SOUNDTRANSIT

Resolution No. R2026-30

Proposed 2027 Budget and Transit Improvement Plan

Meeting:	Date:	Type of action:
Finance and Audit Committee	11/19/2026	Recommend to Board
Board of Directors	11/19/2026	Final Action

Staff name:	Staff title:
Victoria Wassmer	Finance and Business Administration Deputy CEO
Hughey Newsome	Chief Financial Officer
Ryan Fisher	**Finance Executive Director**

Proposed action

Adopts an annual budget for the period from January 1 through December 31, 2027 and adopts the 2027 Transit Improvement Plan (TIP).

Key features summary

- The Proposed 2027 Budget requests funding authorization of $3.9 billion. This request is comprised of:
  - $2,558.7 million for System Expansion Projects and Service Delivery Programs;
  - $941.8 million for Transit Operations;
  - $234.8 million for Debt Service; and
  - $196.1 million for Other (including agency contingency and contribution to reserves).
- The Proposed 2027 TIP totals $26.0 billion in authorized project allocations.
- The Proposed 2027 Budget would be funded by an estimated $3.3 billion in revenues and other financing sources and an estimated $554.1 million in unrestricted cash.
- The Chief Financial Officer certifies that the Proposed 2027 Budget and Proposed 2027 TIP conform to the agency's long-range financial plan projections.

Background

The Sound Transit Board adopts the Sound Transit annual budget, which contains the agency's budget for revenue and financing, administrative expenses, transit operating expenses, projects, and debt service. The Sound Transit Board adopts the TIP, a cumulative total of authorized project allocations for all active projects. Sound Transit's annual budget and TIP are organized by six primary program areas: Transit Operating Budget, System Expansion Project Budget, Service Delivery Program Budget, Other Operating and Non-Operating Budget, Debt Service Budget, and Agency Contingency Budget.

The resolution approves the following revenues and expenditures for 2027:

Revenues – $3.3 billion of estimated revenues and other financing sources includes:

- $2,101.9 million from Sales Tax
- $424.6 million from Motor Vehicle Excise Tax
- $4.4 million from Rental Car Tax
- $184.0 million from Property Tax
- $196.2 million from Federal Grants
- $91.3 million from Passenger Fare Revenues
- $267.8 million from Investment Income
- $5.9 million from Local & State Contributions
- $25.1 million in Miscellaneous Revenues

Transit Operating Budget – $941.8 million includes:

- $587.1 million for Link Light Rail
- $121.8 million for Sounder Commuter Rail
- $205.9 million for ST Express
- $27.0 million for Tacoma Line

System Expansion Project Budget – $2.3 billion:

- $1,408.7 million for Link
- $71.1 million for Sounder
- $15.1 million for ST Express
- $587.4 million for Stride
- $6.1 million for Tacoma Link
- $93.8 million for Other/Multi-modal
- $155.6 million for System Expansion Indirect

Service Delivery Program Budget – $220.9 million.

Other Operating and Non-Operating Expenses Budget – $150.0 million:

- $37.8 million for General and Administrative
- $57.3 million for Fare and Regional Planning
- $30.5 million for Tax Collection and Fees
- $23.7 million for Leases & SBITA Amortization and Interest
- $0.7 million for Other Non-Operating Expenses

Debt Service Budget – $234.8 million.

Agency Contingency Budget – $33.0 million.

Reserves – The resolution also provides for the agency to reserve funds for the following purposes:

- Operations and Maintenance Reserve: Balance is projected to be $201.9 million at the end of 2026. A contribution of $7.7 million is budgeted for 2027.
- Emergency/Loss Reserve: Balance is projected to be $75.5 million at the end of 2026. A contribution of $5.5 million is budgeted for 2027.
- Capital Replacement Reserve: Balance is projected to be $392.7 million at the end of 2026. No contribution is budgeted for 2027.

The resolution also authorizes changes to the authorized project allocation for existing projects, establishment of new projects, and closure of completed projects with an authorized project allocation net decrease of $2,454.4 million (Attachment B).

