



Orange County Transportation  
Authority  
Fiscal Year 2025-26  
Budget Workshop Preview



# Budget Themes



## Guarded Economic Outlook

- Sales tax receipts softening
- Budget uncertainty at state level
- Some federal funding uncertainty
- Preserving healthy reserve balances



## Sustainable & Resilient Priorities

- Ongoing zero-emission bus and infrastructure investment
- Continuing coastal rail resiliency planning and project implementation



## Consistent Express Lanes Operations

- 91 Express Lanes continues meeting commitments
- 405 Express Lanes continues meeting commitments



## Expanded Transit Offerings

- Additional OC Bus service to meet increasing demand
- Commencing OC Streetcar revenue service activities
- Continuing Metrolink rail service



## Delivering on Measure M2 (M2) Commitment

- M2 Next 10 Delivery Plan programs and projects on track as promised
- Formula & competitive programs continue to support needs of cities and County

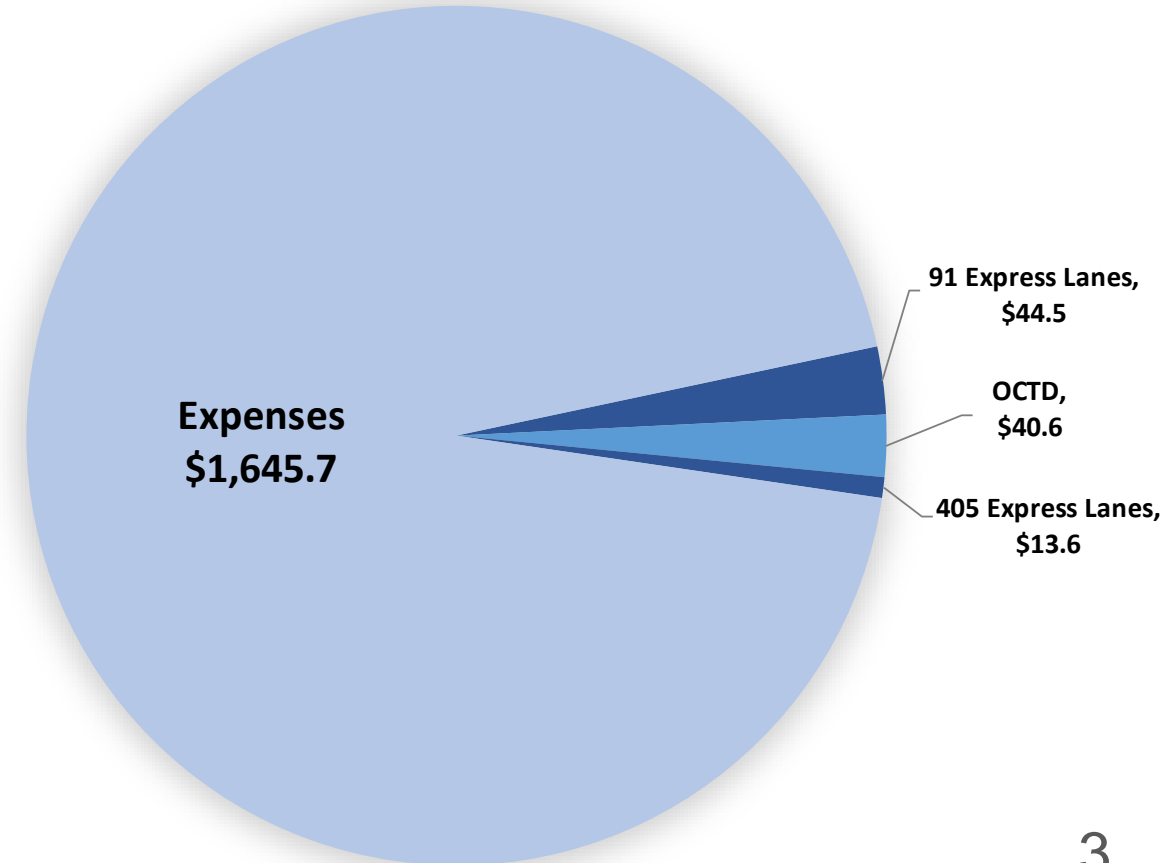
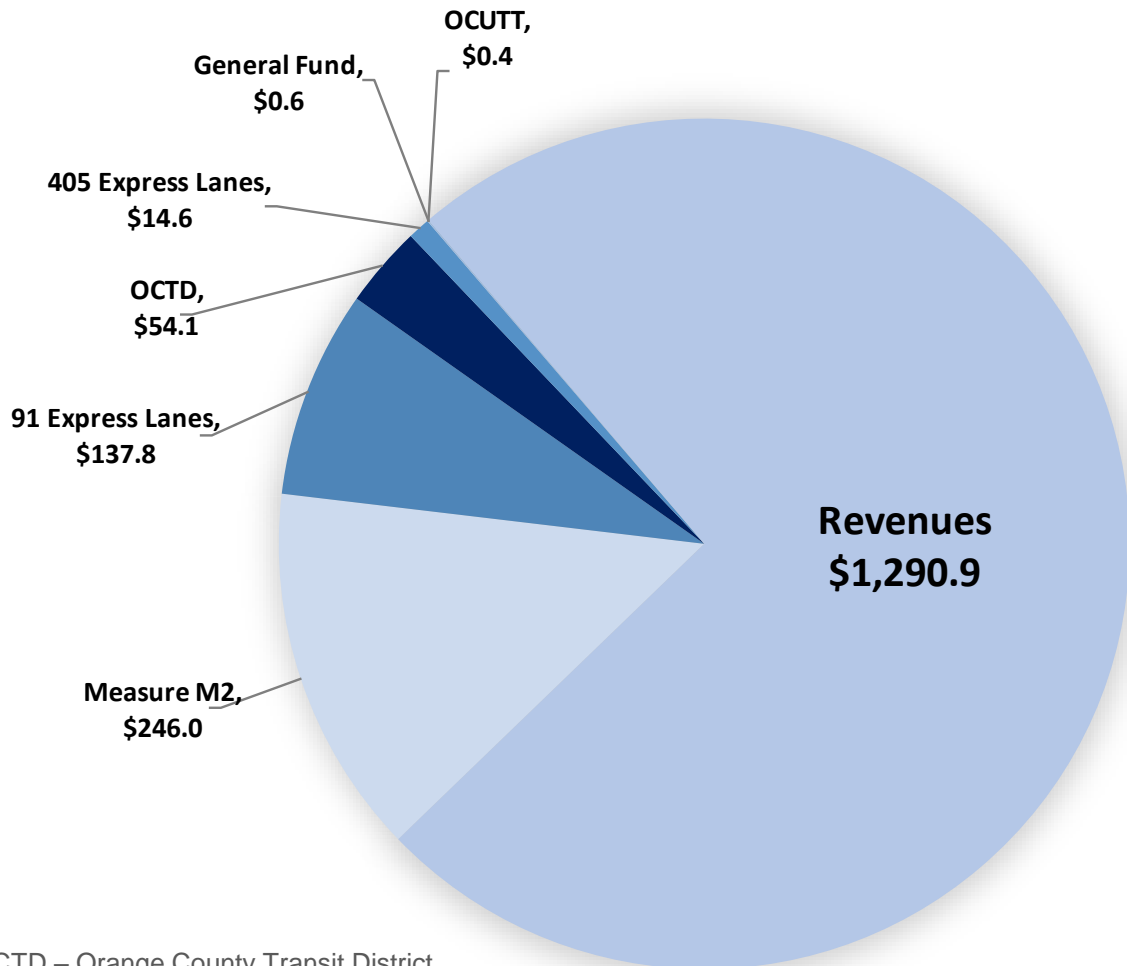
# Budget Overview

