



Metro

Los Angeles County
Metropolitan Transportation Authority

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**SPECIAL BOARD MEETING
MAY 24, 2007**

SUBJECT: FARE REVENUES

ACTION: ADOPT FARE POLICY AND FARE RESTRUCTURING PLAN

RECOMMENDATION

- A. Adopt Resolution in accordance with the California Environmental Quality Act (CEQA) finding that the purpose of the Fare Restructuring Plan is to pay operating expenses, Attachment G.
- B. Adopt the proposed Fare Policy, Attachment A.
- C. Adopt fare restructuring plan, Attachment B1 (requires 2/3 majority, 9 votes).

ISSUE

In discussions leading to the adoption of the FY07 budget, various Board members commented on the need to address Metro's fare policy in the context of resolving the "structural deficit." The American Public Transportation Association (APTA) peer review noted that our fare recovery ratio and fare structure are low, 24%, when compared with our industry peers. They recommended a comprehensive fare policy that recognizes that users should pay a reasonable portion of the services provided and would index fare changes to match service level and cost increases.

POLICY IMPLICATIONS

The fare policy establishes a framework for changes in fare prices to be consistent with Metro's short and long-term goals and strategies for maintaining and improving the regional transportation system. The fare policy balances the competing objectives of increasing ridership, maintaining the lowest possible fares, and recognizing the needs of special groups such as students, elderly, disabled and transit dependent, while requiring that transit users pay a fair and reasonable portion of the costs of providing, maintaining and improving transit services. The policy includes principles consistent with those "approved in concept" by the Board in November 1998 and suggested by the APTA Peer Review.

Fares are only one component of a comprehensive strategy to address the structural deficit. Other issues affecting the strategy include the March 2006 Board motion directing staff and municipal operators to work on changes to the formula allocation procedure and the June

2006 motion directing staff to develop a financial stability policy that was adopted in January 2007.

The preliminary long range plan financials presented to the Board earlier this year are predicated on eliminating the deficit in three years. The recommended plan now proposes to resolve the issue in 5 years. Therefore, the long-term transit capital program will be delayed by a minimum of two years. The recommended plan brings us to stability for operating only the existing system including Eastside and Expo Phase 1. Changes to the recommended fare proposal and/or new/accelerated transit projects will require evaluation through the long range plan processes to fully determine the impacts to future projects and programs.

In accordance with the recommended Fare Policy, the Fare Restructuring Plan goals are to:

- Eliminate the structural deficit gradually over five years
- Minimize the number of fare changes within the five years
- Minimize the use of fund balances and reserves to achieve stability
- Preserve currently planned service levels (assumes implementation of Metro Connections and compliance with the Consent Decree New Service plan)
- Identify key fare structure relationships, so that future pricing is consistent and easily understood by the riding public
- Consider equity issues and effects of fare structure changes on minority and low-income populations
- Take advantage of technology advances offered by implementation of the Transit Access Pass program, "TAP"

ALTERNATIVES CONSIDERED

Continue the current practice of considering fare changes on an ad hoc basis. This alternative is not recommended because ad hoc changes do not provide a sound basis for the long-term financial planning required to support necessary transportation system operations, maintenance and improvement.

Adopt across-the-board increases – A 45% increase to each current price would generate the same amount of fare revenue as the proposed increase on July 1, 2007. This alternative is not recommended because it retains the poor existing relationships between the cash fare and various passes. Further, under the current Formula Allocation Procedure (FAP), our FAP subsidies would be reduced, thereby, increasing the structural deficit. An additional 75% across-the-board increase would be necessary to generate revenues equivalent to the recommended structure for January 1, 2009. Various other fare structures were analyzed and are not recommended because they do not provide sufficient revenues to meet the objectives of the Fare Restructuring Plan. See Attachment C.

Another alternative is to downsize the transit system to resolve the deficit. This alternative is not recommended because it would require that transit services be reduced significantly throughout the County.

Another alternative is not to approve the fare increase or downsize the system and utilize all remaining reserves and fund balances to sustain the system. This alternative is not recommended since the reserves would be exhausted by mid-FY09 and force even more severe decisions to raise fares and cut services at that time. The delays to future transit projects and programs would be even more significant than noted above.

FINANCIAL IMPACT

In conjunction with the adopted Financial Stability Policy, the Fare Policy will ensure that proposed changes to fare prices are consistent with Metro's long and short-term transportation plans, including the FY08 budget.

The proposed fare restructuring effective July 1, 2007, is estimated to provide approximately \$80 million of incremental fare revenues over the FY07 budgeted amount of \$280 million for total FY08 fare revenues of \$360 million.

BACKGROUND

Metro has made efforts that are compliant with federal Title VI regulations designed to ensure that its fare structure has no discriminatory impact on minority and low-income transit riders. Also, a duly noticed public hearing was held at Metro headquarters on May 24, 2007. Oral testimony was heard. Public participation and outreach was further enhanced through regional fare forums hosted by Metro throughout the County at which the fare proposal was discussed and public comments received. Additionally, comments were received via mail and email. A complete transcript of the discussions at the Regional Fare Forum and all other written comments received is on file with the Board Secretary. The issues raised by the public have been categorized by staff and written responses to those issues have been prepared. That material has been made available to the Board for its consideration of the Fare Restructuring Plan.

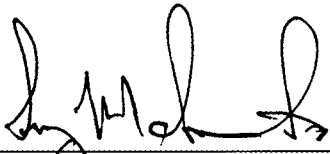
The California Environmental Quality Act (CEQA) does not apply to the restructuring of fares charged by public agencies, which the public agency finds are for the purpose of meeting operating expenses. Metro's proposed fare increases will be used solely to pay its operating expenses, including wages and fringe benefits, fuel costs and insurance reserves. Therefore, the proposed Fare Restructuring Plan falls within a statutory exemption and is not subject to CEQA. Before Metro adopts the proposal, CEQA requires that the Board make written findings to support the fact that the rate changes fall within the statutory exemption. If adopted by the Board, the attached Resolution constitutes Metro's written findings.

NEXT STEPS

Implement fare changes as of July 1, 2007.

ATTACHMENTS

- A. Fare Policy
- B. Recommended Fare Structure
- C. Alternative Fare Proposals
- D. How Do We Compare?
- E. Who Are Metro Riders?
- F. What Do We Do For Special Needs Groups?
- G. CEQA Resolution



Terry Matsumoto
Chief Financial Services Officer and Treasurer



Roger Snoble
Chief Executive Officer

Fare Policy

Policy Statement

The fare policy establishes a framework for changes in fare prices to be consistent with Metro's short and long-term goals and strategies for maintaining and improving the regional transportation system.

Purpose

The fare policy balances the competing objectives of increasing ridership, maintaining the lowest possible fares, and recognizing the needs of special groups such as students, elderly, disabled and transit dependent, while requiring that transit users pay a fair and reasonable portion of the costs of providing, maintaining and improving transit services.

