# 2027 Preliminary Transportation Operating Budget

Transportation Committee

August 10, 2026

METROPOLITAN COUNCIL

# Contents


| | |
|---|---|
| Budget Development and Transportation Division Overview | 3 |
| Metro Transit | 11 |
| Metropolitan Transportation Services | 23 |

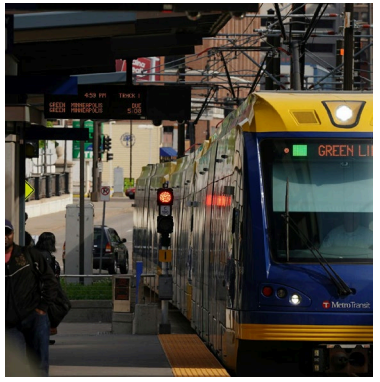

METROPOLITAN COUNCIL

# Transportation Division

## Transportation Division operates, administers, and coordinates public transit services for the Twin Cities metropolitan area

- **Metro Transit**
  - Regular route, express bus
  - METRO lines (light rail, bus rapid transit)
  - Capital project development

- **Metropolitan Transportation Services (MTS)**
  - Contracted Bus and Microtransit
  - Special Transportation Services
  - Transit Link
  - Vanpool
  - Planning



# Council Budget Development Schedule

## Schedule

| | |
|---|---|
| May – July | Budget development activities |
| August | Preliminary budget presented to Transportation Committee |
| August | Preliminary budget presented to Met Council<br>Councils adopts preliminary budget, levies |
| October | Capital Improvement Program presented to Met Council<br>Operating budget adjusted based on public comment<br>Council adopts final draft budget |
| December | Council adopts final budget, levies |

# Council Budget Development

## Annual Budget Development

- The Met Council is committed to being a good steward of public resources as we carry out our mission

- Each year we develop operating and capital budgets:
  - **Operating Budget**: Shows revenues and expenditures to support the Council's operations.
  - **Capital Budget**: Shows revenues and expenditures that involve major capital assets.

