

2024 Proposed Budget and Transit Improvement Program

*Executive Committee
11/02/2023*



Why we are here

Today we are here to provide information

- Proposed 2024 Budget summary
- Budgets within the Executive Committee's purview
 - System expansion – systemwide projects
 - Debt service and other budgets
- Budget timeline and next steps

Budgets within Committee purview

Committee	Budget/TIP Sections
Rider Experience and Operations	<ul style="list-style-type: none"> • Transit operations • Non-system expansion projects (State of Good Repair, Enhancement, and Administrative)
System Expansion	System expansion projects – Link, Tacoma Link, Sounder, Stride, and ST Express
Executive	<ul style="list-style-type: none"> • System expansion projects – systemwide • Debt service and other costs
Finance and Audit Committee	Other committees recommend budget to FAC; FAC recommends to Board

***2024 Proposed budget -
summary***

Executive summary – revenues and financing

(In millions)

TOTAL REVENUES - 2024 Proposed Budget					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024	2023B to 2024B
TAX REVENUES	\$2,318.7	\$2,295.5	1.0%	\$2,397.6	4.4%
PASSENGER FARE REVENUES	51.8	52.4	-1.1%	59.4	13.5%
GRANTS & LOCAL CONTRIBUTIONS	515.9	283.0	82.3%	216.7	-23.4%
INVESTMENT INCOME	136.0	40.4	236.6%	115.0	184.7%
MISCELLANEOUS REVENUES	17.1	10.9	57.3%	16.7	53.4%
BOND & TIFIA LOAN PROCEEDS	994.6	.0		93.3	-
Grand Total	\$4,034.2	\$2,682.2	50.4%	\$2,898.8	8.1%

- *Tax revenue: 4.4% above 2023 budget*
- *Fares: East Link Starter Line and Lynnwood opening*
- *Grants: 2024 lower due to funds accelerated in 2023 originally assumed for 2024*
- *Bonds and TIFIA: Hilltop TIFIA draw*

Executive summary – expenditures

TOTAL EXPENDITURES - 2024 Proposed Budget					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024	2023B to 2024B
MODAL OPERATING EXPENSES	\$455.3	\$495.3	8.1%	\$634.2	28.0%
SYSTEM EXPANSION PROJECTS	2,010.9	2,047.9	1.8%	1,850.7	-9.6%
NON-SYSTEM EXPANSION PROJECTS	236.0	261.3	9.7%	306.7	17.4%
DEBT SERVICE	229.4	229.4	0.0%	179.7	-21.6%
TAX COLLECTION & FEES	26.2	23.1	-13.7%	19.4	-15.7%
CONTRIBUTIONS TO PARTNER AGENCIES	5.0	5.0	0.0%	.0	-100.0%
LEASES	15.9	16.8	5.5%	12.9	-22.9%
AGENCY CONTINGENCY	-	10.6		19.0	78.5%
OTHER NON-OPERATING EXPENSES	.6	.6	6.6%	.6	2.4%
Grand Total	\$2,979.2	\$3,089.9	3.6%	\$3,023.3	-2.2%

