



Orange County Transportation Authority Fiscal Year 2026-27 Budget Workshop Preview



Budget Themes

Strengthening OCTA's long-term financial sustainability

- Budget is balanced with no unplanned use of reserves
- Growing sales tax revenues to support core programs
- Delivering Measure M as promised
- Maintaining safe, reliable OC Bus service for riders
- Aligning Metrolink service with demand to ensure long-term viability
- Continuing to meet express lanes commitments
- Prioritizing coastal rail resiliency and reliability



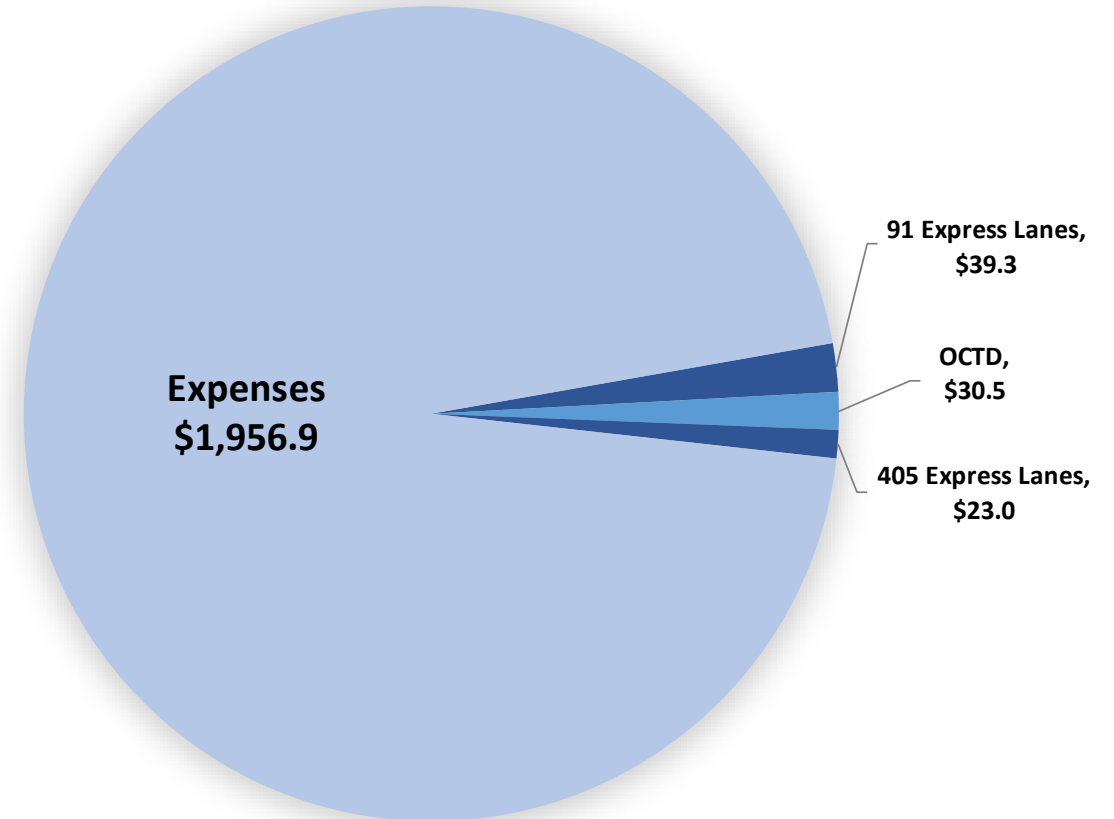
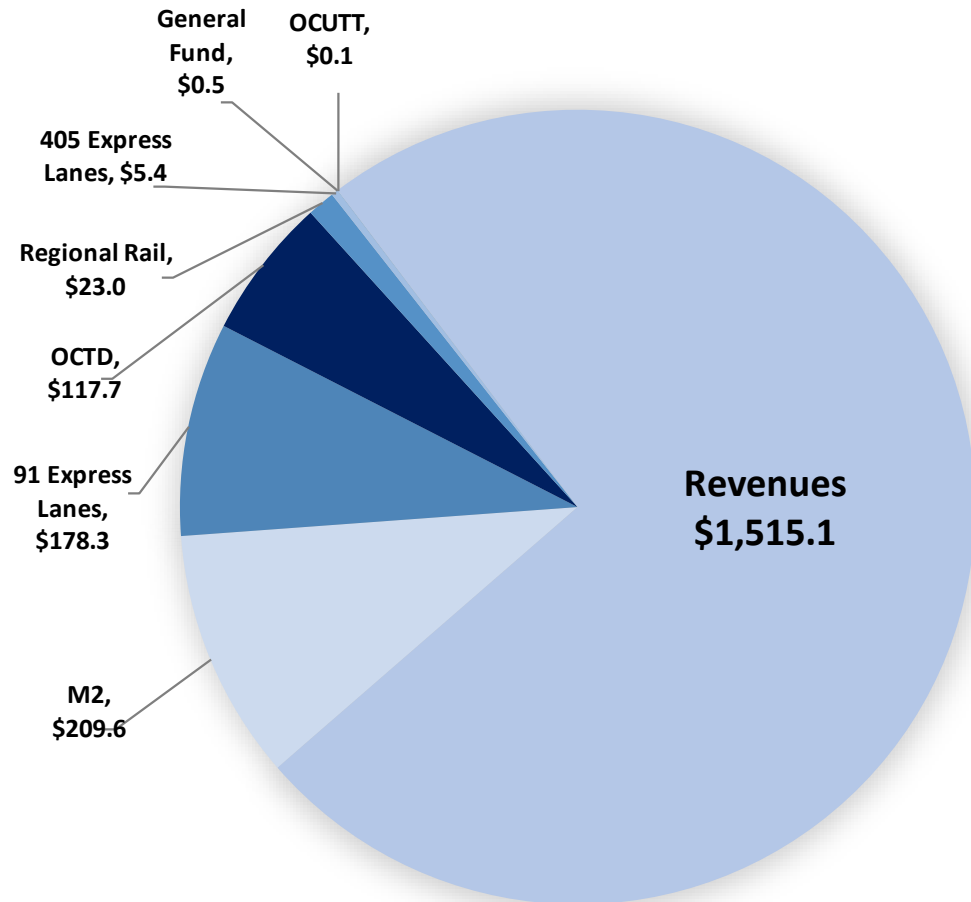
Budget Overview