- Basis for Budget Development:  MN Statute 473.125

# Budget Development Principles

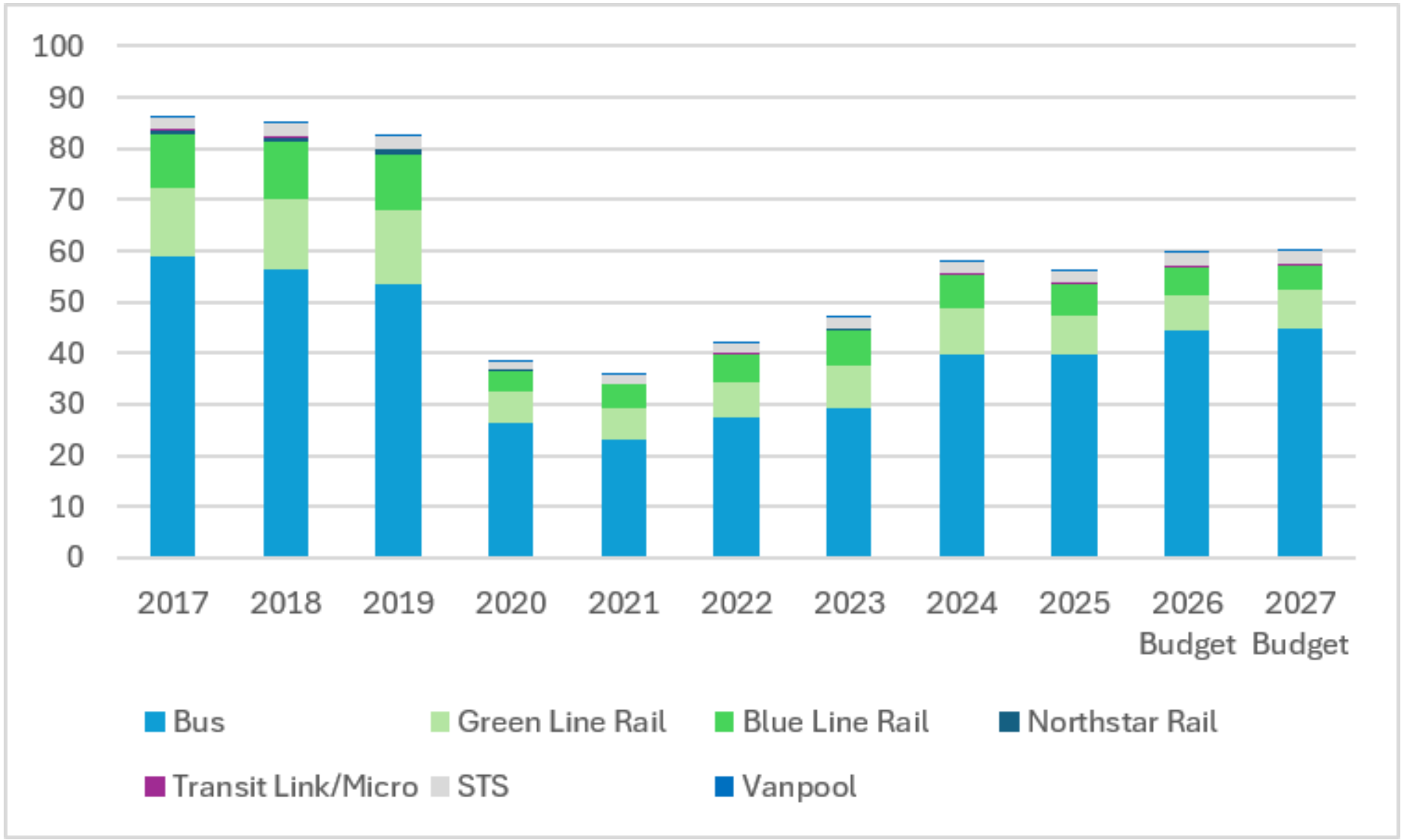
- Council Policy & Actions
  - Labor agreements
  - Fare policy
  - Target fund balance
- State Legislation/forecast
  - Motor Vehicle Sales Tax (MVST)
  - State General Fund Appropriation
  - Metro Area Transportation Sales Tax
- MT-Fuel price hedging to minimize impact of price fluctuations
- Investment and Reserve Policies

