



Orange County Transportation Authority Fiscal Year 2026-27 Budget Workshop



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 M2 (M2) 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



Pathway to Financial Sustainability

Cost Control & Operational Discipline

- Reduced bus service levels during pandemic; restored service as ridership returned
- Shifted to employee-paid OCERS contributions
- Paused administrative merit increases during early pandemic period

Revenue Protection & Investment Strategy

- Established a dedicated long-term operating fund for OC Bus
- Leveraged 91 Express Lanes to advance key capital projects
- Secured TIFIA financing for I-405, preserving M2 for other priorities

Financial Strength & Long-Term Positioning

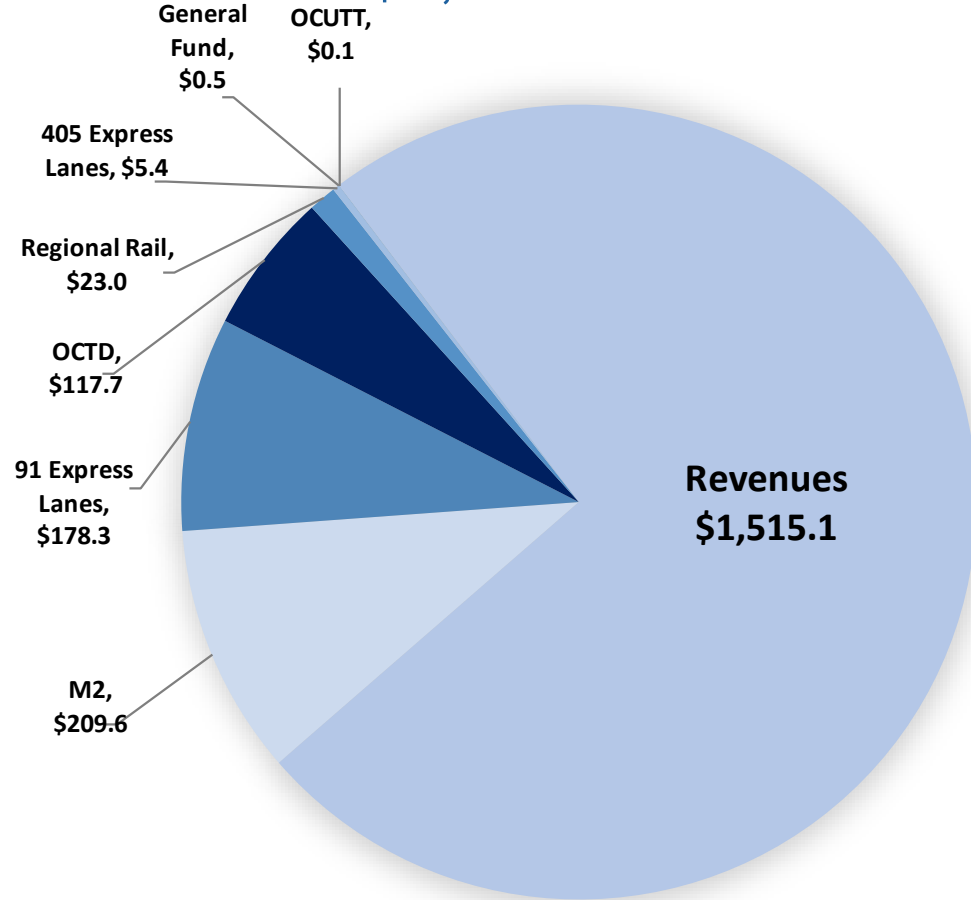
- Restructured outstanding debt to lower ongoing debt service costs
- Acquired headquarters to reduce long-term operating costs
- Utilized Comprehensive Business Plan to ensure 20-year fiscal sustainability



