Proposed 2027 Budget and Transit Improvement Plan

Board of Directors

11/19/2026

SOUNDTRANSIT

Why we are here

Request that the Board:

- Approve Resolution No. R2026-30, recommended by Finance and Audit Committee, to adopt the 2027 Budget and Transit Improvement Plan.

Timeline – 2027 proposed budget

- October FAC – overview of proposed 2027 budget and TIP
- October Board – budget overview and property tax approval
- November SEC, REO, EXEC – budget reviews by Board committees
- November FAC, Board – budget recommendation and approval

2027 Budget, TIP, and Long-Range Financial Plan

Budget 2027 ***Board Approved*** **$3.9 billion**

Annual Budget of expenses and outlays for 2027.

Transit Improvement Plan (TIP) to 2032 ***Board Approved*** **$26 billion**

Authorized Allocation (lifetime) for all active project costs, including past actuals. (Includes pre-baselined and baselined projects, as well as service delivery projects.)

Long-Range Financial Plan (2017 – 2052) ***Board Updated***

Includes Sound Move, ST2, and ST3 sources and uses through 2052.

Proposed 2027 budget and Transit Improvement Plan (TIP)

Key takeaways

- Budget and TIP are affordable and conform to System Plan update
- Tax revenues remain resilient with stable economic growth
- System expansion program implements updated System Plan from May
- Significant system delivery investments made in 2026 budget will continue, with more targeted dollars added in 2027
- Implementing cost efficiency measures in long-term operations and service delivery program

Budget and TIP conform to May System Plan

➢2027 Budget expected to come in slightly lower than May System Plan forecast, and long-term affordability in-line

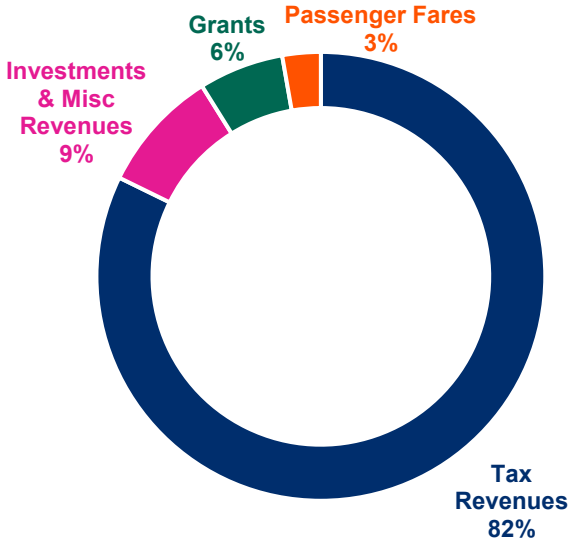
	Single-Year Comparison				*Long-range impact through 2052*	
$ in millions	**May System Plan 2027 Forecast**	**2027 Proposed Budget & TIP**	**Variance ($)**	**Variance (%)**	**$ Change**	**% Change**
Revenue	$3,277	$3,274	($3)	<1%	$600	<1%
Operations and Agency Admin	$1,109	$1,134	$25	2%	$1,000	2%
System Expansion Projects	$2,487	$2,338	($149)	-6%	$100	<1%
Service Delivery Projects	$289	$221	($68)	-24%	$0	<1%

- Operations and Agency Administration variance due to inflation, higher contracted service cost for modes, and enhanced passenger experience.
- Project Budget variance due to cash flow differences, which will be made up in future.

Revenues and Funding Sources

FY 2027 overview – sources $3.3B

(In millions)