Principles

Ref	Principle	Action	Impact
1	Users should pay a reasonable portion of system costs	In recognition of the existing structural deficit, as part of the annual budget process, adopt a fare recovery ratio that provides for an improved level of cost recovery until financial stability is reached.	Together with service plan, quantifies the need for use of regional funds beyond FAP/MOSIP to sustain Metro bus operations. The current Board policy for fare recovery is 38% as stated in FAP guidelines.
2	Fare increases should not come as a surprise to the public	Consider regular fare increases tied to CPI-based cost increases or other major cost factors such as new/expanded services and to factors such as significant change in other revenues and productivity.	After reaching a sustainable level, together with the service plan, establishes the framework and timing for future transportation capital improvements.
3	Link fare changes to specific system improvements	Consider surcharges tied to capital needs, such as security enhancements, system rehabilitation, seismic retrofit, etc.	Dedicated funding increases accountability.
4	Premium fares for premium services. Off peak discounts to encourage use of underutilized capacity	Consider premiums for faster service. Optimize off-peak system use by considering time of	Users should pay more for faster, more convenient services such as rapid and rail. Increased utilization of existing

Ref	Principle	Action	Impact
		day pricing.	capacity goes directly to bottom line.
5	More use/more pay	<p>Consider implementing ride and/or distance-based fares.</p> <p>A base fare would be charged for a number of rides/distance units. Additional rides/distance units would be discounted.</p>	Riders pay for what they use. A fundamental change from the current "unlimited ride/distance" pass concept.
6	Customer satisfaction	<p>Consider developing new inter-operator and inter-agency partnerships to increase transit access and seamless travel, developing innovative partnership programs with major employers, educational institutions and other rider generators, and using time-limited passes to market Metro special events, weekend, and families.</p>	Increases ridership. Includes parking and other non-transit efforts that would increase revenues and system access.
7	Needs of special groups	<p>Continue to recognize the special fare needs of the elderly, disabled, students and transit dependent.</p> <p>Establish the following relationships among discounted passes to maintain equity:</p> <p>Senior/Disabled/Medicare – 50% of regular adult day and monthly passes</p> <p>K-12 Student – 60% of regular adult monthly pass</p> <p>College/Vocational Student – 70% of regular adult monthly pass</p>	Reduces financial barriers to system use by special needs groups by continuing fare subsidies.

Ref	Principle	Action	Impact
8	Title VI Assessment of Fare Changes	Consider equity issues and effects of fare structure changes on minority and low-income populations	Addresses federal Title VI requirement regarding service and fare changes.
9	Transit Access Pass - TAP	The Board has long supported “seamless” travel within LA County. The TAP card program meets this requirement. In order to encourage County riders to use the card, Metro discounted passes will only be available with a TAP card.	Reduces barriers to system use. The TAP card and related automated fare collection software eliminates the need for riders to know each operator’s unique fare structure and the need to have “exact change”. TAP ridership data will also be available to assist in scheduling services to meet patronage needs.

Procedures

1. At least every five years, staff will present a comprehensive review and update of this Fare Policy for Board review and approval.
2. The Board will adopt a comprehensive fare structure designed to reach at least a 38% fare recovery goal over a period of years and maintain that level thereafter.
3. Annually, as part of the budget process, the Board will consider the need for adjustments to fares.
4. When fare adjustments are proposed, all federal and State regulations will be followed including the requirements for public notice and hearings.

Fare Restructuring Plan

The goals of the Fare Restructuring Plan are to:

- Eliminate the structural deficit gradually over five years
- Minimize the number of fare changes within the five years
- Minimize the use of fund balances and reserves to achieve stability
- Preserve currently planned service levels (assumes implementation of Metro Connections and compliance with the Consent Decree New Service plan)
- Identify key fare structure relationships so that future pricing can be indexed and will be consistent and easily understood by the riding public
- Consider equity issues and effects of fare structure changes on minority and low-income populations
- Take advantage of technology advances offered by implementation of the Transit Access Pass program, "TAP"

Eliminating the structural deficit is defined as achieving financial stability such that the fare recovery ratio established by the Fare Policy can be maintained by indexed changes, such as CPI, and not using fund balances or reserves.

Highlights of current fare structure:

		<u>Ratio (pass to cash)</u>
Cash fare	\$1.25	-
Day pass	\$3.00	2.4
Weekly pass	\$14.00	11.2
Monthly pass	\$52.00	41.6
EZ pass	\$58.00	Monthly plus \$6.00
		<u>Ratio (pass to regular monthly)</u>
Seniors/Disabled monthly	\$12.00	23%
K-12 monthly	\$20.00	38%
College monthly	\$30.00	58%
Senior age	62 years	

Proposed fare structure July 1, 2007:

		<u>Ratio (pass to cash)</u>
Cash fare	\$1.25	-
Day pass	\$5.00	4.0
Weekly pass	\$20.00	16.0
Monthly pass	\$75.00	60.0
EZ pass	\$95.00	Monthly plus \$20.00
		<u>Ratio (pass to regular monthly)</u>
Seniors/Disabled monthly	\$37.50	50%
K-12 monthly	\$45.00	60%
College monthly	\$52.50	70%

Senior age Increases to age 65 over three years

The proposed fare structure January 1, 2009 is utilizes the same ratios and is based on a \$2.00 cash fare.

A third fare change will be required in FY 12 to eliminate the deficit. Distance, premium and congestion based fare structures will be evaluated after TAP has been implemented and ridership data is available.

Attachment B1
Fare Restructuring Proposal

<u>Regular</u>	<u>Last Change</u>	<u>Current</u>	<u>Proposed 7/1/07</u>	<u>Proposed 1/1/09</u>
Cash	2004	\$1.25	\$1.25	\$2.00
Token	2004	\$1.10	\$1.25	\$2.00
Day	2004	\$3.00	\$5.00	\$8.00
Week	2004	\$14.00	\$20.00	\$32.00
Semi	2004	\$27.00	Eliminate	Eliminate
Month	2004	\$52.00	\$75.00	\$120.00
EZ	2002	\$58.00	\$95.00	\$140.00
<u>Regular - Other</u>				
Cash Zone 1	1995	\$0.50	\$0.80	\$1.30
Cash Zone 2	1995	\$1.00	\$1.60	\$2.60
Monthly premium each zone	1995	\$15.00	\$24.00	\$39.00
Owl	2004	\$0.75	Eliminate	Eliminate
Metro to Muni Transfer	1995	\$0.25	\$0.50	\$1.00
<u>Senior/Disabled/Medicare</u>				
Cash	1995	\$0.45	\$0.60	\$1.00
Zone 1	2004	\$0.25	\$0.40	\$0.65
Zone 2	2004	\$0.50	\$0.80	\$1.30
Day	2004	\$1.50	\$2.50	\$4.00
Month	1995	\$12.00	\$37.50	\$60.00
EZ	2002	\$29.00	\$47.50	\$70.00
Monthly premium each zone	1988	\$7.50	\$12.00	\$19.50
Metro to Muni Transfer	1988	\$0.10	\$0.25	\$0.50
<u>Students</u>				
K-12	1995	\$20.00	\$45.00	\$72.00
College	1995	\$30.00	\$52.50	\$84.00

Senior Age

July 1, 2007	63
July 1, 2008	64
July 1, 2009	65

All registered Seniors under the age of 63 at June 30, 2007, remain eligible.

Alternative Fare Proposals

The following across-the-board increase, approximately 45%, alternative generates the total fare revenue equivalent to the proposed restructuring as of July 1, 2007. A 75% across-the-board increase would be equivalent to the proposed fare structure as of January 1, 2009.

