

Briefing on FY 2026 Annual Budget & 20- Year Financial Plan

Committee-of-the-Whole
Budget & Finance Subcommittee
July 8, 2025

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What are we doing today?

- Review how we got here
- Discuss major drivers of FY 2026 expenses
- Outline Board decision points
- Address questions or immediate concerns
- **Goal: Prepare for decision-making at August 1 Board Workshop**

Overview

- Financial planning calendar
- Historic economic conditions
- FY 2026 revenue estimates
- Major capital and non-operating changes
- Debt service
- Operating budget considerations



Financial Planning Calendar

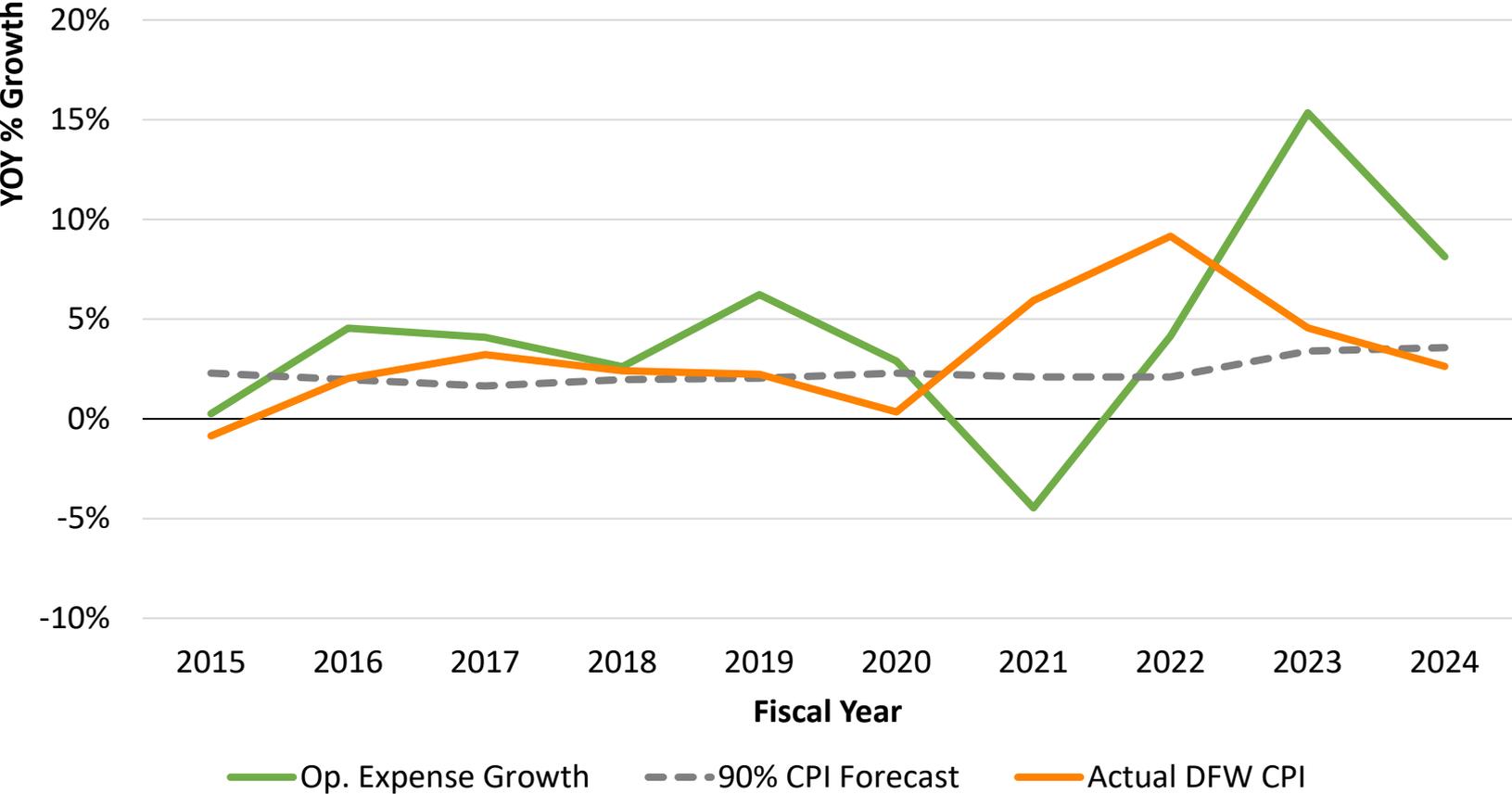
Financial Planning Calendar

Date	Action/Briefing
Jan - June	Staff submission and review of capital projects and operating budget elements
Feb 28	Board Workshop – FY 2026 budget discussion
Mar 19	Budget & Finance Committee – FY 2026 Financial Standards and budget overview
April 15	COTW approval of FY 2026 Financial Standards
April 23	Budget & Finance Committee – FY 2026 financial outlook and use of the MAF
April 29	Board approval of FY 2026 Financial Standards
May 28	Budget & Finance Committee – FY 2026 capital budget outlook
June 11	Budget & Finance Committee – FY 2026 operating budget outlook
July 8	COTW briefing on FY 2026 Annual Budget & 20-Year Financial Plan
Aug 1	Board Workshop – FY 2026 Annual Budget & 20-Year Financial Plan
Aug 12	COTW consideration to distribute FY 2026 Annual Budget & 20-Year Financial Plan to SACs
Aug 26	Board consideration to distribute FY 2026 Annual Budget & 20-Year Financial Plan to SACs
September	Briefing for service area city managers and finance directors
Sept 9	COTW consideration of FY 2026 Annual Budget & 20-Year Financial Plan
Sept 30	Board consideration of FY 2026 Annual Budget & 20-Year Financial Plan



Historic Economic Conditions

Inflation & Op. Expense Growth



Financial Standards

- (Capital) Financial Standard B9 requires an economist's estimate of construction price inflation for the Dallas area and currently prevailing rates
 - Capital construction projects shall be increased at no less than the greater of the two
 - DART should also prioritize state of good repair (SGR) over expansion and provide adequate SGR reserves for each asset category
- (Operating) Financial Standard B5 requires an independent economist's projection of Dallas-area inflation
 - Operating expenses in the financial plan may not grow by more than 90% of that estimate
 - Allowances for Board-approved contract increases, new services, programs, or facilities, actuarial analysis, health care, and fuel/electricity price increases