Use of Prior Year Designations  
\$453.5 million

Source of Funds  
\$1,744.4 million

Use of Funds  
\$1,744.4 million

Designations  
\$98.7 million



# Budget Sources & Uses

In Millions	FY 2024-25	FY 2025-26	Change
Sources	Approved Budget	Proposed Budget	\$
Revenues	\$ 1,403.8	\$ 1,290.9	\$ (112.9)
Use of Prior Year Designations	352.8	453.5	100.7
<b>Total Revenue / Use of Designations</b>	<b>\$ 1,756.6</b>	<b>\$ 1,744.4</b>	<b>\$ (12.2)</b>
Uses			
Salaries and Benefits	\$ 212.0	\$ 221.2	\$ 9.2
LOSSAN Funded Salaries and Benefits	4.5	4.7	0.2
Services and Supplies	469.0	475.8	6.8
Contributions to Other Agencies	227.2	227.9	0.7
Interest/Debt Service	75.3	65.9	(9.4)
Capital	672.1	650.2	(21.9)
Designations	96.5	98.7	2.2
<b>Total Expenditures / Designations</b>	<b>\$ 1,756.6</b>	<b>\$ 1,744.4</b>	<b>\$ (12.2)</b>

FY –Fiscal Year  
LOSSAN - Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency

