



NEWS

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MTA BOARD ADOPTS \$2.9-BILLION BUDGET

The MTA Board of Directors today adopted a \$2.9-billion capital and operating budget for FY 1995 that will eliminate a \$126-million operations shortfall.

In adopting the budget, MTA Chief Executive Officer Franklin E. White committed that over the course of the year a funding gap of \$10 million will be eliminated through various cost containment measures.

The \$10-million gap was created by the adoption of a new fare structure (\$8.8 million), retaining service on three express lines for four months that had been proposed for cancellation (\$0.5 million), and continuation of four LADOT express lines for six months (\$.7 million).

The board also approved \$60.8 million in additional monies for the Pasadena Blue Line in FY 1995, bringing the total of budgeted funds for this construction project to \$123.4 million. The additional funds will be derived from savings in High Occupancy Vehicle (HOV) construction programs (\$32.8 million), and from available capital reserves (\$28 million).

"This budget attempts to reflect today's difficult fiscal realities," said Edmund Edelman, MTA chairman and member of the Los Angeles County Board of Supervisors. "We've had to face a number of tough decisions, such as trimming programs and staffing levels; hopefully, this budget places the MTA on somewhat more stable ground."

(MORE)

MTA BUDGET

Page 2

"We first identified a deficit projection of \$126 million early in FY 1994," said Franklin White, the MTA's chief executive officer. "Because of a continued decline in ridership during the year, the deficit has increased by \$15 million. Our goal has been to do whatever is necessary to eliminate the deficit and present a balanced budget."

Funding for a portion of the budget was approved at a special meeting on July 13 when the board approved a fare increase from \$1.10 to \$1.35 on buses and trains while retaining a 90-cent discount token. The new fare structure goes into effect on September 1, and calls for the elimination of regular monthly passes. The MTA will retain monthly passes for students K-12, college/vocational students, and elderly and disabled.

The board also approved the reduction of service on three peak-hour express bus lines, and the elimination of two local service lines.

"Our philosophy is 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 account for known ridership declines," said White.

In addition to a fare increase and service cuts, the agency has achieved a significant savings of \$27 million through a number of internal cost cuts, including a 20 percent reduction in administrative staff -- totaling 515 positions during the past 15 months.

An agency-wide salary freeze was approved for both represented and non-represented employees, which will save \$14 million. The agency already had cut in half the number of contracted outside services, closed an operating division and eliminated a number of transit programs.

The MTA budget is divided into the following key components:

(MORE)

MTA BUDGET

Page 3

- **Bus and Rail Operations, \$638 million:** As of October 1, the MTA estimates it will operate nearly 1,800 buses during morning and evening peak hours, along with the Blue Line and Red Line trains.

Reallocated capital funds fall under the operations portion of the budget. Included is \$20 million previously identified for matching rail capital projects and for debt service that was shifted to fund operations. Some \$4 million of this money will be allocated to municipal operators, with the remaining \$16 million for MTA operations. An additional \$3 million will be made available through formula funding procedures, as well as another \$20 million from federal capital offsets.

- **Rail Construction Projects, \$804.1 million:** The rail construction budget includes continued construction on Segments 2 and 3 of the Metro Red Line from MacArthur Park to North Hollywood, as well as the Mid-City and Eastern extensions; completion of the Metro Green Line, and final design and other work on the Pasadena Line segment of the Blue Line. The purchase of 74 light rail vehicles will receive continued funding.

- **Bus and Rail Capital, \$189.2 million:** The budgeted amount provides for the purchase of alternative fuel buses, and covers such items as bus refurbishment and replacement costs; the costs to provide an intermodal transit center, and to fund the transit police.

- **Planning and Program Support, \$19.5 million:** This covers management and implementation of multimodal transportation projects throughout the county; included, for example, are ADA-mandated projects, joint development projects, and administration of funding activities.

- **Other budget components include:** \$39.2 million for Freeway Service Patrol and motorist support; \$18.1 million for paratransit service; \$80.4 million for agency support, which includes funds for the new MTA headquarters building; \$247.3 million for allocated capital overhead and debt service; \$69.7 million for

(MORE)

MTA BUDGET

Page 4

Metrolink operations and capital; and \$810.2 million for local transportation subsidies that the MTA is responsible for distributing to other transit agencies, including High Occupancy Vehicle (HOV) programs.

"Despite the cutbacks, the MTA will continue to maintain its anti-graffiti efforts, promote the development of clean fuel technologies and increase security on both bus and rail systems," added White.

In looking to the future, the MTA will develop a fiscally constrained multimodal long-range plan for regional transportation. The budget calls for completion of final alignment studies for Segment 3 of the Red Line, and for the agency to maintain its Congestion Management Program and Deficiency Plan.

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