

OVERVIEW

FY 2023-24 Approved Budget (In Millions)

Operating budget	\$899.9
Capital budget	673.0
Designations	47.8
Long-term commitments	77.8
TOTAL	\$1,698.5

FY 2024-25 Approved Budget (In Millions)

Operating budget	\$912.7
Capital budget	672.1
Designations	96.5
Long-term commitments	75.3
TOTAL	\$1,756.6

FY 2023-24 Accomplishments

- In FY 2023-24, the Freeway Program completed the construction on the I-405 Improvement Project. The project improvements include adding a general-purpose lane in each direction of the I-405 Freeway from Euclid Street to the Interstate 605 (I-605) Interchange (Project K) along with an additional lane in each direction that will combine with the existing high-occupancy vehicle (HOV) lane to provide dual tolled express lanes in both direction on the I-405 from State Route 73 (SR-73) to I-605.
- Successfully inaugurated the 405 Express Lanes on December 1, 2023, representing a pivotal advancement in our ongoing commitment to enhancing regional transportation infrastructure.
- The OCTA board approved programming of \$3.3 million in competitive funds for 12 projects focused on removing visible pollutants, such as litter and debris, from roads before they reach waterways and the ocean. These projects include purchasing or upgrading screens, filters, and inserts for catch basins, and other devices designed to remove pollutants.
- Continuing the strong recovery from pandemic ridership levels, OCTA achieved an average weekday boarding amount of over 110,000 for fixed-route bus ridership.
- Completed emergency work along 700 feet of rail line in south San Clemente largely wrapped up in August 2023, with hydroseeding of the reformed slope covering the newly built grade-beam wall. OCTA led the emergency work at that location beginning in October 2022, after continued movement in the hillside on the inland side of the track – and erosion of the beach on the coastal side – caused movement of the track of up to 28 inches.
- Collaborated with Herzog – O&M contractor in the preparation for the pre-revenue phase of the OC Streetcar, which included submitting the draft of the operator employee rule book for OCTA internal review before sharing with the California Public Utilities Commission (CPUC) and conducting pre-storage inspections of vehicles at Siemens Facility.
- OCTA refinanced the 91 Express Lanes bonds to save money and allow for even more efficient investments in transportation improvements. OCTA reduced the principal on the bonds from \$71 million to \$48 million which yielded a net present-value savings of \$5.5 million.
- Successfully facilitated the acquisition of new service agreements for four distinct Freeway Service Patrol (FSP) service areas, bolstering operational efficiency and service coverage.

STRATEGIC PLAN FRAMEWORK

FY 2024-25 Board Strategic Initiatives

- Provide Public a Balanced, Sustainable, and Equitable Transportation System
- Safeguard Future Through Fiscal Responsibility and Environmental Sustainability
- Sustain Organizational Excellence, Collaboration, and Diversity

To provide Orange County residents with the highest quality transportation programs and services, OCTA is committed to its organizational vision and mission statement. The Strategic Plan is also consistent with the framework of goals and values developed by the Board of Directors.

OCTA Vision

An integrated and balanced transportation system that supports the diverse travel needs and reflects the character of Orange County.

Mission Statement

Develop and deliver transportation solutions to enhance quality of life and keep Orange County moving.

OCTA Goals

- Mobility - Deliver programs, projects, and services to improve the movement of people and goods throughout Orange County and the region.
- Public Service - Enhance customer satisfaction by understanding, connecting with, and serving our diverse communities and partners.
- Fiscal Sustainability - Ensure fiscal health through prudent financial management and by protecting and leveraging available revenue sources.
- Stewardship - Embrace responsible policies and practices designed to promote environmental sustainability and enhance the safety and quality of life in Orange County.
- Organizational Excellence - Continue the tradition of being a high-performing organization through employee development and efficient business practices.

OCTA Values

- Integrity - We deliver as promised and do so ethically, fairly, and with transparency.
- Customer Focus - We treat our customers with care, consideration, and respect, providing friendly and reliable professional service responsive to their needs.
- Teamwork/ Partnership - We work well together from a sense of shared purpose and mutual respect.
- Communication - We provide consistent, timely, and reliable information in an open, honest, and straightforward manner.
- Can-Do-Spirit - We tackle challenges with innovation, vision, and strategic thinking.
- Safety - We work to ensure the ongoing safety of the traveling public and our employees.

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CEO MESSAGE

Dear Orange County Residents:

Chair Tam T. Nguyen and Members of the Board of Directors: In alignment with the vision, mission, and values of the Orange County Transportation Authority (OCTA), and pursuant to the Strategic Initiatives of the Board of Directors (Board), it is my privilege to submit the fiscal year (FY) 2024-25 budget for OCTA. This budget, totaling \$1,756.6 billion, is balanced and commits to deploying the requisite resources to furnish innovative, equitable, and sustainable transportation solutions for the residents and visitors of Orange County.

