2025 Adopted Budget Amendment

Resolution No. R2025-23

Finance and Audit Committee
9/11/2025

SoundTransit

Why we are here

Requesting approval to forward R2025-23 to the Board with a due pass recommendation

We are here to provide details of proposed changes and to inform the committee

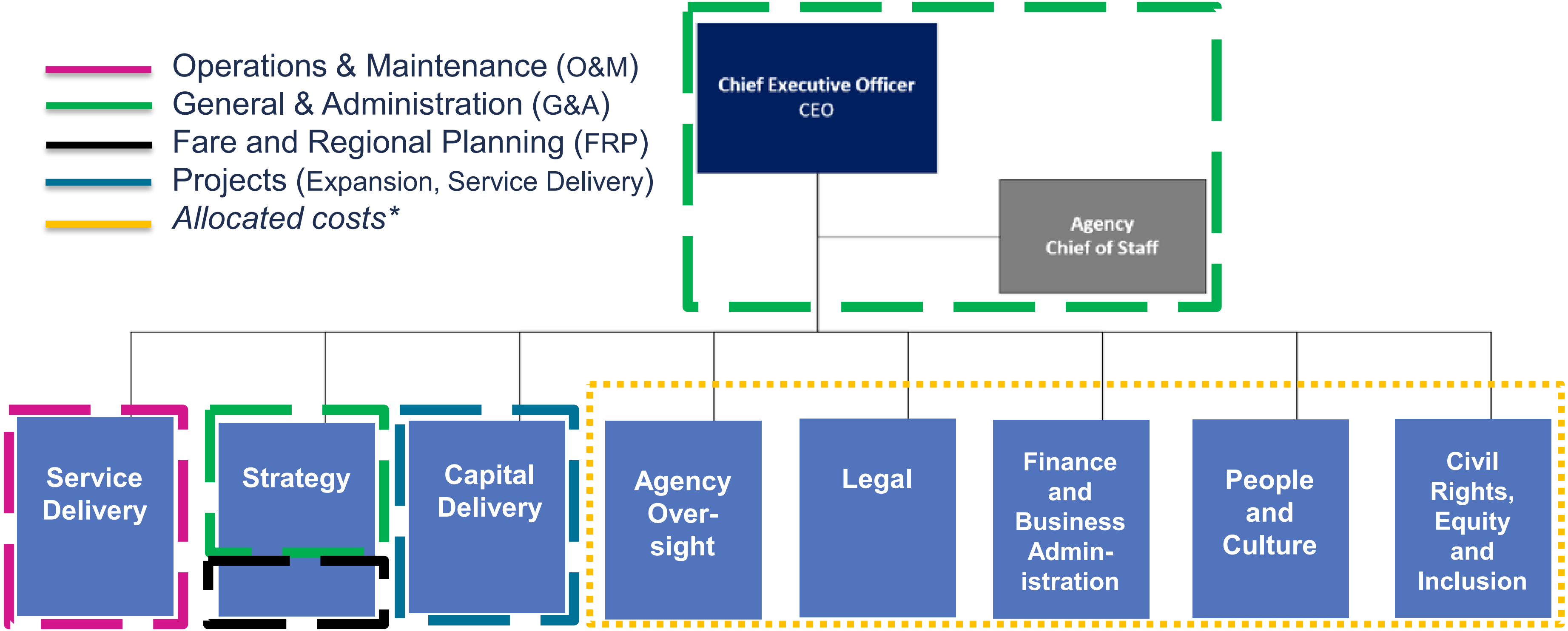
Key takeaways

Agency reorganized structure effective in May

- The Mobilizing One Sound Transit structure updated teams allocating charges to projects
- Allocations determine costs to overarching budget categories
- Administrative support costs consist of:
  - Fare and Regional Planning (FRP)
  - General and Administrative (G&A)
  - Indirect System Expansion project costs
  - Indirect Service Delivery project costs

Current agency structure

Operations & Maintenance (O&M)
General & Administration (G&A)
Fare and Regional Planning (FRP)
Projects (Expansion, Service Delivery)
*Allocated costs**



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Summary of changes

- Shift budget (**$67M**) from agency administrative support (indirect costs) to System Expansion Projects ($54M) and Transit Modes O&M ($13M).
  - Shift ($1.3B) from agency administrative support lifetime authorized allocation to System Expansion.
- Create a new indirect cost budget line (project) for System Expansion projects.
- Future step for 2026 budget cycle (October 2025) to break out:
  - System Expansion Projects Indirect Costs
  - Service Delivery Projects Indirect Costs
  - General and Administrative
  - Fare and Regional Planning

Net neutral budget impact to 2025

Summary of changes – 2025 adopted budget

2025 Adopted Budget Summary (in thousands)	PRE MOST 2025 Adopted (incl. 2025 Board actions)	Estimated Budget Impact	POST MOST 2025 Adopted Budget AMENDED
Expenses & Outlays			
Subtotal - Transit Modes	**756,312**	**12,808**	**769,119**
Projects			
System Expansion Projects	1,617,186	53,814	1,671,000
Enhancement	75,590		75,590
State of Good Repair	85,303		85,303
Administrative	27,132		27,132
Administrative - agency admin support	147,117	(66,622)	80,496
Less: Service Delivery Project Transfers	(36,431)	-	(36,431)
Subtotal - Projects	**1,915,898**	**(12,808)**	**1,903,091**
Subtotal - Other Expenses	**348,940**	**-**	**348,940**
Total Expenses & Outlays	**3,021,150**	**-**	**3,021,150**

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Summary of changes – 2025 TIP

Agency Administrative Support

(in thousands)

Project Phase	2025 Annual Project Budget: Adopted Annual Project Budget	2025 Annual Project Budget: Budget Amendment	2025 Annual Project Budget: Revised Annual Project Budget	Authorized Project Allocation: Current Authorized Project Allocation	Authorized Project Allocation: Allocation Revision	Authorized Project Allocation: Revised Authorized Project Allocation
Indirect Cost	$147,117	$(66,622)	$80,496	$1,941,537	$(1,323,359)	$618,177
Total	**$147,117**	**$(66,622)**	**$80,496**	**$1,941,537**	**$(1,323,359)**	**$618,177**

System Expansion Indirect Costs

(in thousands)

Project Phase	2025 Annual Project Budget: Adopted Annual Project Budget	2025 Annual Project Budget: Budget Amendment	2025 Annual Project Budget: Revised Annual Project Budget	Authorized Project Allocation: Current Authorized Project Allocation	Authorized Project Allocation: Allocation Revision	Authorized Project Allocation: Revised Authorized Project Allocation
Indirect Cost	$	$53,814	$53,814	$	$1,323,359	$1,323,359
Total	**$**	**$53,814**	**$53,814**	**$**	**$1,323,359**	**$1,323,359**

Next steps

- Executive Committee – inform – September 4, 2025
- REO Committee – inform – September 4, 2025
- ***Finance & Audit Committee – forward to Board – September 11, 2025***
- System Expansion Committee – inform – September 11, 2025
- Board – adoption of the amendment – September 25, 2025

Thank you.

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