

2026 Proposed Budget and Transit Improvement Plan

Rider Experience and Operations Committee

11/06/2025



Why we are Here

- *Provide information on the 2026 Proposed Budget and Transit Improvement Plan (TIP)*
- *Request that the Rider Experience and Operations Committee recommend the portions under purview to advance to the Finance and Audit Committee*
 - Transit operations
 - Service delivery programs
 - Other operating and non-operating expenditures
 - Agency operating contingency

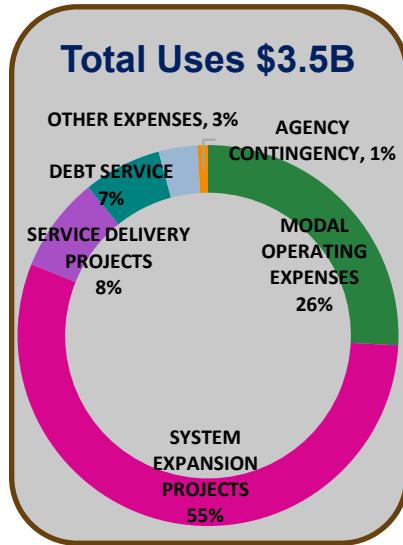
Budgets within Committee Purview

Committee	Budget/TIP Sections
Rider Experience and Operations	<ul style="list-style-type: none">• Modal operating• Service delivery programs• Other expenditures• Agency contingency
System Expansion	<ul style="list-style-type: none">• System expansion programs – Link, Sounder, Regional Express, Stride
Executive	<ul style="list-style-type: none">• System expansion programs – systemwide• Debt service
Finance and Audit Committee	Other committees recommend budgets to FAC; FAC recommends overall budget to Board

2026 Proposed Budget Summary

FY 2026 Overview – Expenditures

(In millions)



Total Uses	FY2026 Budget
Expansion	\$1,924
Modal O&M	\$891
SD Program	\$282
Debt Service	\$230
Other	\$98
Contingency	\$31

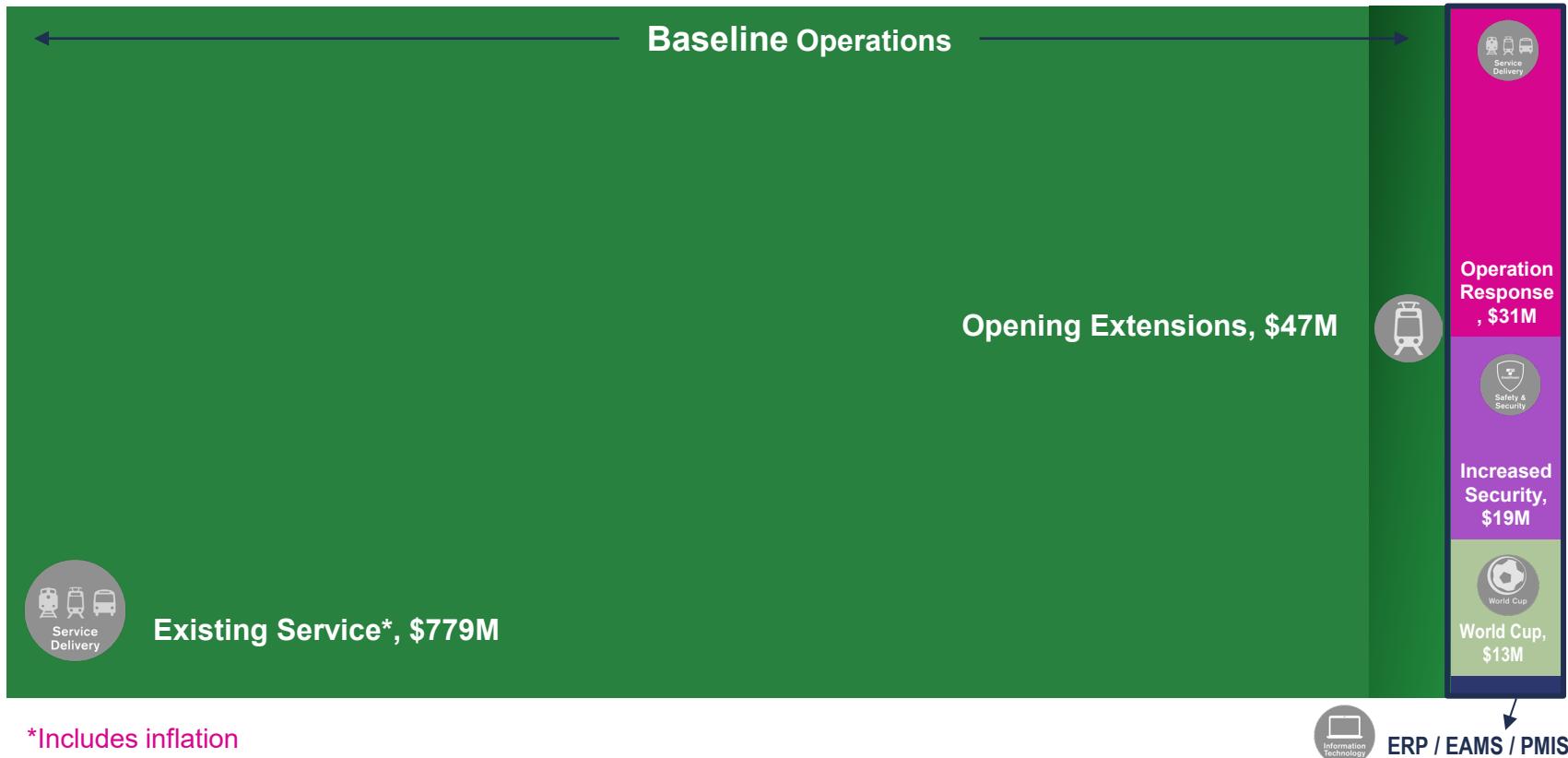
- Expansion Projects: Link shifts to spending on projects in planning, heavy Stride construction
- Modal Ops: Full year of Downtown Redmond and Federal Way; opening Crosslake Connection
- Service Delivery Program: Fund critical agency IT, SOGR, resiliency, and World Cup needs
- Debt service: Interest begins with drawdown of TIFIA loans; retirement of variable bonds in 2025