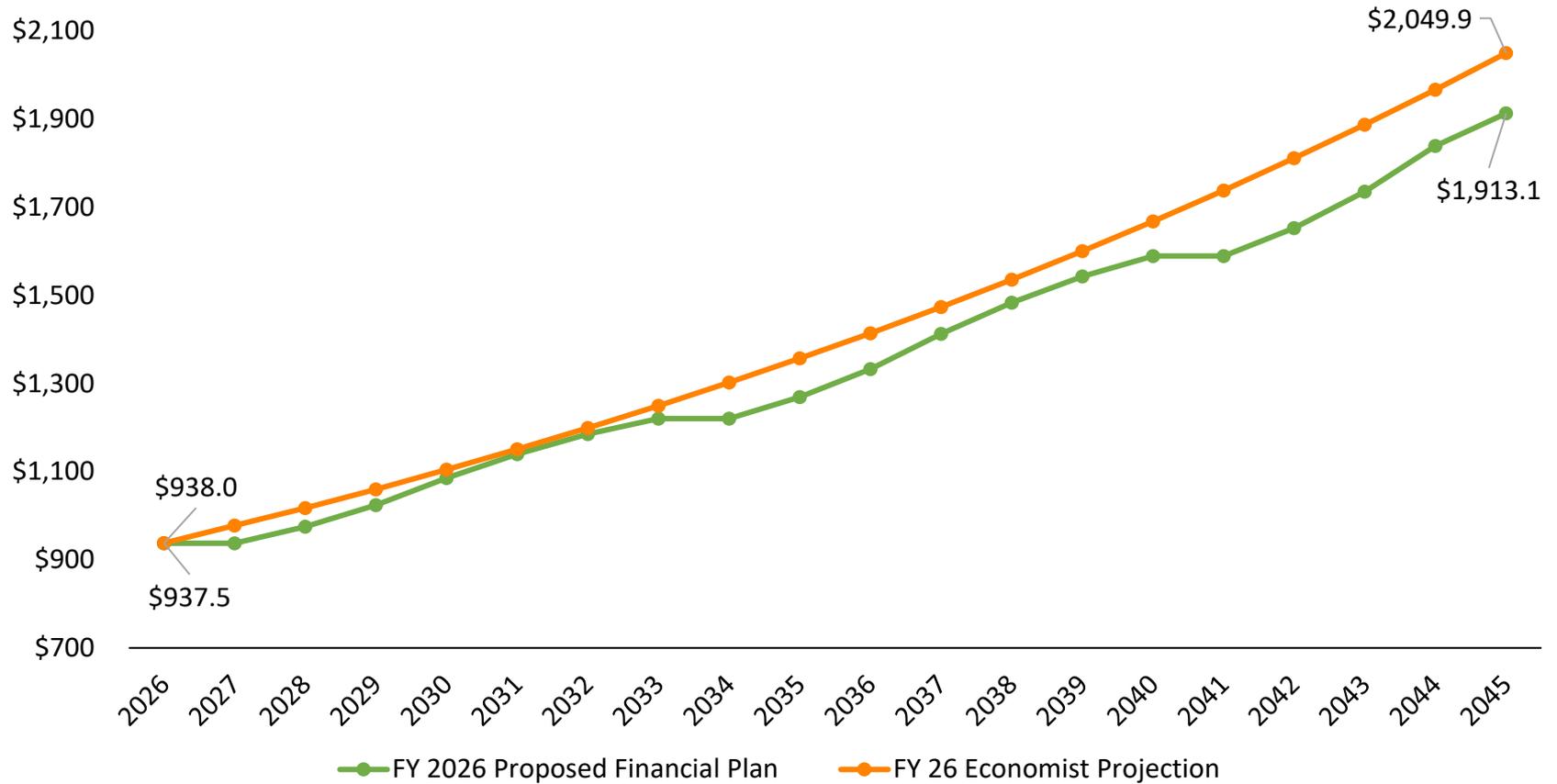
FY 2026 Revenue Estimates

FY 2026 Revenues (\$M)

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget	% Variance
Sales Tax Revenues	\$834.4	\$851.8	\$910.2	\$910.2	\$937.5	3.0%
Operating Revenues	56.3	62.5	60.8	60.3	62.1	3.0%
Investment Income	51.3	36.1	27.4	25.0	24.3	(2.7%)
Formula Federal Funding	68.0	72.4	74.6	72.2	122.2	69.1%
Discretionary Federal Funding	14.2	22.8	186.7	141.2	215.0	52.2%
Other Operating Contributions	21.6	19.7	20.2	21.6	22.0	1.9%
Other Capital Contributions	10.4	18.2	21.0	21.0	43.9	109.1%
Total Revenue	\$1,056.1	\$1,083.5	\$1,301.0	\$1,251.6	\$1,427.0	14.0%

- FY 2026 sales tax projection aligns with economist's projection; no change from FY 2025 financial plan
- Formula funding is based on timing of project completion
- Discretionary funding assumes \$10.7M from NCTCOG for FIFA World Cup

Sales Tax Projections (\$M)



Sales Tax Projections (\$M)

Fiscal Year	FY 2025 Plan	FY 2026 Economist	FY 2026 Proposed	% Increase
2026	\$937.5	\$938.0	\$937.5	0.0%
2027	937.5	977.6	937.5	0.0%
2028	975.0	1,017.5	975.0	0.0%
2029	1,023.8	1,060.1	1,023.8	0.0%
2030	1,085.2	1,104.5	1,085.2	0.0%
5-Year Total	\$4,959.1	\$5,097.6	\$4,959.1	0.0%
20-Year Total	\$27,103.9	\$28,503.7	\$27,085.5	(0.07%)

Capital Project Grant Strategy

Funding Opportunity	LRVs	Station Modern.	Bus Network Imprvts. (CORE)	Unified Signaling System	LRT Maint. Facility Mods.	Resiliency
FTA Rail Vehicle Replacement Competitive Program (RVRP)	X					
Better Utilizing Investments to Leverage Development (BUILD)	X	X				
FTA Sec. 5309(b)(2) Fixed-Guideway Modernization Competitive Program		X		X	X	
Congestion Mitigation & Air Quality Improvement (CMAQ)/Surface Transportation Block Grant (STBG)/Carbon Reduction Program (CRP) flexible federal funding		X	X			
FTA Sec. 5307 Urban Formula Program			X	X		
FTA Sec. 5337 State of Good Repair Formula Program				X		
FTA Sec. 5339 Grants for Buses & Bus Facilities*			X			
FHWA PROTECT Competitive Program						X

*Formula and competitive programs





Capital & Non-Operating Changes

20-Yr Capital Projects by Mode (\$M)

Mode	Total 20-Year Budget (FY25 FP)	# of New FY26 Projects	20-Year Budget for New FY26 Projects	Total # of Projects in FY26 FP	Total 20-Year Budget (FY26 FP)
Agency-Wide	\$256.7	8	\$43.8	78	\$300.5
Bus	530.2	11	29.6	48	559.8
Commuter Rail	2,485.3	33	56.1	89	2,541.4
Light Rail	2,207.4	18	172.1	134	2,379.5
Streetcar	7.9	0	0.0	1	7.9
Paratransit	0.0	1	0.1	1	0.1
Non-Operating	228.4	1	3.8	28	232.2
Grand Total	\$5,715.8	72	\$305.4	379	\$6,021.3

Major Changes from FY 2025 (\$M)

Capital Changes	Amount
Cost increases for CROF and NWROF facility upgrades	\$66.1
Cost increases for Victory Station crossing improvements & trackwork	26.0
Cost increases for ERP replacement	10.6
Tap card fare collection system replacement	9.2
NW Bus Maintenance Facility modernization	7.5

Non-Operating Changes*	Amount
5% GMP funded for two years	\$88.0
FIFA World Cup net expenses	\$9.7

**Propose funding with capital project reductions and MAF*

A photograph of a city street with a yellow tram. The tram is moving from left to right. The street is paved with cobblestones. In the background, there are several tall buildings. One building has a sign that says '1505'. Another building has a sign that says 'PUBLIC MARKET'. The tram has 'LEDGETTER' written on its front and the number '171' on its side. The text 'Debt Service' is overlaid in the center of the image in a bold, blue font.