Fiscal information

The Proposed 2027 Budget and Proposed 2027 TIP are fully affordable within the agency's current financial projections. This Proposed Budget and TIP continue to meet the intent and schedule of the projects and investments deemed to be affordable within the May System Plan set out in Resolution No. R2026-11.

Additionally, as required by this resolution, this Proposed Budget and TIP is certified by the Chief Financial Officer to conform to the projections in the long-range financial plan. The table below supports this certification.

	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	$3,301	$24	<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%

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

The Sound Transit Board reviewed the Proposed 2027 Budget and Proposed 2027 Transit Improvement Plan at public meetings that took place in October and November 2026. On October 8, 2026, a public hearing was held to provide an opportunity for testimony from interested members of the public.

Time constraints

A two-month delay would postpone adoption of the Proposed 2027 Budget and Proposed 2027 Transit Improvement Plan into the 2027 fiscal year and the agency would have no spending authority beginning January 1, 2027. Budget adoption is required prior to the commencement of the fiscal year to provide authorization to expend funds.

Prior Board/Committee actions

Resolution No. R2025-22: Adopted a budget policy and superseded Resolution No. R2020-24.

Resolution No. R2026-11: Updated the Sound Transit 3 System Plan to be affordable within available and projected financial capacity.

Resolution No. R2018-44: Adopted an annual budget for the period from January 1 through December 31, 2019, adopting the 2019 Transit Improvement Plan, and permitting systemwide allocation of financial benefits of certain grants.

Resolution No. R2016-16: Adopted the Sound Transit 3 Regional Transit System Plan.

Environmental review – LS 11/9/2026

Legal review – MT 11/13/2026

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A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period from January 1 through December 31, 2027, and adopting the 2027 Transit Improvement Plan.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit District on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the central Puget Sound region; and

WHEREAS, Sound Transit is successfully building and operating the first, second and third phases of the regional transit system plan that were approved by voters in 1996, 2008 and 2016; and

WHEREAS, Sound Transit is meeting a high standard of public accountability through effective monthly progress reports and quarterly financial reporting; and

WHEREAS, the Sound Transit Board adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, the chief executive officer submitted a Proposed 2027 Budget and Proposed 2027 Transit Improvement Plan (TIP) for Board consideration; and

WHEREAS, the Proposed 2027 Budget and Proposed 2027 TIP are consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2016-16, as amended by Resolution Nos. R2018-44 and R2026-11, and comply with the Budget Policies as adopted by Resolution No. R2025-22; and

WHEREAS, in 2018 the Sound Transit Board designated the Rider Experience and Operations Committee, Executive Committee, System Expansion Committee, and the Finance and Audit Committee as permanent committees with specific responsibilities, including reviewing proposed annual budgets, and authorized project allocations to date included in the TIP and providing recommendations to the Board; and

WHEREAS a public hearing was held on October 8, 2026, to take public testimony on the Proposed 2027 Budget, TIP, and Property Tax Levy; and

WHEREAS, at its November 5, 2026, meeting, the Executive Committee approved Motion No. M2026-43 recommending the System Expansion Programs-Other and Debt Service portions of the Proposed 2027 Budget and Transit Improvement Plan to the Finance and Audit Committee; and

WHEREAS, at its November 5, 2026, meeting, the Rider Experience and Operations Committee approved Motion No. M2026-45 recommending the Service Delivery Programs, Transit Operating, Other Operating and Non-Operating Expenses, and Agency Contingency portions of the Proposed

2027 Budget and Transit Improvement Plan to the Finance and Audit Committee; and

WHEREAS, at its November 12, 2026, meeting, the System Expansion Committee approved Motion No. M2026-47 recommending the System Expansion Programs, excluding System Expansion-Other, portions of the Proposed 2027 Budget and Transit Improvement Plan to the Finance and Audit Committee; and

WHEREAS, as required by Resolution No. R2026-11, the chief financial officer has certified that the annual expenditures for operations and maintenance, state-of-good repair, and agency administration in the Proposed Budget conform to the projections in the long-range financial plan; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the Proposed 2027 Budget and Proposed 2027 TIP.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1a – Revenues and Other Financing Sources. The Proposed 2027 Budget projects the collection of $3,300,950,558 in total revenues and financing sources.