Budget Overview

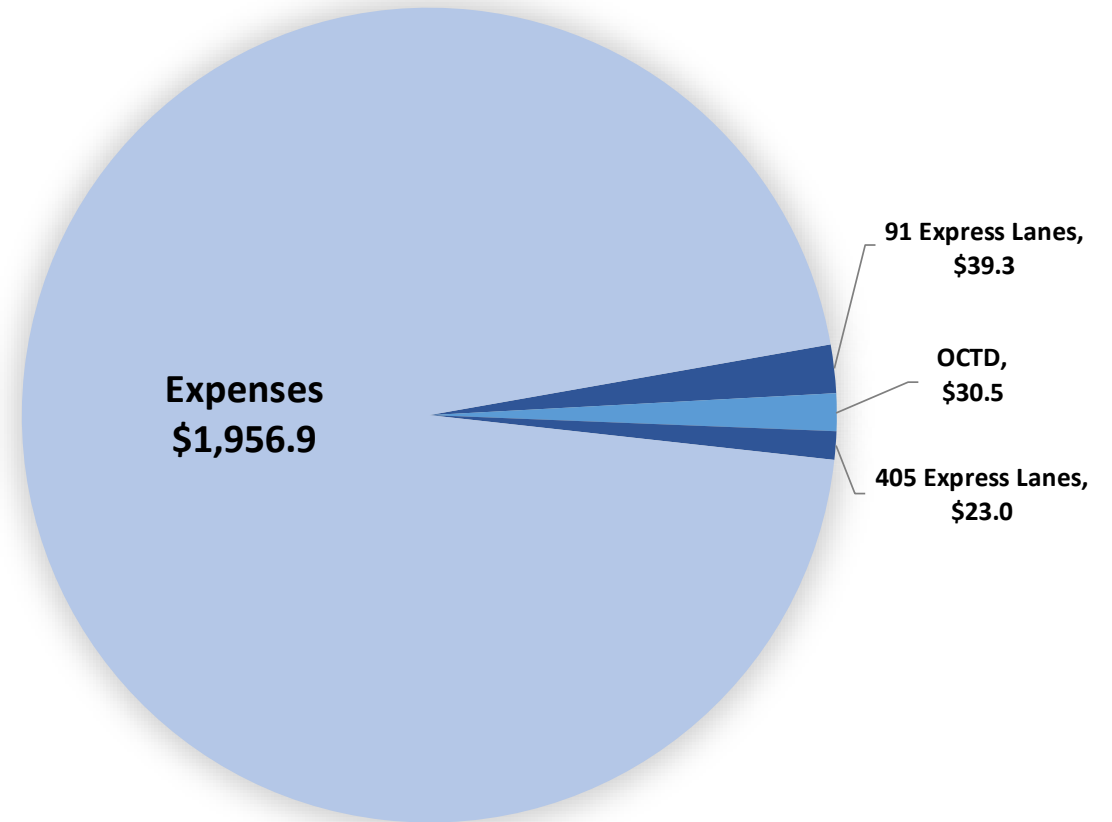
Use of Prior Year Designations
\$534.6 million

Source of Funds \$2,049.7 million



Use of Funds \$2,049.7 million

Designations
\$92.8 million





Planned Use of Prior Year Designations

In Millions Fund	Program	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget
M2	<i>Freeways, Streets & Roads, and M2 Transit</i>	\$ 246.0	\$ 209.6
91 Express Lanes	<i>State Route 91 Corridor Improvements</i>	137.8	178.3
Orange County Transit District	<i>Bus Capital</i>	54.1	117.7
Regional Rail	<i>Regional Rail Capital</i>	-	23.0
405 Express Lanes	<i>Construction Capital</i>	14.6	5.4
General Fund	<i>Measure M1 Closeout</i>	0.6	0.5
Orange County Unified Transportation Trust	<i>Planning Studies</i>	0.4	0.1
Total Use of Prior Year Designations		\$ 453.5	\$ 534.6



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



Revenues

In Millions	FY 2025-26	FY 2026-27	Change
Sources	Approved Budget	Proposed Budget	\$
M2 Local Transportation Authority (LTA) 1/2 Cent Sales Tax	\$ 432.1	\$ 450.6	\$ 18.5
State Grants	165.2	247.6	82.4
Local Transportation Fund (LTF) 1/4 Cent Sales Tax	220.2	228.5	8.3
Federal Grants	119.6	218.5	98.9
Express Lanes (Toll and Non-Toll)	116.1	138.2	22.1
Interest	105.1	111.1	6.0
State Transit Assistance	43.5	39.2	(4.3)
Passenger Fares	42.1	37.0	(5.1)
Property Tax	21.0	25.0	4.0
Other	17.4	15.9	(1.5)
Advertising	3.4	3.5	0.1
Subtotal Sources	\$ 1,285.7	\$ 1,515.1	\$ 229.4
Use of Prior Year Designations	453.5	534.6	81.1
Total Revenues / Use of 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