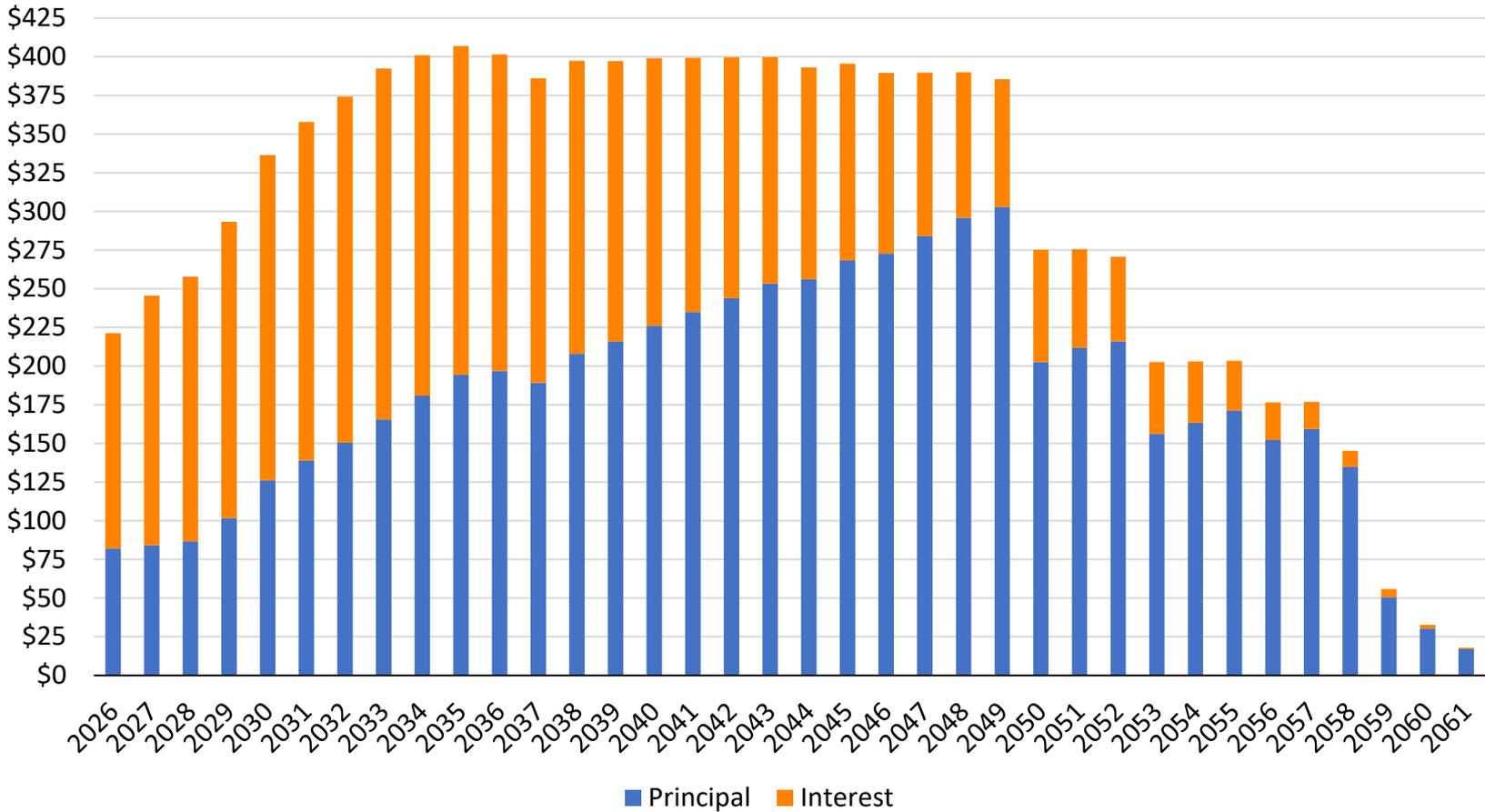
Debt Service

Long-Term Debt Issuance (\$M)

Project	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	5-Yr Total	20-Yr Total
RRIF – Silver Line	\$247	\$0	\$0	\$0	\$0	\$247	\$247
Silver Line	364	0	0	0	0	364	364
Platform Level Boarding	0	0	130	60	0	190	190
Unified Signaling	0	0	300	200	110	610	610
LRV	0	0	0	200	200	400	840
Bus (10-Year Debt)	93	162	0	0	0	254	254
Total	\$704	\$162	\$430	\$460	\$310	\$2,065	\$2,505

Project	FY 2031	FY 2032
LRV	\$200	\$240
Total	\$200	\$240

Principal & Interest (\$M)



Coverage Ratios

- Financial Standard D6 requires us to incorporate certain debt service coverage ratios into the FP
 - Maintain an external coverage ratio of at least 2.0 for each year of the FP
 - Calculation = Sales Taxes / Annual Debt Service
 - ✓ Lowest external coverage ratio is 3.04 in FY 2034
 - Maintain an internal coverage ratio of at least 1.0 for each year of the FP
 - Calculation = Sales Taxes + Operating Revenues + Interest Income - Operating Expenses / Annual Debt Service
 - ✓ Lowest internal coverage ratio is 1.28 in FY 2034

