Proposed FY 2027 Annual Budget & 20-Year Financial Plan

Committee of the Whole
Administration Item
August 25, 2026

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Financial Planning Calendar

Date	Action/Briefing
Jan - June	Staff submission and review of capital projects and operating budget elements
April 7	COTW Approval of FY 2027 Financial Standards
April 28	Board Approval of FY 2027 Financial Standards and FY 2026 Financial Outlook
May 26	COTW – FY 2027 Capital Budget Outlook
June 9	COTW – FY 2027 Operating Budget Outlook
July 14	*Delivered Proposed FY 2027 Annual Budget & 20-Year Financial Plan to Board members*
July 31	Board Workshop – FY 2027 Annual Budget & 20-Year Financial Plan
Aug 11	COTW and Board – Distribute FY 2027 Annual Budget & 20-Year Financial Plan to SACs
Aug 25	**COTW – Discussion of FY 2027 Annual Budget & 20-Year Financial Plan**
Aug 27	Briefing for service area city managers and finance directors
Sept 8	COTW consideration of FY 2027 Annual Budget & 20-Year Financial Plan
Sept 22	**Board consideration of FY 2027 Annual Budget & 20-Year Financial Plan**

Proposed FY 2027 Budget ($M)

Budget	FY 2025 Actual	FY 2026 Budget	FY 2027 Proposed	$ Variance	% Variance
Operating	$719.1	$757.9	$797.7	$39.8	5.3%
Capital & Non-Operating	618.3	830.7	817.5	(13.2)	(1.6%)
Debt Service	213.1	223.4	227.4	4.0	1.8%
Total	**$1,550.4**	**$1,812.0**	**$1,842.6**	**$30.6**	**1.7%**
External Coverage Ratio			4.29		
Internal Coverage Ratio			1.53		

- Financial Plan is structurally balanced
- Complies with all Financial Standards
- GMP fully funded in Capital & Non-Operating

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Revenue Projections ($M)

Revenues	FY 2026 Budget	FY 2027 Proposed	$ Variance	% Variance
Sales Tax Revenues	$937.5	$965.7	$28.1	3.0%
Operating Revenues	61.4	58.1	(3.3)	(2.4%)
Interest Income	26.1	24.0	(2.1)	(8.0%)
Formula Federal Funding	116.5	152.1	35.5	46.6%
Discretionary Federal Funding	189.1	181.1	(8.0)	(4.2%)
Other Operating Contributions	22.2	24.2	2.0	0.8%
Other Capital Contributions	32.4	37.4	5.0	56.0%
Total Revenue	**$1,385.2**	**$1,442.5**	**$57.2**	**4.1%**

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Agency Headcount

Position Classification	FY 2026	FY 2027	Variance
Bus Operators	1,171	1,174	3
Light Rail Operators	190	196	6
Non-Operator Hourly[1]	885	905	20
Administrative[2]	1,447	1,457	10
General Administrative	557	557	0
Operations Administrative	495	495	0
Agency Safety & Compliance	27	33	6
Police	368	372	4
Agency Total	**3,693**	**3,732**	**39**

1. Includes vehicle and TVM mechanics, call center, etc.
2. Includes Police, FEOs, Operations management, Agency Safety & Compliance, and general management. Administrative ratio is consistently under 12.0% (Financial Standard B6).

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No Service Changes for FY 2027

Mode	Lines/Routes	Frequency (minutes) Peak / Midday / Off-Peak
Local Bus (0-99)	17	15 / 15 / 20-30
Local Bus (100s)	13	20 / 30 / 30
Local Bus (200s)	40	30 / 40 / 40-60*
Express Bus (300s)	2	20 peak
Light rail	4	20
Silver Line	1	30 peak / 60 off-peak / 60 weekend
TRE	1	30 peak / 60 off-peak / 60 Saturday
GoLink	32	Average wait time: 12.3 minutes
Paratransit	Continue to cover 100% of service area	

*Route 205 Henderson runs 15 / 30 / 60

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Operating Budget Growth Areas

