

# ***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

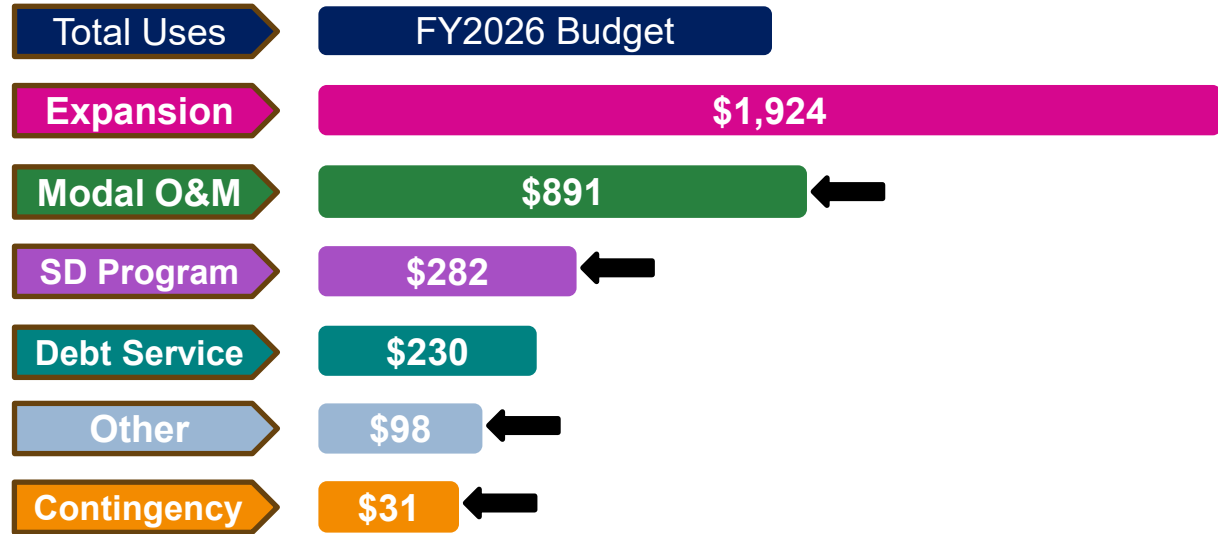
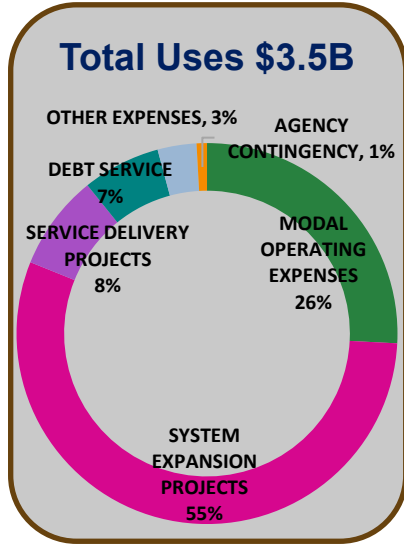
# ***Budgets within Committee Purview***

Committee	Budget/TIP Sections
Rider Experience and Operations	<ul style="list-style-type: none"><li>• Modal operating</li><li>• Service delivery programs</li><li>• Other expenditures</li><li>• Agency contingency</li></ul>
System Expansion	<ul style="list-style-type: none"><li>• System expansion programs – Link, Sounder, Regional Express, Stride</li></ul>
Executive	<ul style="list-style-type: none"><li>• System expansion programs – systemwide</li><li>• Debt service</li></ul>
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)