Modal Operating Budget

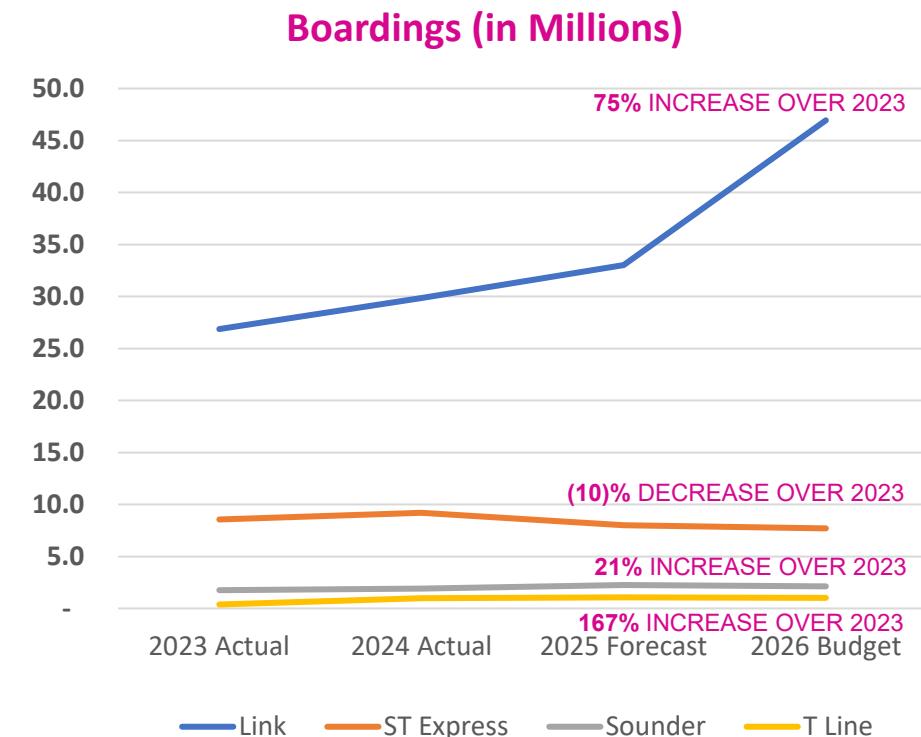
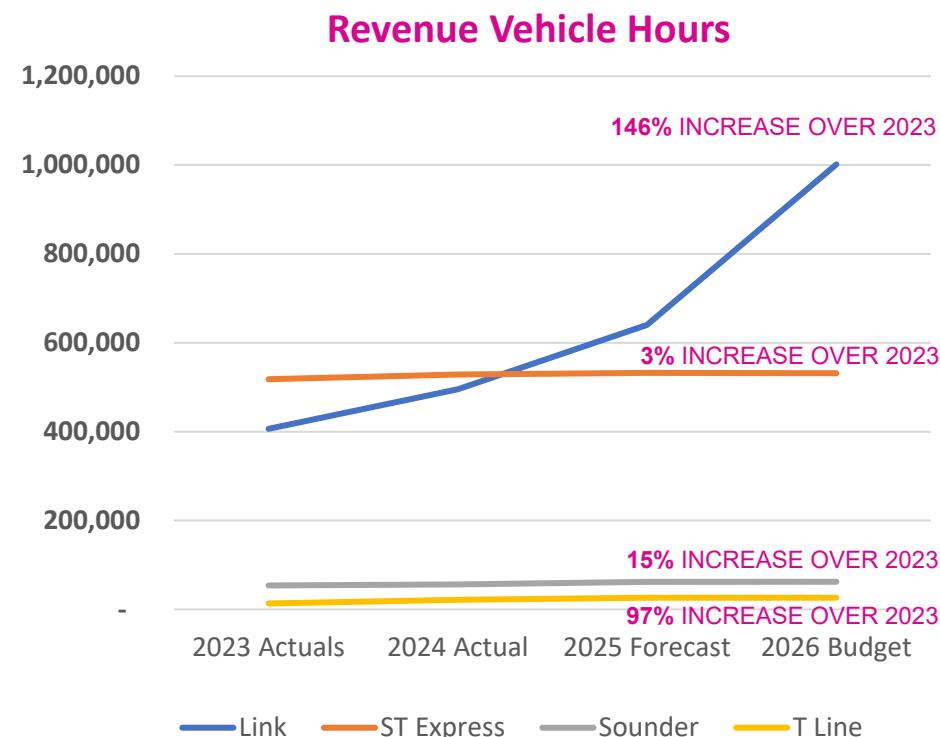
Key Takeaways

- 2026 will increase total ST service hours by 29% over 2025 driven by Link openings
 - Federal Way Link Extension – 12/6/25
 - Crosslake Connection 2026
 - Pinehurst Station 2026
- Increased investment in service delivery projects to improve system resiliency and reliability
- Additional operating dollars for improving operational response, security, and World Cup service