	Planned Growth	Above Plan	Total Amount
FY 2026 Operating Budget	**$757.9**		**$757.9**
Increases			
Salary & Benefits	10.1	0.0	**10.1**
Paratransit/GoLink	4.6	4.8	**9.4**
Police – TSOs & Staff	0.0	8.3	**8.3**
Silver Line/TRE	4.8	0.7	**5.5**
Technology Contracts	2.9	2.5	**5.4**
Other Increases	1.1	0.0	**1.1**
Total Increases	**23.5**	**16.3**	**39.8**
FY 2027 Proposed Operating Budget	**$781.4**		**$797.7**

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Capital Improvement Program
FY 2027-FY 2031 ($M)

	FY27	FY28	FY29	FY30	FY31	5-Year Total
Capital Investments						
Agency-Wide	$76.4	$55.7	$36.8	$44.9	$78.3	**$292.2**
Bus	169.4	90.6	60.3	49.6	25.1	**395.0**
Light Rail Transit	273.7	340.1	383.6	341.0	258.7	**1,597.1**
Streetcar	0.2	3.5	3.6	0.1	0.3	**7.7**
Commuter Rail	200.6	102.4	51.6	38.3	26.6	**419.5**
Paratransit	0.4	0.5	0.0	0.8	0.0	**1.7**
Non-Operating & Other Investments						
General Mobility Programs	52.8	63.2	74.4	87.1	101.6	**379.0**
Non-Operating	24.9	4.6	3.8	1.4	4.1	**38.8**
Capital Planning, Development, & Start-Up	19.0	19.3	19.8	20.1	20.5	**98.8**
Total	**$817.5**	**$680.0**	**$633.8**	**$583.4**	**$515.2**	**$3,229.8**

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Next Steps

Next Steps

- Ongoing – 1:1 meetings with Board members
- August 27 – Briefing for service area city managers
- September 8 – Committee of the Whole consideration of the FY 2027 budget and 20-year financial plan

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FY 2027 Planned vs. Proposed

Budget	FY 2026 Plan for FY 2027	FY 2027 Proposed	% Variance
Operating	$781.4	$797.7	2.1%
Capital & Non-Operating	896.1	817.5	(8.8%)
Debt Service	241.5	227.4	(5.8%)
Total	**$1,919.0**	**$1,842.6**	**(4.0%)**
External Coverage Ratio		4.29	-
Internal Coverage Ratio		1.53	-

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FY 2027 Sources & Uses of Funds

Sources			
Revenues		**% of Total Revenues**	**% of Total Sources**
Sales Tax Revenues	$965.7	66.9%	47.8%
Other Revenues	476.9	33.1%	23.7%
Total Revenues	**1,442.5**	**100.0%**	**71.5%**
Long-Term Debt	576.2		28.5%
Cash	0		0%
Total Debt & Cash	**576.2**		**28.5%**
Total Sources	**$2,018.7**	**100.0%**	**100.0%**
Uses			
Operating		**% of Operating Uses**	**% of Total Uses**
Sales Tax Revenues	621.9	78.0%	33.6%
Other Revenues	175.8	22.0%	9.5%
Total Operating Uses	**797.7**	**100.0%**	**43.1%**
Capital & Non-Operating		**% of Capital Uses**	**% of Total Uses**
Sales Tax Revenues	116.4	14.2%	6.3%
Other Revenues	301.0	36.8%	16.3%
Long-Term Debt	400.1	48.9%	21.6%
Cash	0	0.0%	0.0%
Total Capital & Non-Operating Uses	**817.5**	**100.0%**	**44.2%**
Debt Service & Commercial Paper		**% of Debt Uses**	**% of Total Uses**
Long-Term Debt Service			
Sales Tax Revenues	227.4	96.5%	12.3%
Commercial Paper Retirement			
Long-Term Debt	8.3	3.5%	0.4%
Total Debt Service	**235.7**	**100.0%**	**12.7%**
Total Uses	**$1,850.9**	**100.0%**	**100.0%**