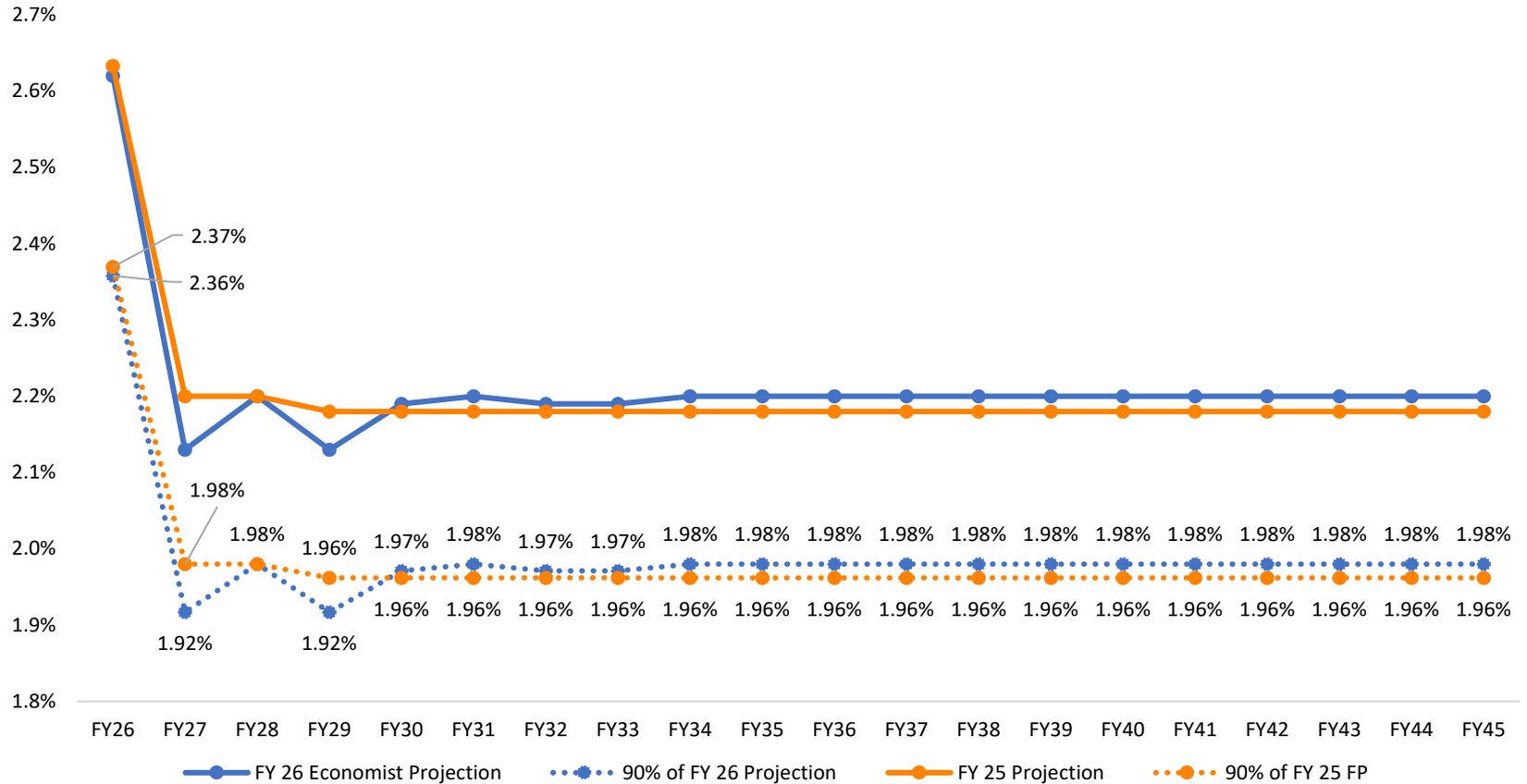


Operating Budget Considerations

FY 2025 Budget Recap

- To limit operating budget growth in FY 2025, the Board approved \$23.3M in cuts, including:
 - Cutting 1.5% from every department's operating budget (\$8.7M)
 - Reducing pension contribution (\$4M)
 - Eliminating 43 vacant positions (\$2.8M)
 - Made \$71M in capital budget adjustments

Consumer Price Index Projection



Operating Budget (\$M)

FY 2025 to FY 2026 Walk-Forward

FY 2025 Operating Budget		\$721.1
Silver Line		
1	12mo of Silver Line revenue service & police/MOW support	\$30.0
Compensation		
2	Merit & wage increases at 3%	10.1
3	Employee bonuses (\$1,400 RPM for 1,215 employees & executive bonuses)	3.2
Mandatory cost increases		
4	GoLink/paratransit	8.4
5	Medical benefits	5.0
6	Bus parts	2.0
7	TRE contract & fuel	1.0
8	Fuel & electricity	0.6
9	Additional contractual increases	6.2

Operating Budget (\$M)

FY 2025 to FY 2026 Walk-Forward

Other		
10	City service requests	4.5
11	Cost allocation by city study	0.8
12	Operating impact of new capital programs	0.3
Total Additional Needs for FY 2026		\$72.1
Projected FY 2026 Operating Costs		\$793.2

FY 2026 Operating Budget Target	\$757.9
FY 2026 Gap	(\$35.3)

Operating Budget (\$M)

Potential Service & Administrative Cuts

FY 2026 Gap		(\$35.3)
1	Various service cuts	(\$25.0)
2	Various administrative cuts	(10.0)
3	Reduce merit & wage increases to 2%	(3.3)
4	Fund only 50% of executive bonuses	(0.7)
5	Reduced funding for bus part cost increases	(1.0)
6	Seven new MOW positions (instead of 12)	(0.7)
7	Reduced funding for additional Silver Line police coverage	(0.5)
Total Potential Adjustments for FY 2026		(\$41.2)

Next Steps

- Staff will incorporate Board feedback and public comments for the Board workshop on August 1
- At the workshop, staff will:
 - Present proposed service reductions and details on administrative reductions
 - Seek Board direction to finalize the proposed FY 2026 budget for presentation on August 12
- On August 12, the COTW will vote to distribute the proposed FY 2026 Annual Budget & 20-Year Financial Plan to service area city leadership



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Appendix



Revenues

Revenue Projections

20-Year Plan Totals (\$M)

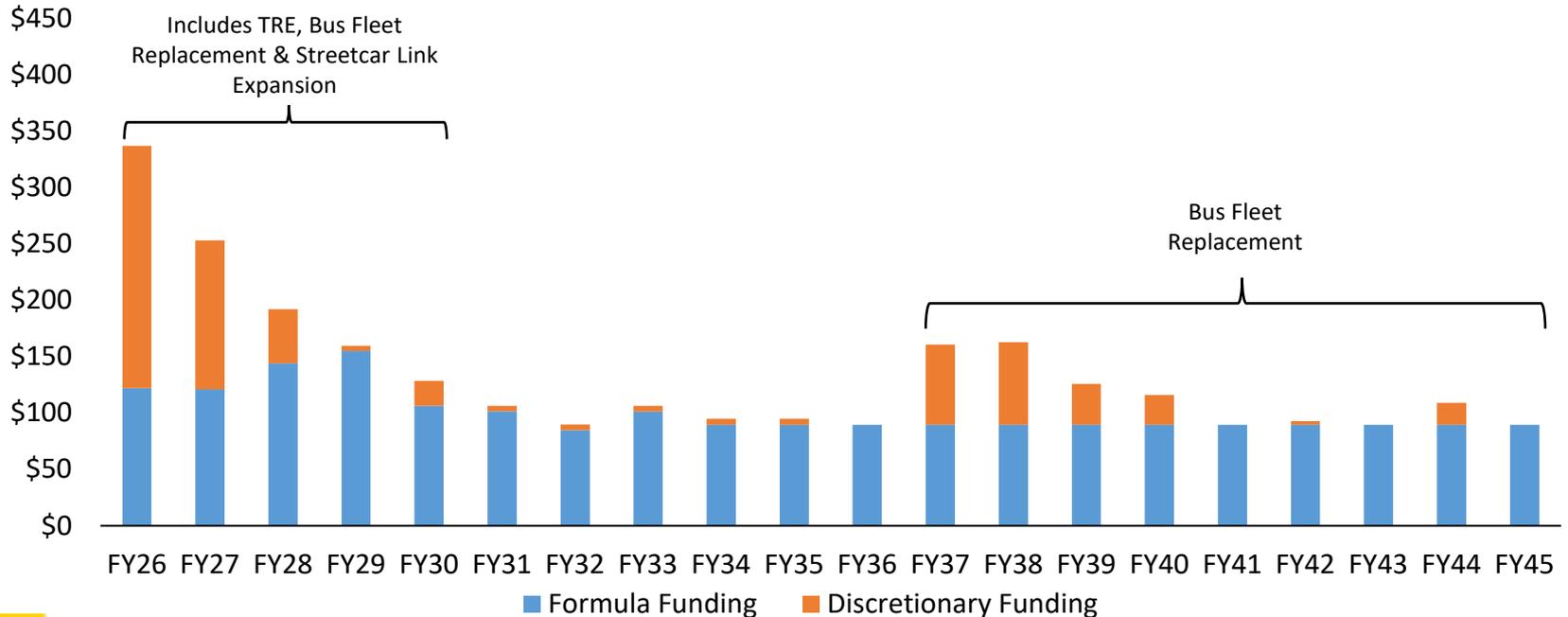
Revenues	FY 2025 Plan	FY 2026 Plan	\$ Variance	% Variance
Sales Tax Revenues	\$27,103.87	\$27,085.47	(\$18.4)	(0.1%)
Operating Revenues	1,911.0	1,848.8	(62.2)	(3.3%)
Interest Income	471.2	469.0	(2.1)	(0.5%)
Formula Federal Funding	1,987.0	2,013.9	26.9	1.4%
Discretionary Federal Funding	427.3	633.7	206.4	48.3%
Other Operating Contributions	517.9	579.8	61.9	11.9%
Other Capital Contributions	366.4	405.8	39.5	10.8%
Total Revenue	\$32,784.6	\$33,036.5	\$251.9	0.8%
Long-Term Debt Issuances	2,514.0	2,505.3	(8.7)	(0.3%)
Commercial Paper Issuances	400.0	0.0	(400.0)	(100.0%)
Total Sources of Funds	\$35,698.6	\$35,541.8	(\$156.8)	(0.4%)