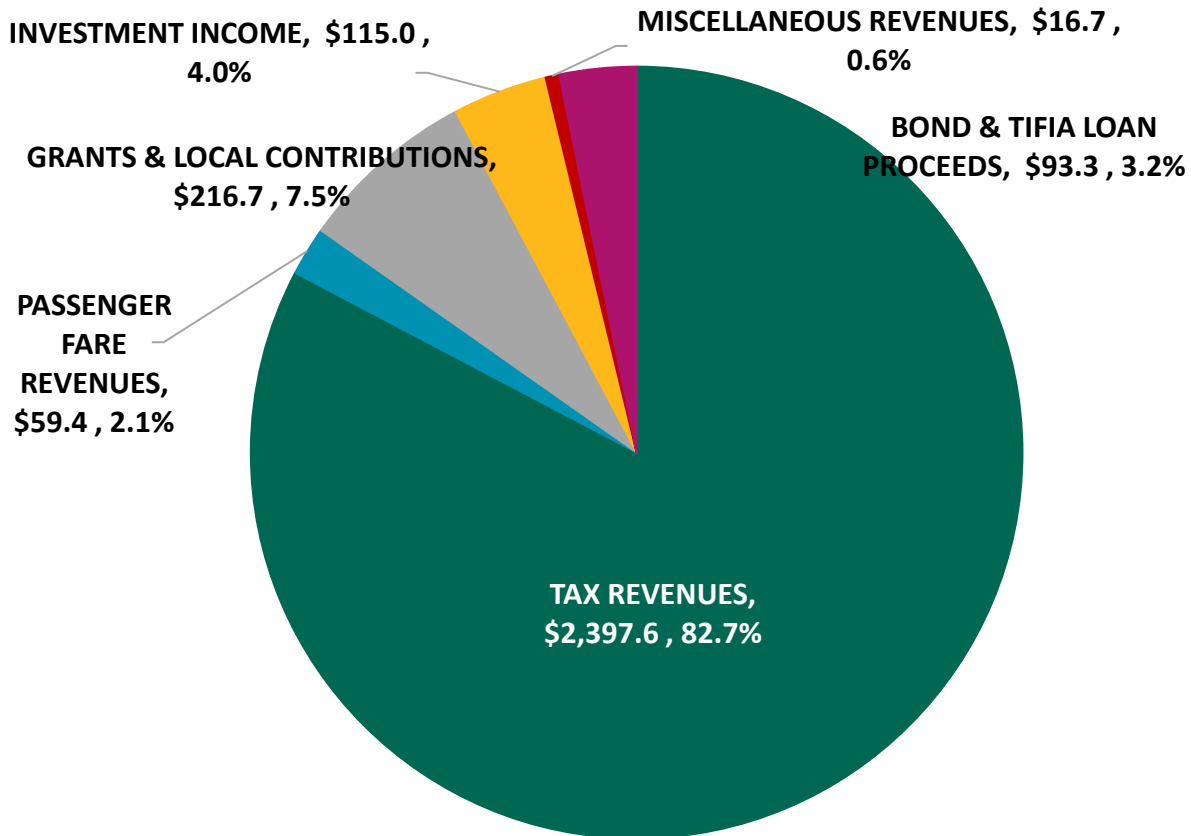
*2023 budget includes changes to the 2023 adopted budget due to Board actions.

- Existing cash balance from 2023 TIFIA draws will be used to balance sources and uses, reducing our net cash position
- Agency contingency is 3% of proposed modal operating budget to help mitigate risks in escalating transportation costs