Operating Growth Details

FY 2027 Increases
Paratransit/GoLink

- Annual contractual increases for Transdev
  - Paratransit: $3.0M
  - GoLink: $1.6M
- Ridership increase for paratransit and GoLink: $800K
- Expanded GoLink zones in Plano: $2M
- Increased TNC usage: $2M

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FY 2027 Increases
Security

- Increase presence on the system and reduce fare evasion
  - Police Officers: 219
  - Fare Enforcement Officers: 74
  - Transity Security Officers (TSO): 100
  - Armed Security Guards: 155
- Move TSO contract into operating budget and increase funding by $8.0M
- Recently increased armed security guard contract by $8.5M

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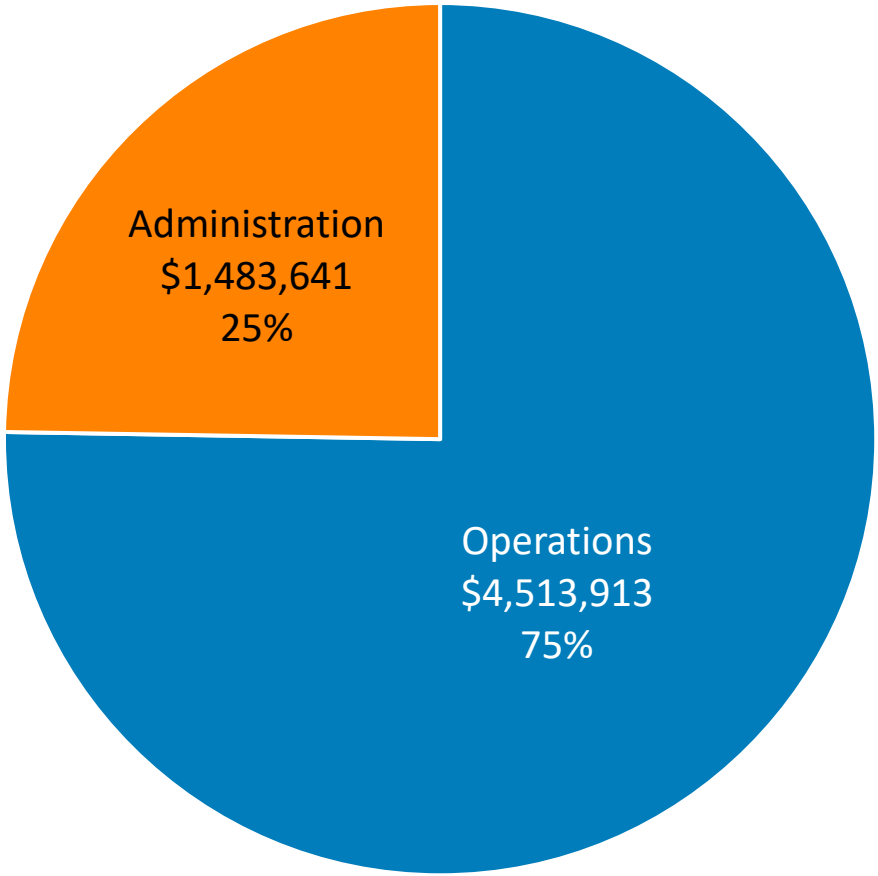
FY 2027 Contract Increases
Technology



75% of the $6M increase for Technology contracts, software, and licensing **directly supports operations**

