

Metropolitan Transportation Commission
Regional Network Management Committee

May 9, 2025

Agenda Item 2e

Fiscal Year (FY) 2024-25 Service Authority for Freeways and Expressways (SAFE)
Statement of Revenues and Expenses for the Period Ended March 31, 2025 (Unaudited)

Subject:

Statement of Revenues and Expenses for the Period Ended March 31, 2025 (unaudited).

Background:

Service Authority for Freeways and Expressways (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 callbox services on the Bay Area freeways, and the Freeway Service Patrol (FSP), pursuant to a jointly adopted Memorandum of Understanding between the Metropolitan Transportation Commission (MTC) SAFE, Caltrans, and the California Highway Patrol (CHP), which provides vehicle towing services.

Operating Revenues:

SAFE's DMV registration fees are \$4.8 million, which was at the same level as the prior year-to-date actual.

Operating Expenses:

As of March 31, 2025, total operating expenses were \$12.4 million, about \$335 thousand lower than the prior year-to-date actual. The lower operating expenses in FY 2025 were primarily driven by the decrease in towing contracts from the reduction of towing services.

Non-operating Revenues:

SAFE's non-operating revenues primarily consist of grants from the State Local Assistance Program (LAP) and Senate Bill 1 (SB 1), which reimburse eighty percent of towing and direct program operating expenses. As of March 31, 2025, total LAP and SB 1 revenues were \$8.0 million, a decrease of \$503 thousand compared to the prior year-to-date actual.

Contributions and Transfers:

As of March 31, 2025, there was no transfer to the MTC compared to \$259 thousand in the third quarter of FY 2024. The transfers to the MTC in the statement represent SAFE's consulting expenses charged by the MTC.

Budget Status Update:

The SAFE programs generated revenues that were on target with the budget as of the third quarter of FY 2025. Revenues of the FAP program for DMV registration fees were within budget expectations at 71% of the budget with interest income higher than the budget at 117% of the budget due to higher-than-anticipated yields. FSP program revenues were 55% of the budget, with 49% of the LAP grant budget and 61% from the SB1 grant budget. These grant reimbursements have a one-month delay in invoicing reimbursable amounts. The FSP program receives 80% reimbursement for towing expenses incurred, consistent with state grant funding guidelines.

Total SAFE operating expenses were 56% of the budget by the end of the third quarter. Towing expenses totaled \$10 million, or 55% of the budget. This also reflects the processing time for invoices, which typically lags by a month. Other operating expenses remained below budget at an average of 58%. Staff costs were at 74% well within budget which includes indirect costs allocated to the SAFE programs.

As of the third quarter, several operating expense categories reflect a temporary lag primarily due to the timing of invoice processing. Despite these timing variances, the actual-to-budget performance of the SAFE programs is consistent with the trend observed in the prior fiscal year. Both revenues and expenditures continue to be effectively managed, and current projections indicate that year-end results will remain within the approved budget.

Recommendations:

Information

Attachments:

- Attachment A: SAFE Statement of Revenues and Expenses for the Period Ended March 31, 2025 (unaudited)



Andrew B. Fremier