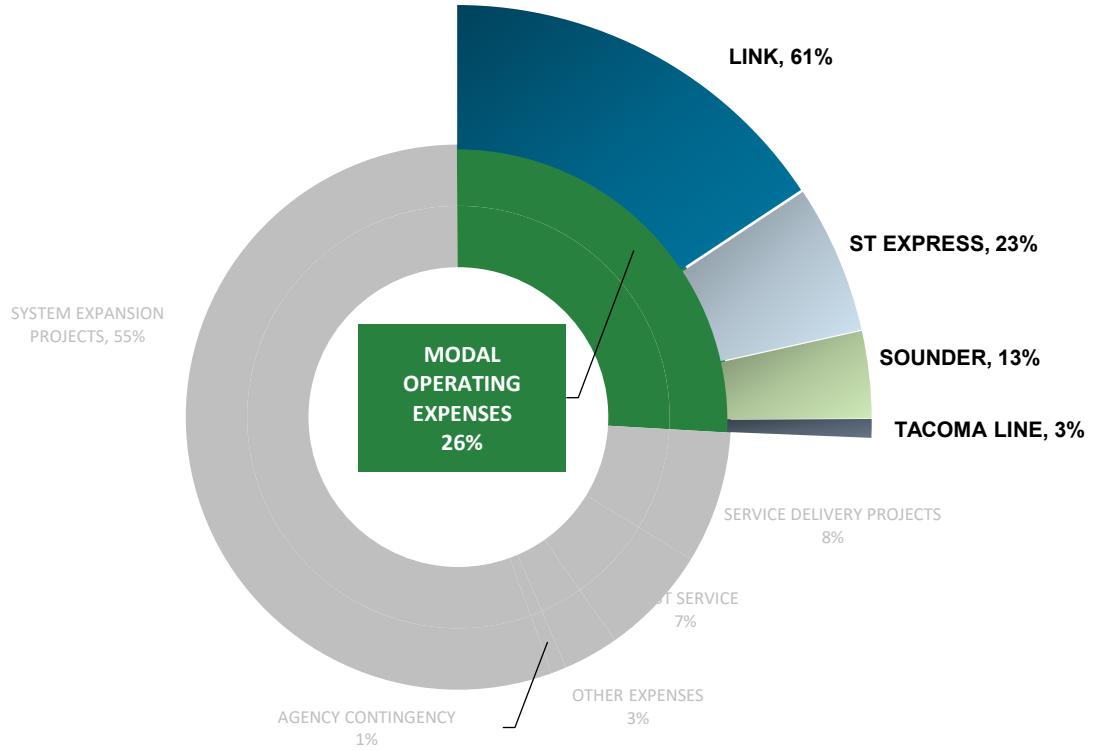
Overall Themes in \$891M Operating Budget



