

Metropolitan Transportation Commission
Regional Network Management Committee

May 8, 2026

Agenda Item 2b-26-0428

Fiscal Year (FY) 2025-26 Service Authority for Freeways and Expressways (SAFE)
Statement of Revenues and Expenses for the Period Ended March 31, 2026 (Unaudited)

Subject:

Statement of Revenues and Expenses for the Period Ended March 31, 2026 (unaudited).

Background:

SAFE receives fees collected by the Department of Motor Vehicles (DMV) pursuant to Streets and Highways code Section 2555 et seq., which permits the collection of up to \$1 per registered vehicle in participating counties. The fees represent charges for services rendered to external users. SAFE has two separate activities: the Freeway Assist Program (FAP), which provides motorist aid services on the Bay Area freeways, and the Freeway Service Patrol (FSP), pursuant to a jointly adopted Memorandum of Understanding between MTC SAFE, Caltrans, and the California Highway Patrol (CHP), which provides vehicle towing services.

Operating Revenues:

SAFE's DMV registration fees reached \$4.9 million by the end of the third quarter in FY 2026, which was slightly higher than the prior year-to-date actual.

Operating Expenses:

As of March 31, 2026, total operating expenses were \$11.9 million, about \$0.5 million lower than the prior year-to-date actual. The lower operating expenses in FY 2026 were primarily driven by the decrease in the towing contracts expenses.

Non-operating Revenues:

SAFE's non-operating revenues primarily consist of grants from the State Local Assistance Program (LAP) and Senate Bill 1 (SB1), which reimburse eighty percent of towing expenses. As of March 31, 2026, total LAP and SB1 revenues were \$7.3 million, a decrease of \$0.7 million compared to the prior year-to-date actual. The lower LAP and SB1 revenues were mainly due to the decrease in towing contracts expenses.

Budget Status Update:

As of the third quarter of FY 2025–26, SAFE program revenues are generally performing in line with expectations. DMV registration fee revenues under the FAP program reached 72.5% of the annual budget, consistent with normal revenue patterns. Investment income continued to outperform, reaching 88.5% of budget, driven by higher-than-anticipated interest rates.

FSP program revenues totaled 55.9% of the annual budget, including 49.3% of LAP grant revenues and 63.8% of SB1 grant revenues. These variances reflect the standard one-month lag in reimbursing eligible expenses which include the state-mandated 80.0% reimbursement rate for towing costs.

On the expenditure side, total SAFE operating expenses reached 56.6% of the annual budget by the end of the third quarter. Towing costs, the largest FSP expense, totaled \$9.2 million (56.2% of budget), consistent with prior-year trends and normal invoice processing delays. Repair and maintenance costs were at 52.0% , reflecting full payment of the callbox maintenance contract but delays in other communications and incident-management invoices. General operating expenses remained below budget, with modest spending in areas such as travel and training and additional savings in insurance. Staffing and indirect costs were largely aligned with budget and allocated as planned.

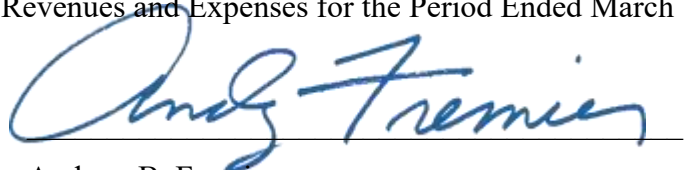
Overall, current variances are primarily timing-related, particularly in grant reimbursements and vendor invoicing. Revenue and expenditure performance remains consistent with prior-year trends, and the SAFE programs are financially stable and expected to finish the fiscal year within the approved budget.

Recommendations:

Information

Attachments:

- Attachment A: SAFE Statement of Revenues and Expenses for the Period Ended March 31, 2026 (unaudited)



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