<u>Cash</u>		<i>Current</i>	<i>Alternative</i>
Base	Reg	1.25	1.80
	Sr	0.45	0.65
Day	Reg	3.00	4.50
	Sr	1.50	2.25
IAT	Reg	0.25	0.35
	Sr	0.10	0.15
Exp	Zone 1	0.50	0.75
	Sr	0.25	0.35
	Zone 2	1.00	1.50
	Sr	0.50	0.70
Night	Reg	0.75	1.00
	Sr	0.35	0.50

Prepaid

Token		1.10	1.60
Week		14.00	20.00
Semi		27.00	39.00
Month	Reg	52.00	75.00
	Sr	12.00	17.00
Exp	ea zone	15.00	22.00
K-12		20.00	29.00
College		30.00	44.00
EZ	Reg	58.00	84.00
	Sr	29.00	42.00
EZ Prem	ea zone	15.00	22.00

Attachment D
Fare Recovery Ratio Benchmarks

Transit Agency	Modes	Fare Recovery Ratio	Ave fare/boarding
APTA Peer Group			
AC Transit	Bus	18.70%	\$0.67
Chicago Transit	Bus & Rail	43.00%	\$0.85
New York City Transit	Bus & Rail	56.80%	\$0.95
OCTA	Bus	23.40%	\$0.64
SEPTA (Philadelphia)	Bus & Rail	37.90%	\$0.98
Metro (1)	Bus & Rail	24.70%	\$0.59
Other Large Systems			
MBTA (Boston)	Bus & Rail	29.40%	\$0.82
WMATA (Wash, DC)	Bus & Rail	43.20%	\$1.15
BART	Rail	45.40%	\$2.35
New Jersey Transit	Bus & Rail	37.80%	\$2.31
San Francisco	Bus & Rail	26.30%	\$0.55

Based on 2005 National Transit Database, most recent available as of April 2007.

1 Metro FY07 budget.

Comparative Fares

Modes	City	CPI Index	Base Fare	Monthly Pass	Day Pass
<u>Major Cities</u>					
HR/MB	Atlanta	192.7	1.75	52.50	8.00
HR/LR	Boston	224.5	2.00	59.00	9.00
MB	Boston	224.5	1.50	40.00	-
HR/MB	Chicago	197.9	2.00	75.00	5.00
LR/MB	Dallas	188.4	1.25	40.00	2.50
MB	Detroit	196.6	1.50	49.50	-
MB	Fort Worth	188.4	1.25	40.00	2.50
LR/MB	Houston	180.4	1.00	35.00	2.00
HR/LR/MB	Los Angeles	211.1	1.25	52.00	3.00
HR/MB	New York	220.9	2.00	76.00	7.00
LR	Newark	220.9	1.75	53.00	-
HR/LR/MB	Philadelphia	211.6	2.00	70.00	5.50
LR/MB	Saint Louis	192.8	1.75	60.00	4.50
LR/MB	San Francisco (MTA)	211.0	1.50	45.00	11.00
HR	Washington*	129.3	1.35	-	6.50
MB	Washington*	129.3	1.25	-	3.00
<u>Other California Cities</u>					
MB	Long Beach		0.90	50.00	2.50
MB	Oakland		1.75	70.00	-
MB	Orange		1.25	45.00	2.50
MB	Riverside		1.25	43.00	3.75
LR/MB	Sacramento		2.00	85.00	5.00
MB	San Bernardino		1.25	41.00	3.00
MB	San Diego		2.25	60.00	5.00
LR/MB	San Jose		1.75	61.25	5.25
MB	Santa Clarita		1.00	25.00	-
MB	Santa Cruz		1.50	50.00	4.50
MB	Stockton		1.25	50.00	3.00
MB	West Covina (FTZ)		1.00	55.00	-

Mode Codes
LR - light rail
HR - heavy rail
MB - bus

* CPI index is based on 1996=100

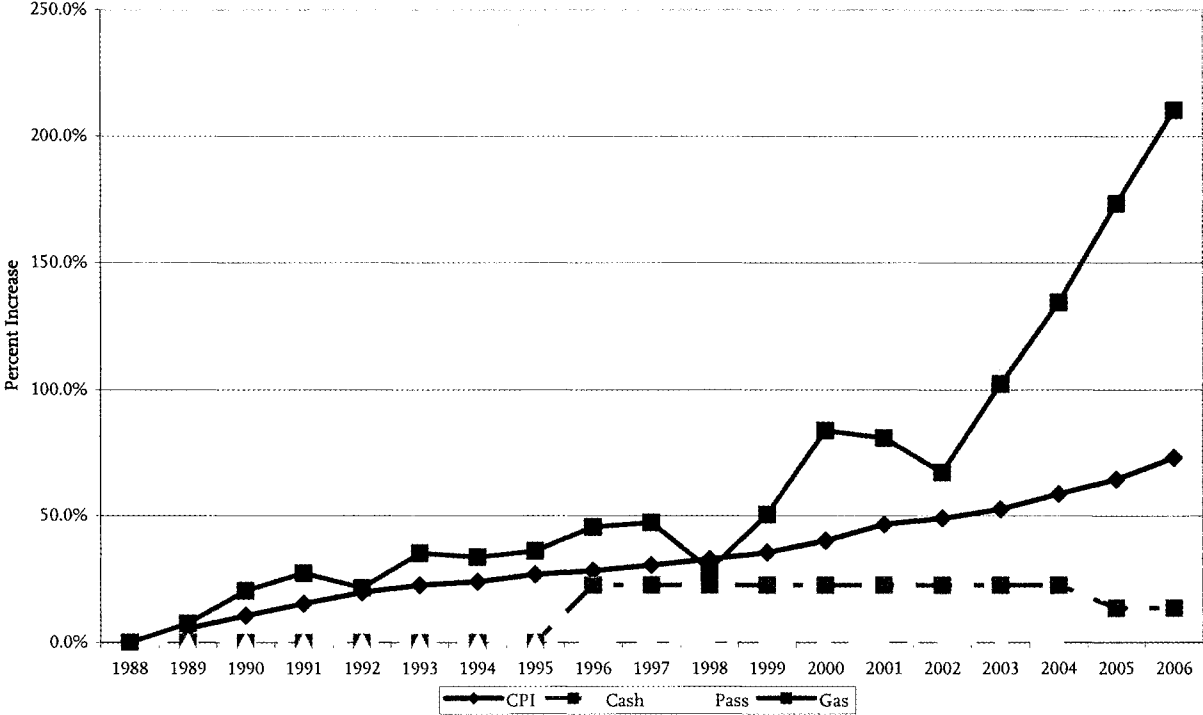
\$2 Dollar Fares Today

The following table shows operators across the country whose base cash fare is \$2 or more as of April 2007.

Transit System Name	Urban Area	Date	Base	Day	Month
Eagle County Regional Transportation Authority	Avon, CO	2006	3.00	6.00	60.00
Plymouth Metrolink	Minneapolis, MN	2006	2.75	-	-
Southwest Metro Transit Commission	Minneapolis, MN	2006	2.75	6.00	104.00
San Diego Metropolitan Transit System	San Diego, CA	2003	2.25	5.00	60.00
San Diego Transit Corporation	San Diego, CA	2003	2.25	5.00	60.00
Chicago Transit Authority	Chicago, IL	2006	2.00	5.00	75.00
City and County of Honolulu Department of Transportation Services	Honolulu, HI	2003	2.00	-	40.00
Community Action of Southern Kentucky, Inc.	Bowling Green, KY	1995	2.00	-	-
Massachusetts Bay Transportation Authority*	Boston, MA	2007	2.00	9.00	59.00
Metro Transit	Minneapolis, MN	2006	2.00	6.00	76.00
Monterey-Salinas Transit	Seaside, CA	2006	2.00	4.50	62.00
MTA Long Island Bus	New York, NY	2003	2.00	7.00	76.00
MTA Metro-North Railroad	New York, NY	2005	2.00	-	25.00
MTA New York City Transit	New York, NY	2003	2.00	7.00	76.00
New York City Department of Transportation	New York, NY	2004	2.00	-	-
North County Transit District	San Diego, CA	2006	2.00	4.00	84.00
Sacramento Regional Transit District	Sacramento, CA	2006	2.00	5.00	85.00
Southeastern Pennsylvania Transportation Authority	Philadelphia, PA	2001	2.00	5.50	70.00
Triangle Transit Authority	Raleigh, NC	2005	2.00	4.00	64.00
Williamsport Bureau of Transportation	Williamsport, PA	2005	2.00	2.00	32.00