Service Level and Ridership Trends

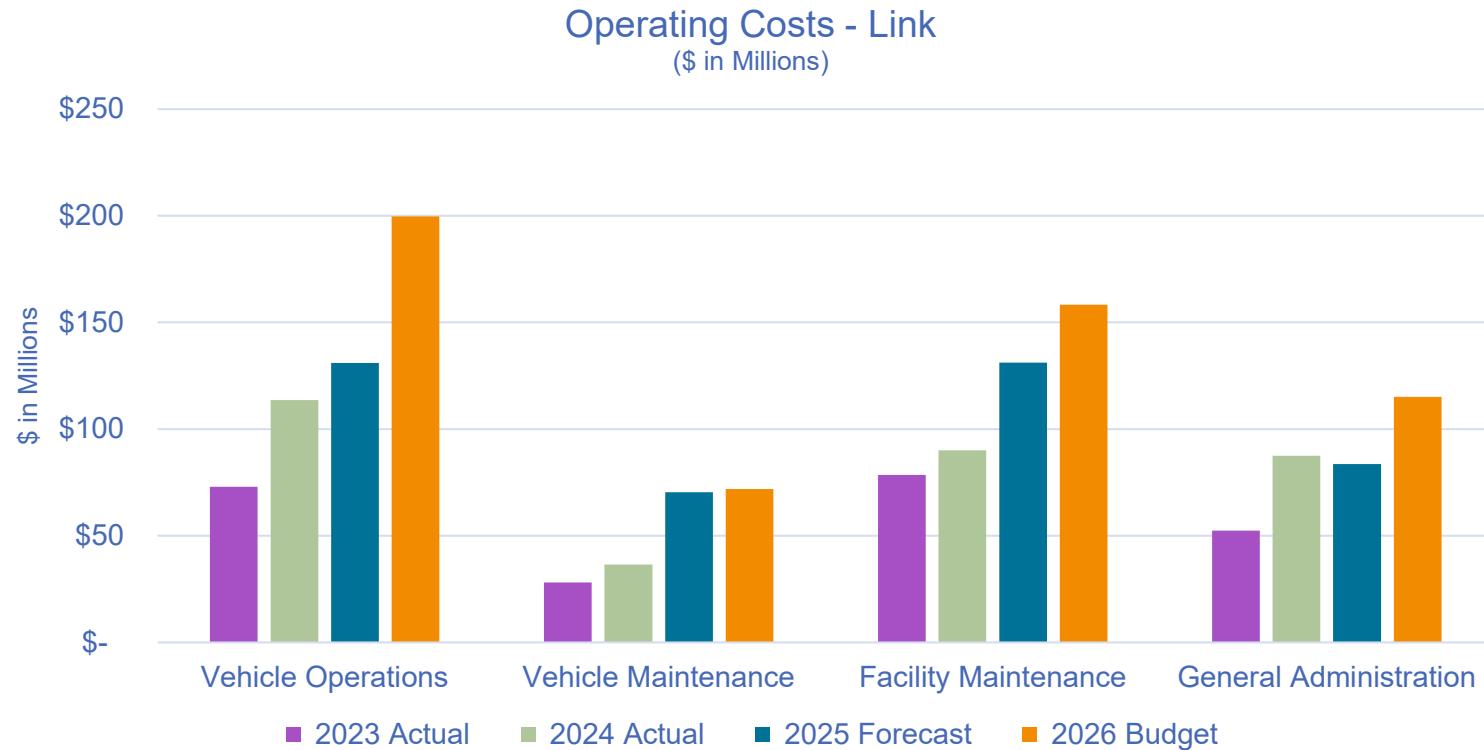


Modal Operating Expenses – 26% of FY2026 Uses

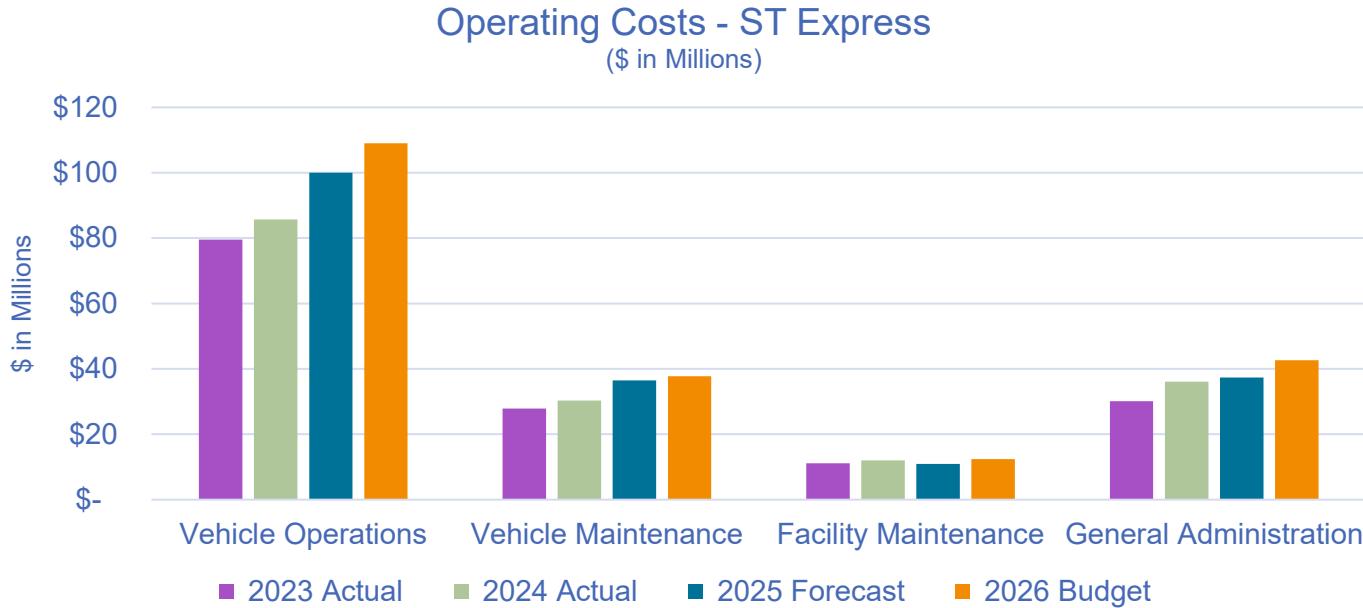


2026 Modal Expenditures	
<u>Link</u>	\$545M
Vehicle Operations	\$189M
General & Administration	\$146M
Facility Maintenance	\$143M
Vehicle Maintenance	\$67M
<u>ST Express</u>	\$202M
Vehicle Operations	\$100M
General & Administration	\$56M
Vehicle Maintenance	\$35M
Facility Maintenance	\$12M
<u>Sounder</u>	\$118M
Vehicle Operations	\$39M
Vehicle Maintenance	\$32M
General & Administration	\$29M
Facility Maintenance	\$18M
<u>Tacoma Line</u>	\$25M
Vehicle Operations	\$11M
General & Administration	\$5M
Vehicle Maintenance	\$5M
Facility Maintenance	\$4M