# Transportation Division

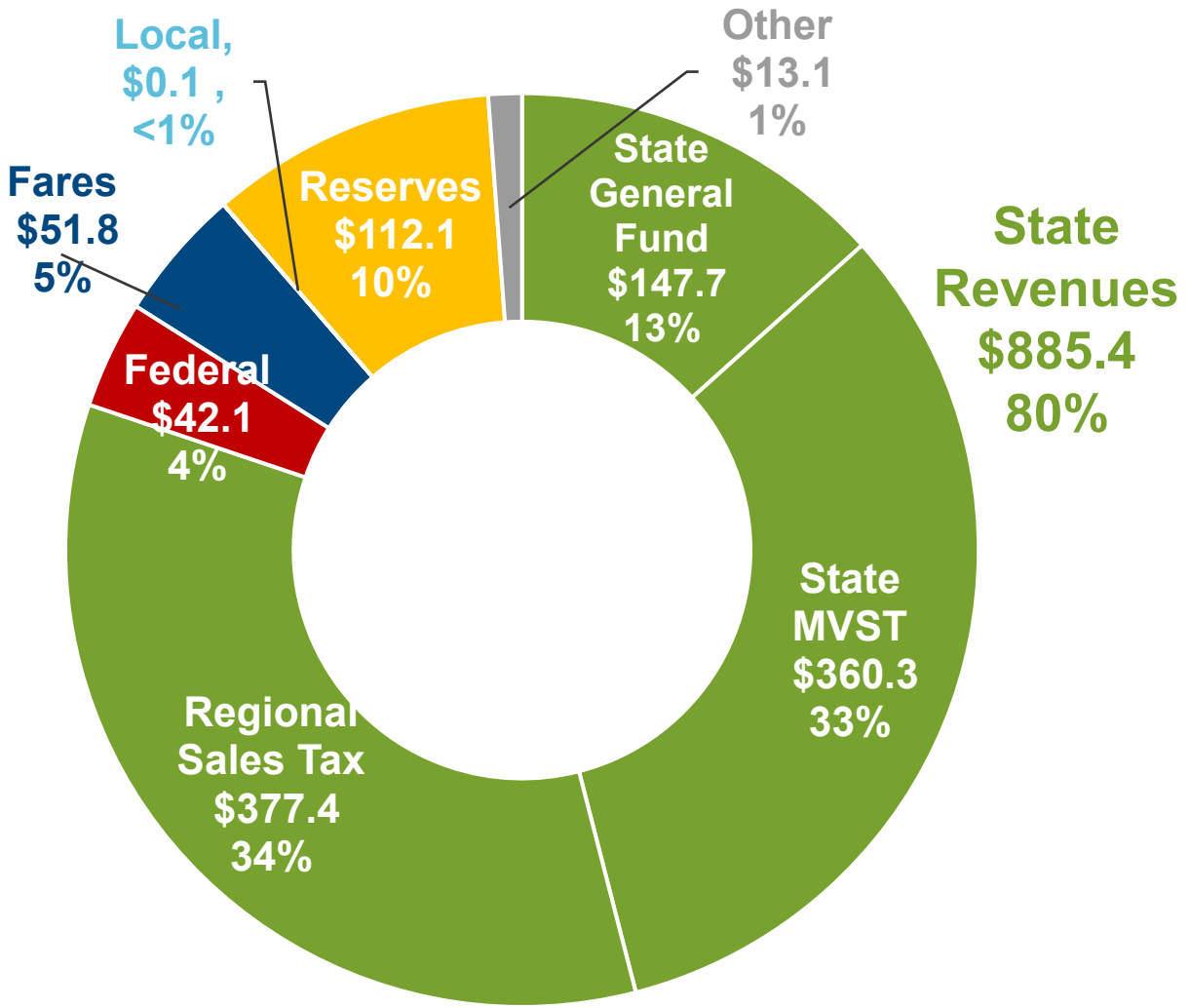
## Budget Framework Considerations

- **Rollup major revenue & expense categories**
  - Department director expense budgets
  - Fares, federal and state revenues
- **Levels of service – base and expansion**
  - Service Development - service plans
  - Operators, mechanics, fuel, parts
- **Ridership and Revenue**
  - Ridership forecast
  - Average fare develops fare revenue

# Council Ridership (in millions)



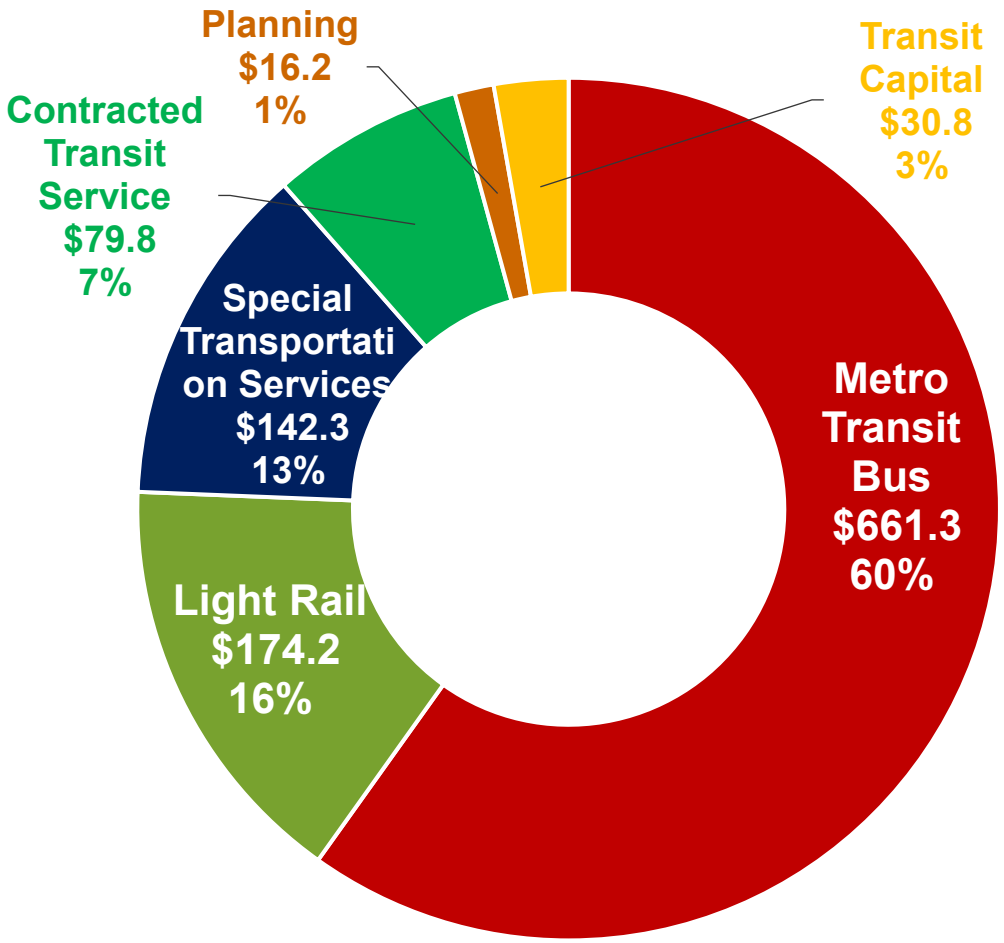
# Transportation Operations Sources: $1.1B