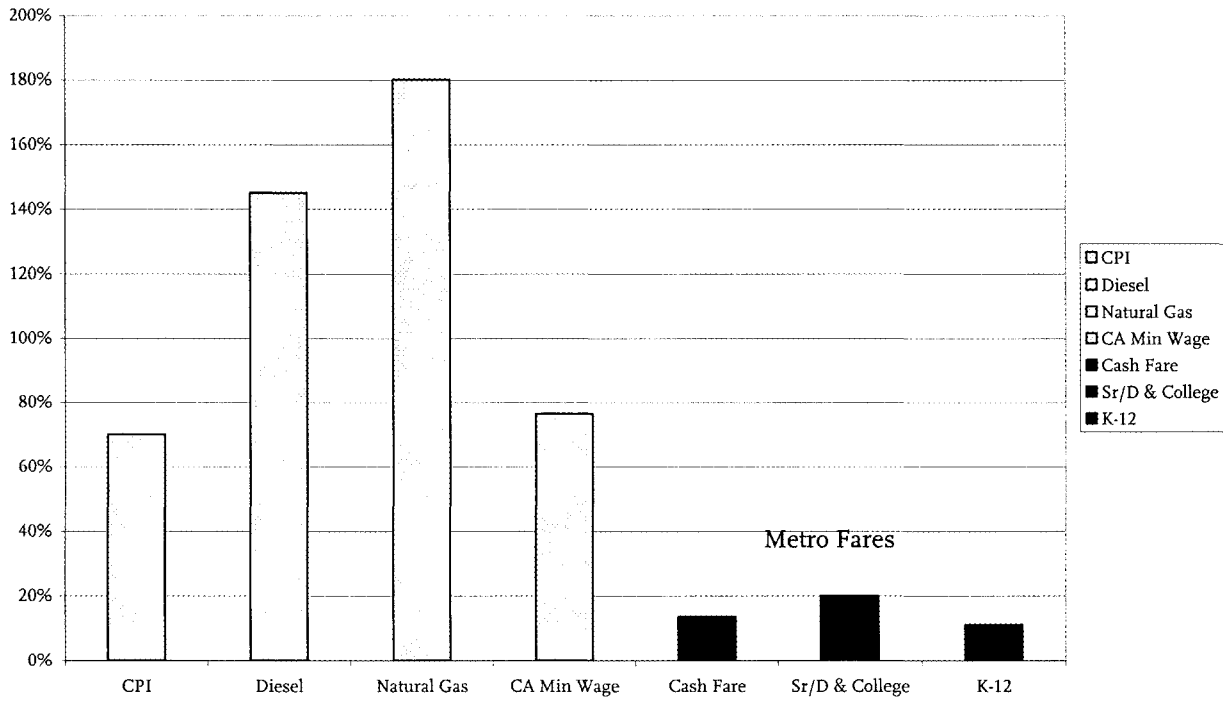
* Rail

Fares, Gasoline, CPI



Other Inflation Items

Price Changes
1988-2006



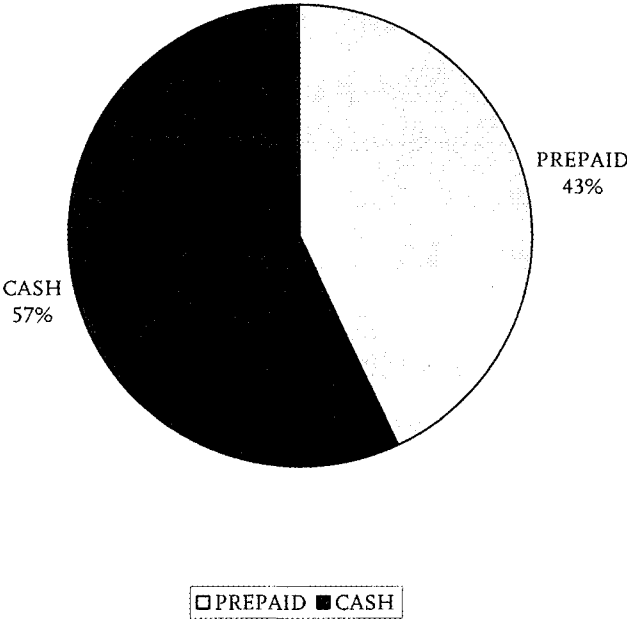
Fare Structure History

Ln	<u>Cash Fares</u>	<u>7/01/81 6/30/82</u>	<u>7/01/82 6/30/85</u>	<u>7/01/85 6/30/88</u>	<u>7/1/89 8/30/94</u>	<u>9/1/95 12/31/03</u>	<u>1/1/04- Present</u>
1	Regular	\$0.85	\$0.50	\$0.85	\$1.10	\$1.35	\$1.25
2	Zone or Express	\$0.40	\$0.25	\$0.35	\$0.40	\$0.45	\$0.45
3	Transfer	\$0.15	\$0.10	\$0.10	\$0.25	\$0.25	
4	Day Pass						\$3.00
5	Metro-Muni Trans						\$0.25
6	Night Service						\$0.75
7	Senior/Disabled	\$0.40	\$0.20	\$0.40	\$0.55	\$0.50	\$0.45
8	Zone or Express	\$0.20			\$0.20		\$0.25
9	Transfer	\$0.05	\$0.10	\$0.10	\$0.10	\$0.10	
10	Day Pass						\$1.50
11	Metro-Muni Trans						\$0.10
12	Night Service						\$0.35
13							
14	<u>Pass Fares</u>						
15	Regular	\$34.00	\$20.00	\$32.00	\$42.00	\$42.00	1 \$52.00
16	Zone	\$12.00	\$7.00	\$12.00	\$12.00	\$12.00	1 \$15.00
17	Semi Monthly					\$21.00	2 \$27.00
18	Weekly					\$11.00	2 \$14.00
19	EZ					\$58.00	3 \$58.00
20	Senior/Disabled	\$7.50	\$4.00	\$7.00	\$10.00	\$12.00	\$12.00
21	Zone	\$6.00					
22	EZ					\$29.00	3 \$29.00
23	Student	\$22.00	\$4.00	\$12.00	\$18.00	\$20.00	\$20.00
24	College/Voc	\$26.00	\$4.00	\$15.00	\$25.00	\$30.00	\$30.00
25							
26	<u>Special Fare Media</u>						
27	Tokens		\$0.50	\$0.85		\$0.90	\$1.10
28							
29	Notes						
30	1	Eliminated but reinstated for Consent Decree					
31	2	Implemented for Consent Decree					
32	3	Implemented 9/1/02					

How do Metro riders pay their fares?