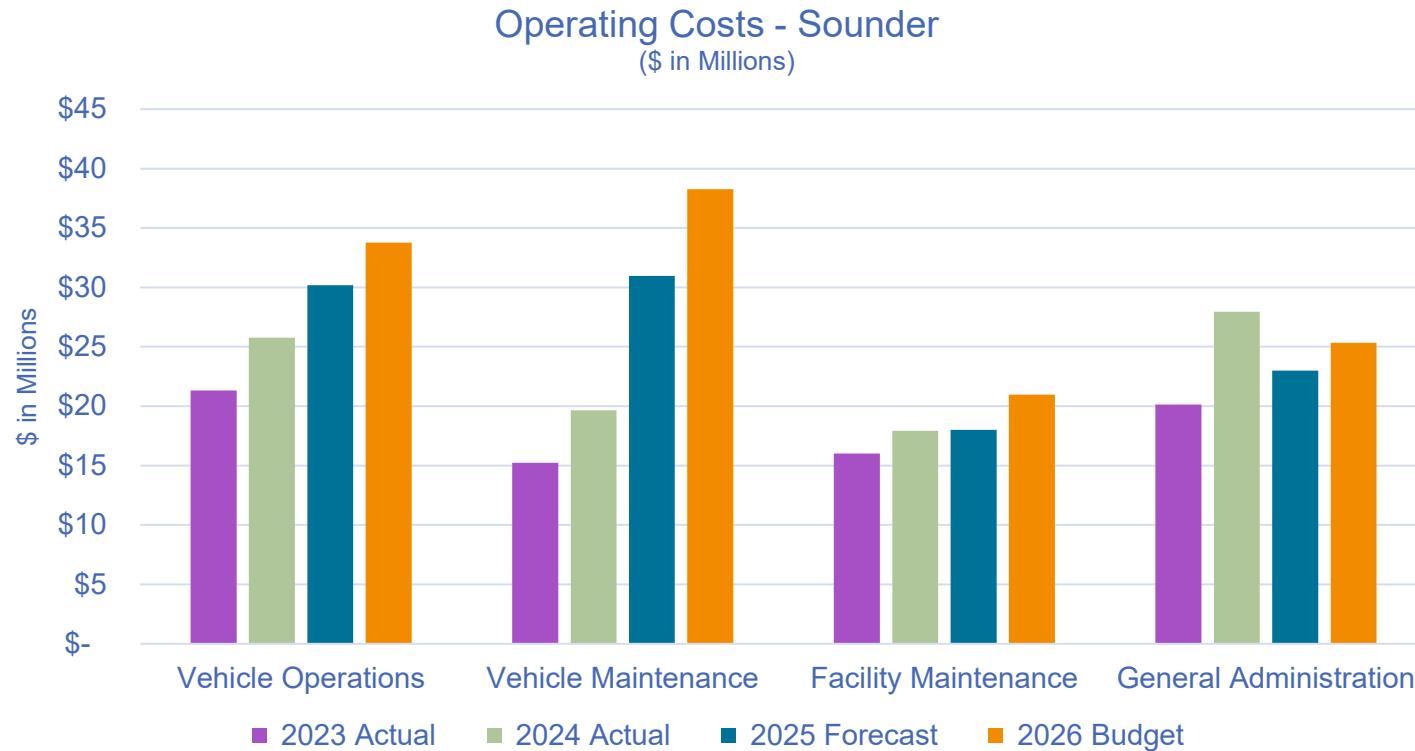
Link – Expense Trends



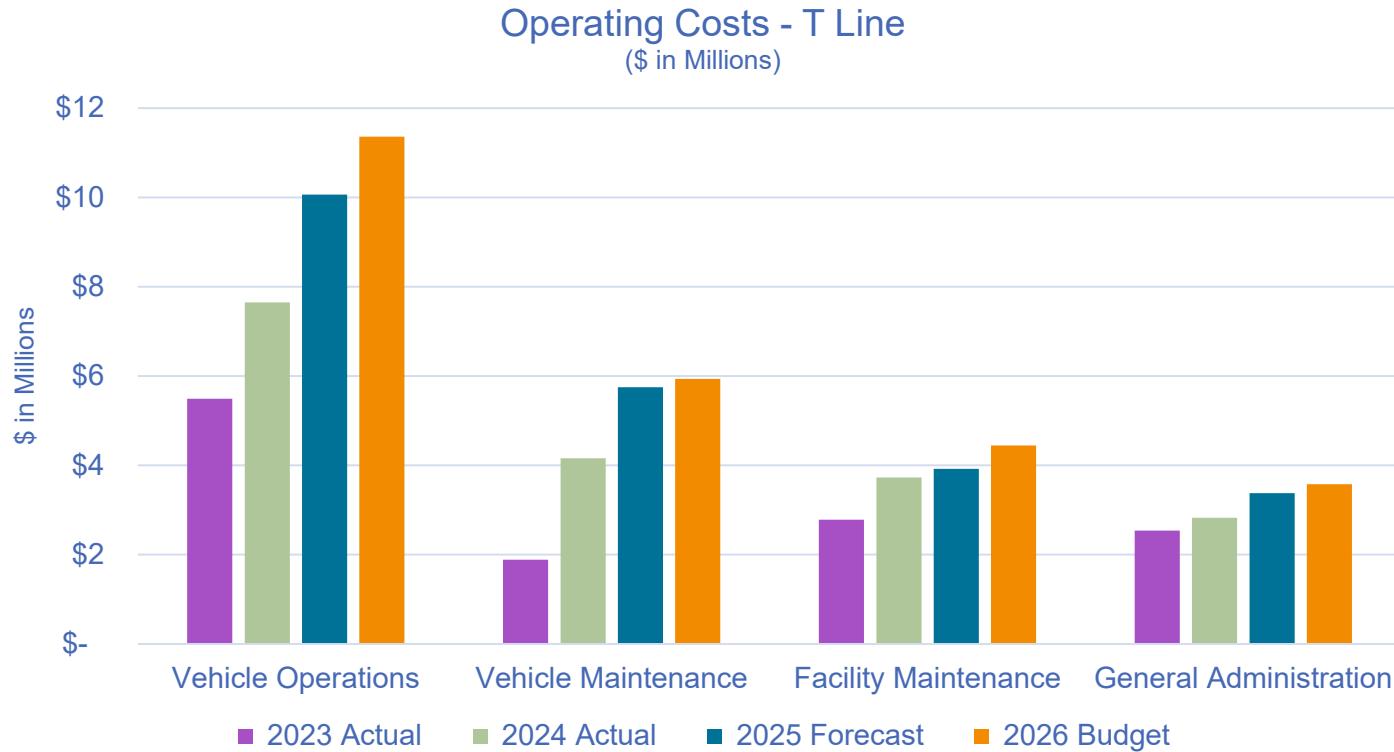
ST Express – Expense Trends



Sounder – Expense Trends

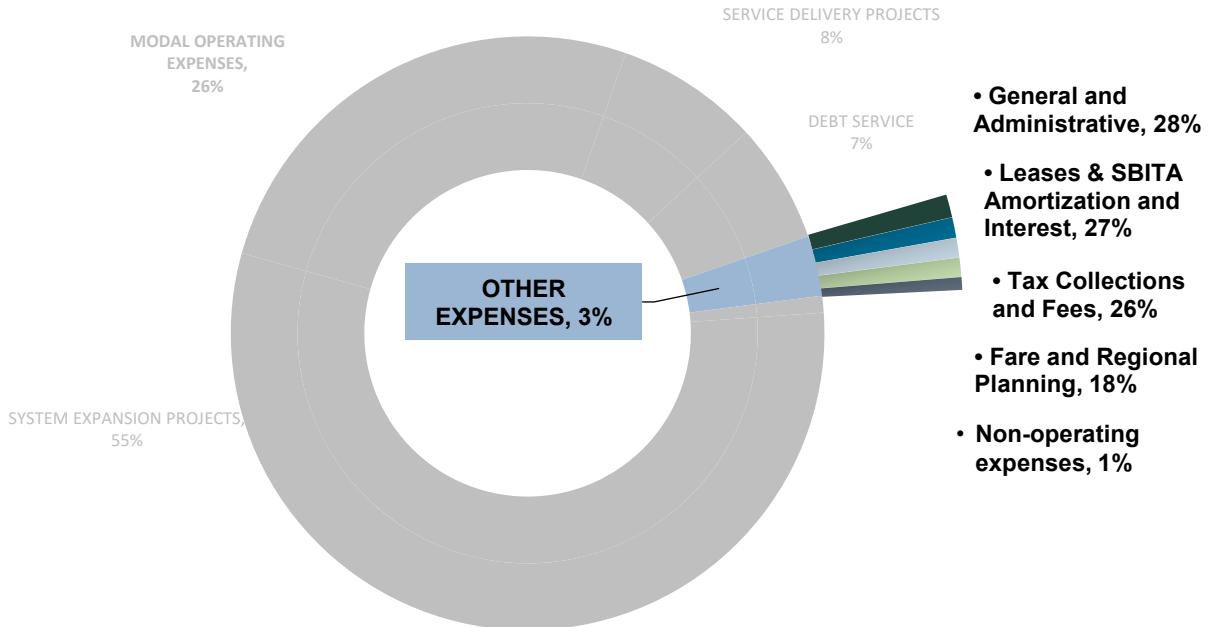


Tacoma Line – Expense Trends



Other Operating and Non-operating Budgets

Other Expenses – 3% of FY2026 Uses



2026 Other Expenses	
Other Optg and Non-Optg	\$98M
General & Administrative	\$28M
Leases & SBITA	\$27M
Tax Collection & Fees	\$26M
Fare & Regional Planning	\$17M
Non-Operating	\$1M

Service Delivery Programs (SDPs) Budget