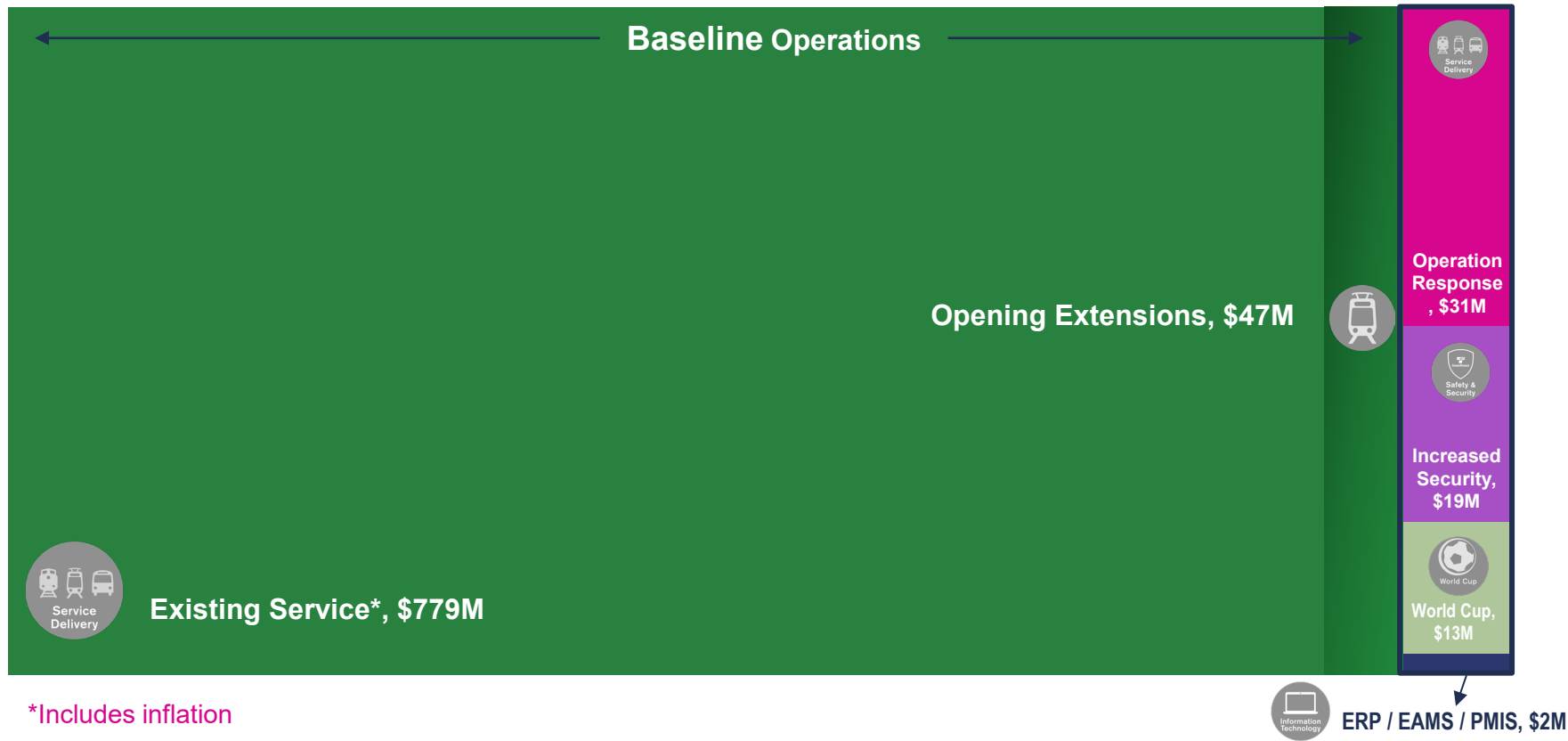
- Expansion Projects: Link shifts to spending on projects in planning, heavy Stride construction
- Modal Ops: Full year of Downtown Redmond and Federal Way; opening Crosslake Connection
- Service Delivery Program: Fund critical agency IT, SOGR, resiliency, and World Cup needs
- Debt service: Interest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

# ***Modal Operating Budget***

# ***Key Takeaways***

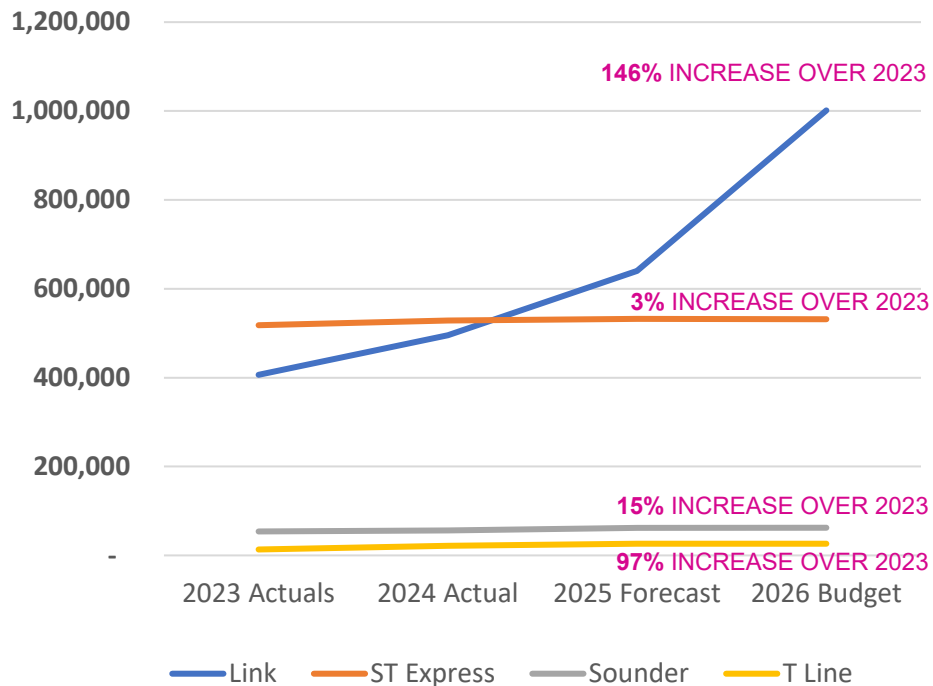
- 2026 will increase total ST service hours by 29% over 2025 driven by Link openings
  - Federal Way Link Extension – 12/6/25
  - Crosslake Connection 2026
  - Pinehurst Station 2026
- Increased investment in service delivery projects to improve system resiliency and reliability
- Additional operating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

