Community
Oversight
Panel

July 23, 2026

Sound Transit Board
The Honorable Dave Somers, Chair
401 South Jackson Street
Seattle, WA 98104

Re: Community Oversight Panel 2025 Year-End Report

Dear Chair Somers,

This is the 29th annual year-end report submitted by the Community Oversight Panel (COP), which sets forth to the Board and the public our assessment of Sound Transit's performance during the past year.

Background:
Historically, the framework for this report is the COP's authorizing legislation, which is contained in each of the Agency's three plans and requires the COP to monitor seven major areas of Sound Transit's performance:

- Budget and financial plan
- Project planning and alignment decisions
- Project schedule and budget adherence
- Community engagement activities
- Agency performance audits
- Social justice and equity
- Passenger experience

Introduction:

The Panel acknowledges that 2025 and early 2026 have been a period of growth and change for Sound Transit as an agency. Major accomplishments in 2025 include the opening of the 2 Line to Redmond and the 1 Line to Federal Way. The opening of the Crosslake extension in early 2026 further expanded the system's reach and contributed to Sound Transit becoming the nation's highest-ridership light rail system.

While these accomplishments have been impressive, the agency is also facing substantial challenges, identified and to be addressed in the Enterprise Initiative. These challenges involve substantial cost overruns from capital delivery projects and have resulted in proposals to substantially delay critical pieces of the transit network. These cost overruns and delays have undermined voter confidence in the agency, and that confidence must be restored.

Historically, the Panel's annual reports have focused on evaluating Sound Transit's performance during the calendar year under review. This report follows that approach and is primarily focused on the agency's actions and performance during 2025. However, 2025 was an unusual year for Sound Transit. Many of the challenges identified during the reporting period led to the development of the Enterprise Initiative, which was introduced in 2025 and has continued to evolve significantly throughout 2026. As a result, some of the most consequential actions associated with these efforts occurred after the close of the 2025 reporting period.

The Panel believes it is important to acknowledge these more recent developments to provide appropriate context for our assessment. At the same time, the Panel is mindful that its responsibility in this report is to assess Sound Transit's performance during 2025 rather than evaluate initiatives whose outcomes are still emerging. Accordingly, this report references significant developments that occurred in early 2026 where relevant. The Panel will continue to monitor the implementation and outcomes of these efforts, including recent Board actions and resolutions, and will provide a more comprehensive assessment of those developments in its 2026 Annual Report.

2025 Annual Report:

<u>COP Governance</u>

a) **Panel Membership**

The Panel plays a valuable role as an independent body. It oversees the agency's performance, provides advice on how it can improve, and builds trust with the public in which Sound Transit serves. The panel must be whole without long-term vacancies, in order to be an effective governing body.

The COP Panel's effective oversight depends on the representation of 15 diverse, regional members. **We recommend accelerated, transparent recruitment and onboarding process within 90 days of any vacancy.** This will ensure balanced geographic and professional representation and equip new members with historical context and data access needed to contribute from their first meeting. **The COP is willing to assist in selection criteria, support outreach, and to develop a formal orientation program.**

To provide members of the Panel with a more active role in the selection process would support stronger onboarding, composition, reinforce independence, and guarantee new members have a clearer understanding of the panel's work and expectations before they commit to the role.

a) **Agency Leadership Engagement**

The COP would benefit from quarterly engagement at a minimum with executive leadership and frequent reports on standardized budget, project schedules, and risk materials in advance of monthly meetings. The executive dialogue would strengthen the Panel's knowledge to ask better informed questions, identify emerging issues earlier, and provide more useful oversight and recommendations.

b) **Presentations to the Panel**

To improve its evaluation of the agency's operations, the Panel will request in 2026 that reports from agency staff be supplemented by presentations to the Panel by outside experts. Such experts could include, but not be limited to, people with expertise similar to members in the technical advisory group (discussed below).

<u>Budget and financial plan</u>

a) **Financial Plan**

The COP commends the agency for initiating and devoting significant resources toward the Enterprise Initiative to address the $30+ billion affordability gap over the next two decades in its Long-Range Financial Plan (LRFP) for the Sound Transit 3 (ST3) program. A more holistic approach that revises planning, capital delivery, and operations and maintenance is critical to the success of a revised plan that is financially sustainable.

Maintaining subarea equity is also of utmost importance, particularly as it relates to the high capital costs for the North Seattle subarea associated with the proposed West Seattle and Ballard light rail extensions.