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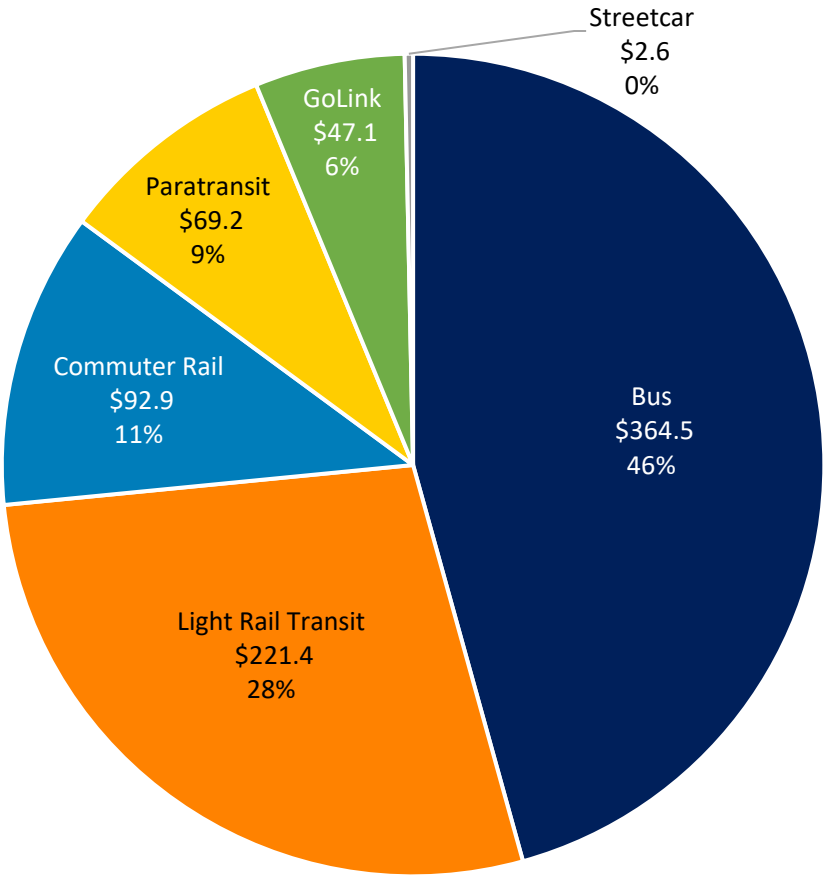
Operating Budget Details

FY 2027 Proposed Operating Expenses by Mode ($M)

- Bus and light rail represent ~75% of the proposed operating budget
- $39.8M (5.3%) increase from FY 2026 driven by:
  - Additional police security
  - Contractual increases in paratransit, GoLink, and technology
  - Inflation and wage growth



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Operating Expenses by Mode ($M)

Mode	FY 2026 Budget	FY 2027 Proposed	$ Variance	% Variance
Bus	$346.4	$364.5	$18.1	5.2%
Light Rail Transit	214.2	221.4	7.2	3.4%
Commuter Rail/Railroad Mgmt.	85.5	92.9	7.5	8.7%
Paratransit	64.9	69.2	4.3	6.5%
GoLink	44.4	47.1	2.7	6.1%
Streetcar	2.6	2.6	0.1	1.9%
Total Operating Expenses	**$757.9**	**$797.7**	**$39.8**	**5.3%**

- Increase driven by:
  - Additional police security
  - Contractual increases in paratransit, GoLink, and technology
  - Inflation and wage growth