# Sales Tax Revenues

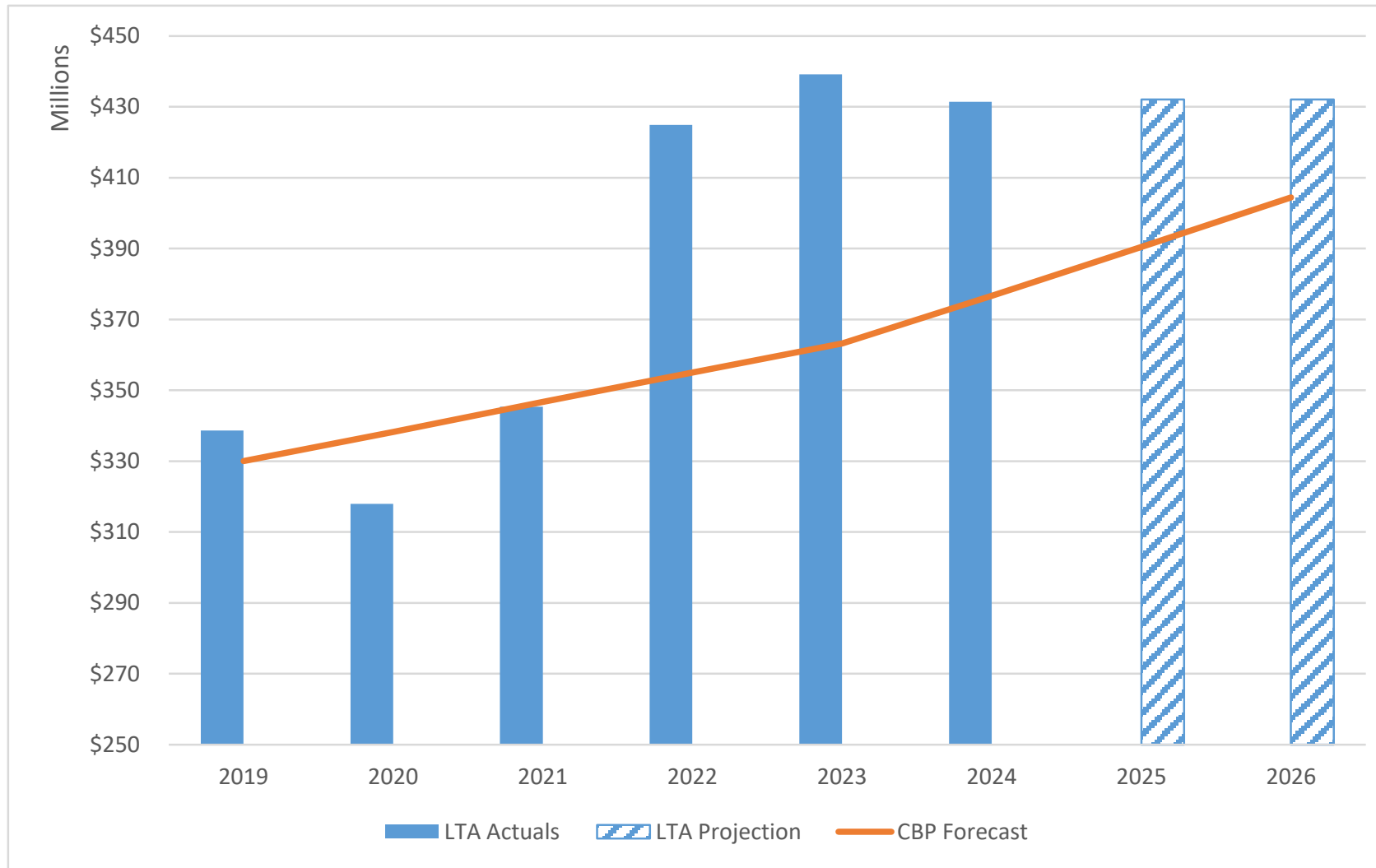
In Millions

## Sales Tax

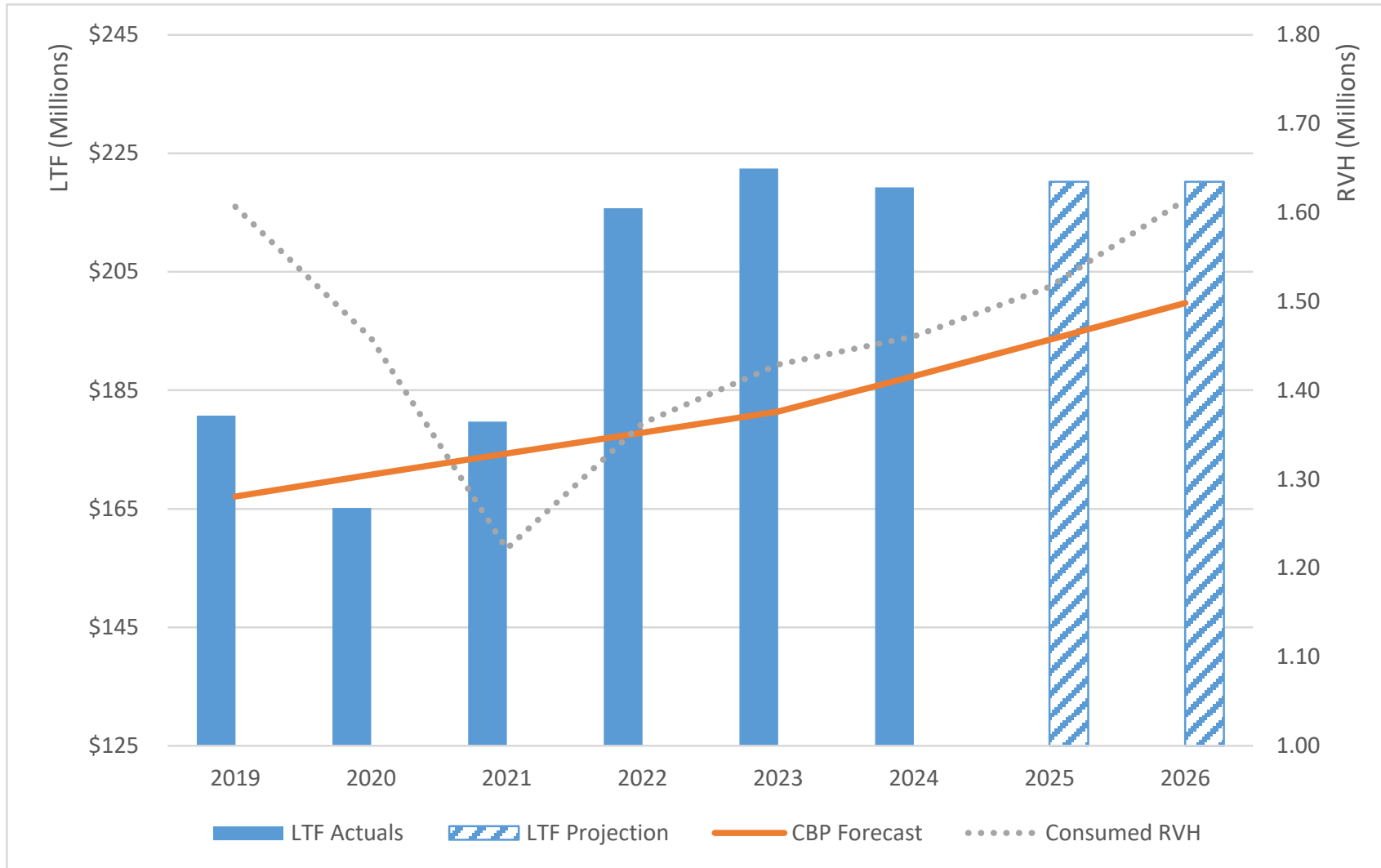
		LTA		LTF
FY 2023-24 Actuals	\$	431.4	\$	219.2
FY 2024-25 Approved Budget		441.9		222.2
FY 2024-25 Year-End Estimate		432.1		220.2
<b>FY 2025-26 Sales Tax Growth Rate</b>		<b>0.0%</b>		<b>0.0%</b>
<b>FY 2025-26 Proposed Budget</b>	<b>\$</b>	<b>432.1</b>	<b>\$</b>	<b>220.2</b>