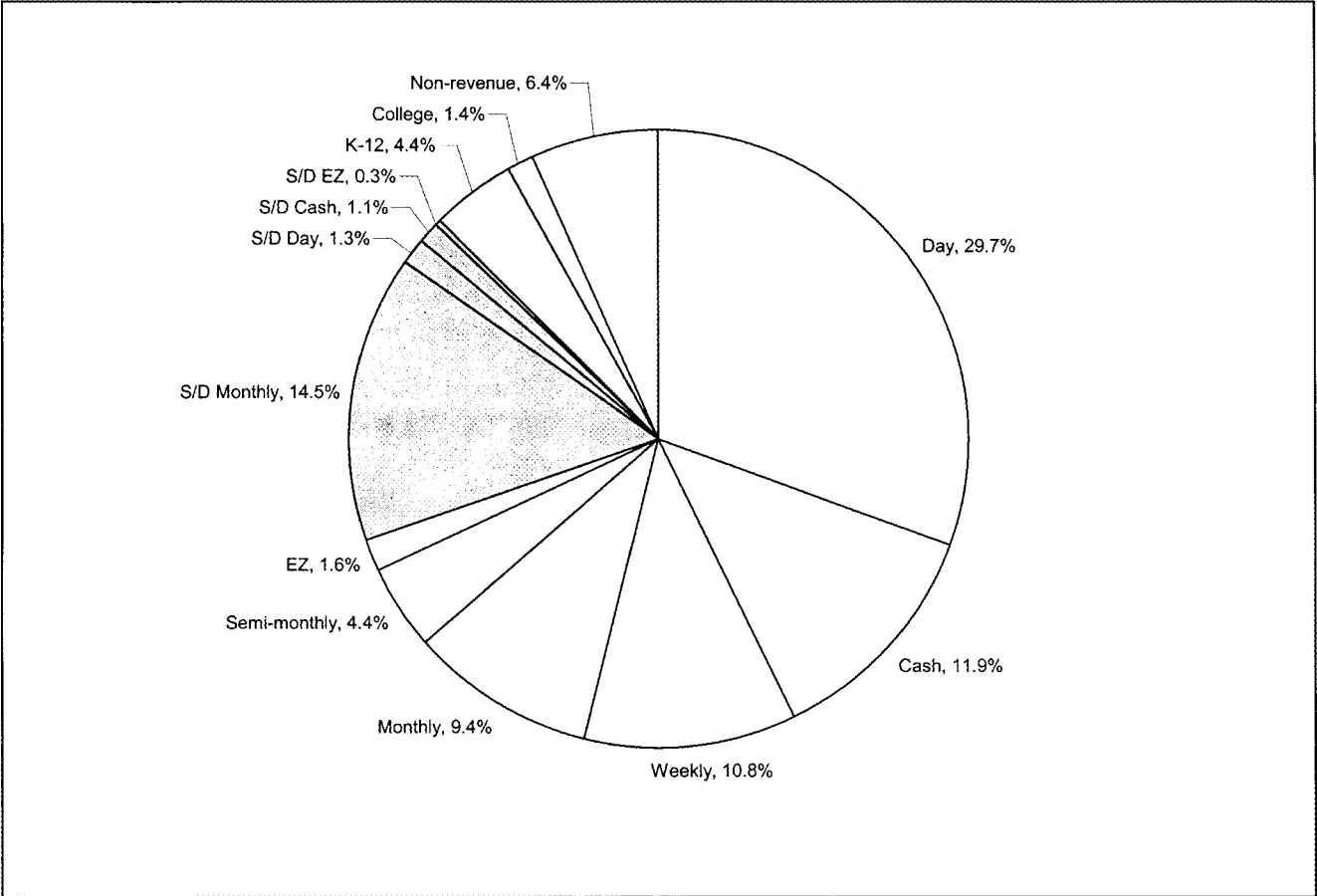
Cash payment indicates that they paid for their rides on the day of travel onboard buses or at ticket vending machines, includes day passes. Prepaid indicates that they bought their fare media in advance of their travel through Metro customer service centers, the vendor network or Metro Mail. Prepaid includes tokens and all other passes.

Fare Revenue by Payment Type
FY06



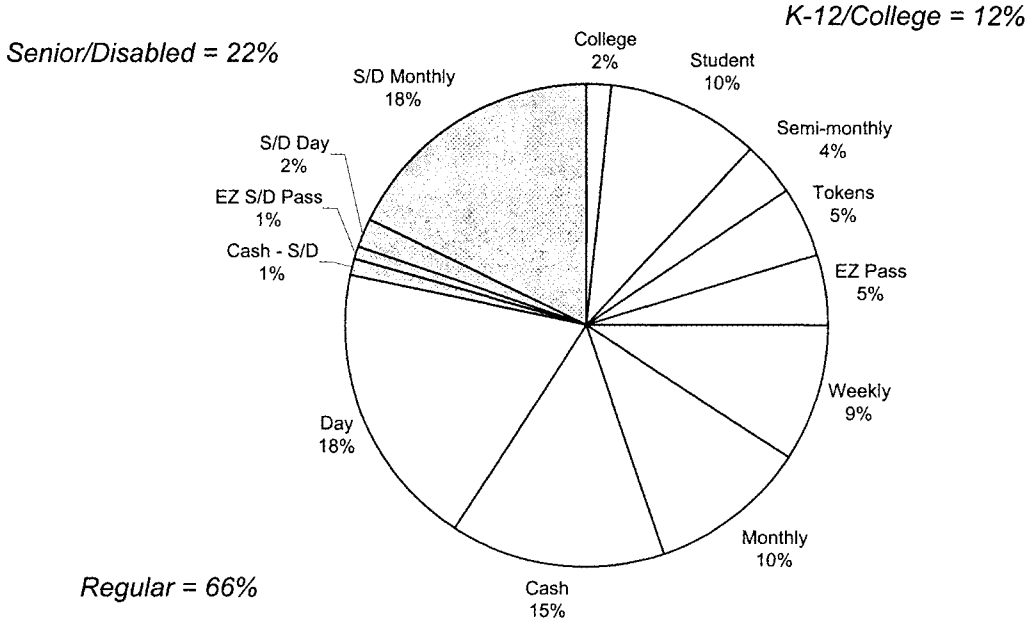
Boardings by Fare Media Type

What fare media did riders use to board the system in FY2006?