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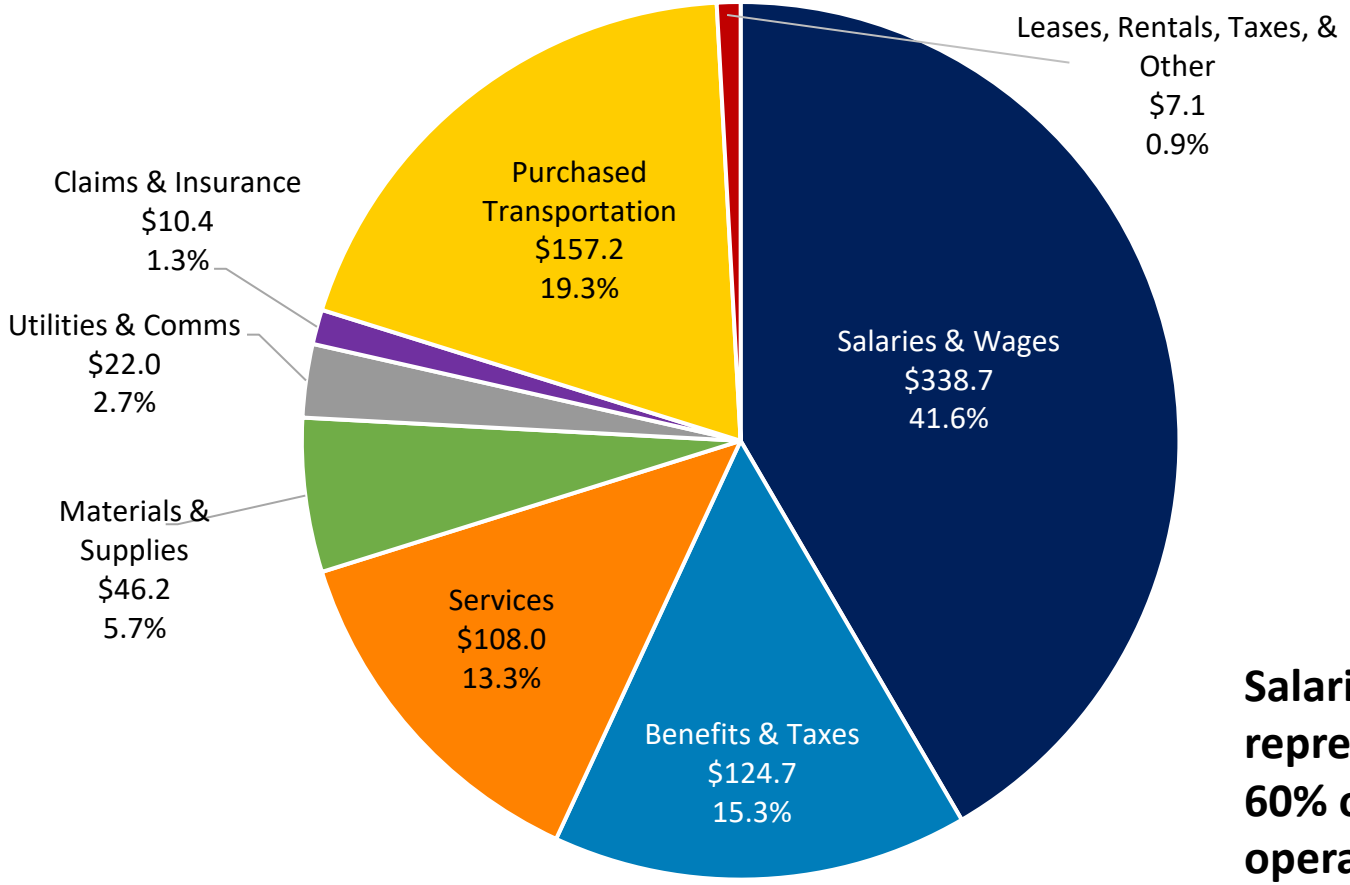
FY 2027 Proposed Operating Expenses by Object Class ($M)



Salaries and benefits represent almost 60% of the proposed operating budget

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Op. Expenses by Object Class ($M)

Operating Expenses	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2026 Forecast	FY 2027 Proposed	% Variance
Salaries & Wages	$314.8	$325.2	$331.1	$332.2	$338.7	2.3%
Benefits & Taxes	132.0	124.5	123.5	123.1	124.7	1.0%
Services	75.9	77.8	90.3	81.2	108.0	19.6%
Materials & Supplies	56.5	56.4	51.0	51.6	46.2	(9.4%)
Utilities & Communications	21.7	21.2	21.9	20.2	22.0	0.5%
Claims & Insurance	11.0	12.4	11.9	11.3	10.4	(12.6%)
Purchased Transportation	89.1	113.9	139.9	144.0	157.2	12.4%
Leases, Rentals, Taxes, & Other	5.5	5.3	7.1	6.4	7.1	0.4%
Capital & Reserves	(19.5)	(17.5)	(18.7)	(17.0)	(16.6)	(11.1%)
Total	**$687.0**	**$719.1**	**$757.9**	**$753.0**	**$797.7**	**5.3%**
YoY % Increase		**4.7%**	**5.4%**		**5.3%**	

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Benefits & Taxes ($M)

