

2021 Proposed Budget

Finance and Audit Committee

12/17/2020



Why we are here

Request that the Finance and Audit Committee:

- Advance Resolution No. R2020-27, recommended by other Committees, to the Board for adoption of the 2021 Budget and Transit Improvement Plan.

Key Financial Plan projections takeaways

- 1. Current forecasts render the long-term program unaffordable without realignment**
- 2. Baseline tax revenue forecast with \$6.1B decrease through 2041**
- 3. High degree of short term and long-term revenue and cost uncertainty**

Key 2021 budget takeaways

- 1. 2021 budget developed based on early realignment guidance –**
 - Continuation of construction on existing projects
 - Maintain shovel readiness for future projects
 - Budget will be updated to reflect Board realignment decisions
- 2. Operating budget maintains 2020 spending levels, with only additional dollars to support new services and assets.**
- 3. Service levels/budget reflect modest growth in ridership demand. More budget may be request in 2021 to meet higher demand.**

***Committee
Recommendations***

2021 revenue and funding sources: \$3.1 billion

<i>In \$Million</i>	2020 Forecast	2021 Proposed	% Change
Total Tax Revenues	\$1,830	\$1,793	(2)%
Federal Grants	565	377	(33)%
Fares	33	54	62%
Investment / Other	54	33	(39)%
Non-revenue sources	-	829	NA

- Federal grants lower in 2021 due to CARES Act funding in 2020.
- Fares up as we begin to regain ridership.
- Lower investment income due to lower cash balance.
- TIFIA draws needed to make up for lost revenue.

2021 total expenditures budget :\$3.1B

PROPOSED 2021 BUDGET

(in thousands)

Committee	Operations Budget	Projects Budget	Proposed 2021 Budget
Rider Experience & Operations			
<i>Transit Operations</i>	\$380,608		\$380,608
<i>Non-System Expansion</i>		\$188,736	188,736
System Expansion			
<i>System Expansion (excl. Sys Exp - Other)</i>		2,261,387	2,261,387
Executive			
<i>System Expansion - Other</i>		47,437	47,437
Finance & Audit			
<i>Debt Service on Bonds, TIFIA</i>	161,021		161,021
<i>Tax Fees, Contributions, Contingency</i>	46,561		46,561
Total	\$588,190	\$2,497,560	\$3,085,750

2021 Budget and Transit Improvement Plan Recommendations

Long-Range Financial Plan Projections 2017 - 2041

- Including Sound Move, ST2, and ST3 sources and uses through 2041

Transit Improvement Plan to 2026

- Board-approved costs for active projects through 2026

Budget 2021

- Annual revenue, financing sources and expenditures for 2021

2021 Transit Improvement Plan: \$21.5B

Board-approved costs for active projects through 2026

(in thousands)

Committee	2020 TIP**	Changes	Proposed 2021 TIP
Rider Experience & Operations			
<i>Non-System Expansion Projects</i>	\$2,230,049	\$134,796	\$2,364,845
System Expansion			
<i>System Expansion*</i>	18,430,015	54,073	18,484,088
Executive			
<i>System Expansion - Other</i>	611,732	487	612,218
Total	\$21,271,796	\$189,356	\$21,461,152

* Excludes System Expansion - Other

** 2020 TIP includes Board actions approved during 2020.

Thank you.



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