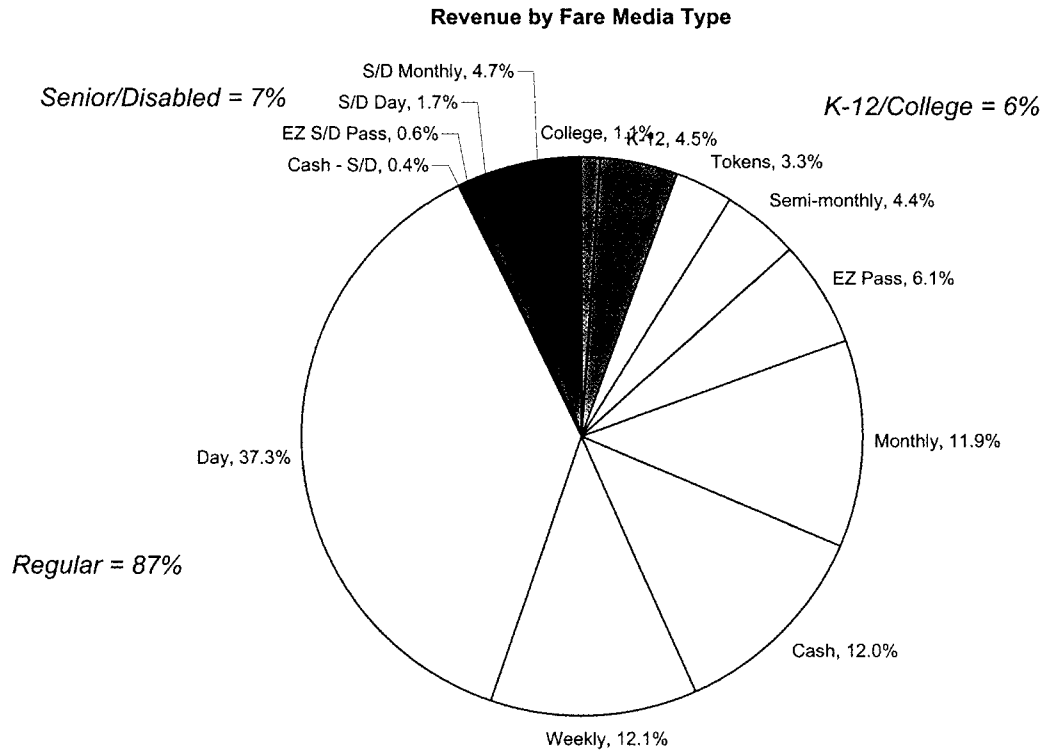


Riders by Fare Media Type

Who are our riders?

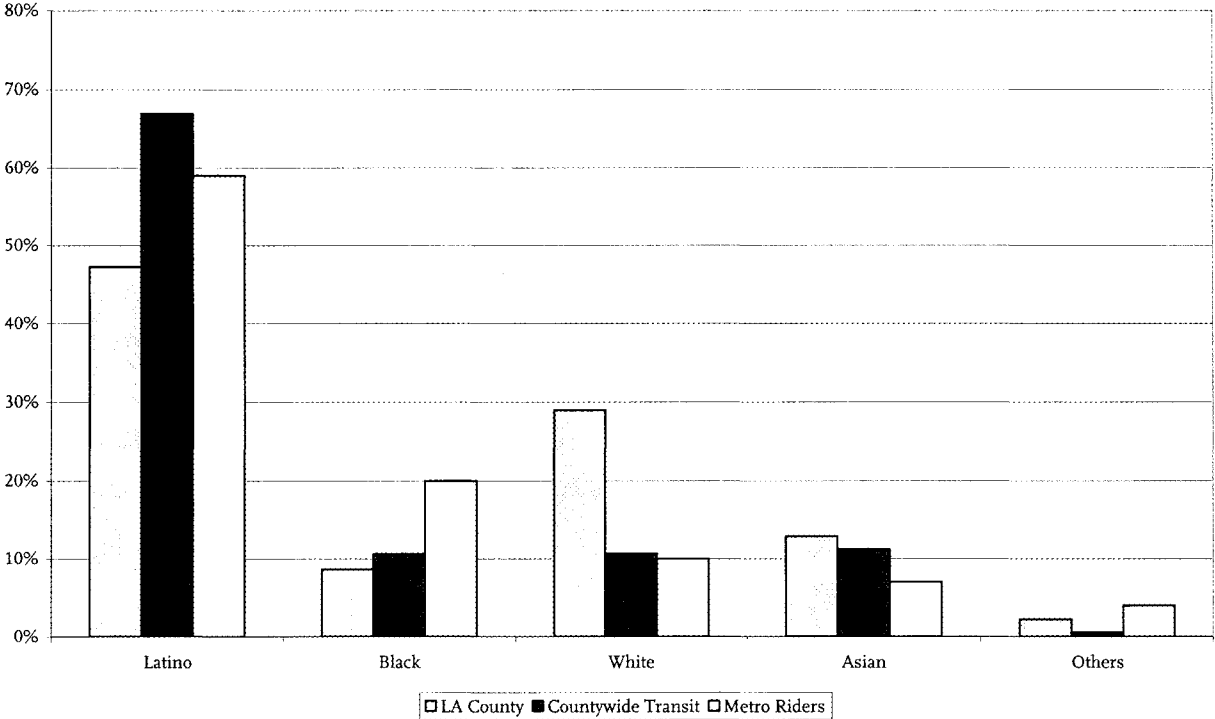


Fare Revenue by Fare Media Type

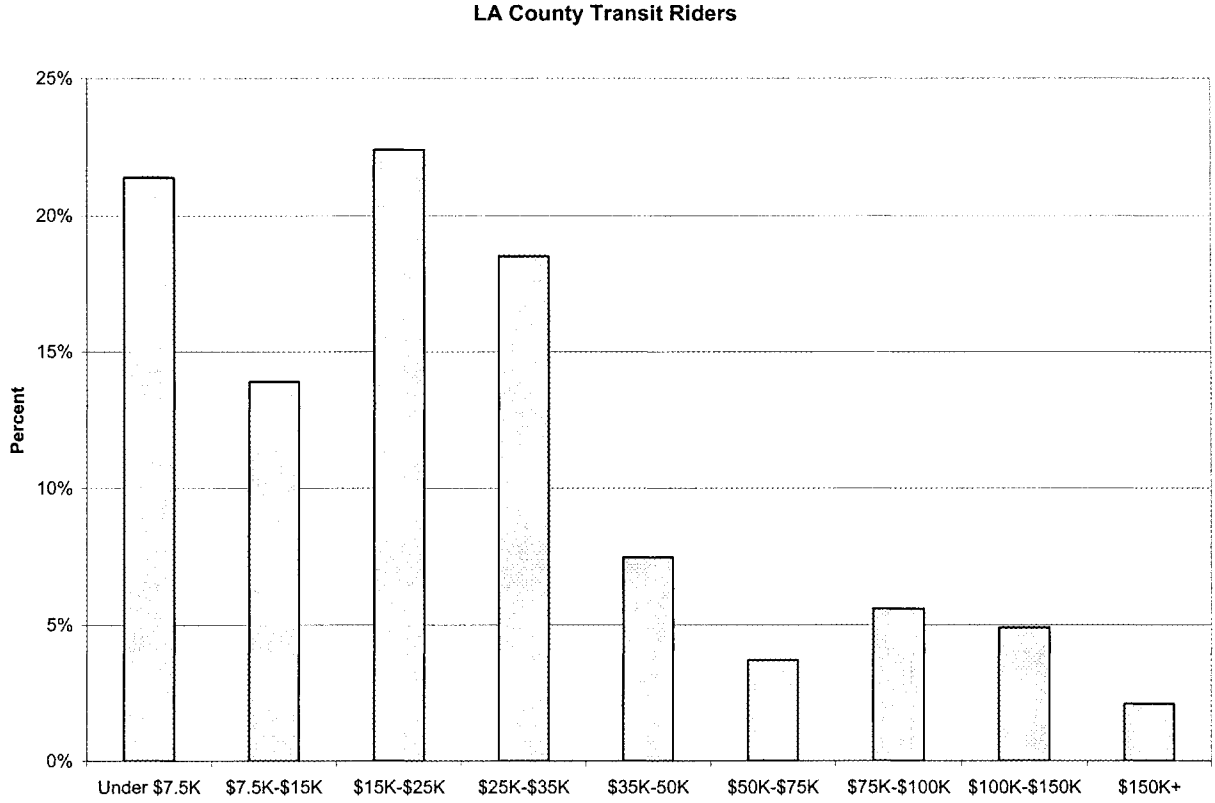


Metro riders compared to the countywide population and transit users by major ethnic group.

Transit Demographics



Transit riders by income levels, Fall 2006.



Special Needs Programs

What is the value of programs provided to groups with special needs?