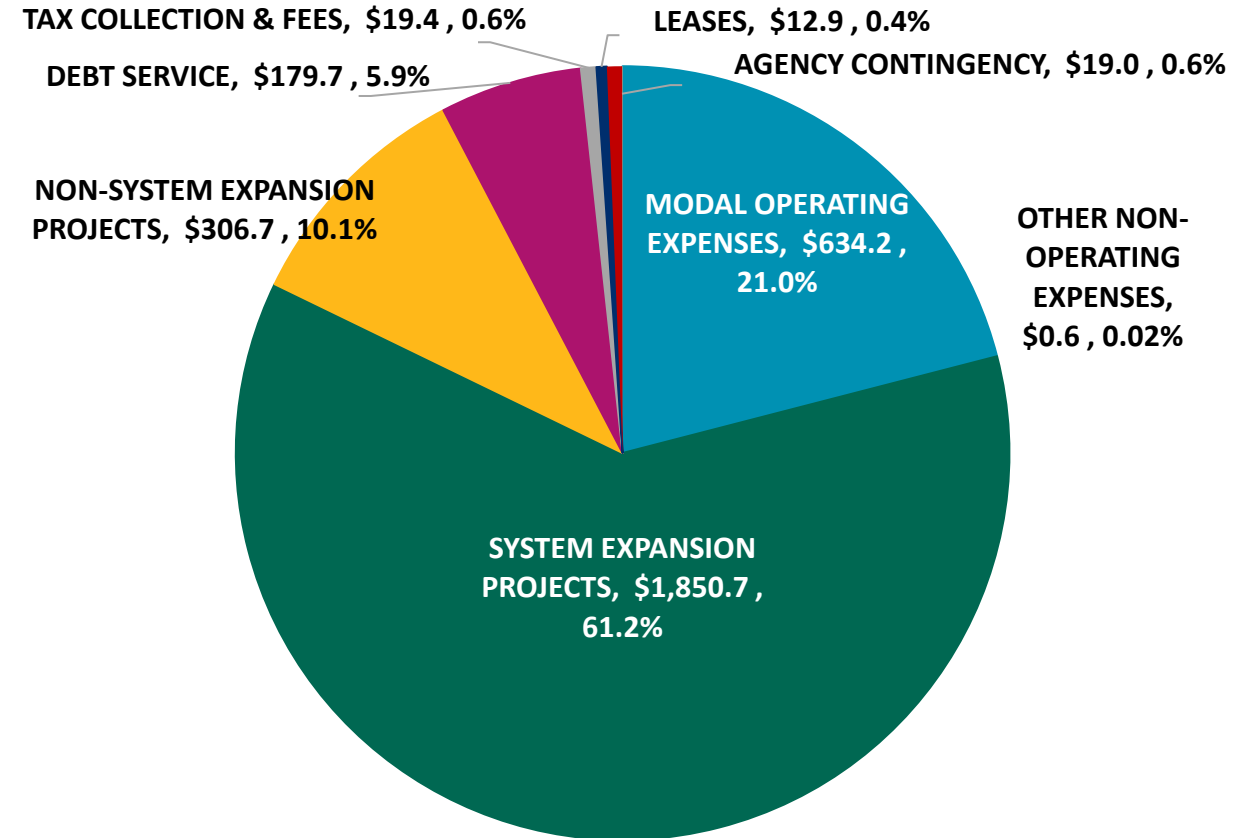
Proposed 2024 Budget

Sources lower than expenditures, gap will be covered by existing cash balance.

Sources: \$2.9B



Expenses: \$3.0B



***System expansion –
systemwide***

System expansion – systemwide: \$42M

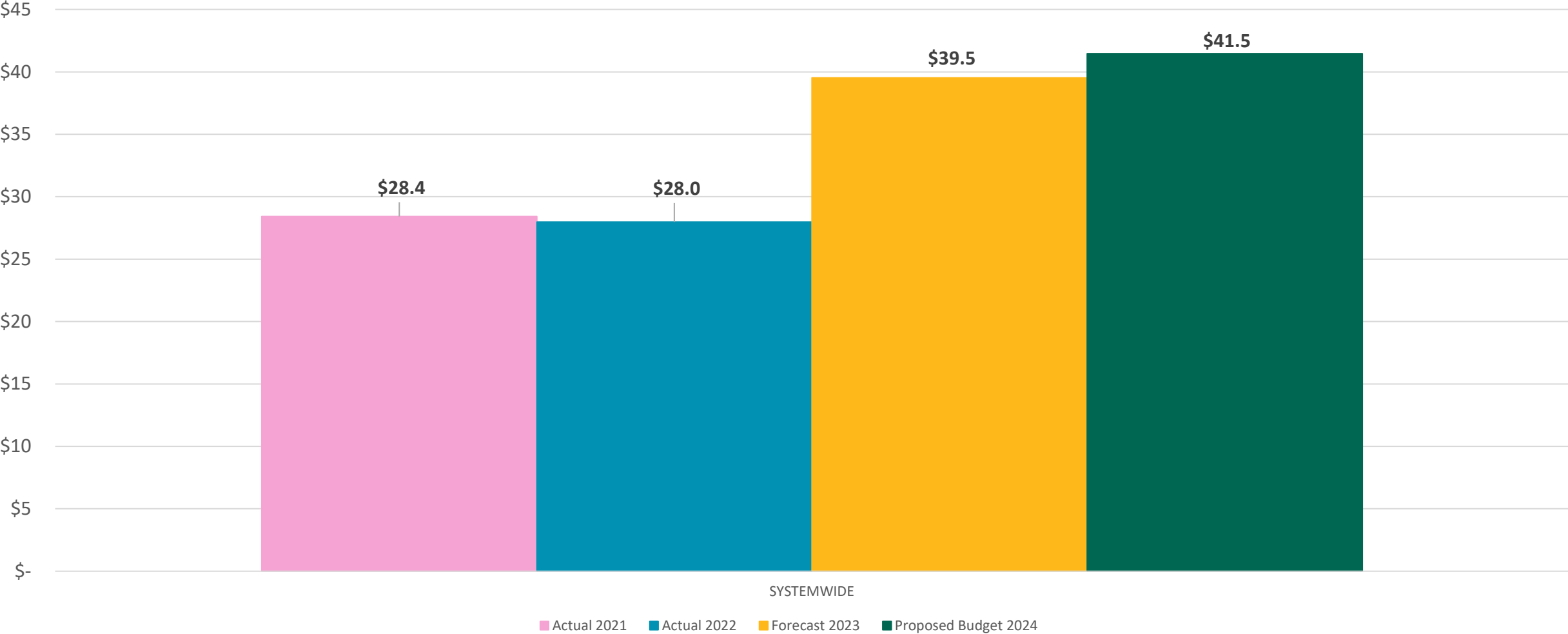
(In millions)