Object Classification	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Forecast	FY27 Proposed	$ Variance	% Variance
Health/Medical Plans	$51.9	$54.0	$45.9	$49.6	$45.9	$0.0	0.0%
Pension & 401K Plans	43.6	33.3	39.9	38.0	40.6	0.8	2.0%
FICA	24.4	23.6	25.3	24.9	25.9	0.6	2.3%
Workers' Compensation	6.2	6.3	8.9	3.6	8.9	0.0	0.0%
Paid Absences Liability	1.7	3.3	1.6	5.1	1.6	0.0	0.0%
Service Incentive Pay	0.6	0.5	0.6	0.9	0.6	0.0	(0.0%)
Unemployment & Other	3.5	3.4	1.3	1.0	1.1	(0.1)	(10.6%)
Total Benefits	**$132.0**	**$124.5**	**$123.5**	**$123.1**	**$124.7**	**$1.2**	**1.0%**

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Services ($M)

Object Classification	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Forecast	FY27 Proposed	% Variance
Maintenance/Contract Repair Services	$28,556	$31,073	$31,315	$29,760	$31,879	1.8%
Computer Services/Software License Fees	18,136	18,543	21,180	20,796	25,486	20.3%
HR & Benefits-Related Services	4,398	4,421	3,389	4,803	3,800	12.2%
Other Consulting Services	5,243	6,061	10,233	6,630	12,984	26.9%
Security Services	7,172	7,522	12,070	7,611	20,070	66.3%
Legal, Auditing, & Other Professional Services	1,500	1,659	2,152	1,940	2,850	32.5%
Advertising, Marketing, & Public Information Services	2,997	3,053	3,569	2,979	3,604	1.0%
Credit Card Processing Fees	1,522	1,676	1,250	1,904	1,669	33.5%
Environmental, Engineering, & Real Estate Services	3,322	794	2,617	2,447	2,579	(1.5%)
Temporary Help/Contract Labor	1,770	1,705	1,323	1,108	1,285	(2.9%)
All Other Services	1,268	1,249	1,183	1,184	1,809	52.8%
Total Services	**$75,883**	**$77,754**	**$90,280**	**$81,161**	**$108,015**	**19.6%**

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Materials & Supplies ($M)

Object Classification	FY24 Actual	FY25 Actual	FY26 Budget	FY26 Forecast	FY27 Proposed	$ Variance	% Variance
Vehicle Repair Parts (Bus & Rail)	$37.3	$37.5	$31.8	$34.1	$30.1	($1.7)	(5.3%)
Fuel (CNG & Gasoline)	8.5	8.7	9.0	8.2	9.0	0.0	0.0%
Facilities, Systems, & Equipment Repair Parts	6.9	5.8	5.4	4.9	5.4	(0.0)	(0.7%)
Uniforms, Shoes, & Tools	2.2	2.4	2.8	2.7	2.8	0.0	1.0%
Computer/Printer Equip. & Supplies	1.2	1.1	1.1	1.0	1.0	(0.1)	(11.5%)
Office Supplies	0.3	0.6	0.6	0.3	0.5	(0.0)	(1.8%)
All Other Materials & Supplies	0.2	0.3	0.3	0.3	0.3	0.0	7.3%
Total Materials & Supplies	**$56.5**	**$56.4**	**$51.0**	**$51.6**	**$49.2**	**($1.8)**	**(3.5%)**

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Operating Expenses
20-Year Plan Totals ($M)

Mode	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-Year Total	20-Year Total
Bus	$364.5	$365.7	$373.4	$380.3	$388.0	$1,872.0	$8,699.5
LRT	221.4	223.2	227.9	232.1	236.8	1,141.5	5,308.5
Streetcar	2.6	2.7	2.7	2.8	2.9	13.7	111.8
Commuter Rail	92.9	93.5	96.1	98.7	101.3	482.5	2,341.3
Paratransit	69.2	71.6	73.8	78.5	81.9	374.9	1,912.5
GoLink	47.1	48.0	49.9	52.3	54.4	251.8	1,300.4
Total	**$797.7**	**$804.7**	**$824.0**	**$844.7**	**$865.3**	**$4,136.4**	**$19,674.1**

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Capital & Non-Operating Budget

Capital & Non-Operating Expenses
20-Year Plan Totals ($M)