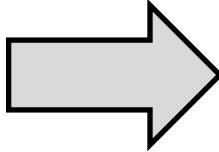
Budget 2026

*Annual Budget refers to annual 2026
component of authorized allocation*

Service Delivery Projects - TIP Restructured

Service Delivery projects move to asset-based portfolios and programs

2025 Adopted Budget and TIP SDP Categories
State of Good Repair
Enhancement
Administrative

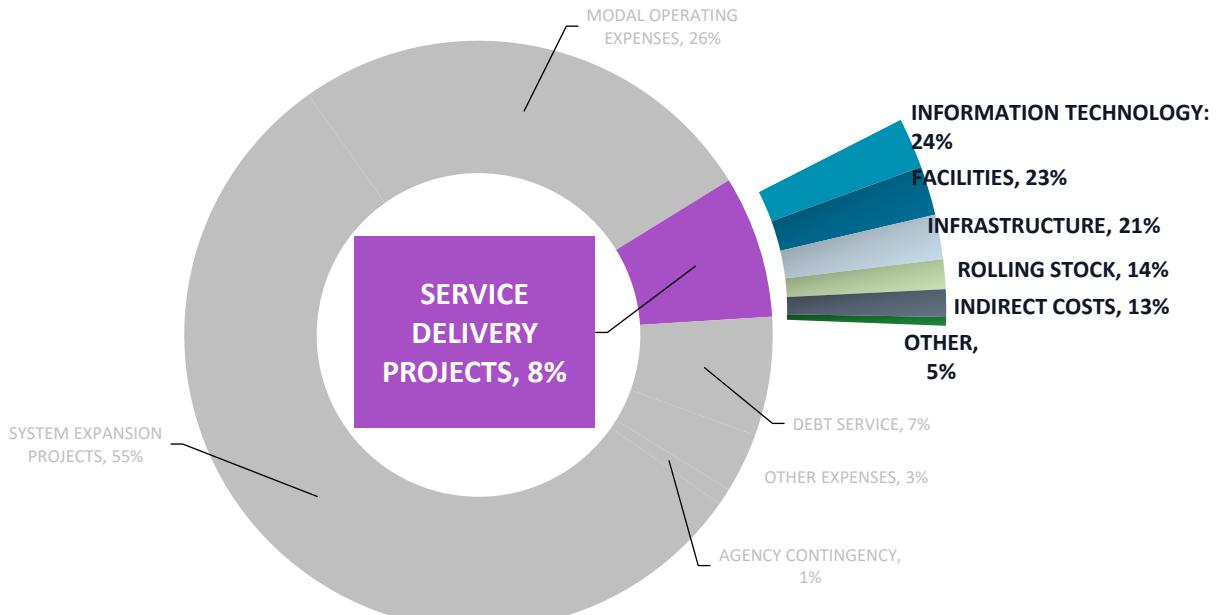


2026 Proposed Budget and TIP SDP Portfolios*

IT
Facilities
Infrastructure
Rolling Stock
Tacoma Link
Transit Systems
System-Wide Asset Support