Investment Income

Fiscal Year	Interest Rate	Revenue (\$M)
2023 Actual	4.3%	\$51.3
2024 Actual	3.7%	36.1
2025 Forecast	4.6%	28.0
2026	3.5%	28.8
2027	3.5%	27.6
2028	3.5%	20.4
2029	3.5%	19.6
2030	3.5%	20.2

Federal Grants (\$M)

Federal Grants	FY 2023 Actual	FY 2024 Actual	FY 2025 Forecast	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Formula	68.0	72.4	72.2	122.2	121.2	144.2	155.3	106.4
Discretionary	14.2	22.8	141.2	215.0	132.2	47.9	4.3	22.1



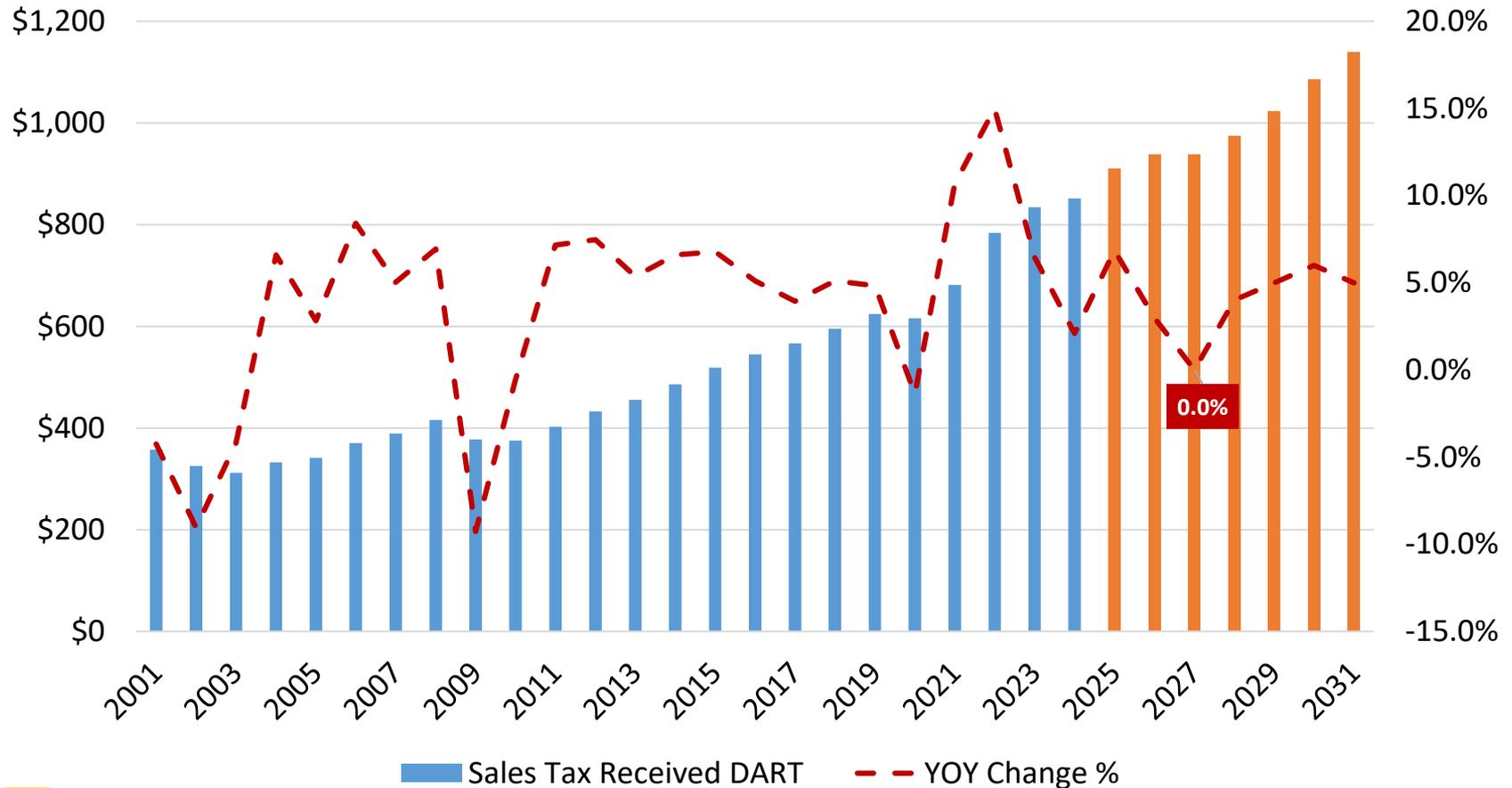
Other Contributions

FY 2022-FY 2029 (\$M)

	FY23 Actual	FY24 Actual	FY25 Forecast	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget
Trinity Metro (TRE)	\$15.0	\$16.1	\$17.9	\$18.3	\$18.8	\$19.3	\$19.9	\$20.4
City of Dallas (Streetcar)	1.8	0.9	1.9	2.0	2.0	2.0	2.1	2.1
Other Entities	4.8	2.7	1.9	1.9	0.7	0.7	0.7	0.7
Total Operating Contr.	\$21.6	\$19.7	\$21.6	\$22.2	\$21.5	\$22.0	\$22.6	\$23.3
Trinity Metro (TRE)	7.5	11.8	\$10.2	\$25.5	\$17.0	\$8.5	\$10.2	\$14.4
City of Dallas (Streetcar)	0.1	0	0.1	0.1	0.0	3.5	3.6	0.1
Other Entities	2.8	6.4	10.5	31.7	4.0	4.0	4.0	4.2
Total Capital Contr.	\$10.4	\$18.2	\$20.9	\$57.3	\$21.0	\$16.1	\$17.8	\$18.7