For the FY 2024-25 budget, despite recent declines, an increase is projected in both local and state sales taxes. Looking specifically at our Measure M2 (M2) Program half-cent Local Transportation Authority (LTA) sales tax revenue, the FY 2024-25 projections are cautiously optimistic. The growth rate for the M2 half-cent LTA sales tax revenue is forecasted to be 3.3 percent over FY 2023-24 year-end estimates. Similarly, the growth rate for the quarter-cent Local Transportation Fund sales tax revenue, primarily supporting the bus program, is anticipated to be 3.1 percent over FY 2023-24 year-end estimates.

The M2 Program delineates a clear roadmap for the enhancement of transportation infrastructure across our cities and County. The M2 Program will persist in advancing enhancements across freeways, transit, streets, roads, and environmental initiatives. The FY 2024-25 budget for the M2 Program includes \$405 million for freeway improvement projects and \$158 million for the enhancement of streets and roads. Moreover, the budget earmarks \$146 million for M2 Transit Programs, which comprises \$64 million for the construction of the OC Streetcar Project and \$46 million to bolster regional rail services.

The FY 2024-25 budget outlines an ambitious plan for transit services, with a clear focus on enhancements, sustainability, and resilient operations. For the OC Bus Program, the budget allocates \$657 million to the Bus Program, supporting up to 1.52 million service hours. Sustainability and resiliency focus is also a cornerstone of the budget, with ongoing investments in zero-emission buses and related infrastructure. A capital budget of \$209 million is included in the Bus Program. This capital expenditure includes the procurement of 66 zero-emission vehicles, underscoring OCTA's commitment to exploring zero-emission technologies.

Additionally, the budget ensures continued support for the Metrolink rail service. The express lanes demonstrate solid performance with the 91 Express Lanes continuously meeting commitments, reflecting the effectiveness of existing traffic management strategies. The proposed budget expects a 0.6 million trip increase in traffic volumes, reaching 20.1 million trips as a result of stabilized traffic patterns and inflation. The 405 Express Lanes, having opened in December 2023, are forecasted to see 109 million trips in their first full FY, aligning closely with projections.

The FY 2024-25 budget is a testament to the Board's Strategic Initiatives and OCTA's dedication to delivering a balanced and sustainable multimodal transportation network, ensuring the safe and efficient movement of Orange County's populace.

Sincerely,



Darrell E. Johnson
Chief Executive Officer

Fiscal Year 2024-25 Approved Budget

Orange County Transportation Authority



PROVIDE PUBLIC A
BALANCED, SUSTAINABLE, AND EQUITABLE
TRANSPORTATION SYSTEM

SAFEGUARD FUTURE THROUGH FISCAL
RESPONSIBILITY AND ENVIRONMENTAL
SUSTAINABILITY

SUSTAIN ORGANIZATIONAL EXCELLENCE,
COLLABORATION, AND DIVERSITY

PROGRAMS

Measure M2 (M2)

On November 7, 2006, the voters of Orange County chose to extend the Measure M1 half cent sales tax for another 30 years from 2011 through 2041. Measure M2 (M2), administered by the Orange County Transportation Authority (OCTA), will generate billions of dollars to improve transportation in Orange County. M2 is designed to reduce traffic congestion and enhance overall mobility. Improvements in the plan include improving key freeways, upgrading major interchanges, adding capacity, and maintaining streets and roads.

Regional Rail

Regional rail service for Orange County Transportation Authority centers on Metrolink, Southern California's commuter rail system linking residential communities to employment and activity centers. Formed in 1991, Metrolink is operated by the Southern California Regional Rail Authority (SCRRA) — a Joint Powers Authority of five member agencies representing the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

Local Rail

The OC Streetcar will link the Santa Ana Regional Transportation Center (SARTC), which provides regional rail, OCTA bus, and intercity and international bus services, to a new multimodal hub at Harbor Boulevard/Westminster Avenue in Garden Grove. The OC Streetcar will serve the historic downtown Santa Ana and Civic Center which includes government offices, federal, state and local courthouses, unique restaurants and shops, an artists' village, several colleges, and a variety of community enrichment organizations.

Express Lanes

The Express Lanes provide commuters with a reliable travel option compared to the adjacent general-purpose lanes. They have a variable toll rate depending on traffic demand, with the purpose of maximizing throughput in the corridor and keeping the lanes free flowing. The 91 Express Lanes is a four-lane, 18-mile toll road in Orange and Riverside counties. Located in the median of SR-91 between the State Route 55 (SR-55)/SR-91 interchange and the SR-91/I-15 interchange, the toll road is jointly managed by OCTA and the RCTC. The I-405 Express Lanes is a four-lane, High-Occupancy Toll (HOT) corridor along I-405, stretching from SR-55 to I-605.