Prior agency program restructurings following the 2008 recession and more recently after COVID reinforce the need for better assessment of future program risks to strengthen public confidence in the agency's ability to realize its long-term objectives. The broader-based Enterprise Initiative is an improvement over the previous reliance on delaying projects combined with scope and schedule reductions.

The COP remains concerned that multiple factors have driven the agency's overall cost per mile for completing new projects to an unacceptably high level**. Efforts should be concentrated on controlling costs rather than primarily seeking new funding sources as the means to achieve a successful and publicly acceptable financial plan for the region's constituents.**

The COP also recommends that the agency provide greater transparency into multi-year forecasted internal costs, including staffing, administration, and other overhead expenses, alongside projected costs for system expansion, operations, and maintenance. While the budget and financial plan contain some current-year and embedded long-range information related to these costs, a clearer multi-year presentation of internal cost drivers would help the Board and the public better understand the agency's full cost structure and identify opportunities for improved cost control.

b) **Enterprise Initiative**

The Enterprise Initiative (EI) is Sound Transit's comprehensive approach spanning planning, capital delivery, operations, maintenance, and finance to ensure the agency can meet both current and future regional mobility needs. Since voter approval of the ST3 Plan in 2016, capital and operating costs have increased significantly. As a result, the agency has identified an estimated $34.5 billion funding gap to fully deliver the ST3 program through 2046. In May 2025, Sound Transit launched the

EI to address these challenges and identify strategies to deliver ST3 benefits in a financially sustainable manner.

The COP recognizes the importance of this effort and the need to align program delivery with available resources. However, the COP has concerns regarding how the program reached its current financial position, including projections indicating that available funding may be insufficient to support planned projects as early as 2033. This raises questions about whether existing forecasting methodologies, financial assumptions, and project approval processes were sufficiently robust to identify and respond to emerging risks earlier.

The COP recognizes the work of the Board, and we are optimistic regarding the changes being presented for the Enterprise Initiative.

Project planning and alignment decisions

a) Technical Advisory Group

The Panel recognizes the agency's progress in putting the Technical Advisory Group (TAG) recommendations into action and making changes to improve how projects are delivered.

The COP received a presentation on the steps the agency is taking to improve project delivery. These include improving how projects are tracked and managed, updating how contracts are developed and awarded, strengthening how project scope is controlled, and working more closely with partners.

The COP was especially encouraged by the agency's reorganization of the Capital Delivery department. This includes bringing in new leadership, reorganizing teams, and creating a clearer structure for how work is managed across projects. These changes are intended to make roles clearer, help decisions happen more quickly, and improve accountability.

Overall, the COP is cautiously optimistic about the agency's approach and its efforts to carry out the organizational restructuring recommended by the TAG. These efforts are an important step toward delivering projects more effectively and improving how the agency operates.

b) Asset Management

In our June 2025 meeting, we learned of substantial progress in data collection and reporting of asset conditions, and of upcoming procurement of an Enterprise Asset Management System. **The COP recommends periodic public reporting of physical asset condition and trends in a dashboard format similar to the existing System Performance Tracker. We are also hoping to see reports soon of asset renewal needs informed by the inspection program and deterioration forecasting that influence the financial planning and budgeting process.** These reports will help Sound Transit ensure sufficient funding and staffing to preserve its valuable investments in a state of good repair over the long term.

c) Risk Management

The agency has begun to develop an Enterprise Risk Management (ERM) Program. Based on reports presented to the Panel, the agency seems to be making good progress toward establishing the ERM program. **Continued implementation and maturation of the ERM program should be a priority for the agency, and sufficient resources should be allocated to ensure its effective operation.** The ERM program should encompass risks across the agency's capital delivery, passenger service, and ongoing operations. A thorough ERM program should supplement and support the agency's performance audit functions by strengthening proactive enterprise risk management and informing risk-based audit planning.

<u>Project schedule and budget adherence</u>

a) Federal Way Link Extension

The Panel recognizes the successful delivery of the Federal Way Link Extension, completed within budget. This achievement highlights the agency's ability to effectively manage and deliver complex capital projects.

The COP views this milestone as an important demonstration of strong project delivery practices and coordination. As the agency continues to advance other major connections, the Federal Way Link Extension serves as a positive example of how projects can be successfully delivered, providing increased confidence in future extensions.