- Mainly TRE operating and capital from Trinity Metro
- Capital contributions from other entities are tied primarily to Silver Line

Sales Tax Trends and Forecast



Historic average sales tax growth of 3.7%



**Capital &
Non-Operating Budget**

Capital Expenses

FY 2026 Overview (\$M)

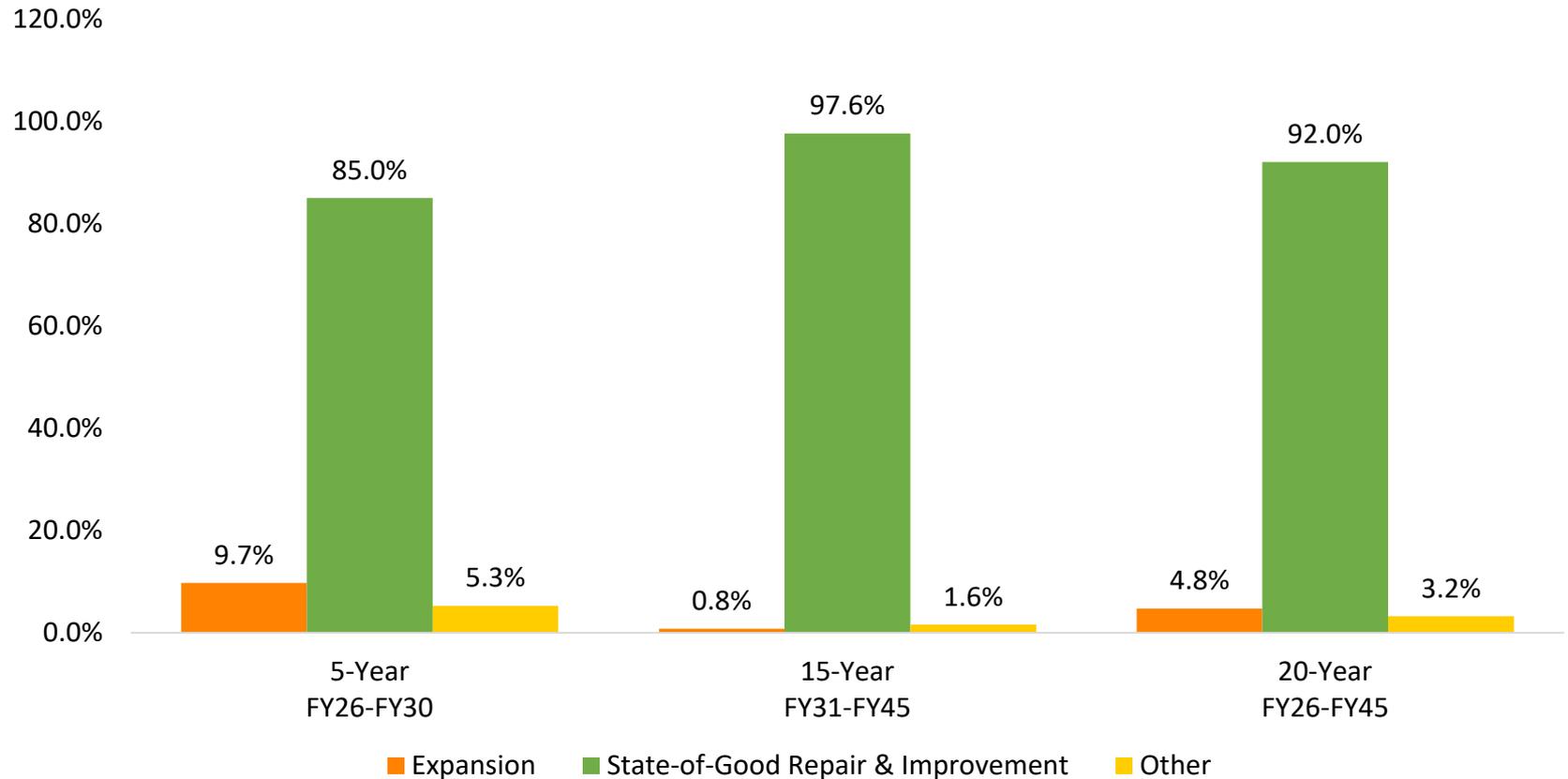
Mode	FY 2026	5-Year Total	20-Year Total
Agency-Wide	\$74.2	\$254.5	\$827.9
Bus	136.1	567.4	1,484.4
Light Rail Transit	231.3	1,725.9	3,666.8
Streetcar	0.1	7.4	138.3
Commuter Rail/Railroad Management	246.1	593.7	954.9
Paratransit	0.2	1.4	4.5
General Mobility – Road Improvements	42.6	88.1	88.1
Non-Operating	67.5	88.7	149.9
Capital P&D, Startup	18.4	95.8	448.8
Total Capital & Non-Operating	\$816.5	\$3,422.9	\$7,763.5