*Includes state-of-good-repair projects by asset class

Service Delivery Projects – 8% of FY2026 Uses



2026 SDP Expenditures	
<u>IT Portfolio</u>	\$68M
ERP/ EAMS	\$26M
PMIS	\$12M
<u>Facilities Portfolio</u>	\$66M
DSTT Modernization	\$30M
Facility Property	\$15M
<u>Infrastructure Portfolio</u>	\$60M
Traction Power	\$18M
Crossings & Train Control	\$16M
<u>Rolling Stock</u>	\$43M
Light Rail Vehicle	\$23M
Commuter Rail Vehicle	\$11M
<u>Other</u>	\$9M
System-Wide Support	\$7M
Tacoma Link	\$1M
Transit System	\$1M
<u>Indirect Costs</u>	\$37M

IT Portfolio

ERP/ EAMS Redesign

- New: Procurement of solution platform

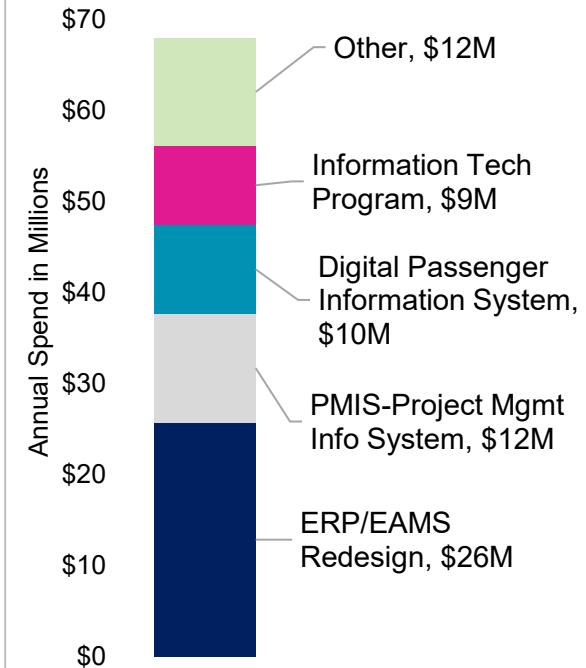
Project Management Information System

- Product (Kahua) Implementation and Go-Live

IT Network Redesign

- Replace fiber, cable, and hardware equipment in support of system expansion.
- Includes Resiliency Study Projects.

IT Portfolio 2026 Proposed Budget: \$68M



Facilities Portfolio

DSTT Modernization Program

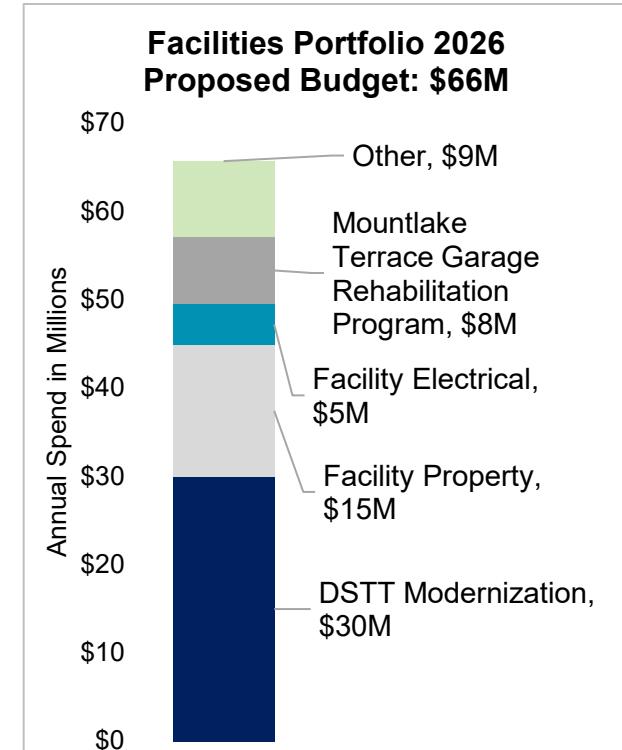
- Critical projects: Cable Replacement & Lighting Upgrade
- Address any emergency work largely for replacement, installation and construction

Facility Property Program

- New: Install License Plate Recognition at ST parking facilities
- Other priorities: painting, fencing, security improvements

Mountlake Terrace Garage Rehab

- Rehab 17-year old garage to bring up to ST State of Good Repair and operational standards



Infrastructure Portfolio

Traction Power Program

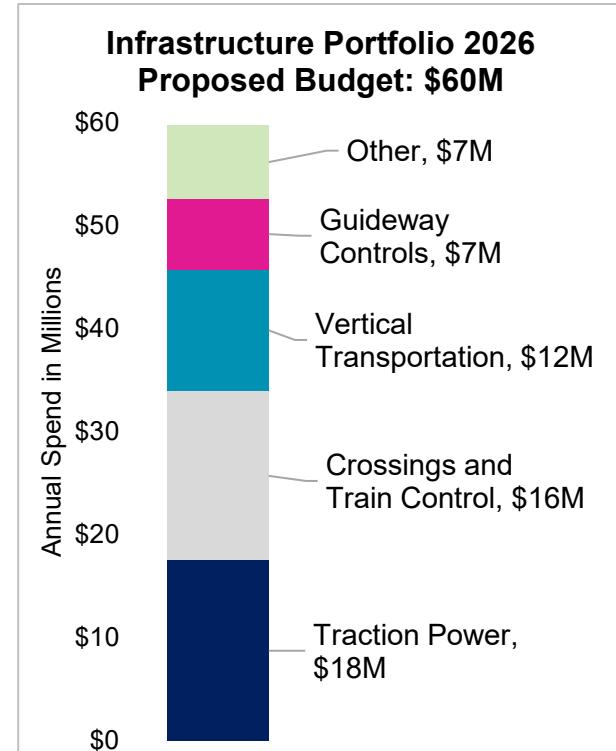
- New: Modernize traction power electrification for 1 line