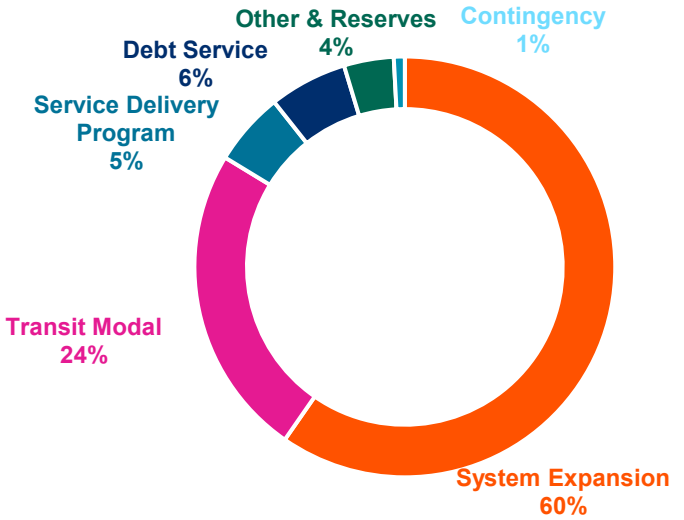


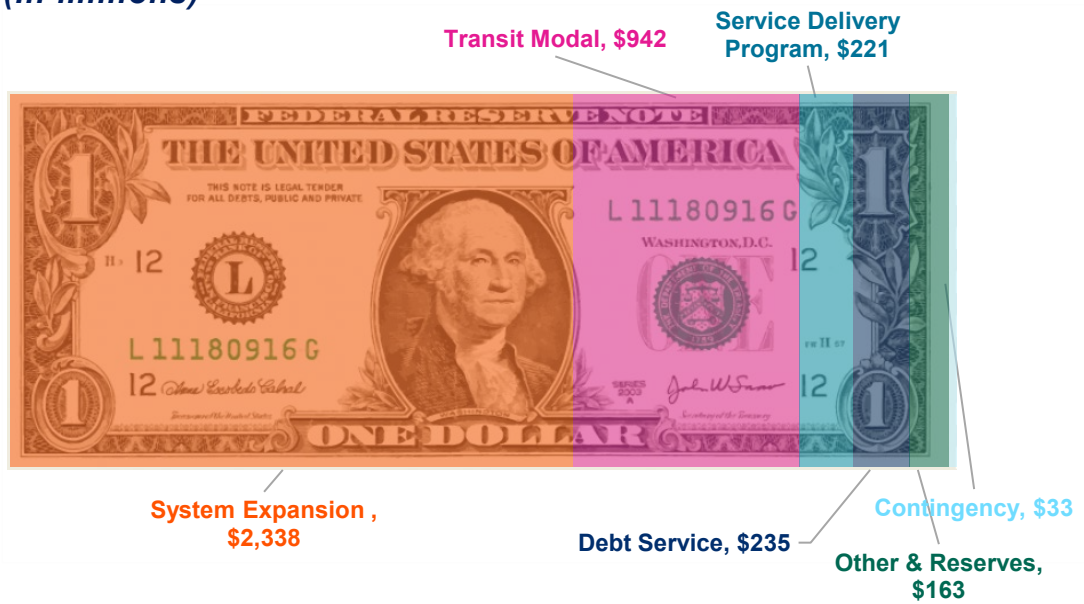
- Tax revenues: Economic growth expected to remain stable
- Fares: Full year of Crosslake Connection Extension
- Grants: Winding down ST2 Link project drawdowns
- TIFIA and RRIF: All loans now fully drawn as of 2026 year-end

Expenditures

FY 2027 overview – uses $3.9B

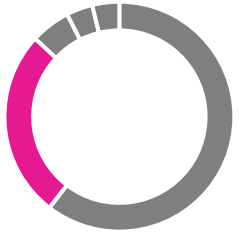
(In millions)