<u>Program</u>	<u>Subsidy</u>	<u>Discussion</u>
Metro Discounted Fares		
Senior/Disabled Cash Fare	170,000	Regular cash fare is \$1.25. FTA requirement is 50% off-peak. Current S/D fare is \$.045. Excess subsidy is \$0.17/ boarding. Estimated annual S/D cash boardings are 1 million.
Senior/Disabled Monthly Pass	40,000,000	S/D pass is NOT required. 1 million S/D passes are sold annually at \$12 vs \$52, subsidy is \$40/pass.
K-12 Student Pass	16,000,000	K-12 pass is \$20 vs \$52, subsidy is \$32/pass. 500,000 passes sold annually
College/Voc Pass	2,200,000	C/V pass is \$30 vs \$52, subsidy is \$22/pass. 100,000 passes sold annually.
EZ S/D	1,160,000	EZ S/D is not required. EZ S/D is \$29 vs \$58, subsidy is \$29/ pass. 40,000 passes sold annually.
Subtotal	59,530,000	
Other Metro Programs		
SHORE	350,000	Support for Homeless on Re-entry - Shelter Partnership distributes tokens through 26 agencies in the greater Los Angeles area. These agencies distribute the tokens to eligible homeless/indigent population to seek employment, housing, etc.
General Relief	700,000	The Los Angeles County Department of Public Social Services (DPSS) provides transportation subsidies to indigents in the form of tokens.
Prop A Incentive Program	5,700,000	Incentive funded programs include Subregional Paratransit service to the Elderly and Disabled. There are 19 programs provided by 17 agencies.

JARC/New Freedom	8,000,000	Job Access and Reverse Commute (JARC) and New Freedom Programs. Through these federal programs, Metro allocates funding to Los Angeles County eligible recipients who are able to develop and implement local programs that offer job access and reverse commute services that offer transportation for low income individuals who may live in the city core and work in suburban locations or services and facility improvements to address the transportation needs of persons with disabilities that go beyond those required by the Americans with Disabilities Act.
Access Services	75,000,000	Access Services is responsible for the administration of Access Paratransit, the Americans with Disabilities Act (ADA) mandated paratransit transportation program for Los Angeles County and provides for the mobility of persons with disabilities.
Immediate Needs	5,000,000	The Immediate Needs Transportation Program (INTP) provides subsidized bus/taxi fares to Los Angeles County residents who have a need for transportation with no other resources. The First African Methodist Church (FAME) and the International Institute of Los Angeles (IILA) are the administrators of the program and they work through over 700 non-profit agencies to distribute the taxi vouchers and bus tokens to eligible individuals.
Subtotal	94,750,000	
Local Programs		
Specialized Dial-a-Ride for the elderly and disabled	21,400,000	For FY 2005-06, 63 cities and the County of Los Angeles (unincorporated areas) provided Specialized DAR.
Grand Total	<u>175,680,000</u>	

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Code-Seq	Project Title	Status	Date Approved	Prop A	Prop C	Total
<u>Alhambra</u>						
250-04	Bus Pass Subsidy Program	OG	08/01/06	\$409,352	\$0	\$409,352
<u>Avalon</u>						
250-01	Avalon Rapid Transit	OG	07/18/06	\$54,276	\$45,088	\$99,364
<u>Azusa</u>						
250-01	Bus Pass Subsidy Program	OG	08/03/06	\$0	\$32,000	\$32,000
<u>Baldwin Park</u>						
250-01	Special Service (Taxicabs)	OG	08/02/06	\$3,000	\$0	\$3,000
250-02	Bus Fare Subsidy Program	OG	08/02/06	\$16,000	\$0	\$16,000
			City Total	\$19,000	\$0	\$19,000
<u>Bell</u>						
250-03	Bus Pass Subsidy Program	Amended	08/14/06	\$90,000	\$0	\$90,000
<u>Bell Gardens</u>						
250-04	User Side Subsidy	OG	08/01/06	\$12,000	\$0	\$12,000
<u>Beverly Hills</u>						
240-01	Taxi Coupon Program	OG	08/02/06	\$175,000	\$0	\$175,000
250-01	MTA Bus Pass Subsidy	OG	08/02/06	\$0	\$25,000	\$25,000
			City Total	\$175,000	\$25,000	\$200,000
<u>Carson</u>						
240-02	Dial-A-Taxi	Amended	03/12/07	\$669,744	\$0	\$669,744
<u>Cerritos</u>						
250-01	Long Beach Transit Subsidy	OG	09/18/06	\$18,000	\$0	\$18,000
<u>Compton</u>						
240-17	Dial-A-Taxi	OG	07/27/06	\$80,000	\$0	\$80,000
250-08	Elderly Transit Subsidy	OG	07/27/06	\$0	\$48,000	\$48,000
			City Total	\$80,000	\$48,000	\$128,000
<u>Covina</u>						
250-02	Bus Pass Subsidy Program	OG	07/21/06	\$38,000	\$0	\$38,000
<u>Diamond Bar</u>						
250-01	Transit Subsidy Program	OG	09/18/06	\$200,000	\$0	\$200,000
<u>El Monte</u>						
250-07	Bus Pass Subsidy	OG	08/22/06	\$55,000	\$0	\$55,000
<u>El Segundo</u>						
250-05	Mta Pass Buy Down	OG	08/15/06	\$8,000	\$0	\$8,000
<u>Glendale</u>						
250-05	MTA Bus Pass Subsidy	OG	07/27/06	\$420,000	\$0	\$420,000
<u>Glendora</u>						
240-03	Bus Pass Subsidy Program	OG	08/15/06	\$6,000	\$0	\$6,000
<u>Hawaiian Gardens</u>						
250-01	Bus Pass Subsidy	OG	07/18/06	\$2,500	\$0	\$2,500
<u>Hermosa Beach</u>						
250-01	Bus Pass Subsidy	OG	07/27/06	\$3,000	\$0	\$3,000
<u>Huntington Park</u>						
250-01	User Side Subsidy (Elderly/Handicapped)	OG	07/28/06	\$45,000	\$0	\$45,000
<u>Inglewood</u>						
240-10	Subsidized Taxi Services	OG	08/01/06	\$0	\$161,000	\$161,000
250-07	Reduced Fare Bus Passes	OG	08/01/06	\$0	\$123,000	\$123,000
			City Total	\$0	\$284,000	\$284,000