Motorist Services

Motorist Services includes the Service Authority for Freeway Emergencies Program (SAFE). The SAFE Program is comprised of Freeway Services Patrol (FSP), Call Box Network, and Orange County 511 Service, all designed and operated to assist motorists on Orange County's network of freeways.

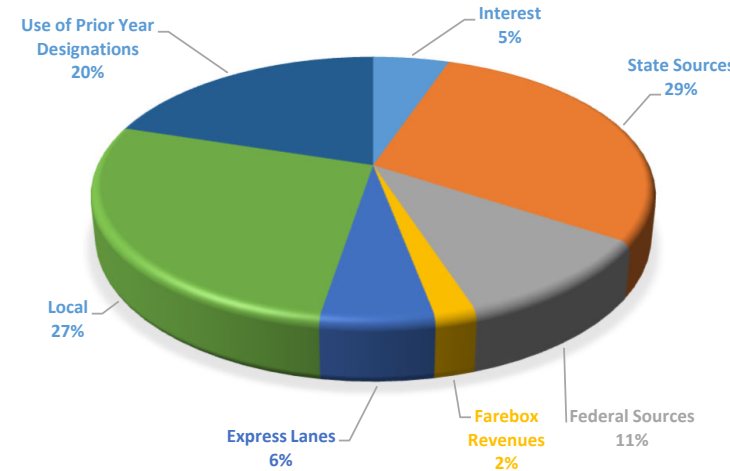
Bus Operations

The Bus Operations program delivers fixed-route, express, StationLink rail feeder, and complementary paratransit bus services for Orange County residents. The fixed-route network provides bus service on 36 local lines, eight community lines, four limited-stop lines, and four Stationlink rail feeder lines. OCTA paratransit services provide demand response bus service to persons with developmental and physical disabilities as required by the federal Americans with Disabilities Act, as well as bus service to transport elderly persons.

SOURCES OF FUNDS

In FY 2024-25, OCTA anticipates receiving \$1,403.8 million in revenue and \$352.8 million in use of prior year designations for a total of \$1,756.6 million in available funding for all programs and projects. A large portion of the revenue is derived from the M2 ½ cent sales tax (Local Transportation Authority) and Transportation Development Act ¼ cent sales tax.

Total Revenues & Reserves: \$1.76 billion



Sources of Funds for Fiscal Years 2022-23 through 2024-25 (In Millions)

Revenue by Category

	FY 2022-23 Actuals	FY 2023-24 Approved	FY 2024-25 Approved
Interest	54.7	83.4	91.7
State Sources	344.5	336.3	509.2
Federal Sources	218.9	271.6	188.6
Farebox Revenues	34.6	37.8	36.0
Express Lanes	56.6	72.6	98.3
Local	484.4	502.1	479.7
Use of Prior Year Designations	49.2	394.8	352.8
TOTAL REVENUES BY TYPE	1,242.9	1,698.5	1,756.6

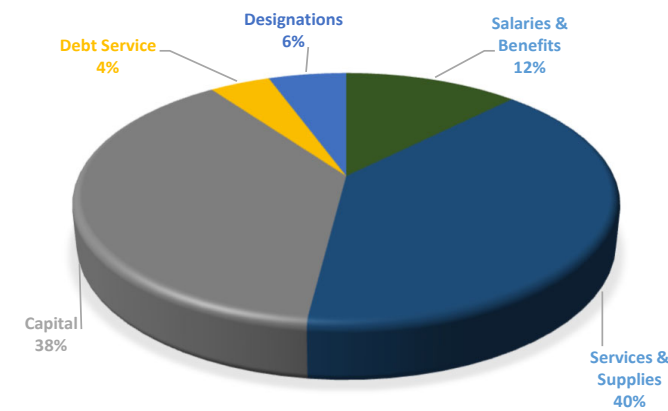
Revenue by Fund

	FY 2022-23 Actuals	FY 2023-24 Approved	FY 2024-25 Approved
405 Express Lanes	34.3	84.8	75.1
91 Express Lanes	66.3	96.9	125.4
ARBA Trust Fund	2.8	1.8	1.8
General Fund	14.7	18.2	13.4
Internal Service Fund-PL and PD	0.4	0.9	0.8
Internal Service Fund-Workers' Compensation	0.5	0.8	1.0
Local Rail	(0.0)	0.4	-
Local Transportation Authority Measure M2	501.7	796.0	793.5
Local Transportation Fund	229.7	231.1	224.0
Measure M2 Bond Debt Service	8.7	6.2	6.7
Orange County Transit District	235.2	337.2	375.7
Orange County Unified Transportation Trust	0.2	1.2	1.1
Regional Rail	35.2	22.5	47.9
Scholarship Fund	0.0	0.0	0.0
Service Authority for Freeway Emergencies	9.4	7.1	7.1
State Transit Assistance Fund	63.7	58.3	58.7
Transit Development Capital Project	40.1	35.1	24.2
TOTAL REVENUES BY FUND	1,242.9	1,698.5	1,756.6

