purposes; total operating costs less leases, rentals, and interest expense.
SFV	San Fernando Valley.
SGV	San Gabriel Valley.
SPECIAL REVENUE FUNDS	Funds used to account for resources which are legally or administratively restricted for specific purposes.
SRTTP	Short Range Transit Plan. A five-year business plan, completed every three years, which is used for internal planning by operators and the MTA, and is required to be submitted to several governmental entities.
STA	State Transit Assistance Fund. A Special Revenue Fund used to account for the revenue received by the MTA 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 is adopted by the California Transportation Commission (CTC), and serves as the primary vehicle for programming funds for highway projects.
- TCM** Transportation Control Measures. Required actions under the Federal Clean Air Act. Examples include bus transit, ridesharing, signal synchronization, and rail projects.
- TCU** Transportation Communication Union. Represents the MTA's clerical workers.
- TDA** Transportation Development Act. Created by state law in 1972, the TDA authorizes the use of 1/4 one-cent of the 6% state sales tax for transportation purposes. A Special Revenue Fund is used to account for the funds programmed by the MTA. One percent of this revenue is allocated to the MTA for its transportation planning activities.
- TDM** Transportation Demand Management. A series of programs to encourage ridesharing, reduction of air pollution, etc.
- TIC** True Interest Cost. The interest cost of debt to borrowers based on the interest rate, compounded semi-annually, that is necessary to discount cash payments of interest and principal to the purchase price of the bonds received. Similar to the Annualized Percentage Rate (APR) used in commercial and personal banking.
- TIP** Transportation Improvement Program. The programming document which establishes allocation of funding for Los Angeles County highways and transit.

TOP	The Transportation Occupations Program jointly sponsored by the MTA, local businesses, and school districts through which rail lines pass. The program prepares young people for careers in transportation.
TOW	Freeway service patrol program of tow trucks on major freeways during morning and evening commute hours.
TPM	Transportation Performance Measurement. A program, adopted by LACTC in 1981 in accordance with state law, to monitor system performance of transit operators who receive federal and state formula-driven funds (such as STA, TDA, Section 9).
TPOA	Transit Police Officers Association. Represents the MTA's sworn peace officers.
TRIP	Transportation Reporting and Improvement Program. A mobility performance program that focuses on opportunities for more efficient automobile transportation, public transit, and ridesharing.
TSM	Transportation Systems Management. A program of user incentives and disincentives such as improved communications, surveillance, synchronization, and control systems to maximize capacity and usage of the existing transportation network.
TVM	Ticket Vending Machines.
UMTA	The old Urban Mass Transportation Administration of the United States Department of Transportation. Now called Federal Transit Administration (FTA).
UTU	United Transportation Union. Represents the MTA's bus operators, schedulmakers, and schedule checkers.

**CHANGES BETWEEN THE FISCAL YEAR 1994-1995
PROPOSED AND ADOPTED BUDGETS**

On July 20, 1994, the Los Angeles County Metropolitan Transportation Authority Board of Directors adopted the Fiscal Year 1994-1995 Budget. Concurrent with adoption, the Board passed three significant motions revising the Proposed Budget. First, the proposed prices of tokens and K-12 passes were reduced and the college/vocational pass was reinstated, resulting in a revenue loss of \$8.4 million. An enhanced program to market tokens costing \$1.2 million was authorized. Second, the Board voted to continue service (at a reduced level) on lines 443, 445, and 457, a cost increase of \$0.2 million. These lines, and the expenses to support them, had been identified for elimination in the Proposed Budget. Third, the Adopted Budget includes an additional \$60.8 million of revenues and expenses for construction-related work of the Pasadena Blue Line.

The Adopted Budget also reflects the impact of both the work stoppage in July and the subsequent negotiated labor agreement. These two events have mitigated the \$9.8 million gap created with the revised fare structure and the additional service. First, the work stoppage in July resulted in an estimated \$3.9 million net savings to the MTA. This is the result of a direct savings of approximately \$10.4 million in labor and material costs offset by \$4.7 million of lost fare revenue, \$1.3 million for contracts with private carriers to augment MTA service, and \$0.5 million for additional overtime incurred by MTA staff in direct support of the provision of service during the work stoppage.

Second, it is estimated that the negotiated settlement with UTU, ATU, and TCU employees will result in a \$5.9 million savings in the Adopted Fiscal Year 1994-1995 Budget. A total of \$5.4 million is the result of reduced health and welfare costs. The remaining \$0.5 million are additional savings related to contracting out certain services.