# Overall Themes in \$891M Operating Budget

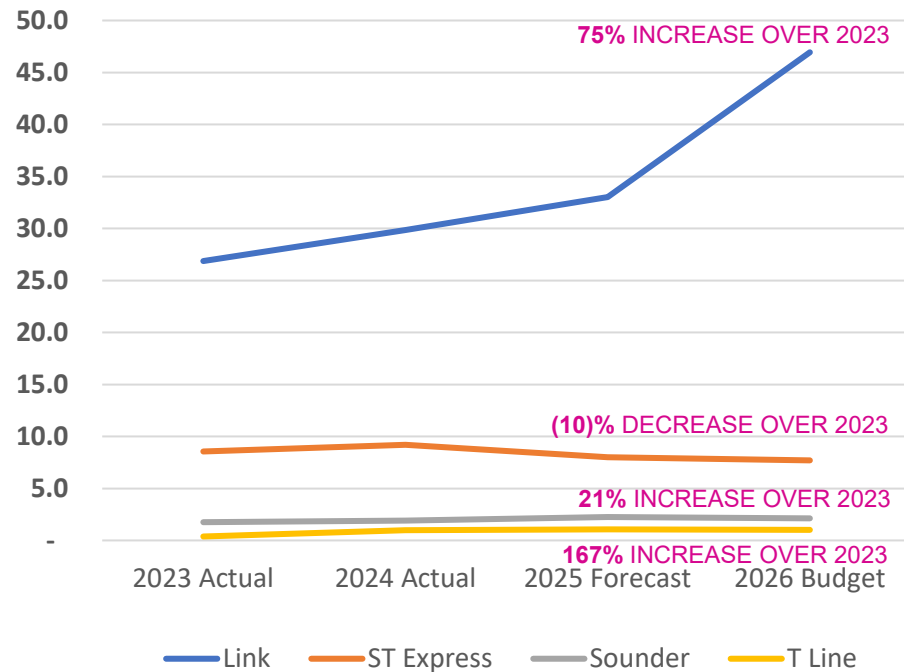


# Service Level and Ridership Trends

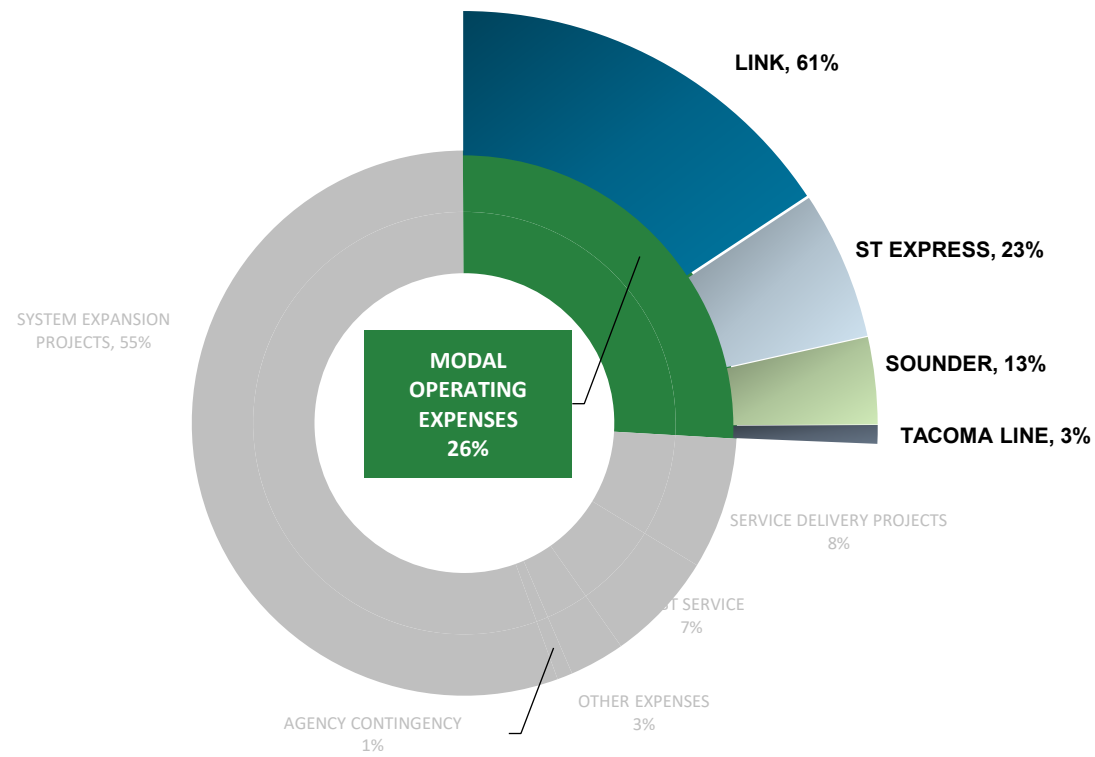
## Revenue Vehicle Hours



## Boardings (in Millions)

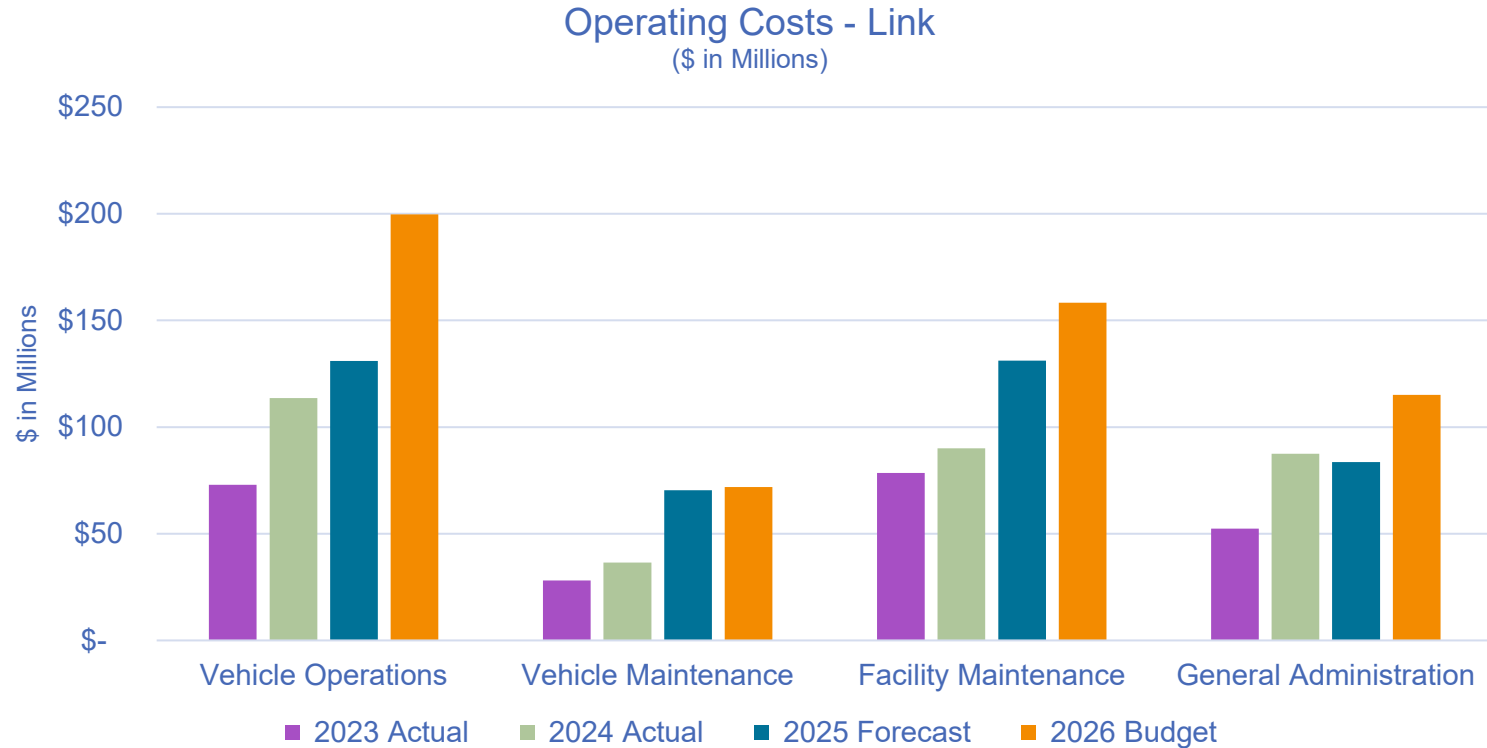


# Modal Operating Expenses – 26% of FY2026 Uses

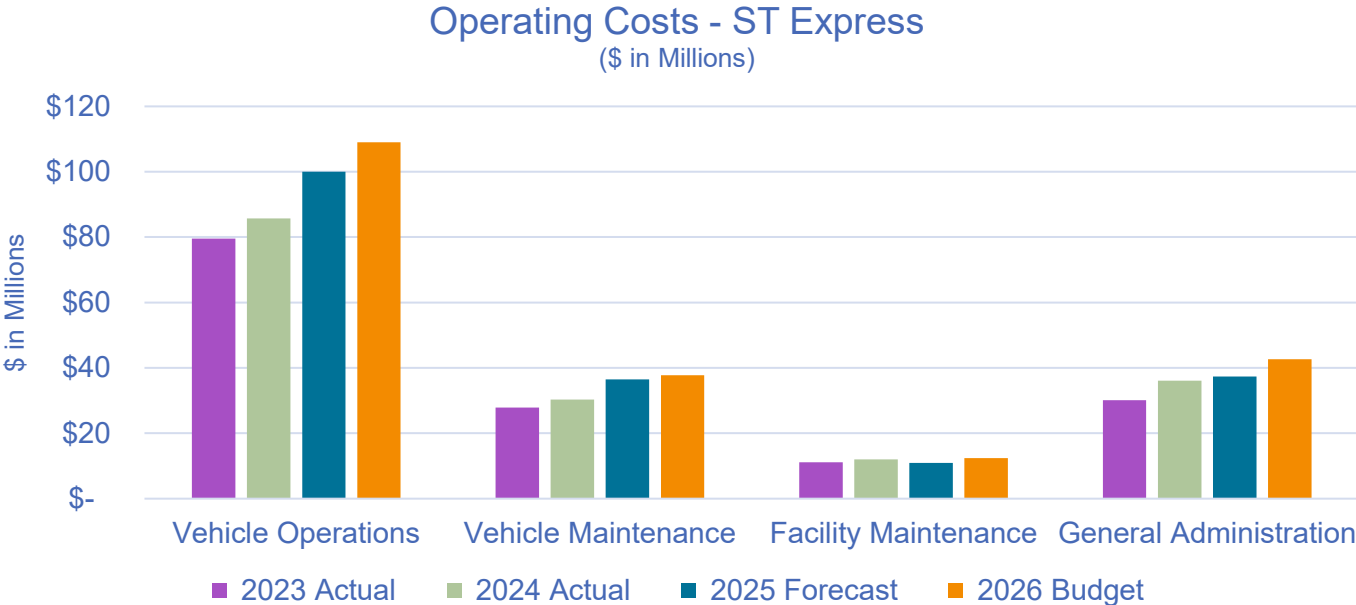


2026 Modal Expenditures	
<u>Link</u>	\$545M
Vehicle Operations	\$189M
General & Administration	\$146M
Facility Maintenance	\$143M
Vehicle Maintenance	\$67M
<u>ST Express</u>	\$202M
Vehicle Operations	\$100M
General & Administration	\$56M
Vehicle Maintenance	\$35M
Facility Maintenance	\$12M
<u>Sounder</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