- $2,101,890,674 from Sales Tax;
- $424,586,647 from Motor Vehicle Excise Tax;
- $4,364,591 from Rental Car Tax;
- $184,000,000 from Property Tax;
- $196,157,262 from federal grants;
- $91,251,399 from passenger fare revenues;
- $267,752,876 from investment income;
- $5,873,339 from local and state contributions;
- $25,073,769 from miscellaneous revenues.

Section 1b – Transit Operating Budget. Sound Transit is authorized to incur $941,792,980 in the Proposed 2027 transit operating expenses budget.

- $587,106,471 for Link light rail expenses;
- $121,770,407 for Sounder commuter rail expenses;
- $205,908,601 for ST Express bus expenses;
- $27,007,501 for Tacoma Line light rail expenses.

Section 1c – System Expansion Project Budget. Sound Transit is authorized to incur a total of $2,337,826,328 for system expansion project outlays, and/or such amounts as are contained in revisions to the Proposed 2027 Budget as adopted by the Board. $(28,888,425) in system expansion expense projects and indirect expense projects is budgeted to be charged to transit operating, capital projects, general and administrative, and/or fare and regional planning.

Section 1d – Service Delivery Program Budget. Sound Transit is authorized to incur a total of $220,859,094 for service delivery program outlays and/or such amounts as are contained in revisions to the Proposed 2027 Budget as adopted by the Board. $(47,474,309) in service delivery expense projects and indirect expense projects is budgeted to be charged to transit operating, capital projects, general and administrative, and/or fare and regional planning.

Section 1e – Other Operating and Non-Operating Expenses. Sound Transit is authorized to incur $149,955,828 in other operating and non-operating expenses in 2027 Proposed Budget.

- $37,766,409 for general and administrative;
- $57,286,656 for fare and regional planning;
- $30,478,061 for tax collections and fees;

- $23,715,109 for amortization and interest expenses on leases and subscription-based information technology arrangements;
- $709,593 for other non-operating expenses.

Section 1f – Debt Service. Sound Transit is authorized to incur $234,769,329 for debt service which includes principal repayments, fixed and variable rate interest and fees on outstanding bonds and loans.

Section 1g – Agency Contingency. Sound Transit is authorized to incur $33,000,000 in agency contingency.

Section 1h – Reserves. Sound Transit is authorized to place in reserve the following amounts: $5,500,000 for Emergency/Loss and $7,680,355 for Operations and Maintenance.

Section 2. The Proposed 2027 TIP includes changes previously approved via Board actions since the 2026 Adopted TIP in the amount of $1,558,269,771 and proposed authorized project allocation changes in the amount of a decrease of $2,454,418,398: $2,773,093,426 decrease for closed projects, $252,095,099 increase for existing projects and programs, and $66,579,929 increase for new projects. The specific projects and programs impacted are referenced in Attachment B – Changes to Authorized Project Allocations in the Proposed 2027 TIP. These changes result in the Proposed 2027 TIP authorized project allocation of $26,004,002,822.

Section 3. The budget for the period January 1, 2027 to December 31, 2027 as set forth in Attachment A (2027 Proposed Budget and Financial Plan), and the changes authorized by the Board's Budget Policy including technical and conforming changes and shifts to annual project budgets between the prior year and upcoming fiscal years, together constitute the Adopted 2027 Budget and Adopted 2027 TIP as adopted by this Resolution.

Section 4. The Adopted 2027 Budget and Adopted 2027 TIP are not an exclusive authorization of expenses or capital outlays, except as specified in Section 1f – Debt Service. Authorization of expenditures must comply with Sound Transit's Procurement, Agreements and Delegated Authority Policy, Resolution No. R2023-30, as amended by Resolution No. R2025-05.