LTA - Local Transportation Authority  
LTF - Local Transportation Fund

# LTA Sales Tax Revenue History



# LTF Sales Tax Revenue History



RVH – Revenue Vehicle Hours

# Staffing Levels

OCTA Staffing	FY 2024-25 Full-time Equivalent	FY 2025-26 Full-time Equivalent	FY 2025-26 New Hires	FY 2025-26 Reductions	Difference
<b>Administrative*</b>	<b>532.5</b>	<b>536.5</b>	<b>4.0</b>	<b>-</b>	<b>4.0</b>
<b>Union</b>	<b>798.0</b>	<b>825.0</b>	<b>27.0</b>	<b>-</b>	<b>27.0</b>
Coach Operators**	599.0	626.0	27.0	-	27.0
Maintenance	158.0	158.0	-	-	-
Facility Technicians and Parts Clerks	41.0	41.0	-	-	-
<b>OCTA Positions</b>	<b>1,330.5</b>	<b>1,361.5</b>	<b>31.0</b>	<b>-</b>	<b>31.0</b>
<b>LOSSAN Funded OCTA Positions</b>	<b>18.0</b>	<b>18.0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Authority Positions</b>	<b>1,348.5</b>	<b>1,379.5</b>	<b>31.0</b>	<b>-</b>	<b>31.0</b>

\*11 administrative positions on hold for future consideration

\*\*Additional coach operators for increased bus service and reduced overtime budget



# Employee Compensation Assumptions

- Employees Subject to Collective Bargaining Agreement
  - Coach Operators (626 employees)
    - Collective bargaining agreement effective through April 30, 2027
  - Maintenance (158 employees)
    - Collective bargaining agreement effective through September 30, 2025
  - Facilities technicians and parts clerks (41 employees)
    - Collective bargaining agreement effective through March 31, 2027
- Administrative Employees (536.5 + 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

# Next Steps

- Budget Workshop Presentation – Board May 12
- Committee meetings and one-on-one meetings with Board Members May 13 - June 8
- Public Hearing Preview – Finance & Administration Committee May 28
- Public Hearing – Board (Public Hearing and approval) June 9
- Back-up Public Hearing – Board (Public Hearing and approval) June 23

Board – Board of Directors