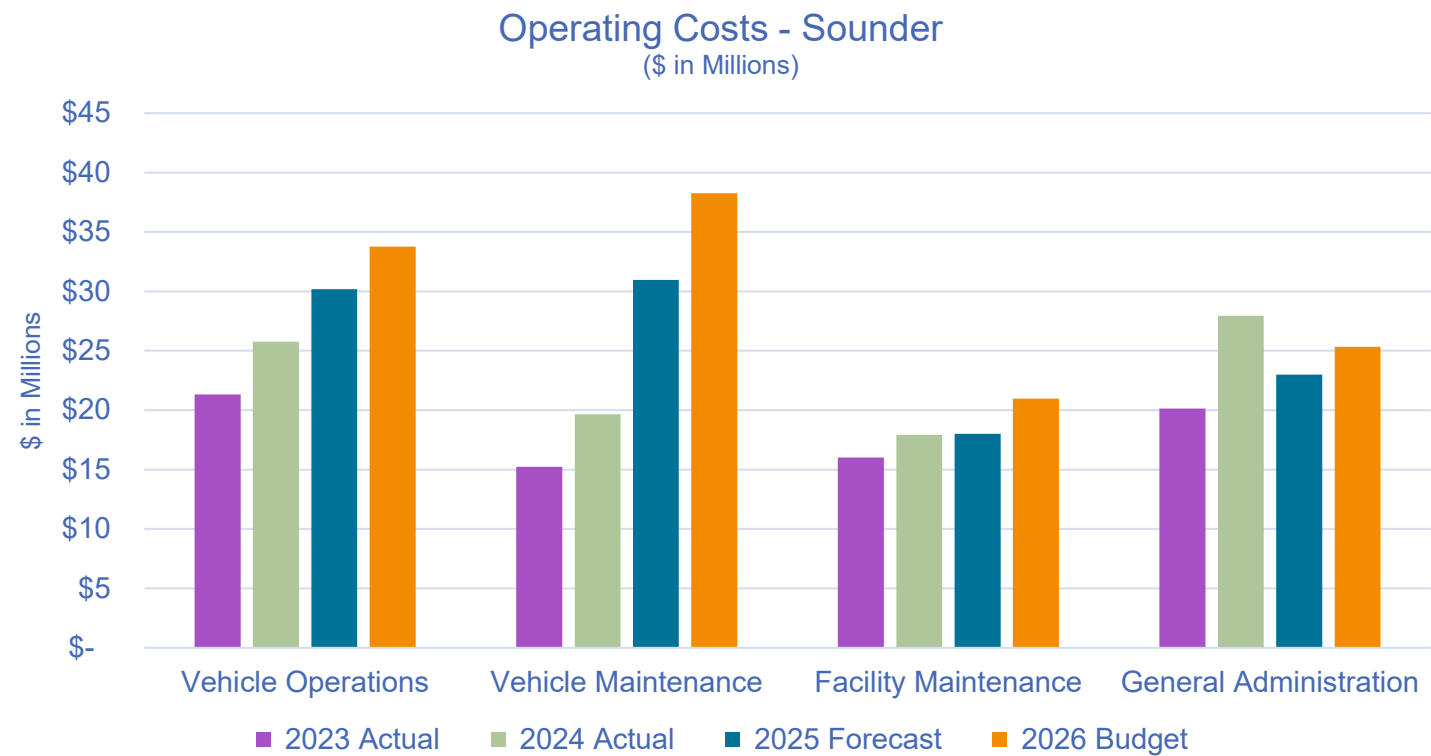
# Link – Expense Trends



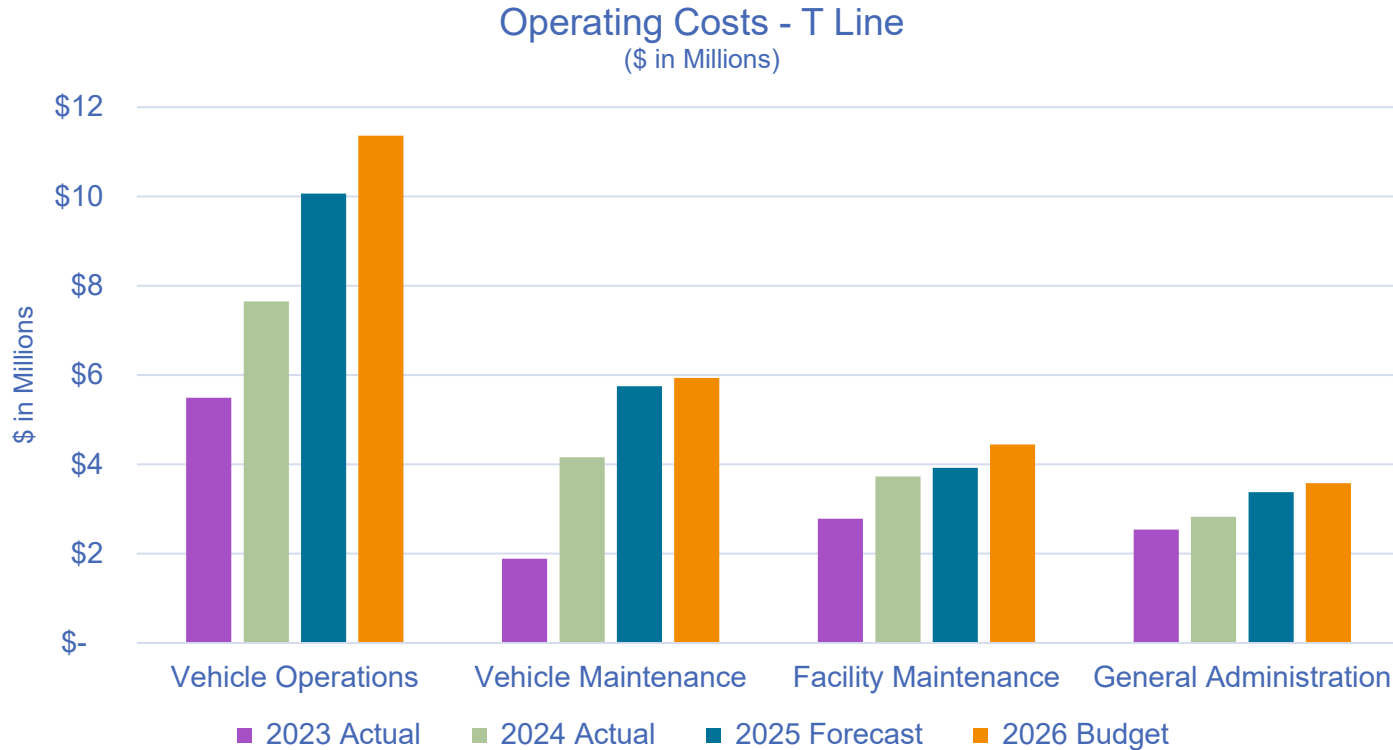
# ST Express – Expense Trends



# Sounder – Expense Trends

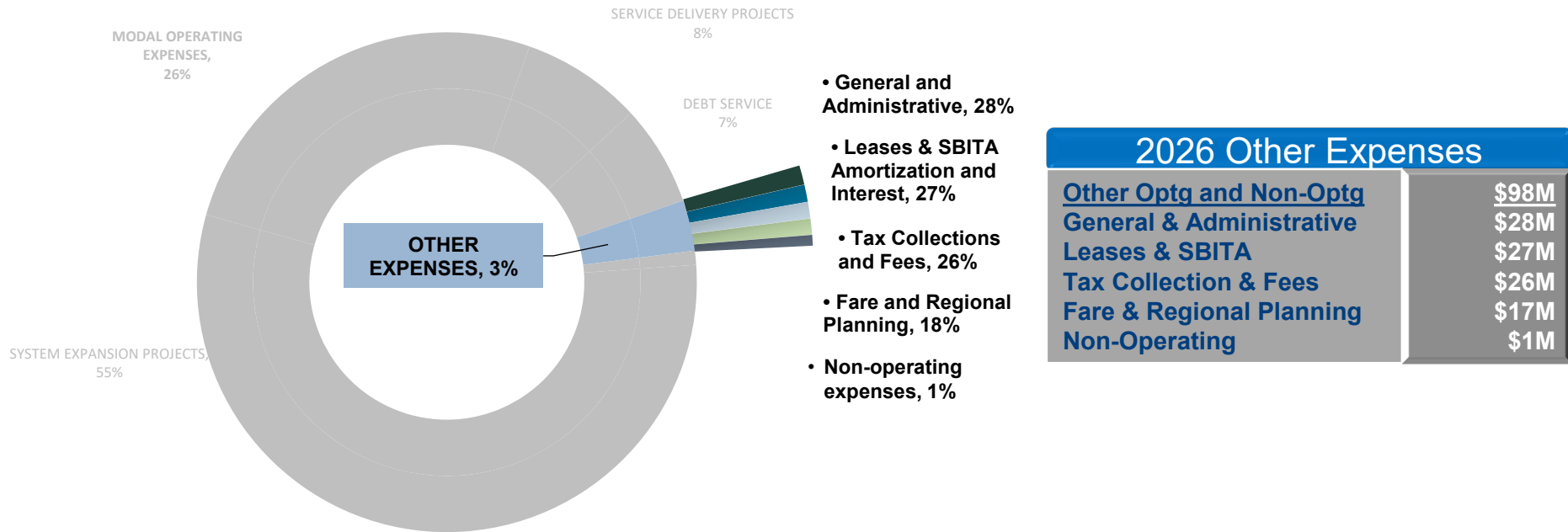


# Tacoma Line – Expense Trends



# ***Other Operating and Non-operating Budgets***

# Other Expenses – 3% of FY2026 Uses



# *Service Delivery Programs (SDPs) Budget*



Budget 2026

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

# Service Delivery Projects - TIP Restructured

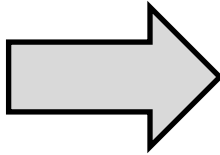
Service Delivery projects move to asset-based portfolios and programs