Mode	FY 2026 Plan	FY 2027 Plan	$ Variance	% Variance
Agency-Wide	$828.0	$863.6	$35.0	4.2%
Bus	1,280.3	1,267.3	(13.5)	(1.1%)
Light Rail Transit	3,468.4	3,631.6	164.7	4.7%
Streetcar	176.8	177.0	0.2	0.1%
Commuter Rail/Railroad Mgmt.	735.1	782.9	47.7	6.5%
Paratransit	4.6	5.0	0.4	9.1%
General Mobility Programs	45.5	379.0	333.5	732.8%
Non-Operating	82.3	95.9	12.8	15.5%
Capital P&D & Start-Up	457.6	463.9	6.2	1.4%
Total Capital & Non-Operating	**$7,078.7**	**$7,666.2**	**$587.1**	**8.3%**

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Sources of Funds

Sales Tax Projections ($M)

Fiscal Year	FY 2026 Plan	FY 2027 Proposed	% Increase	Economist Estimate
2027	$937.5	$965.7	3.0%	$984.1
2028	975.0	1,004.3	3.0%	1,026.5
2029	1,023.8	1,054.5	3.0%	1,069.7
2030	1,085.2	1,117.8	3.0%	1,115.6
2031	1,139.5	1,165.2	2.3%	1,163.6
5-Year Total	**$5,161.1**	**$5,307.5**	**2.84%**	**$5,359.5**
20-Year Total	**$28,100.0**	**$28,692.4**	**2.11%**	**$30,209.0**

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Operating Revenue ($M)

Operating Revenues	FY24 Actual	FY25 Actual	FY26 Budget	FY27	FY28	FY29	FY30	FY31
Fixed Route Fares	$36.1	$39.4	$41.8	$37.0	$40.3	$41.1	$41.9	$45.7
Other Passenger Fares	3.8	3.7	4.0	5.1	5.6	5.7	5.7	6.3
Total Passenger Revenues	**$39.9**	**$43.1**	**$45.8**	**$42.1**	**$45.9**	**$46.7**	**$47.6**	**$52.0**
Leases & Rentals	9.8	10.7	10.4	11.4	12.0	12.6	12.4	12.5
Advertising	4.6	4.6	5.0	4.5	4.7	4.9	6.9	7.1
Other	6.1	1.4	0.2	0.1	0.1	0.1	0.1	0.1
Total	**$60.3**	**$59.8**	**$61.4**	**$58.1**	**$62.8**	**$64.4**	**$67.0**	**$71.7**

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Interest Income

Fiscal Year	Interest Rate	Revenue ($M)
2024 Actual	3.7%	$36.1
2025 Actual	4.4%	29.3
2026 Forecast	3.8%	27.5
2027	3.5%	24.0
2028	3.5%	27.7
2029	3.5%	25.2
2030	3.5%	24.5
2031	3.5%	23.9