SYSTEM EXPANSION PROJECT EXPENSES - 2024 Proposed Budget					
CATEGORY	Forecast	Budget	% Variance	Proposed	% Change
	2023	2023	2023F to 2023B	2024	2023B to 2024B
SOUNDER	65.3	76.7	14.8%	88.0	14.9%
LINK	1,657.5	1,664.3	0.4%	1,419.5	-14.7%
TACOMA LINK	21.5	28.0	23.4%	6.6	-76.6%
REGIONAL EXPRESS	23.0	34.6	33.3%	15.6	-54.9%
STRIDE	204.0	204.0	0.0%	279.5	37.0%
SYSTEMWIDE	39.5	40.2	1.7%	41.5	3.1%
Grand Total	\$2,010.9	\$2,047.9	1.8%	\$1,850.7	-9.6%

- *Transit system access – system access awards for local agencies*
- *ST Art – finalize East Link and LLE, fabrication of FWLE and 130th*
- *Innovation & technology program – passenger facing technology*
- *ST3 planning – station capacity analysis and stormwater mitigation*

System expansion – systemwide trends

(In millions)



Changes to Transit Improvement Plan

TRANSIT IMPROVEMENT PLAN EXPENSES - 2024 Proposed Budget

CATEGORY	Authorized Allocation
2023 ADOPTED TRANSIT IMPROVEMENT PLAN (SYSTEMWIDE)	610.8
NEW PROJECTS / PROGRAMS	3.1
INCREASES TO EXISTING PROJECTS / PROGRAMS	13.5
DECREASES FROM PROJECT CLOSURES	.0
2024 Proposed Transit Improvement Plan (SYSTEMWIDE)	\$627.4

- *New project – Unified Control Center*
- *Increases to existing projects –*
 - *Environmental remediation*
 - *Station capacity analysis for DSTT connection*