Section 5. The Board further authorizes the chief executive officer to take any actions necessary to implement the policies and determinations of the Board pursuant to this Resolution.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on _____.

_____

Dave Somers
Board Chair

Attest:

_____

Kathryn Flores
Board Administrator

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Attachment A – Proposed 2027 Budget and Transit Improvement Plan

Link to Proposed 2027 Budget on Soundtransit.org:

Proposed 2027 Budget and Transit Improvement Plan

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Attachment B – Changes to Authorized Project Allocations in Transit Improvement Plan

Adoption of the Proposed 2027 Transit Improvement Plan (TIP) will approve the changes to the authorized project allocation for the following projects:

Summary of Changes for Projects in TIP

Change Category ($ in Thousands)	Total Authorized Allocation
2026 Adopted TIP	26,900,150
Board Actions through October 2026	1,558,270
Closed Projects & Programs	(2,773,093)
Existing Projects & Programs with Changes	66,580
New Projects & Programs	252,095
Total 2027 Proposed TIP	***$26,004,002***

The table below shows closed projects in more detail. The work has been completed in the following projects, and the entire authorized allocation is removed from the TIP.

Proposed 2027 TIP - Closed Projects

Project ($ in Thousands)	2026 Adopted Authorized Allocation*	Proposed Allocation Change	Proposed Authorized Project Allocation
(P300021) TACOMA TRESTLE TRACK & SIGNAL	130,192	(130,192)	0
(P300087) EDMONDS & MUKILTEO STN P&A IMP	3,851	(3,851)	0
(P3X135) D ST - M ST TRACK & SIGNAL	163,752	(163,752)	0
(P400009) LINK O&M FACILITY EAST	402,949	(402,949)	0
(P4X200) UNIVERSITY LINK EXTENSION	1,525,212	(1,525,212)	0
(P4X420) S 200th LINK EXTENSION	330,575	(330,575)	0
(P500054) I-405 BRT GARAGES	300	(300)	0
(P500055) SR-522 BRT GARAGES	300	(300)	0
(P500086) BUS ON SHOULDER PROJECT	3,878	(3,878)	0
(P500117) NORTH SAMMAMISH PARK & RIDE	2,065	(2,065)	0
(P5X387) REX I-90 2 WAY TRANS& HOV III	210,020	(210,020)	0
Total Closed Projects	***$2,773,093***	***($2,773,093)***	***$0***

*Including Approved Budget Amendment through October 2026

The table on the following page shows projects that are new to the TIP:

Proposed 2027 TIP - New Projects

Project ($ in Thousands)	2026 Adopted Authorized Allocation*	Proposed Allocation Change	Proposed Authorized Project Allocation
(P800129) PROJECT CLOSEOUT ACTIVITY	0	5,080	5,080
(P600112) REGIONAL PARKING FUND	0	33,000	33,000
(P600040) HIGH CAPACITY TRANSIT STUDIES	0	28,500	28,500
Total New Projects	***$0***	***$66,580***	***$66,580***

*Including Approved Budget Amendments through October 2026

The following table displays changes to projects that are active in 2026. The total at the end does not represent all existing projects- it only shows the total of projects that have changes included in the 2027 TIP.