<u>Community engagement activities</u>

a) Farebox recovery

The COP appreciates past efforts to simplify fares but believes that, in light of the known revenue shortfall, a revisiting of the voter-approved plan that spelled out higher farebox recovery goals, especially on Link, is warranted.

ST should consider a means-based program for reduced or supplemented fares, recognizing that not everyone with a disability or over the age of 65 is unduly burdened by paying the full adult fare.

The Panel encourages the implementation of physical barriers (fare gates) as well as fare ambassadors to help manage fare evasion. The COP is in full support of Sound Transit's Faregate Pilot Program. A thorough cost-benefit analysis of strategically placed fare gates is warranted.

b) Agency communications

Establishing accurate cost estimates throughout the life of a project is challenging, and regularly communicating updates is critical to help develop and maintain public trust. **ST should regularly publicly report a project's status, including any variances between the previous estimates and current status, with explanations for the variances quarterly.** The clock measuring project time and budget should start when construction begins. Then, when a project truly comes in under schedule and under budget, critics will have less to complain about, and supporters can celebrate with confidence.

Agency performance audits

a) Performance Audits

The Panel continues to view independent performance audits as a critical tool for supporting accountability, transparency, and continuous improvement across the agency. In each of the three Sound Transit votes, voters were promised performance audits of the agency. In 1996, the commitments to voters included a comprehensive performance audit. Part of the COP's role is to review the findings from the comprehensive performance audit. The votes in 2008 and 2016 each included a promise to implement a performance audit. The Panel has called for a performance audit in each of its two reports to the Board. The agency has adopted somewhat of a piecemeal audit program, but implementation of the findings from these audits has lacked urgency.

Of the six audits requested and recommended by the COP, several have experienced delays. One audit was postponed due to the COVID-19 pandemic, another due to a lack of qualified consulting firms, and at least one additional audit was deferred for reasons that have not yet been clearly communicated to the COP. Most recently, the 2025 disaster preparedness audit was postponed, with the agency indicating it would not be audit-ready until early 2026. **The COP would appreciate continued communication regarding the status and anticipated timeline for the 2025 disaster preparedness audit.**

The agency has appeared to be acknowledging the benefits of external evaluations of its capital delivery program and its operations. In 2024, the TAG reviewed and reported on areas of operations, and many of its recommendations have been implemented.

More recently, reports related to the Enterprise Initiative have shown the agency has embraced the concept of peer review and other external evaluations of significant capital delivery projects. The Panel strongly endorses this approach and urges careful consideration of how such peer reviews are implemented. Peer reviews should ensure that future construction projects are planned to avoid possible cost overruns and delays such as those which have led to the Enterprise Initiative and will produce a system that is safe, efficient, and cost-effective. **The Panel would also support exploring peer review of completed projects as necessary to enhance safe operations and appropriate maintenance.**

Social justice and equity

a) Social justice and equity

The COP appreciates that the agency has been tracking vertical conveyance outages and that performance has improved lately. We urge continued vigilance in this area, particularly elevators to platforms that lack elevator redundancy. These represent a single point of failure for mobility-impaired customers.

The Panel recommends adding elevator and vertical conveyance outage metrics in future agency dashboards.

Over the years, the COP has received regular briefings on innovative programs within Sound Transit, and in cooperation with other agencies, to increase the participation of women and other under-represented groups in the construction workforce. **We encourage the agency to treat this as a point of pride and to continue annual briefings on new initiatives as well as updated metrics of workforce diversity.**

<u>Passenger experience</u>

a) Passenger Experience

The Panel recognizes the agency's efforts to enhance the passenger experience and communications. In preparation for increased ridership and event-related travel demand, the agency implemented targeted measures at key stations, including deploying extra staff, coordinating crowd management strategies, and enhancing wayfinding through additional signage during the 2025 Club FIFA World Cup.

These efforts supported more efficient travel to and from matches and facilitated the safe and orderly dispersal of large crowds following games. The COP was particularly impressed by the effectiveness of these strategies, which contributed to a seamless and positive rider experience during a high-volume period.

The COP also received a presentation on the agency's preparations for the 2026 FIFA World Cup and appreciates how many of these approaches were successfully piloted during the 2025 Club World Cup. The COP recognizes that lessons learned from this experience are being carried forward to inform planning for 2026 and is encouraged by the agency's proactive and thoughtful approach. The COP is impressed with the agency's preparedness and its commitment to continuously improving the passenger experience for future major events.

Sincerely,

The Community Oversight Panel

Charlotte Murry,
Community Oversight Panel Chair