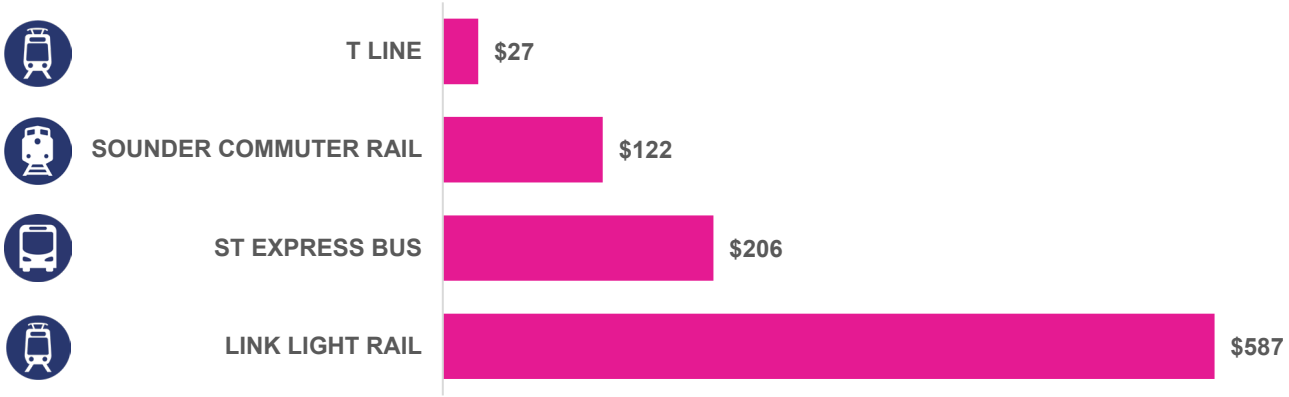


- Expansion Projects: Stride construction and moving forward with May System Plan update
- Modal Ops: Full year of Crosslake Connection
- Service Delivery Program: Increased investment in resiliency, safety, and agency modernization
- Debt service: Interest increase as all TIFIA/RIFF loans now fully drawn