Expenditures

In Millions Uses	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Salaries and Benefits	\$ 225.9	\$ 240.5	\$ 14.6
OCTA 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
Professional and Outside Services	248.8	279.4	30.6
Contract Transportation Services	159.9	155.2	(4.7)
Maintenance Parts & Fuel	26.1	31.6	5.5
General & Administration	30.3	27.6	(2.7)
Insurance Claims/Premiums	10.7	14.0	3.3
Contributions to Other Agencies	\$ 227.9	\$ 269.0	\$ 41.1
Contributions to Other Agencies	101.9	143.5	41.6
M2 Local Fair Share	79.0	83.5	4.5
M2 Regional Capacity	47.0	42.0	(5.0)
Interest / Debt Service	\$ 65.9	\$ 69.7	\$ 3.8
Interest Expense	39.4	39.6	0.2
Long-Term Debt Principal Payments	26.5	30.1	3.6
Capital	\$ 650.2	\$ 869.9	\$ 219.7
Subtotal Uses	\$ 1,645.7	\$ 1,956.9	\$ 311.2
Designations	93.5	92.8	(0.7)
Total Expenditures / Designations	\$ 1,739.2	\$ 2,049.7	\$ 310.5



Key Expenditures by Fund

M2	State Route 91, State Route 55 to State Route 57 (Project I)	\$ 167,088,634	Construction, construction management, and right-of-way capital and utilities funded by 91 Express Lanes
	State Route 55, Interstate 405 to Interstate 5 (Project F)	\$ 100,504,740	Right-of-way capital, right-of-way utilities, and construction management
	Interstate 5, Interstate 405 to State Route 55 (Project B)	\$ 100,485,575	Construction, construction management, and right-of-way capital
	Local Fair Share (Project Q)	\$ 83,517,629	18 percent of M2 net revenues to local agencies for streets and roads
	State Route 55, Interstate 5 to State Route 91 (Project F)	\$ 47,250,000	Construction, construction management, and right-of-way
	Regional Capacity Program (Project O)	\$ 42,445,000	Competitive funding for local agency streets and roads projects
	Regional Traffic Signal Synchronization (Project P)	\$ 38,988,600	Signal synchronization projects to be implemented along OC corridors
	State Route 57, Orangewood Avenue to Katella Avenue (Project G)	\$ 35,200,000	Construction and construction management
	Interstate 5, State Route 73 to El Toro Road (Project C)	\$ 21,240,883	Construction, right-of-way capital, and construction management
	Community-Based Transit Circulators (Project V)	\$ 20,080,000	Payments to local jurisdictions to operate community transit circulators
	Clean-up Highway/Street Runoff (Project X)	\$ 18,910,400	Payments for M2 environmental cleanup program projects
	Interstate 405, State Route 73 to Interstate 605 (Project K)	\$ 15,986,322	Right-of-way capital, utilities, and program management
	State Route 91, Eastbound Corridor Project (Project J)	\$ 8,000,000	Contribution to Riverside County Transportation Commission (RCTC) for Eastbound Corridor Operations Project (ECOP)
	Interstate 605, Katella Avenue Interchange (Project M)	\$ 7,925,000	Construction and construction management
	Freeway Environmental Mitigation	\$ 5,826,166	M2 mitigation program endowment, property acquisition, and restoration projects
	Senior Non-Emergency Medical Transportation Program (Project U)	\$ 4,639,868	Senior Non-Emergency Medical Transportation Program payments to local agencies
	LTA - California Department of Tax and Fee Administration (CDTFA)	\$ 4,461,737	LTA CDTFA fees for the collection and distribution of the local sales tax
	Senior Mobility Program (Project U)	\$ 4,307,291	Senior Mobility Program payments to local agencies
	Safe Transit Stops (Project W)	\$ 2,036,000	Grants to cities for previously approved bus stop improvement projects
State Route 57, Lambert Road to Tonner Canyon Road (Project G)	\$ 1,375,000	Environmental and public outreach	
M2 Debt	Tax-Exempt Bonds	\$ 48,772,900	Interest and principal payments for M2 bonds
Local Rail	OC Streetcar	\$ 79,537,082	Construction, construction management, Streetcar vehicles, right-of-way, pre-revenue, and revenue service
91 Express Lanes	91 Express Lanes Expenses	\$ 36,013,040	Contracted operations, toll management system, and back office system
405 Express Lanes	405 Express Lanes Expenses	\$ 48,192,672	Contracted operations, right-of-way capital, toll management system, and back office system
Internal Service Funds	Workers' Compensation	\$ 7,051,526	Claims expenses and insurance related to workers' compensation
	Personal Liability and Property Damage, Legal, Insurance, and Claims	\$ 6,543,578	Claims expenses, property insurance, and legal fees
Motorist Services	Freeway Service Patrol (FSP)	\$ 11,947,740	FSP tow service, 511 program, and call box maintenance
General Fund	Technical Infrastructure and Business Systems Support	\$ 21,972,536	Software and hardware acquisition, maintenance, and licensing
	Transportation Planning and Studies	\$ 6,220,000	Transit corridor and regional mobility studies
	Bicycle and Pedestrian Facilities	\$ 5,052,460	OC Connect design services and support for bicycle and pedestrian facilities