## 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

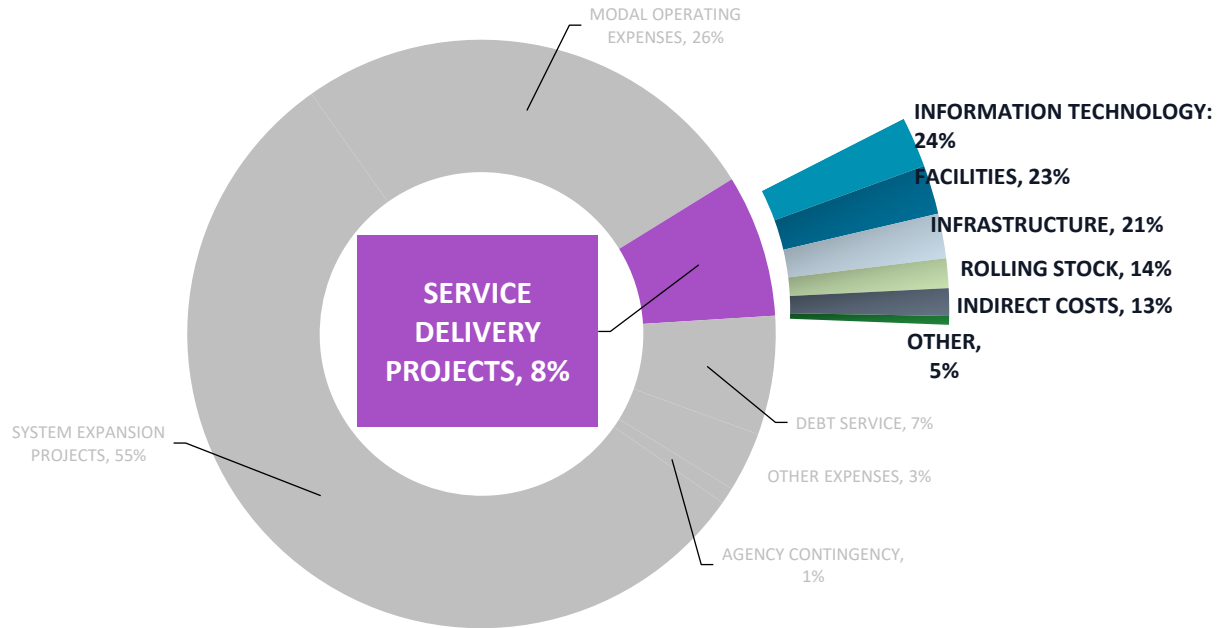
Tacoma Link

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

# IT Portfolio

## ERP/ EAMS Redesign

- New: Procurement of solution platform

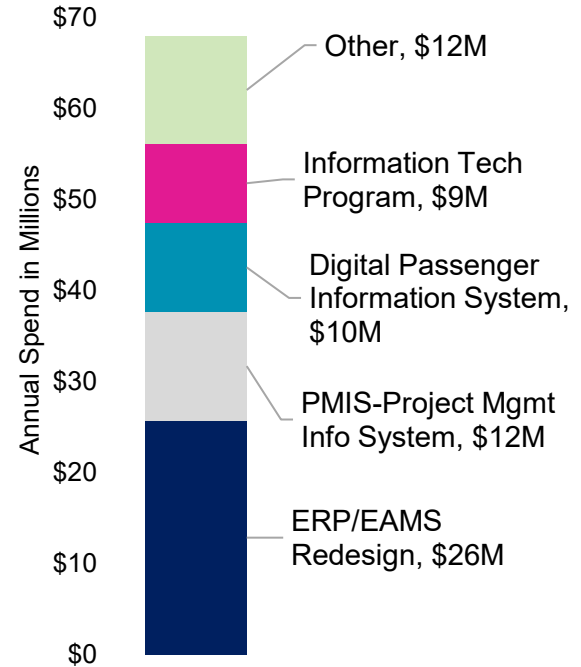
## Project Management Information System

- 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

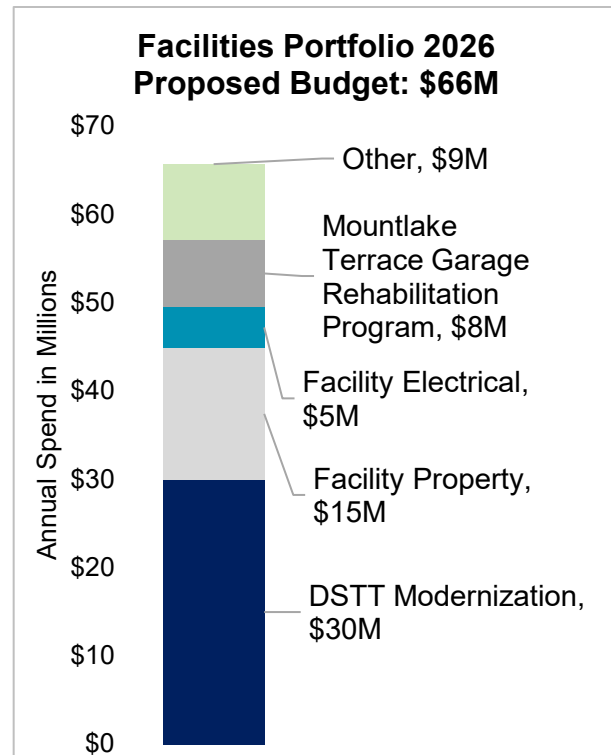
- Critical projects: Cable Replacement & Lighting Upgrade
- Address any emergency work largely for replacement, installation and construction