Transit modal operating costs – $942M



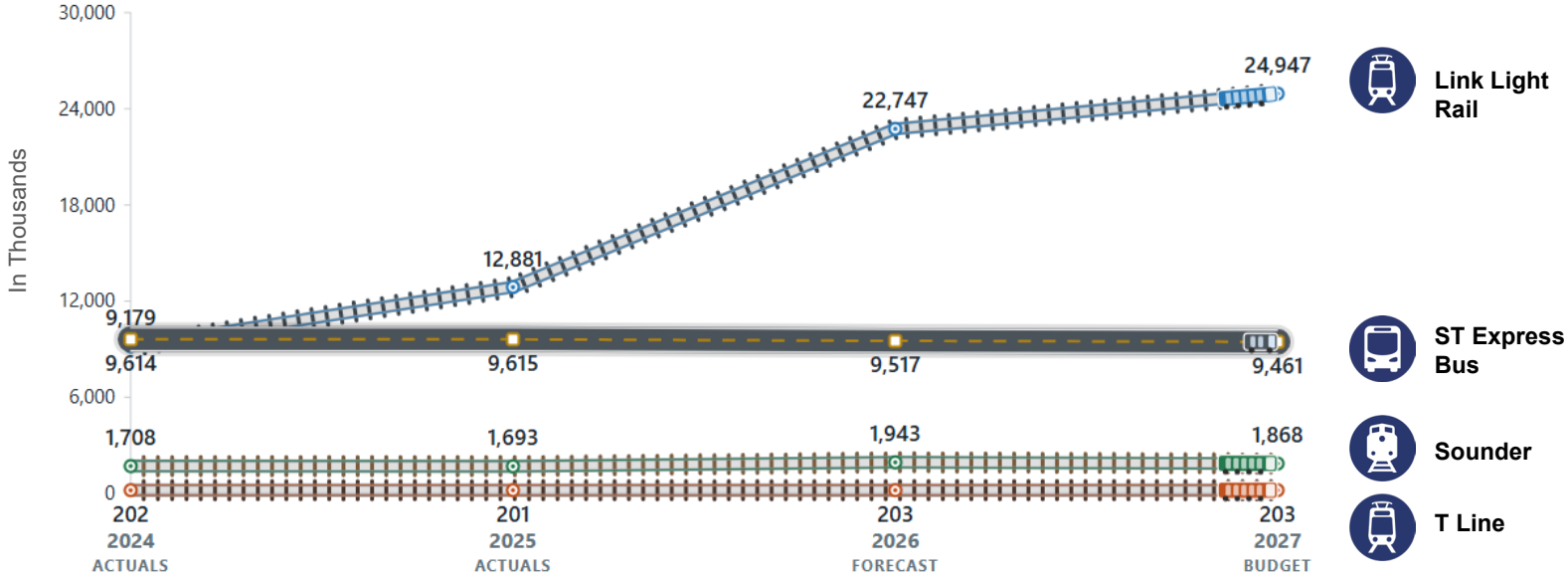
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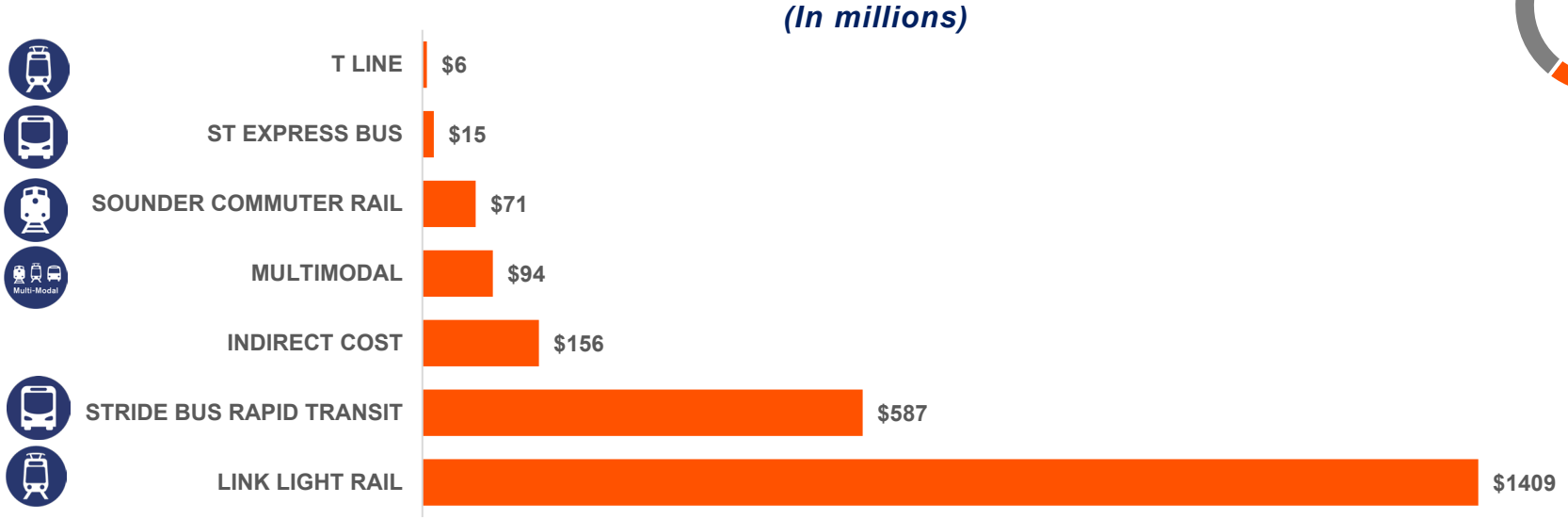
- Safe, Clean, and Welcoming Ride: focused investments on top of 2026 progress
- Continue to deliver high safety standards established in 2026
- Additional resources to support Link rapid response and coverage efforts
- Service delivery projects to ensure assets in state of good repair

Service levels: revenue miles by mode

Total revenue miles 6% higher than 2026 driven by a full year of Crosslake Connection service.

