



Los Angeles County
Metropolitan
Transportation
Authority

818 West Seventh Street
Suite 300
Los Angeles, CA 90017

213.623.1194

September 14, 1994

TO: BOARD MEMBERS AND ALTERNATES

THROUGH: FRANKLIN E. WHITE

FROM: TERRY MATSUMOTO

SUBJECT: FY94-95 BUDGET GAP

Staff was directed to report in September on measures necessary to balance the FY94-95 budget. You will recall that changes to the token price and service levels resulted in a \$9 million budgetary imbalance.

On September 1, a temporary federal injunction prohibited the MTA from implementing the adopted fare increases. The FY94-95 budget included \$31.2 million of revenues from these fare increases. This amount was based on a September 1 implementation date; therefore, the monthly impact of the delay is one-tenth of the total, or \$3.1 million. The next hearing in federal court is set for October 17.

Although the final budget gap cannot be quantified at this time, staff is considering measures necessary to balance the budget. When the legal issues are resolved staff will present a plan to balance the MTA's finances.