Capital Expenses

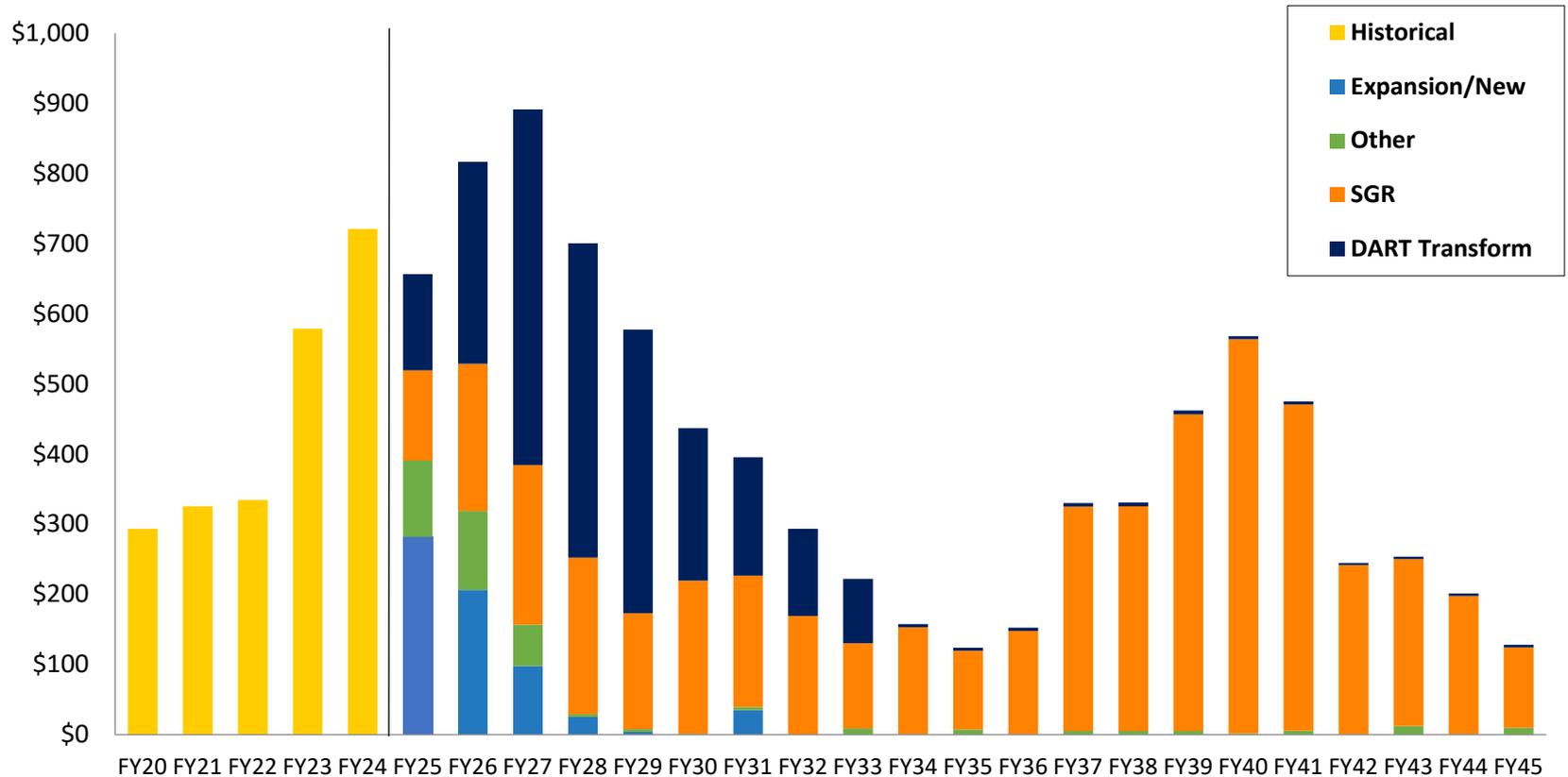
20-Year Plan Totals (\$M)

Mode	FY 2025 Plan	FY 2026 Plan	\$ Variance	% Variance
Agency-Wide	\$825.6	\$827.9	\$2.3	0.3%
Bus	1,394.7	1,484.4	\$89.7	6.4%
Light Rail Transit	3,719.1	3,666.8	(\$52.3)	(1.4%)
Streetcar	156.9	138.3	(\$18.7)	(11.9%)
Commuter Rail/Railroad Management	880.0	954.9	\$75.0	8.5%
Paratransit	4.3	4.5	\$0.1	2.8%
General Mobility – Road Improvements	0.0	88.1	\$88.1	n/a
Non-Operating	155.6	149.9	(\$5.7)	(3.7%)
Capital P&D, Startup	448.8	448.8	\$0.0	0.0%
Total Capital & Non-Operating	\$7,585.0	\$7,763.5	\$178.5	2.4%

Capital by Use (\$000)



Capital Spending by Year (\$M)



Capital Impact on Op. Budget (\$000)

Agency-Wide	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
850 - 2026 - Comprehensive Real Estate Management Software			\$250		
433 - 2026 - Fare System Replacement		(630)			
Subtotal	\$0	(\$630)	\$250	\$0	\$0

LRT	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
840 - 2026 - HVACs at CROF and NWROF		200			
Subtotal	\$0	\$200	\$0	\$0	\$0

Grand Total	\$0	(\$430)	\$250	\$0	\$0
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New Capital Projects

New Requests by Mode (\$000)

#	Agency-Wide	Requested Budget
1	433 - 2026 - Fare System Replacement	\$9,216
2	455 - 2026 - EPM Transformational Initiative	7,848
3	870 - 2026 - Senate St Site Redesign*	7,754
4	454 - 2020 - LAWSON Enterprise Resource Planning Replacement	7,562
5	685 - 2026 - DART HQ Elevator Replacement	6,336
6	850 - 2026 - Comprehensive Real Estate Management Software	1,720
7	465 - 2026 - Network Security Improvements Implementation	1,295
8	608 - 2022 - SW - Generator Modification at Bus Facilities	1,200
9	608 - 2026 - Transit Center Roof Repairs	338
10	608 - 2026 - Monroe Shop Modifications	250
11	374 - 2024 - Carrollton Depot Adaptive Reuse	250
	Agency-Wide Total	\$43,769

*Projects with external funding

**Line items in green represent budget increase requests for existing projects



New Requests by Mode (\$000)

#	Non-Operating	Requested Budget
1	General Mobility Program	\$88,101
2	DART Contribution for FIFA World Cup Transit Expenses	3,000
3	374 - 2026 - Area Plans	2,000
4	374 - 2025-2026 - Capital Planning Projects	1,500
5	810 - 2023 - GRD/EPM Support Services	302
	Non-Operating Total	\$94,902

***Line items in green represent budget increase requests for existing projects*

New Requests by Mode (\$000)

#	Paratransit	Requested Budget
1	608 - 2026 - Senate Street ATS	\$119
	Paratransit Total	\$119

New Requests by Mode (\$000)

#	Bus	Requested Budget
1	870 - 2026 - NW Bus Maintenance Facility Modernization	\$7,533
2	870 - 2026 - Jack Hatchell Redesign*	5,780
3	608 - 2026 - In-Ground Bus Lifts & Steam Bay Bus Wash Lift Replacements at NWBOF	3,647
4	870 - 2026 - NW Bus OPS Facility Modernization	3,322
5	608 - 2026 - In-Ground Bus Lift Replacement at East Dallas Bus Ops Facility (Qty. 6)	3,287
6	608 - 2026 - Roof Replacement at Northwest Bus Ops Facility - Shop	2,553
7	374 - 2025 - Mobility Hubs	1,700
8	608 - 2026 - East Dallas Transportation Chiller and Major Component Replacement	575
9	608 - 2026 - PA/FS Bus Facilities Concrete Repairs	550
10	608 - 2026 - East Dallas Transportation Boiler Replacement	256
11	608 - 2026 - Modifications to Emergency Generator	200
12	688 - 2026 - Purchase of Antifreeze & Transmission Fluid Reels for NW Bus Ops Facility	180
	Bus Total	\$29,583

*Projects with external funding

**Line items in green represent budget increase requests for existing projects

New Requests by Mode (\$000)

#	Light Rail Transit (1/2)	Requested Budget
1	840 - 2023 - CROF and NWROF Facility Upgrades	\$66,097
2	840 - 2024 - Victory Station Crossing Improvements and Trackwork*	26,000
3	840 - 2023 - Red and Blue Lines Platform Level Boarding	16,500
4	870 - 2025 - Cityplace Station Rehab	14,220
5	840 - 2025 - Loop 12 Station*	14,000
6	840 - 2026 - HVACs at CROF and NWROF	9,732
7	697 - 2026 - Signals - NWROF Yard Switch	4,684
8	870 - 2026 - Addison TC Redesign	3,721
9	374 - 2026 - Bridge & Tunnel (B&T) Repairs	3,407
10	607 - 2026 - Bridge Dry Standpipes	3,025
11	840 - 2026 - Center Crosswalk Removal & Conversion of 28 Stations with Bowl on the Platforms	2,000
12	685 - 2022 - PA Tunnel Fire Alarm System Replacement	2,000