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Code-Seq	Project Title	Status	Date Approved	Prop A	Prop C	Total
<u>La Habra Heights</u>						
250-01	Airport Shuttle Program	OG	08/02/06	\$0	\$30,230	\$30,230
<u>La Puente</u>						
250-01	User Side Subsidy	OG	08/01/06	\$530,050	\$0	\$530,050
<u>La Verne</u>						
250-09	Senior Bus Pass Subsidy	Amended	08/29/06	\$0	\$14,000	\$14,000
250-11	MetroLink Pass Subsidy	OG	08/04/06	\$0	\$70,000	\$70,000
			City Total	\$0	\$84,000	\$84,000
<u>Long Beach</u>						
250-15	Transit Subsidies for Youth Citywide	OG	08/03/06	\$2,500	\$0	\$2,500
<u>Los Angeles City</u>						
250-55	City Scrip Reimbursement (Taxi/Lift-Van)- (formerly 55-140)	OG	08/02/06	\$7,300,000	\$0	\$7,300,000
250-56	Cityride Scrip Reimbursement (MTA) - (Formerly 56-140)	OG	08/02/06	\$7,300,000	\$0	\$7,300,000
			City Total	\$14,600,000	\$0	\$14,600,000
<u>Los Angeles County</u>						
250-001	Bus Tokens For East La Office	OG	09/08/06	\$1,000	\$0	\$1,000
250-003	East San Gabriel Valley Bus Token Subsidy	OG	09/08/06	\$30,000	\$0	\$30,000
250-004	Bus Fare Media Purchase	OG	09/08/06	\$60,000	\$0	\$60,000
250-007	Dpss General Relief Subsidy	OG	09/08/06	\$3,050,000	\$0	\$3,050,000
250-067	Bus Pass Subsidy	OG	09/08/06	\$850,000	\$0	\$850,000
250-070	Bus Token Subsidy	OG	09/08/06	\$5,000	\$0	\$5,000
			City Total	\$3,996,000	\$0	\$3,996,000
<u>Lynwood</u>						
250-01	MTA Bus Pass Voucher Subsidy	OG	07/27/06	\$50,000	\$0	\$50,000
<u>Manhattan Beach</u>						
250-01	Mta Bus Subsidy	OG	07/31/06	\$19,065	\$0	\$19,065
<u>Maywood</u>						
250-02	Bus Pass Subsidy Program	OG	07/31/06	\$33,000	\$0	\$33,000
<u>Monterey Park</u>						
250-04	MTA Stamp Subsidy	OG	07/27/06	\$54,313	\$0	\$54,313
<u>Norwalk</u>						
250-01	Social Services Fare Subsidy	OG	08/02/06	\$0	\$3,000	\$3,000
<u>Paramount</u>						
240-05	Subsidized Taxi Services	OG	07/31/06	\$47,200	\$0	\$47,200
<u>Pasadena</u>						
250-09	Homeless Transit Subsidy	OG	08/02/06	\$7,000	\$0	\$7,000
250-17	Senior/Disabled Bus Pass Buydown	OG	08/02/06	\$34,800	\$0	\$34,800
			City Total	\$41,800	\$0	\$41,800
<u>Pico Rivera</u>						
250-06	MTA Bus Pass Buydown	OG	07/21/06	\$41,500	\$0	\$41,500
<u>Pomona</u>						
250-01	Get About Subsidy	OG	08/14/06	\$16,000	\$0	\$16,000
250-03	MetroLink Passes Subsidy Program	OG	08/14/06	\$100,000	\$0	\$100,000
			City Total	\$116,000	\$0	\$116,000
<u>Rosemead</u>						
250-09	Mta Bus Pass Subsidy	Amended	07/21/06	\$114,000	\$0	\$114,000

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Code-Seq	Project Title	Status	Date Approved	Prop A	Prop C	Total
<u>Rosemead</u>						
250-10	Ftz Bus Pass Subsidy	Amended	07/21/06	\$1,000	\$0	\$1,000
			City Total	\$115,000	\$0	\$115,000
<u>San Dimas</u>						
240-05	Taxi Subsidy (Dial-A-Cab)	Amended	07/17/06	\$170,000	\$0	\$170,000
250-04	MTA /FTC Bus Pass Subsidy	og	07/14/06	\$16,500	\$0	\$16,500
			City Total	\$186,500	\$0	\$186,500
<u>San Fernando</u>						
250-08	Mta Bus Pass Subsidy	OG	07/14/06	\$19,000	\$0	\$19,000
<u>San Gabriel</u>						
250-03	Bus Fare Subsidy	OG	07/24/06	\$0	\$100,000	\$100,000
<u>Santa Monica</u>						
250-02	Fare Subsidy Program	OG	07/27/06	\$66,427	\$0	\$66,427
<u>Sierra Madre</u>						
240-01	Subsidized Taxi Service	OG	08/01/06	\$140,700	\$0	\$140,700
250-02	Mta Bus Pass Subsidy	OG	08/01/06	\$1,750	\$0	\$1,750
			City Total	\$142,450	\$0	\$142,450
<u>Signal Hill</u>						
250-04	Bus Fare Subsidy	Amended	02/01/07	\$2,500	\$0	\$2,500
<u>South Gate</u>						
240-09	Taxi Voucher Program	OG	08/01/06	\$150	\$0	\$150
250-06	MTA Bus Pass Sales	OG	08/01/06	\$171,022	\$0	\$171,022
			City Total	\$171,172	\$0	\$171,172
<u>South Pasadena</u>						
250-03	Bus Pass Subsidy Program	OG	08/04/06	\$17,000	\$0	\$17,000
<u>Temple City</u>						
250-03	User-Side Subsidy	OG	07/24/06	\$159,980	\$0	\$159,980
<u>Torrance</u>						
240-01	Senior Ride Program	OG	07/28/06	\$600,000	\$0	\$600,000
<u>Walnut</u>						
250-01	Bus Pass Subsidy	OG	08/01/06	\$0	\$3,500	\$3,500
250-02	Metrolink Subsidies	OG	08/01/06	\$79,320	\$0	\$79,320
			City Total	\$79,320	\$3,500	\$82,820
<u>West Covina</u>						
250-02	Bus And Metrolink Subsidy	OG	10/25/06	\$0	\$124,681	\$124,681
<u>Westlake Village</u>						
240-03	Senior Taxi Program	OG	07/18/06	\$0	\$77,800	\$77,800
240-05	Teen Local Transit Service	OG	07/18/06	\$0	\$1,000	\$1,000
250-02	Airport Shuttle Program	OG	07/18/06	\$0	\$1,000	\$1,000
			City Total	\$0	\$79,800	\$79,800
				\$23,395,649	\$859,299	\$24,254,948

**RESOLUTION IN ACCORDANCE WITH CEQA FINDING THAT THE PURPOSE OF THE FARE
RESTRUCTURING PLAN IS TO PAY OPERATING EXPENSES**

WHEREAS, Metro's operating expenses have exceeded operating revenues by \$641 million over the past five years; and

WHEREAS, Metro's projected operating deficit over the next ten years is projected to be \$1.8 billion; and

WHEREAS, Metro's average cost per boarding, on a system wide basis is \$2.39 but the current base cash fare is \$1.25, and the average Metro rider pays only 58 cents a boarding due to deep discounts for the various pass holders; and

WHEREAS, fares now cover just 24 percent of the cost of a Metro ride and 76 percent is subsidized by taxpayers. That compares to 1988 when taxpayers subsidized 56 percent of each boarding passenger's ride; and

WHEREAS, Metro has diminished its reserves, slashed more than 500 administrative positions in the past five years, dramatically reduced its workers compensation costs and aggressively pursued avenues to raise more revenue including placing advertisements on buses and rail stations, but the operating deficit continues to grow; and

WHEREAS, Metro funds that are typically programmed for future capital investments have already been used to augment Metro's bus operations budget for years, and if these resources are used to offset the deficit in fiscal year 2008, minimal fund balances will remain; and

WHEREAS, Metro's massive operating deficit is siphoning funds that could be leveraged with state bond money or other state and federal dollars to fast track critical relief on the region's congested highways and transit system; and

WHEREAS, Metro will not be able to meet its operating expenses as soon as fiscal year 2009 or add any new transit services if action is not immediately taken to offset and/or eliminate the operational deficit now;

NOW, THEREFORE, the Metro Board of Directors finds that any fare structure adopted on this date will be used for the purpose of meeting operating expenses, including employee wage rates and fringe benefits, purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects, necessary to maintain service within existing service areas.

Adopted this _____ day of _____, 2007.

