



ITEM ID: 2026-226-0

TRANSMITTAL DATE: May 15, 2026

MEETING DATE: May 22, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: FY 2026-27 Metrolink Capital Budget - Request to Transmit

Issue

Under the terms of the Joint Exercise of Powers Agreement (JPA), the Authority is required to adopt a budget for the succeeding fiscal year no later than June 30th of each year. This year, staff is bifurcating the Operating and Capital portions of the Proposed FY27 Budget. We have requested a continuing appropriation resolution for the Operating Budget and are requesting approval of a separate transmittal of the FY27 State of Good Repair/New Capital Projects Budget.

Recommendation

It is recommended that the Board approve transmission of the FY27 Metrolink Capital Budget to Member Agencies for their review and Approval.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve.
- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.
- **Connecting and Leveraging Partnerships:** We will forge new and enhanced

relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving.

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California.

Background

On April 24, 2026, the SCRRA Board of Directors authorized the transmittal of a request to the Member Agencies of a three-month continuing appropriations resolution for the Authority's FY27 Operating Budget. Because the Metrolink Operating Budget is delayed, staff is requesting to transmit the FY27 Capital Program Budget independent of the Operating Budget.

Discussion

State of Good Repair

For State of Good Repair (SGR) the Proposed FY27 Budget was developed based on the Metrolink Rehabilitation Plan (MRP) which was created in fulfillment of the federal Transit Asset Management (TAM) requirement, and to address the Authority's SGR needs. The MRP addresses two critical elements:

- **Backlog:** Total cost of renovating all assets to achieve a current SGR.
- **SGR:** Annual cost of keeping assets in a State of Good Repair.

The FY27 budget request addresses only the SGR, or the annual cost of maintaining assets in a State of Good Repair. The current backlog is estimated to be over \$1.0 billion.

SGR:

The SGR budget request for FY27 includes essential investments to maintain SGR. These projects total \$152.1M, an increase from the FY26 request of \$14.6M or 11%. The projects are presented by Member Agency, by line, and by individual project, with locations and descriptions in Attachment A.

New Capital:

The New Capital authorization request for FY27 was identified as necessary for safe and efficient rail operations and business processes. These projects total \$10.9M, a decrease from the FY26 request of \$7.5M or 41%. The projects are presented by Member Agency, by line, and by individual project, with locations and descriptions in Attachment B.

Reauthorization of Carryover Capital Projects is also included in this budget request. For FY27

SGR Carryover Capital Projects, the total is \$377.9M as shown in Attachment C. For FY27, New Capital Carryover Projects total \$52.2M as shown in Attachment D. Attachment E provides the Capital Program cash flow forecast, which represents the annual amounts we anticipate billing to each Member Agency.

Budget Impact

There is no budget impact created by the transmission of this FY27 Capital Project budget.

Next Steps

Upon Board approval of this transmittal, staff will provide the proposed FY27 Capital Budget to Member Agencies for consideration and approval by their Board in May. Staff will present the final FY27 Capital Budget to the SCRRA Board of Directors for adoption at the June 2026 meeting.

Prepared by: Christine Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - FY27 Proposed SGR by Member Agency, Line, and Project Detail List](#)
[Attachment B - FY27 Proposed New Capital by Member Agency, Line, and Project Detail List](#)
[Attachment C - FY27 State of Good Repair Carryover Projects](#)
[Attachment D - FY27 New Capital Carryover Projects](#)
[Attachment E - FY27 Proposed Capital Program Cashflow](#)
[Presentation - Proposed FY27 Capital Budget](#)