*Projects with external funding

**Line items in green represent budget increase requests for existing projects

New Requests by Mode (\$000)

#	Light Rail Transit (2/2)	Requested Budget
13	608 - 2026 - Elevated Stair Replacement	\$1,600
14	840 - 2026 - Reconstruction of CBD Pavement	1,000
15	830 - 2026 - OCS Repairs NC-4 952+85 (Galatyn Park)	800
16	870 - 2026 - Study of Closing Access to Rail System	750
17	608 - 2026 - PA/FS Rail Facilities Concrete Repairs	550
18	687 - 2026 - PA/FS Wayside HVAC Replacement	400
19	608 - 2026 - Parker Road Station Platform Rehab	400
20	840 - 2026 - KBH Convention Center Renovation & Expansion	300
21	608 - 2026 - Systemwide Platform Fencing Repair & Replacement - Forest Lane & Spring Valley	250
22	698 - 2026 - Upgrade Wayside Phone System	223
23	608 - 2026 - Crew Room Roof Top System Wide	200
24	690 - 2026 - TES 1000 kVA Tunnel Transformer	190
	Light Rail Transit Total	\$172,050

New Requests by Mode (\$000)

#	Commuter Rail (1/4)	Requested Budget
1	607 - 2013 - TRE Noble Branch to West of Medical District Drive Double Tracking*	\$39,386
2	607 - 2026 - IH-35 Double Tracking Bridge Project*	5,000
3	607 - 2024 - Relocate Irving Yard to Lumber Yard/Install Track	2,459
4	526 - 2026 - TRE - Tie Gang*	1,549
5	526 - 2026 - TRE - Bridge Panel Replacement Track #1 Elm Fork Trinity River Bridge Milepost 637.09*	1,486
6	526 - 2026 - TRE - Bungalow Replacement at West Tex Milepost 630.13*	991
7	526 - 2026 - TRE - #20 Turnout Replacement at EC Junction Milepost 635.58*	729
8	511 - 2026 - TRE - Madill Subdivision Bungalow Replacement Valwood Parkway Milepost 701.60	651
9	526 - 2026 - TRE - HD Link Upgrade to Fiber Valley View Lane (MP 629.87) to E. Centreport (MP629.46)*	553
10	511 - 2026 - TRE - Madill Subdivision 2026 Tie Gang	497

*Projects with external funding

**Line items in green represent budget increase requests for existing projects

New Requests by Mode (\$000)

#	Commuter Rail (2/4)	Requested Budget
11	526 - 2026 - TRE - Replace Track Panel East of Britain Rd. to S. Irving Mainline Track #1*	421
12	526 - 2026 - Turbo Charger, Assembly and Clutch for 1 PH Locomotive*	295
13	526 - 2026 - TRE - #7 Turnout Replacement at DTMF 3/4 Switch Union Milepost 644.18*	283
14	526 - 2026 - TRE - Union Station Track # 3 Panel Replacement*	211
15	526 - 2026 - TRE - Union Station Track # 4 Panel Replacement*	211
16	526 - 2026 - Replace Injectors for qty 3 PH Locomotives*	196
17	526 - 2026 - HEP Engine C27 Overhaul for 1 PH Locomotive*	168
18	511 - 2026 - TRE - Madill Subdivision Grade Crossing Replacement at W.B. I635 Frontage Rd MP 703.97	157
19	526 - 2026 - DOC Cartridges and Housing Assemblies for qty 3 PH Locomotives*	142
20	526 - 2026 - Power Assembly, Fork, Blade, Rocker Arm, & Addtl. Items Replacement for 1 PH Locomotive*	142

**Projects with external funding*

New Requests by Mode (\$000)

#	Commuter Rail (3/4)	Requested Budget
21	526 - 2026 - TRE - #11 Turnout Replacement Wood Switch Ties @ Centreport Industrial Lead MP 629.82*	92
22	526 - 2026 - TRE - Turnout Spring Frog Replacement to RBM Frog at East Hurst M.P.622.38*	80
23	526 - 2026 - Governor for Qty 3 PH Locomotives*	77
24	526 - 2026 - HEP LH and RH Radiator for 1 PH Locomotive*	51
25	526 - 2026 - TRE - Train Radios*	40
26	526 - 2026 - 4 Year Clean Overhaul Testing Stencil (COTS) for 1 PH Locomotive*	39
27	526 - 2026 - Main Engine Air Compressor & Coupling Assembly Units for Qty 3 PH Locomotives*	34
28	526 - 2026 - HVAC Rebuild or Repair for 2 PH Locomotives*	32
29	526 - 2026 - TRE - #20 Turnout Replace Switch Point & Stock Rail at East Mockingbird M.P.639.44*	28
30	526 - 2026 - HEP Engine Cooling Fan for 1 PH Locomotive*	23

*Projects with external funding

New Requests by Mode (\$000)

#	Commuter Rail (4/4)	Requested Budget
31	526 - 2026 - Main Engine Cooling Fan for 2 PH Locomotives*	18
32	526 - 2026 - HEP Aftercooler Unit for 1 PH Locomotive*	15
33	526 - 2026 - Transfer Switch Motor for 3 PH Locomotives*	14
34	526 - 2026 - LH and RH Water Pumps for 2 PH Locomotives*	12
35	526 - 2026 - Dynamic Brake Fan Assembly for 1 PH Locomotive*	11
	Commuter Rail Total	\$56,093
	Total New Capital & Non-Operating Requests	\$396,517

**Projects with external funding*

A photograph of a city street with a yellow bus in the center. The street is wet and reflective. Buildings line the sides of the street. A yellow rectangular box is overlaid on the center of the image, containing the text "Debt Service" in a bold, dark blue font. In the background, there are signs for "Hunger Action Month" and "with Texas Food Bank".

Debt Service

Debt Overview

	Commercial Paper (CP)		Long-Term Debt (LTD)	
	FY 2026	FY 2027-2045	FY 2026	FY 2027-2045
Term	Rolling for up to 3 years	Rolling for up to 3 years	30 years	30 years
Interest rates + fees	3.50%-5.00%	3.50%-5.00%	5.50%	5.50%
Principal repayment	\$180.3M	All outstanding CP is retired	\$82.2M	\$3.5B
New CP*/Total LTD issued**	\$0M	\$0M	\$704M	\$1.8B
Maximum debt outstanding at EOY	\$0M	\$0M	\$4.62B	\$5.7B
Year of maximum debt outstanding	N/A	N/A	FY 2026	FY 2032
Cash reserves required?	Yes	No	No	No
Uninsured debt rating assumed	A-1+/P-1	A-1+/P-1	AA+/Aa2/AAA	AA+/Aa2/AAA

*The amounts shown are par value, net interest expense and fees related to “rolling” CP, or the maturing and reissuance of commercial paper.

**The long-term debt amounts shown for FY 2026 are shown at par value. Amounts shown for FY 2027-2045 are anticipated bond proceed receipts shown at par value to match project funding budget.