USES OF FUNDS

The FY 2024-25 budget is built upon the program and service objectives set by the Board of Directors. OCTA's combined staffing, operating and capital budgets total \$1,756.6 million. The approved appropriation plan includes \$1,660.1 million in expenditures and \$96.5 million in designations. The budget represents the Authority's ongoing commitment to deliver a quality set of transportation solutions for residents of Orange County within the revenues available.

Total Expenses & Designations: \$1.76 billion



Uses of Funds for Fiscal Years 2022-23 through 2024-25 (In Millions)

Expense by Category

	FY 2022-23 Actuals	FY 2023-24 Approved	FY 2024-25 Approved
Salaries & Benefits	186.3	212.6	216.5
Services & Supplies	375.6	687.2	696.2
Capital	268.2	673.0	672.1
Debt Service	52.2	77.8	75.3
Designations	360.8	47.8	96.5
TOTAL EXPENSES BY TYPE	1,242.9	1,698.5	1,756.6

Expense by Fund

	FY 2022-23 Actuals	FY 2023-24 Approved	FY 2024-25 Approved
405 Express Lanes	32.3	81.1	71.0
91 Express Lanes	50.5	61.0	66.2
ARBA Trust Fund	2.8	1.8	1.8
General Fund	104.5	134.4	133.5
Internal Service Fund-PL and PD	6.1	4.8	5.5
Internal Service Fund-Workers' Compensation	8.1	7.4	6.6
Local Rail	0.1	3.6	2.8
Local Transportation Authority Measure M2	386.1	624.5	643.0
Local Transportation Fund	38.7	5.8	5.6
Measure M2 Bond Debt Service	62.0	54.9	54.9
Orange County Transit District	406.7	564.7	592.6
Orange County Unified Transportation Trust	0.2	1.2	1.1
Regional Rail	27.6	66.0	82.3
Scholarship Fund	0.0	0.0	0.0
Service Authority for Freeway Emergencies	8.3	11.0	11.3
State Transit Assistance Fund	26.1	-	0.0
Transit Development Capital Project	82.9	76.3	78.3
TOTAL EXPENSES BY FUND	1,242.9	1,698.5	1,756.6

HISTORY

OCTA is responsible for providing coordinated, effective, and accountable transportation planning and public transportation services within Orange County. OCTA was established by state law and created from the consolidation of seven transportation agencies, which include:

- Orange County Transportation Commission
- Orange County Transit District
- Orange County Consolidated Transportation Services Agency
- Orange County Local Transportation Authority
- Service Authority for Freeway Emergencies
- Orange County Congestion Management Agency

OCTA began serving the public on June 20, 1991. The establishment of a consolidated transportation authority has saved county taxpayers tens of millions of dollars through increased efficiency and the elimination of duplication of efforts. Concurrent with these efforts, however, services and investment in transportation has increased, providing the county with a progressive, effective, and comprehensive transportation system.

Governing Board

The Orange County Transportation Authority is governed by an 18-member Board of Directors consisting of five members of the Orange County Board of Supervisors, ten city council members selected by the cities in the supervisorial district in which they represent, two public members selected by the other 15 board members, and serving in a non-voting capacity is a representative appointed by the Governor of California. OCTA is managed by a Chief Executive Officer, who acts in accordance with the direction, goals, and policies articulated by the Board of Directors.

Organization

OCTA's organizational structure is comprised of seven divisions:

- Executive Office
- Finance and Administration
- People and Community Engagement
- Operations
- Government Relations
- Planning
- Capital Programs

Employees

	FY 2022-23 Approved	FY 2023-24 Approved	FY 2024-25 Approved
Executive Office	36.0	37.0	37.0
Finance and Administration	169.5	175.0	175.0
People and Community Engagement	88.0	88.0	88.0
Operations	978.5	979.0	958.0
Government Relations	9.0	9.0	9.0
Planning	46.5	47.5	47.5
Capital Programs	34.0	34.0	34.0
TOTAL	1,361.5	1,369.5	1,348.5