## 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

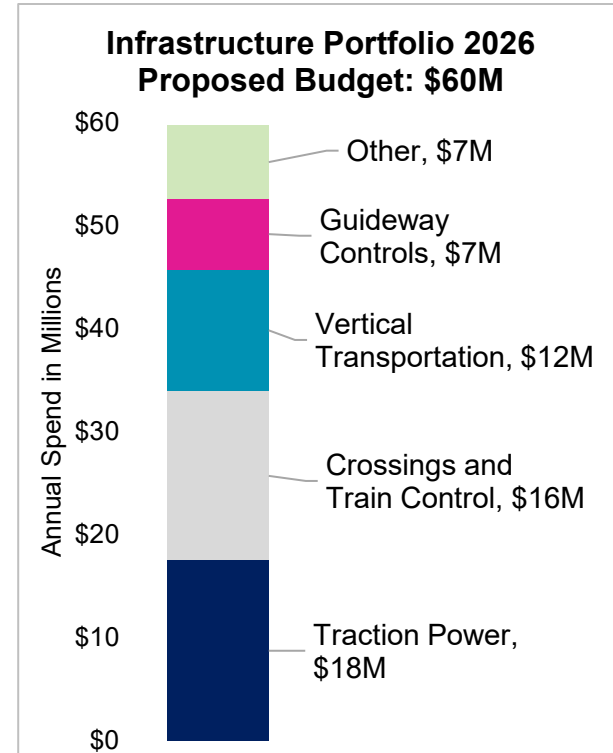
- New: Modernize traction power electrification for 1 line

## 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

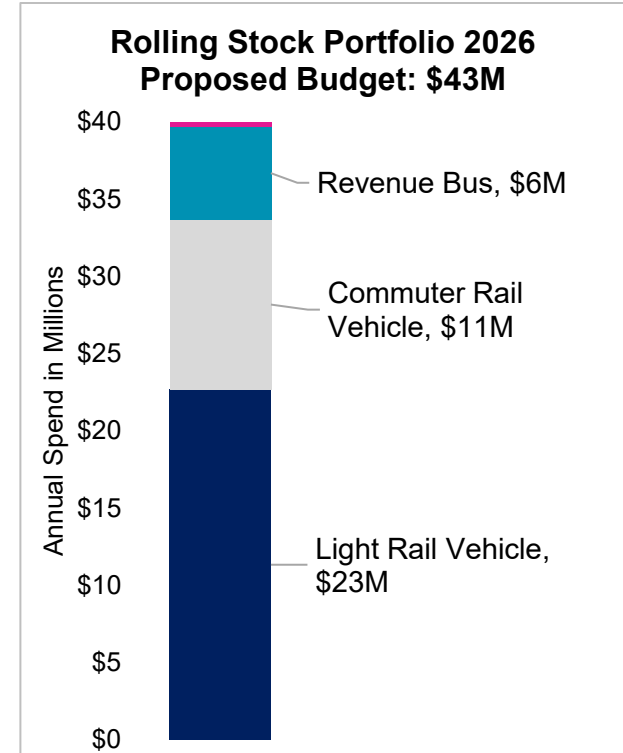
- New funds for: Train Simulator, inspection portal, door system emergency door release modification
- LRV 1 System Upgrade

## 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



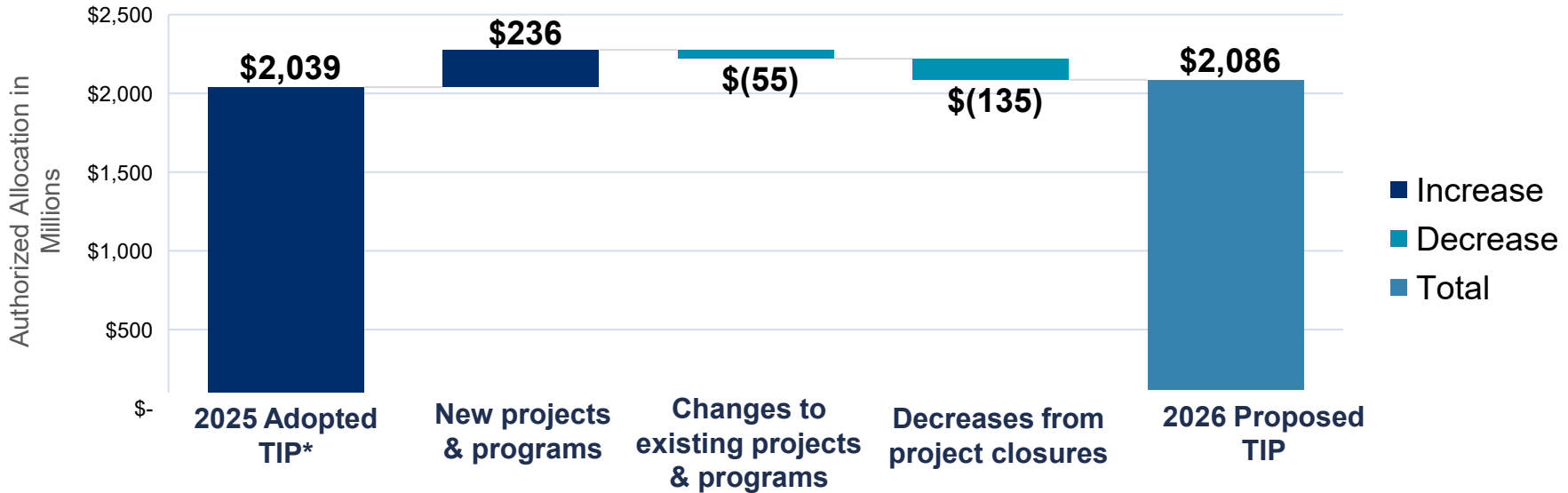
# *Proposed Transit Improvement Plan (TIP) for Service Delivery Programs*

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-rang 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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