Key Expenditures by Fund (Continued)

OCTD

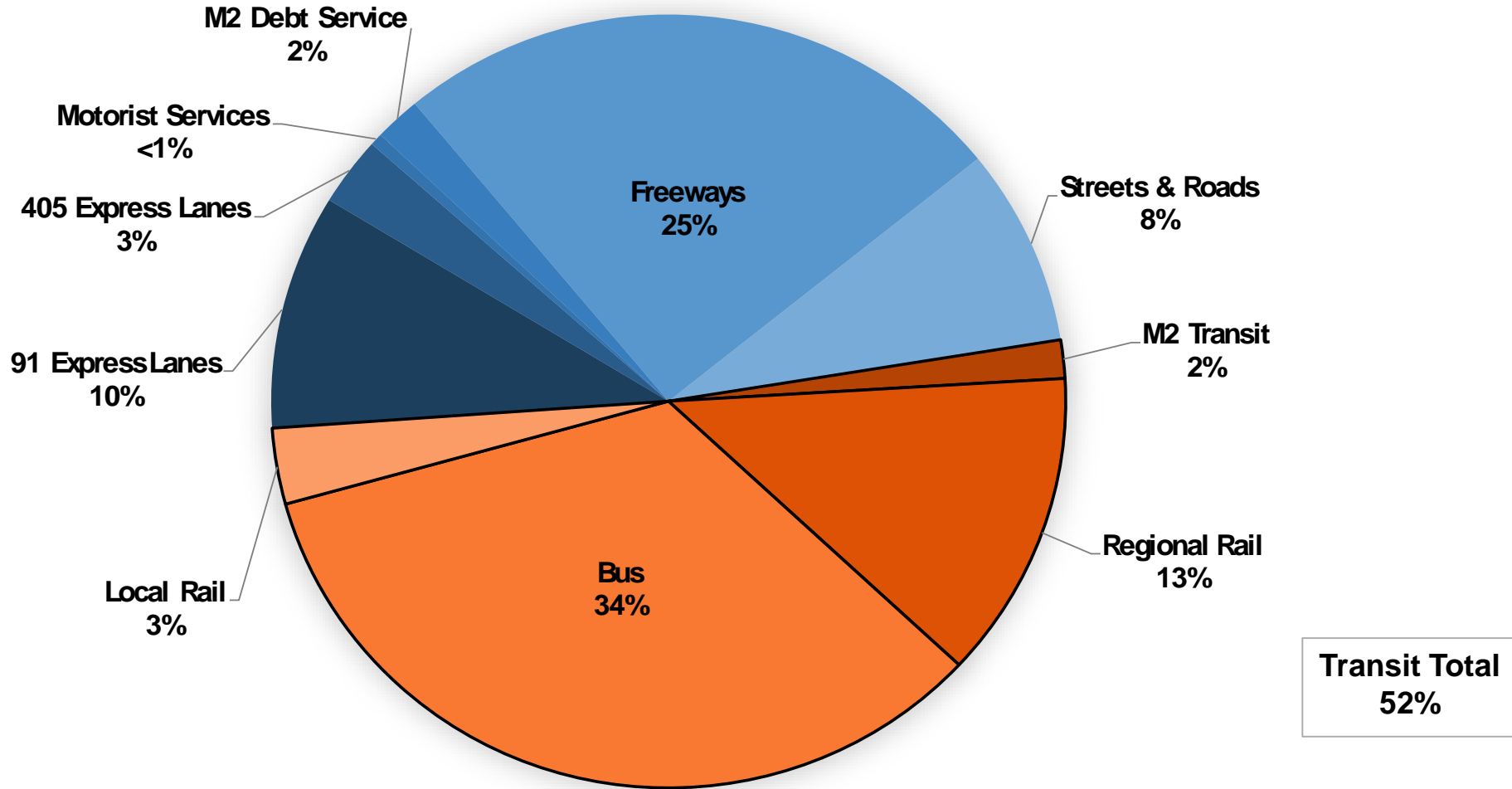
Contracted Fixed-Route Services	\$ 69,153,492	Contracted fixed-route fixed and variable costs
Paratransit Services	\$ 59,794,042	Americans with Disabilities Act (ADA) ACCESS service and ADA supplemental taxi services
Zero-Emissions Bus Infrastructure	\$ 56,965,500	Zero-emissions bus upgrades at bus bases and transit centers
Bus Purchases and Engine Replacements	\$ 37,059,200	Paratransit revenue vehicle and revenue vehicle fuel tank replacement
Fuels	\$ 19,185,706	Compressed natural gas (CNG), gasoline, hydrogen fuel, and electricity costs
Directly Operated Fixed-Route Services and Supplies	\$ 15,515,970	General services and supplies for directly operated fixed-route services
OCTA New Headquarters Building Improvements	\$ 12,356,399	Project management, construction, and capital improvements
Transit Technology and Communications Capital	\$ 12,072,747	Fixed-route and paratransit revenue vehicle radio retrofit and onboard video surveillance system
Bus Transit Police Services	\$ 11,168,419	Orange County Sheriff's Transit Police Services
Bus Base and Transit Center Projects	\$ 9,099,900	Facility maintenance and upgrades at bus bases and transit centers
Maintenance Parts	\$ 7,892,802	Maintenance parts for revenue vehicles
Enhanced Mobility for Seniors and Individuals with Disabilities	\$ 6,198,633	Transportation services for persons of low income, seniors, and persons with disabilities
Transit Security & Operations Center	\$ 5,000,000	Construction, construction management, and design services
Utilities	\$ 4,127,520	Gas, electric, water, and waste management for OCTA owned locations
LTF - External Contributions	\$ 3,498,198	Southern California Association of Governments (SCAG) and Laguna Beach Municipal Transit Lines
Bus Operations Support Vehicles	\$ 3,221,000	OCTA non-revenue vehicles to support bus operations
Contracted Special Agency Services	\$ 3,210,548	OCTA subsidy of transportation services provided by agencies for senior and disabled passengers
Tires	\$ 2,430,937	Tire replacement and leasing for OCTA owned revenue vehicles
LTF - CDTFA	\$ 2,262,244	LTF CDTFA fees for the collection and distribution of the local sales tax
Vanpool Program	\$ 1,615,806	OCTA Vanpool program subsidy and outreach for vanpools
Customer Information Center	\$ 1,360,556	Operating costs for call center to provide information on OCTA's bus program