Debt service & other budgets

Debt service and other expenses : \$232M

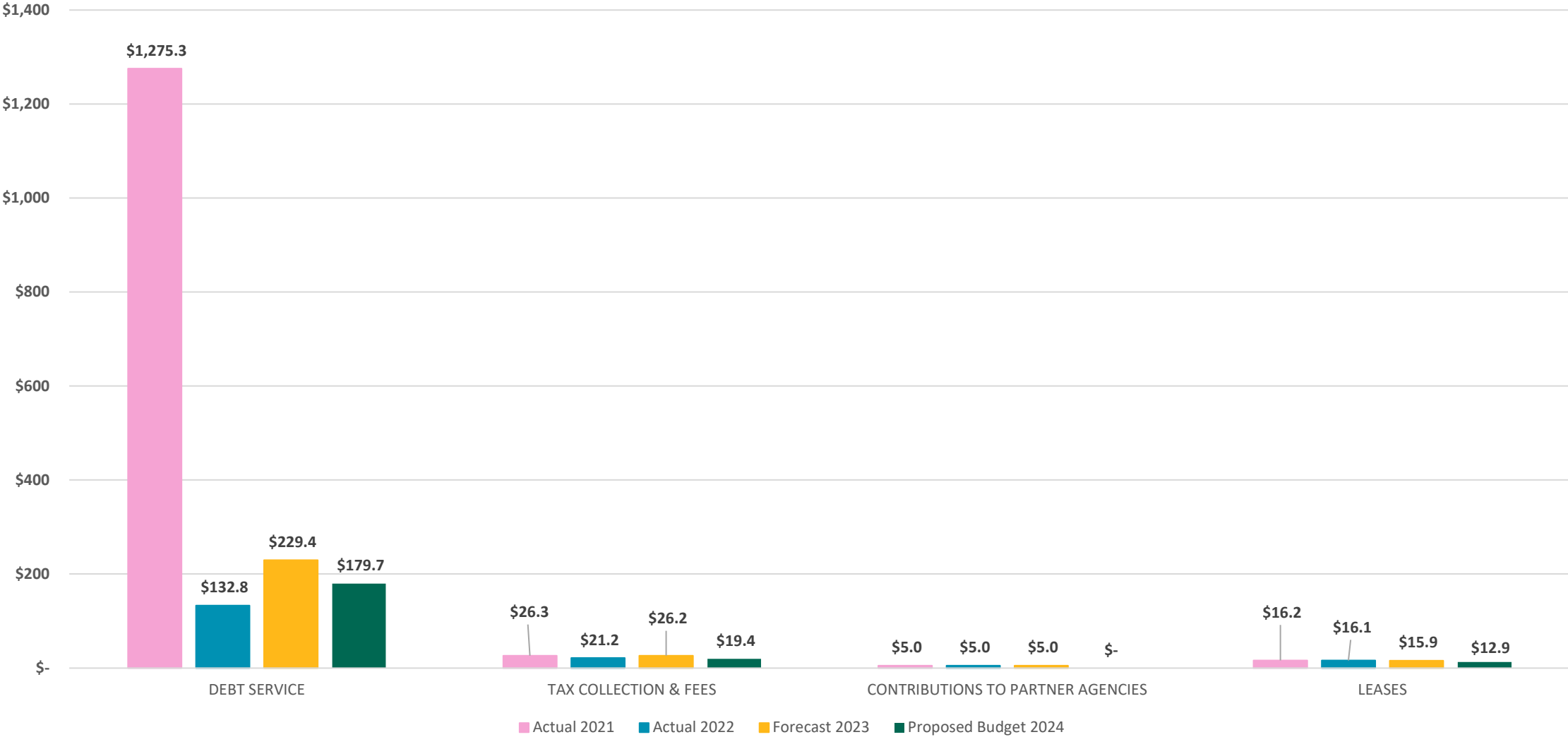
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Grand Total	\$2,979.2	\$3,089.9	3.6%	\$3,023.3	-2.2%

- *Debt service decreasing due to retirement of variable rate debt in 2023*
- *Tax collection & fees lower beyond peak FWLE construction*
- *Leases coming in lower as corporate space consolidated*

Debt service and other trends

(In millions)



***Budget timeline
and next steps***

Timeline

October – budget and Financial Plan kickoff

- **10/26** – Board Meeting – Overview of Long-Range Financial Plan projections and budget

November – budget overview and property tax levy approval

- **11/2 – Executive Committee – budget overview**
- **11/2** – Rider Experience and Operations Committee – budget overview
- **11/2** – Public hearing – budget and property taxes
- **11/9** – System Expansion Committee – budget overview
- **11/16** – Board Meeting – request for approval of the property tax levy

Timeline continued

December – budget recommendation and approval

- **12/7** – Rider Experience and Operations Committee – recommends to FAC
- **12/7 – Executive Committee – recommends to FAC**
- **12/14** – System Expansion Committee – recommends to FAC
- **12/15** – Finance and Audit Committee – recommends to Board
- **12/15**– Board – adoption of the Proposed 2024 Budget and Transit Improvement Plan

Thank you.



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