Metropolitan Transportation Commission

Regional Network Management Committee

February 13, 2026 **Agenda Item 2e**

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

Subject:

Statement of Revenues and Expenses for the Period Ended December 31, 2025 (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 $3.3 million by the end of the second quarter in FY 2026, which was slightly higher than the prior year-to-date actual.

Operating Expenses:

As of December 31, 2025, total operating expenses were $7.8 million, about $0.3 million lower than the prior year-to-date actual. The lower operating expenses in FY 2026 were primarily driven by the decrease in towing contract 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 December 31, 2025, total LAP and SB1 revenues were $4.8 million, a decrease of $600,000 from the prior-year-to-date actual. The lower LAP and SB1 revenues were mainly due to the decrease in towing contract expenses.

Budget Status Update:

As of the second quarter of FY 2025–26, SAFE program revenues are generally tracking in line with expectations. DMV registration fees under the FAP program reached approximately 50% of the annual budget, reflecting normal mid-year performance. FSP revenues totaled 38% of the annual budget, including 38% from LAP grants and 35% from SB1 grants, primarily due to a one-month lag in invoicing reimbursable expenses. Consistent with state guidelines, FSP receives reimbursement for approximately 80% of eligible towing costs. Investment income exceeded projections at 61% of the budget, driven by higher-than-anticipated interest rates.

Total SAFE operating expenses were 37% of the annual budget at the end of the second quarter, largely reflecting the timing of invoice processing and payments. Towing costs, the largest FSP expenditure, totaled $6.0 million, or 37% of the budget, consistent with prior-year trends and normal processing lags. Most other operating expenses remained below budget due to the timing of payments, with repair and maintenance costs at 50% following the full payment of the callbox maintenance contract, and communication expenses at 33% due to delayed vendor invoicing. Staffing and indirect costs were nearly aligned to budget and allocated as planned.

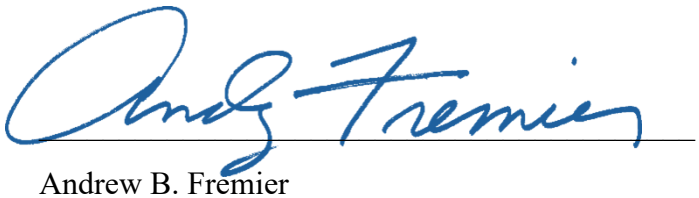
Overall, revenue and expenditure variances are primarily timing-related and are expected to align more closely with budgeted levels as the fiscal year progresses. The SAFE programs remain financially stable and operate within budgeted expectations.

Recommendations:

None. Information only.

Attachments:

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



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