Regional Rail

Coastal Rail Improvements	\$ 217,580,000	Sand nourishment and construction
Metrolink Operating Subsidy	\$ 36,000,000	Annual Metrolink operating subsidy payments
Cyprus Shore Slope Stabilization	\$ 20,815,000	Environmental mitigation support and right-of-way capital
San Juan Creek Bridge Replacement	\$ 18,551,529	Construction cooperative agreement, right-of-way, and support services
iConnect	\$ 9,924,198	Contribution to iConnect service for variable and fixed costs
Metrolink Rehabilitation Projects	\$ 9,503,800	Annual Metrolink rehabilitation project payments
Regional Rail Transit Police Services	\$ 3,618,270	Orange County Sheriff's regional rail Transit Police Services
Irvine Metrolink Station	\$ 3,382,000	Design services, environmental services, and program management
Placentia Metrolink Station	\$ 3,250,000	Engineering and program management
Mission Viejo/Laguna Niguel Slope Stabilization	\$ 1,335,000	Construction, construction management, and right-of-way capital
Doheny State Beach Fence Replacement	\$ 1,230,000	Construction and program management
Orange County Maintenance Facility	\$ 1,070,000	Right-of-way, cooperative agreement, and program management
	\$ 1,669,471,793	These items represent 85 percent of the proposed budget expenditures