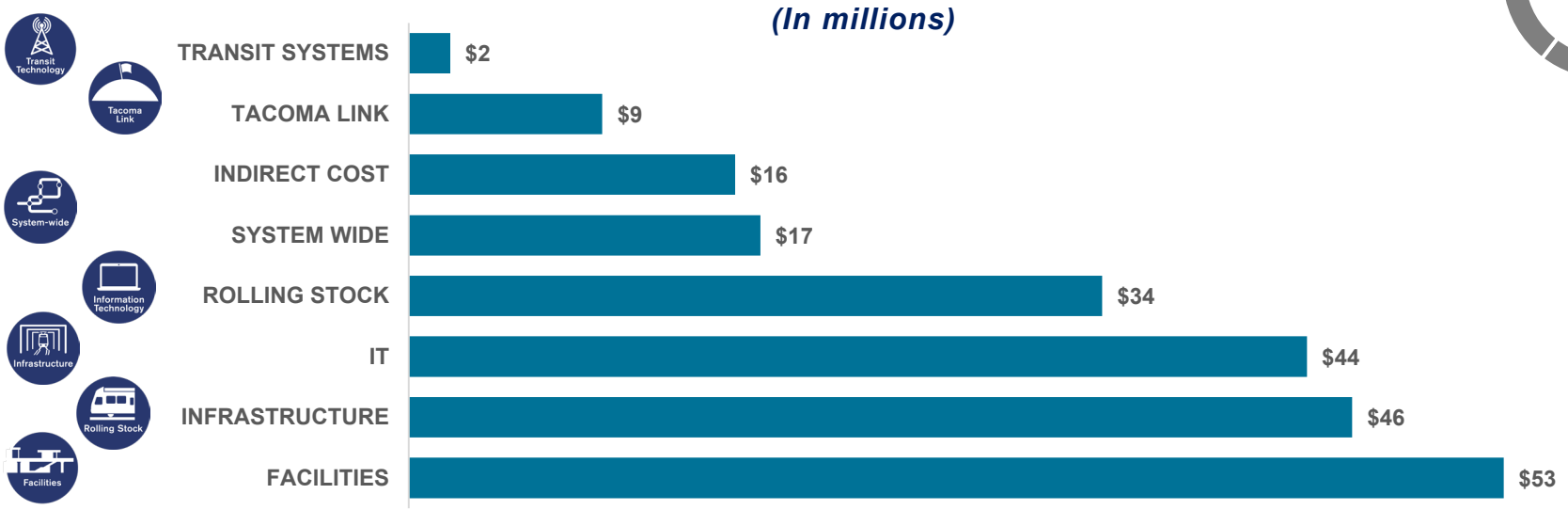


System expansion projects – $2.3B



- Significant progress on Link projects as system plan is now updated.
- Ballard, West Seattle, and OMF-South progressing to complete design.
- Tacoma Dome and Everett Link projects to publish FEIS and award PE Phase 3.
- Stride continues with construction.

Service delivery program – $221M



- Facilities: DSTT modernization, safety and passenger facing improvements.
- Infrastructure: at-grade crossings and continued progress on resiliency.
- IT Portfolio: ERP/ EAMs software purchase and implementation.
- Aligns with May system plan update.

Transit Improvement Plan

Highlights of the Transit Improvement Plan

- $2.8 billion in closed projects, including University Link and OMFE
- Net neutral movement of system expansion funds to “close-out activity projects”, which will continue to improve the close-out process
- $150M in savings due to Downtown Redmond Link Extension
- New projects include the Regional Parking Fund and High-Capacity Transit Studies, consistent with System Plan Update
- Increase to Service Delivery Project Portfolios to support resiliency, agency modernization, and state of good repair

Changes: 2026 adopted TIP to 2027 proposed TIP

$2.5 billion (6%) decrease in total authorized dollars for active projects



*includes Board-approved budget amendments through 9/30/2026

Budget Timeline and Next Steps

Timeline – 2027 proposed budget and TIP

October – budget overview, and property tax approval

- ✓ **10/8** – Public hearing for proposed 2027 budget and property tax levy
- ✓ **10/8** – Finance and Audit Committee – overview of proposed 2027 budget and TIP
- ✓ **10/22** – Board – budget overview and property tax levy approval

November – budget recommendation and approval

- ✓ **11/5** – Executive Committee – recommends to FAC
- ✓ **11/5** – Rider Experience and Operations Committee – recommends to FAC
- ✓ **11/12** – System Expansion Committee – recommends to FAC
- ✓ **11/19** – Finance and Audit Committee – recommends to Board
- ➡ **11/19**– Board – adoption of the proposed 2027 Budget and TIP

Thank you.

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