Proposed 2027 TIP - Projects or Programs with Changes

Project ($ in Thousands)	2026 Adopted Authorized Allocation*	Proposed Allocation Change	Proposed Authorized Project Allocation
System Expansion Projects			
(P0X003) SYSTEM EXPANSION PROJECTS INDIRECT COST	1,779,407	54,450	1,833,856
(P500051) SR 522-NE 145th ST BRT	581,500	34,433	615,933
(P400047) WEST SEATTLE LINK EXTENSION	1,503,613	20,770	1,524,383
(P300140) DUPONT EXTENSION	12,496	5,140	17,636
(P300056) SOUNDER SOUTH CAPACITY EXPN	51,608	3,806	55,414
(P300004) SOUNDER MAINTENANCE BASE	12,968	3,500	16,468
(P400136) GRAHAM ST INFILL STATION	12,154	2,814	14,968
(P400137) BOEING ACCESS RD INFILL STN	20,438	1,150	21,588
(P4X115) LYNNWOOD LINK EXTENSION	2,767,734	(1,498)	2,766,236
(P4X600) EAST LINK	3,813,469	(1,868)	3,811,601
(P300044) SUMNER, KENT & AUBURN SPAI	359,650	(2,505)	357,145
(P4X445) FEDERAL WAY LINK EXTENSION	2,446,995	(5,862)	2,441,134
(P500070) BUS OMF	499,500	(12,710)	486,790
(P4X100) NORTHGATE LINK EXTENSION	1,822,613	(15,865)	1,806,748
(P500050) I-405 BRT	1,321,000	(21,723)	1,299,277
(P4X630) DOWNTOWN REDMOND LINK EXT	1,530,000	(150,230)	1,374,700
(P600143) ENVIRONMENTAL REMEDIATION	13,493	25,322	38,815
(P804302) TOD PLANNING PROGRAM CAPITAL	41,786	3,393	45,179
(P6X668) ST ART	161,699	281	161,980
Subtotal System Expansion Projects	***$18,752,122***	***(57,202)***	***$18,689,850***
Service Delivery Programs			
(P0X002) SERVICE DELIVERY PROJECTS INDIRECT COST	278,575	(158,764)	119,811
(P791101) DSTT MODERNIZATION	147,532	(3,148)	144,384
(P791103) FACILITY EQUIPMENT	17,831	12,215	30,045
(P791105) FACILITY PROPERTY	68,941	12,313	81,254
(P791106) FACILITY MEP	36,537	36,996	73,532
(P791107) FACILITY STRUCTURE	10,246	10,301	20,548
(P791108) FIRE LIFE SAFETY SYSTEMS	55,767	94,512	150,279
(P791110) VERTICAL TRANSPORTATION	169,037	12,000	181,037
(P600084) DIGITAL PASSENGER INFO SYSTEM	68,401	(3,885)	64,516
(P803800) INFORMATION TECH PROGRAM	54,558	(3,468)	51,090
(P803903) IT NETWORK REDESIGN-PHASE 2	68,920	(49,316)	19,604
(P803904) DATA MANAGEMENT PROGRAM	55,731	(10,130)	45,601
(P870100) IT TECH INFRASTRUCTURE	47,415	11,002	58,417
(P793101) CROSSINGS AND TRAIN CONTROL	110,390	84,347	194,737
(P793104) GUIDEWAY STRUCTURAL	23,625	(7,882)	15,743
(P793105) TRACTION POWER	79,755	32,927	112,682
(P793107) TRACKWAY	3,000	40,350	43,350
(P793108) COMMUNICATIONS & CONTROLS	60,284	135,271	195,555
(P794101) NON REVENUE VEHICLE	16,923	9,000	25,923
(P794103) COMMUTER RAIL VEHICLE	138,246	(1,462)	136,784
(P794104) LIGHT RAIL VEHICLE	169,665	3,495	173,160
(P794105) REVENUE BUS	214,736	(6,562)	208,174
(P796101) SYSTEM WIDE ASSET SUPPORT	41,537	7,082	48,619
(P796102) OPS AND ADM SUPPORT FACILITIES	18,313	41,269	59,582
(P795101) T-LINK TRAINS AND TRACKWAY	30,393	3,630	34,022
(P797101) TRANSIT TECHNOLOGY	15,053	7,205	22,258
Subtotal Service Delivery Programs	***$2,001,410***	***$309,298***	***$2,310,707***
Total Changes to Existing Projects and Programs	***$20,753,532***	***$252,095***	***$21,000,557***

*Including Approved Budget Amendments through October 2026