Total Budget by Program





Bus Program Assumptions

- Fixed-route OC Bus service
 - Revenue services hours to reach pre-pandemic levels at 1.62 million revenue vehicle hours
- Paratransit service
 - Total trips are anticipated at 1.3 million trips, consistent with current FY
- Major capital projects
 - Paratransit bus purchases
 - Hydrogen fueling station at the Garden Grove Bus Base
 - Reconstruction of hydrogen fueling station at the Santa Ana Bus Base



OCTD Sources & Uses

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Operating Sources			
Local Transportation Fund Sales Tax	\$ 209.9	\$ 217.8	\$ 7.9
Federal Operating Grants	83.5	73.0	(10.5)
Interest Income	40.1	45.0	4.9
Passenger Fares	41.5	36.4	(5.1)
State Transit Assistance	-	28.7	28.7
Property Taxes	21.0	25.0	4.0
Other OCTD Revenue	16.3	14.3	(2.0)
Regional Rail Funds	5.4	1.5	(3.9)
State Operating Grants	0.4	1.4	1.0
Reimbursements from Other Agencies	0.2	0.1	(0.1)
Total Revenue / Use of Designations	\$ 418.3	\$ 443.2	\$ 24.9

Operating Uses

Salary and Benefits	\$ 149.2	\$ 156.1	\$ 6.9
Contracted Fixed-Route Services	68.3	69.2	0.9
Overhead Allocation	60.1	62.5	2.4
Paratransit Services	59.2	59.8	0.6
Operating Services & Supplies	17.1	20.4	3.3
Fuels	16.3	19.2	2.9
Directly Operated Fixed-Route Services and Supplies	15.5	15.5	-
Bus Transit Police Services	10.5	11.2	0.7
Special Programs	6.8	8.7	1.9
Maintenance Parts	6.4	7.9	1.5
Rail and M2 Transit Extensions	3.8	6.0	2.2
Transportation Planning and Studies	1.7	3.5	1.8
Contracted Special Agency Services	3.4	3.2	(0.2)
Total Expenditures / Designations	\$ 418.3	\$ 443.2	\$ 24.9

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Capital Sources			
State Capital Grants	\$ 48.2	\$ 29.8	\$ (18.4)
State Transit Assistance	43.5	10.5	(33.0)
Federal Capital Grants	3.9	0.8	(3.1)
Interest Income	5.5	7.9	2.4
Use of Prior Year Designations	54.1	117.7	63.6
Total Revenue / Use of Designations	\$ 155.2	\$ 166.7	\$ 11.5

Capital Uses

Capital Projects	\$ 105.5	\$ 123.8	\$ 18.3
Headquarters Improvement Projects	9.1	12.4	3.3
Capital Designation	40.6	30.5	(10.1)
Total Expenditures / Designations	\$ 155.2	\$ 166.7	\$ 11.5



Bus Capital Projects

In Millions

Bus Capital

FY 2026-27 Proposed Budget

Zero-Emissions Bus Infrastructure	\$	57.0
Bus Purchases and Engine Replacements		37.1
Transit Technology and Communications Capital		12.1
Bus Base and Transit Center Projects		9.0
Transit Security & Operations Center		5.0
Bus Operations Support Vehicles		3.2
Farebox Equipment		0.4
Total	\$	123.8



Regional Rail Program Assumptions

- Operations

- Metrolink operating subsidy budget target of \$46 million
 - Proposed budget includes direct federal funding drawdown for operations
- Operations will be funded with M2 high-frequency Metrolink service funds

- Capital

- Coastal rail improvements
- Cyprus Shore slope stabilization
- San Juan Creek Bridge replacement
- Placentia Metrolink Station



Regional Rail Sources & Uses

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Operating Sources			
M2 Sales Tax	\$ 25.8	\$ 46.0	\$ 20.2
Interest Income	6.9	9.1	2.2
Other Commuter Rail Revenue	1.3	1.4	0.1
State Operating Grants	26.0	-	(26.0)
Federal Operating Grants	2.9	-	(2.9)
Total Revenue / Use of Designations	\$ 62.9	\$ 56.5	\$ (6.4)

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Operating Uses			
Metrolink Operating Subsidy	\$ 42.4	\$ 36.0	\$ (6.4)
Operating Expenses	9.8	8.8	(1.0)
Rail and M2 Transit Extensions	-	3.9	3.9
Contributions to Operating Services	5.4	1.5	(3.9)
Overhead Allocation	5.3	6.3	1.0
Total Expenditures / Designations	\$ 62.9	\$ 56.5	\$ (6.4)