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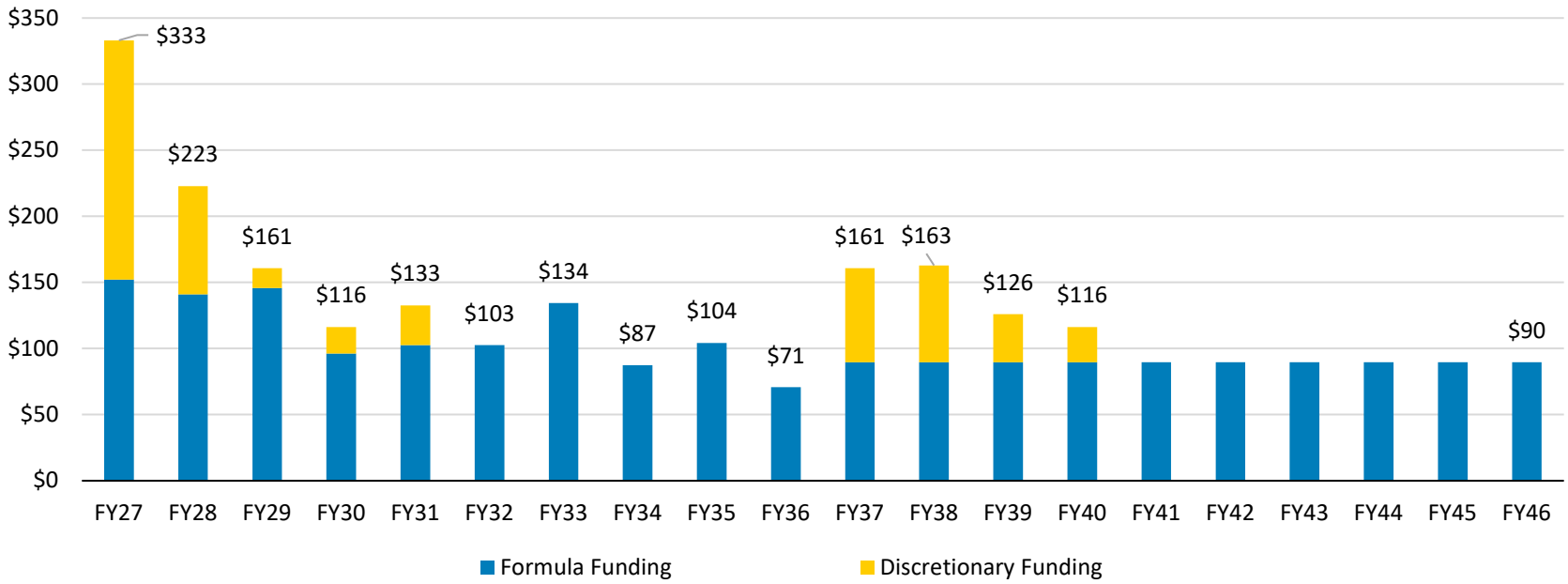
Federal Funding ($M)

Type	FY 2024 Actual	FY 2025 Actual	FY 2026 Forecast	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Formula	$73.0	$69.9	$116.5	$152.1	$140.9	$145.7	$96.2	$102.6
Discretionary	22.3	133.8	189.1	181.1	81.9	15.1	20.0	30.0



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Other Contributions
FY 2024-FY 2031

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

Mode	FY24 Actual	FY25 Actual	FY26 Budget	FY27 Budget	FY28 Budget	FY29 Budget	FY30 Budget	FY31 Budget
Trinity Metro (TRE)	$16.1	$13.2	$16.4	$16.4	$16.9	$17.5	$18.0	$18.5
City of Dallas (Streetcar)	0.9	0.8	0.1	0.1	0.1	0.1	0.1	0.1
Other Entities	2.7	3.4	7.5	7.7	7.7	7.8	7.8	7.9
Total Op. Contributions	**$19.7**	**$17.4**	**$24.0**	**$24.2**	**$24.7**	**$25.3**	**$25.9**	**$26.5**
Trinity Metro (TRE)	11.8	6.0	18.0	23.9	9.1	10.2	14.4	8.2
City of Dallas (Streetcar)	0	0	0.5	1.0	4.3	4.4	0.3	0.3
Other Entities	6.4	2.8	5.5	12.5	27.8	2.0	2.1	2.1
Total Cap. Contributions	**$18.2**	**$8.8**	**$24.0**	**$37.4**	**$41.2**	**$16.6**	**$16.8**	**$10.6**

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Planned Debt Issuances ($M)

Project	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	5-Yr Total	20-Yr Total
RRIF-Silver Line	$102	$0	$0	$0	$0	$102	$102
Silver Line	254	0	0	0	0	254	254
Platform Level Boarding	0	75	24	46	0	145	145
Light Rail Facility Modernization	0	30	10	36	0	76	76
Signal Modernization	0	0	74	150	75	299	709
LRV	0	215	175	200	114	704	704
Bus (10-Year Debt)	220	0	0	0	0	220	220
Total	**$576**	**$320**	**$283**	**$432**	**$189**	**$1,800**	**$2,210**

Project	FY 2032	FY 2033	FY 2034	FY 2035
Signal Modernization	150	135	25	100

Note: Debt issuance in any given year may be adjusted based on capital cash flow requirements and grant funding availability.

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