Crossings and Train Control Program

- Link At-Grade Crossings Safety work
- New: Replace OMFC Switch Machines
- New: OMFC & OMFE Remote Dial Down system

Vertical Transportation Program

- Complete modernization of International District elevators and escalators
- Complete SeaTac second elevator



Rolling Stock Portfolio

Light Rail Vehicle Program

- New funds for: Train Simulator, inspection portal, door system emergency door release modification
- LRV 1 System Upgrade

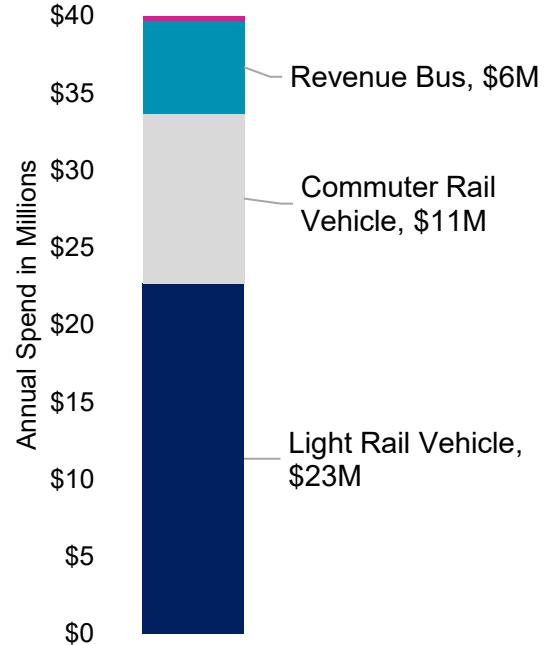
Commuter Rail Vehicle Program

- Midlife passenger car overhaul, extending useful to 40 years

Revenue Bus Program

- Bus refurbishment for extra capacity for bus bridges - World Cup

Rolling Stock Portfolio 2026 Proposed Budget: \$43M



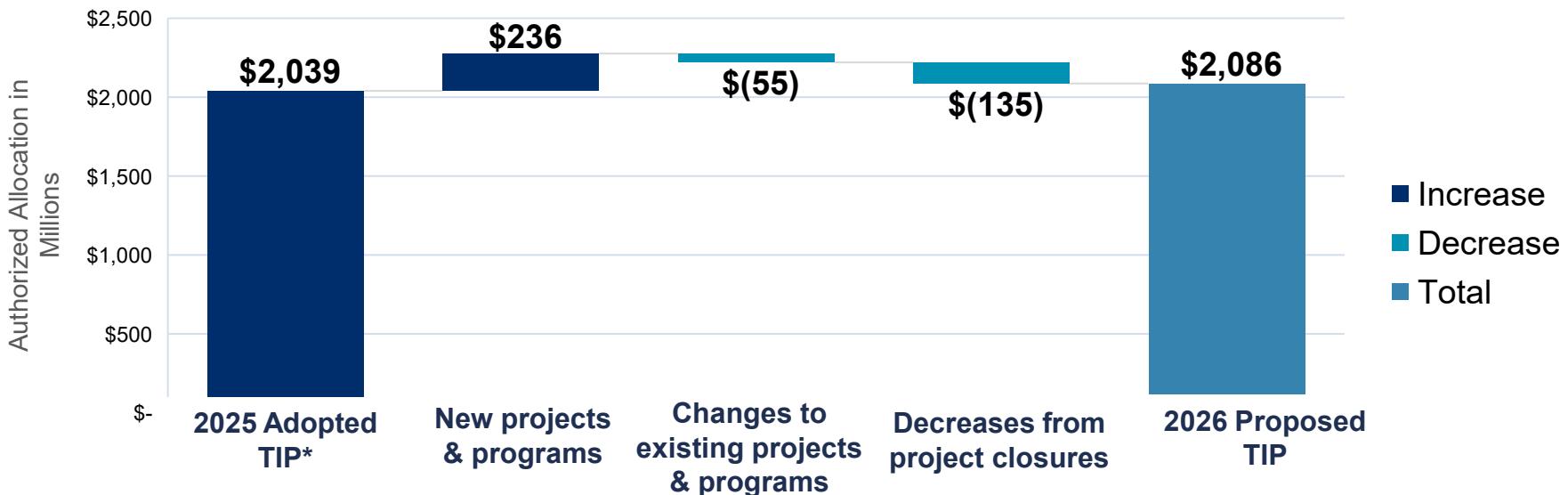
Proposed Transit Improvement Plan (TIP) for Service Delivery Programs

Transit Improvement Plan (TIP) to 2031

Authorized Allocation (lifetime) for all active
project, including past actuals

Changes to Transit Improvement Plan for Service Delivery Projects

\$47M (3%) increase in total authorized dollars for service delivery projects from 2025 Adopted TIP to 2026 Proposed TIP



Budget Timeline and Next Steps

Timeline

October – long-range plan, budget overview, and property tax approval

- ✓ **10/9** – Public hearing for proposed 2026 budget & property tax levy
- ✓ **10/9** – Finance & Audit Committee – Overview of Long-Range Financial Plan projections and proposed 2026 budget and TIP
- ✓ **10/23** – Board – budget overview and property tax levy approval

November – budget recommendation and approval

- ✓ **11/6** – Executive Committee – recommends to FAC
- ➡ **11/6** – Rider Experience and Operations Committee – recommends to FAC
 - **11/13** – System Expansion Committee – recommends to FAC
 - **11/20** – Finance and Audit Committee – recommends to Board
 - **11/20** – Board – adoption of the proposed 2026 Budget and TIP

Thank you.



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