Metrolink operating subsidy budget includes reduction for direct federal funding drawdown

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Capital Sources			
M2 Sales Tax	\$ 19.3	\$ 1.9	\$ (17.4)
State Capital Grants	66.3	182.3	116.0
Federal Capital Grants	-	66.5	66.5
91 Express Lanes	5.0	3.3	(1.7)
Use of Prior Year Designations	-	23.0	23.0
Total Revenue / Use of Designations	\$ 90.6	\$ 277.0	\$ 186.4

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Capital Uses			
Rail Capital Projects	\$ 90.6	\$ 267.5	\$ 176.9
Metrolink Rehabilitation Projects	-	9.5	9.5
Total Expenditures / Designations	\$ 90.6	\$ 277.0	\$ 186.4



Regional Rail Capital Projects

In Millions

Regional Rail Capital

**FY 2026-27
Proposed
Budget**

Coastal Rail Improvements	\$	217.6
Cyprus Shore Slope Stabilization		20.8
San Juan Creek Bridge Replacement		18.6
Irvine Metrolink Station		3.4
Placentia Metrolink Station		3.3
Mission Viejo/Laguna Niguel Slope Stabilization		1.3
Doheny State Beach Fence Replacement		1.2
Orange County Maintenance Facility		1.1
Fullerton Metrolink Station		0.1
Serra Siding/Pacific Coast Highway Bridge		0.1
Total	\$	267.5



Local Rail Sources & Uses

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Construction Sources			
M2 Sales Tax	\$ 26.6	\$ 39.3	\$ 12.7
Federal Capital Assistance	19.6	19.7	0.1
State Capital Assistance	-	3.6	3.6
Total Revenue / Use of Designations	\$ 46.2	\$ 62.6	\$ 16.4

Construction Uses

Capital Projects	\$ 34.7	\$ 43.7	\$ 9.0
Professional Services	8.5	16.2	7.7
Overhead Allocation	2.8	2.1	(0.7)
Contributions to Other Agencies	0.2	0.6	0.4
Total Expenditures / Designations	\$ 46.2	\$ 62.6	\$ 16.4

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Pre-Revenue Phase Sources			
M2 Sales Tax	\$ 3.0	\$ 3.2	\$ 0.2
State Operating Assistance	-	4.2	4.2
Federal Operating Assistance	4.1	-	(4.1)
Total Revenue / Use of Designations	\$ 7.1	\$ 7.4	\$ 0.3

Pre-Revenue Phase Uses

Professional Services	\$ 2.6	\$ 3.8	\$ 1.2
Operating Services	4.1	3.2	(0.9)
Overhead Allocation	0.4	0.4	0.0
Total Expenditures / Designations	\$ 7.1	\$ 7.4	\$ 0.3

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Revenue Phase Sources			
M2 Sales Tax	\$ 7.3	\$ 1.0	\$ (6.3)
State Operating Assistance	0.1	6.6	6.5
Federal Operating Assistance	-	4.0	4.0
Reimbursements from Other Agencies	0.4	0.9	0.5
Passenger Fares	0.6	0.6	-
Interest	-	0.6	0.6
Total Revenue / Use of Designations	\$ 8.4	\$ 13.7	\$ 5.3

Revenue Phase Uses

Professional Services	\$ 5.2	\$ 7.5	\$ 2.3
Operating Services	2.3	4.6	2.3
Overhead Allocation	0.9	1.6	0.7
Total Expenditures / Designations	\$ 8.4	\$ 13.7	\$ 5.3



M2 Freeway Projects

In Millions

Freeways

FY 2026-27 Proposed Budget

State Route 91, State Route 55 to State Route 57 (Project I)	\$ 167.1
State Route 55, Interstate 405 to Interstate 5 (Project F)	100.5
Interstate 5, Interstate 405 to State Route 55 (Project B)	100.5
State Route 55, Interstate 5 to State Route 91 (Project F)	47.3
State Route 57, Orangewood Avenue to Katella Avenue (Project G)	35.2
Interstate 5, State Route 73 to El Toro Road (Project C)	21.2
Interstate 405, State Route 73 to Interstate 605 (Project K)	16.0
State Route 91, Eastbound Corridor Project (Project J)	8.0
Interstate 605, Katella Avenue Interchange (Project M)	7.9
State Route 57, Lambert Road to Tonner Canyon Road (Project G)	1.4
Interstate 5, El Toro Road Interchange (Project D)	0.7
Interstate 5, Avenida Pico to Vista Hermosa (Project C)	0.6
Total	\$ 506.4