Use of Prior Year Designations
\$534.6 million

Source of Funds
\$2,049.7 million

Use of Funds
\$2,049.7 million

Designations
\$92.8 million





Budget Sources & Uses

In Millions	FY 2025-26	FY 2026-27	Change
Sources	Approved Budget	Proposed Budget	\$
Revenues	\$ 1,285.7	\$ 1,515.1	\$ 229.4
Use of Prior Year Designations	453.5	534.6	81.1
Total Revenue / Use of Designations	\$ 1,739.2	\$ 2,049.7	\$ 310.5
Uses			
Salaries and Benefits	\$ 221.2	\$ 235.7	\$ 14.5
LOSSAN-Funded Salaries and Benefits	4.7	4.8	0.1
Services and Supplies	475.8	507.8	32.0
Contributions to Other Agencies	227.9	269.0	41.1
Interest/Debt Service	65.9	69.7	3.8
Capital	650.2	869.9	219.7
Designations	93.5	92.8	(0.7)
Total Expenditures / Designations	\$ 1,739.2	\$ 2,049.7	\$ 310.5



Sales Tax Revenues

In Millions

Sales Tax

LTA

LTF

FY 2024-25 Actuals	\$	431.8	\$	218.6
FY 2025-26 Approved Budget		432.1		220.2
FY 2025-26 Year-End Estimate		440.9		223.3
FY 2026-27 Sales Tax Growth Rate		2.2%		2.3%
FY 2026-27 Proposed Budget	\$	450.6	\$	228.5



Staffing Levels

OCTA Staffing	FY 2025-26 Full-time Equivalent	FY 2026-27 Full-time Equivalent	FY 2026-27 New Hires	FY 2026-27 Reductions	Difference
Administrative	536.5	549.0	13.0	(0.5)	12.5
Union	825.0	840.0	15.0	-	15.0
Coach Operators	626.0	641.0	15.0	-	15.0
Maintenance	158.0	158.0	-	-	-
Facility Technicians and Parts Clerks	41.0	41.0	-	-	-
OCTA Positions	1,361.5	1,389.0	28.0	(0.5)	27.5
LOSSAN-Funded OCTA Positions	18.0	18.0	-	-	-
Total Authority Positions	1,379.5	1,407.0	28.0	(0.5)	27.5



Employee Compensation Assumptions

- **Employees Subject to Collective Bargaining Agreement**
 - Coach Operators (641 employees)
 - Collective bargaining agreement effective through April 30, 2027
 - Maintenance (158 employees)
 - Collective bargaining agreement effective through June 30, 2029
 - Facilities technicians and parts clerks (41 employees)
 - Collective bargaining agreement effective through March 31, 2027
- **Administrative Employees (549 + 18 LOSSAN employees)**
 - Employees are not represented by a union
 - Compensation governed by the Personnel and Salary Resolution, which is approved annually as part of the budget
 - Salary grade ranges are developed based upon scope, level of work performed, and external market data



Personnel and Salary Resolution

- Pertaining to Administrative Employees
 - Employees are at-will and not represented by a union
 - Administrative employees do not receive cost-of-living adjustments, step increases, or automatic increases of any type
- Merit Pool of 4 percent
 - Salary increases are based on a pay-for-performance program
 - Every employee has a performance plan and receives an annual performance review
 - Base-building adjustment to annual salary
- Bonus Pool of 4 percent
 - Non-base building – does not increase annual salary
 - Bonuses are given throughout the year for specific, exceptional performance in a defined goal area
 - Part of employee rewards and recognition strategy
- Defined Contribution Enhancements



Next Steps

Budget Workshop – Board	May 11
Committee Meetings and One-on-One meetings with Board Members	May 11 - June 8
Public Hearing Preview – Finance & Administration Committee	May 21
Public Hearing – Board (Public Hearing and Approval)	June 8
Back-up Public Hearing – Board (Public Hearing and Approval)	June 22