M2 Direct Funding to Cities & County

In Millions	FY 2026-27 Proposed Budget
M2 Streets & Roads	
Local Fair Share (Project Q)	\$ 83.5
Regional Capacity Program (Project O)	42.4
Regional Traffic Signal Synchronization (Project P)	39.0
Subtotal	\$ 164.9
In Millions	FY 2026-27 Proposed Budget
M2 Transit	
Community-Based Transit Circulators (Project V)	\$ 20.1
Senior Non-Emergency Medical Transportation Program (Project U)	4.6
Senior Mobility Program (Project U)	4.3
Safe Transit Stops (Project W)	2.0
Subtotal	\$ 31.0
In Millions	FY 2026-27 Proposed Budget
M2 Environmental	
Clean-up Highway/Street Runoff (Project X)	\$ 18.9
Subtotal	\$ 18.9
Grand Total	\$ 214.8



91 Express Lanes Sources & Uses

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Operating Sources			
Toll Revenue	\$ 58.2	\$ 54.6	\$ (3.6)
Interest Income	8.8	8.5	(0.3)
Non-Toll Revenue	6.4	7.6	1.2
Reimbursement from Other Agencies	0.6	0.6	-
Total Revenue / Use of Designations	\$ 74.0	\$ 71.3	\$ (2.7)

Operating Uses

Professional Services	\$ 8.3	\$ 9.8	\$ 1.5
Tollroad Management Contract	7.4	7.6	0.2
Overhead Allocation	4.2	4.3	0.1
Leases & Other Office Expenses	1.1	1.2	0.1
Insurance Claims/Premiums	0.4	1.1	0.7
Interest Expense	8.0	8.0	-
Designations	44.6	39.3	(5.3)
Total Expenditures / Designations	\$ 74.0	\$ 71.3	\$ (2.7)

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Capital Sources			
Toll Revenue	\$ 2.9	\$ 8.3	\$ 5.4
Use of Prior Year Designations	137.8	178.3	40.5
Total Revenue / Use of Designations	\$ 140.7	\$ 186.6	\$ 45.9

Capital Uses

State Route 91 Corridor Contributions	\$ 137.8	\$ 178.3	\$ 40.5
Capital	2.9	8.3	5.4
Total Expenditures / Designations	\$ 140.7	\$ 186.6	\$ 45.9



405 Express Lanes Sources & Uses

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Operating Sources			
Toll Revenue	\$ 41.9	\$ 55.7	\$ 13.8
Non-Toll Revenue	6.7	12.0	5.3
Interest Income	4.9	2.4	(2.5)
Total Revenue / Use of Designations	\$ 53.5	\$ 70.1	\$ 16.6
Operating Uses			
Professional Services	\$ 10.8	\$ 17.6	\$ 6.8
Tollroad Management Contract	15.2	9.3	(5.9)
Overhead Allocation	4.2	4.3	0.1
Leases & Other Office Expenses	2.0	2.0	-
Insurance Claims/Premiums	0.4	1.0	0.6
Interest Expense	12.6	12.9	0.3
Designations	8.3	23.0	14.7
Total Expenditures / Designations	\$ 53.5	\$ 70.1	\$ 16.6

In Millions	FY 2025-26 Approved Budget	FY 2026-27 Proposed Budget	Change \$
Capital Sources			
Use of Prior Year Designations	\$ 14.6	\$ 5.4	\$ (9.2)
Total Revenue / Use of Designations	\$ 14.6	\$ 5.4	\$ (9.2)
Capital Uses			
Capital	\$ 14.6	\$ 5.4	\$ (9.2)
Total Expenditures / Designations	\$ 14.6	\$ 5.4	\$ (9.2)



Motorist Services Program Assumptions

- Motorist Services budget of \$13.5 million consistent with current FY
- Motorist Services programs include:
 - Freeway Service Patrol budget of \$10.4 million
 - 511 Program budget of \$1.1 million
 - Call box budget of \$400,000



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
 - Increase defined contributions to employees to improve recruitment and retention



Next Steps

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