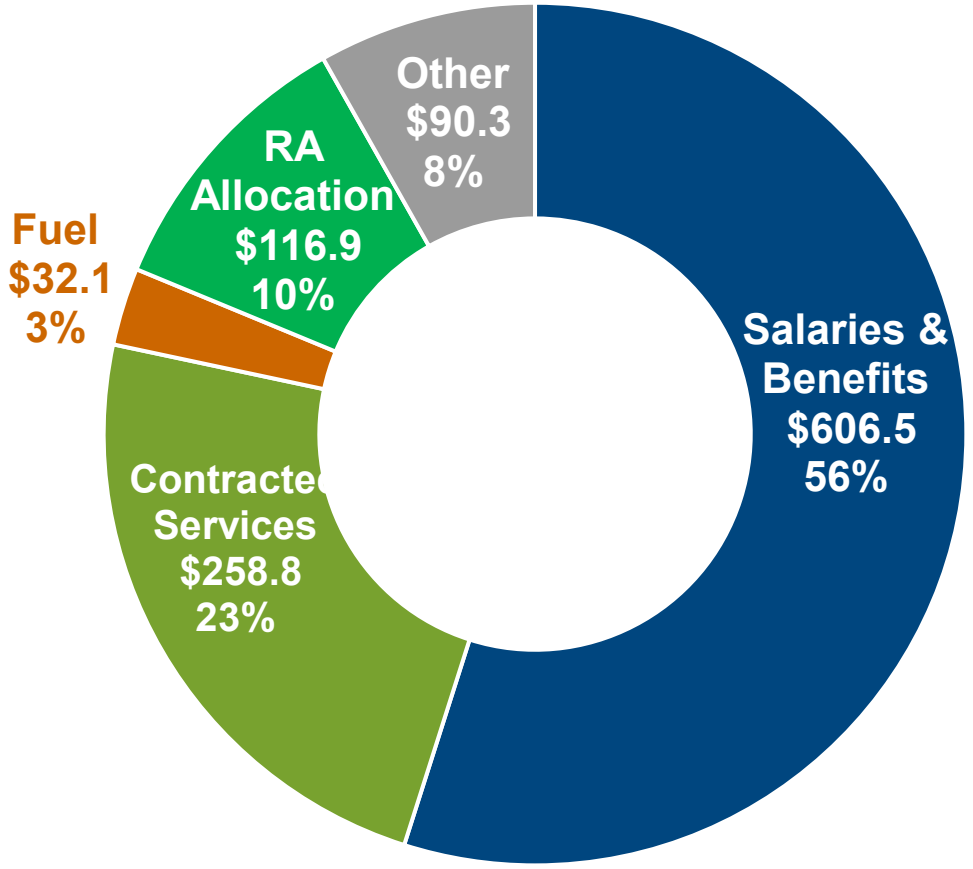

Dollars in Millions

# Transportation Operations: $1.1B

## Uses by Department




## Uses by Category



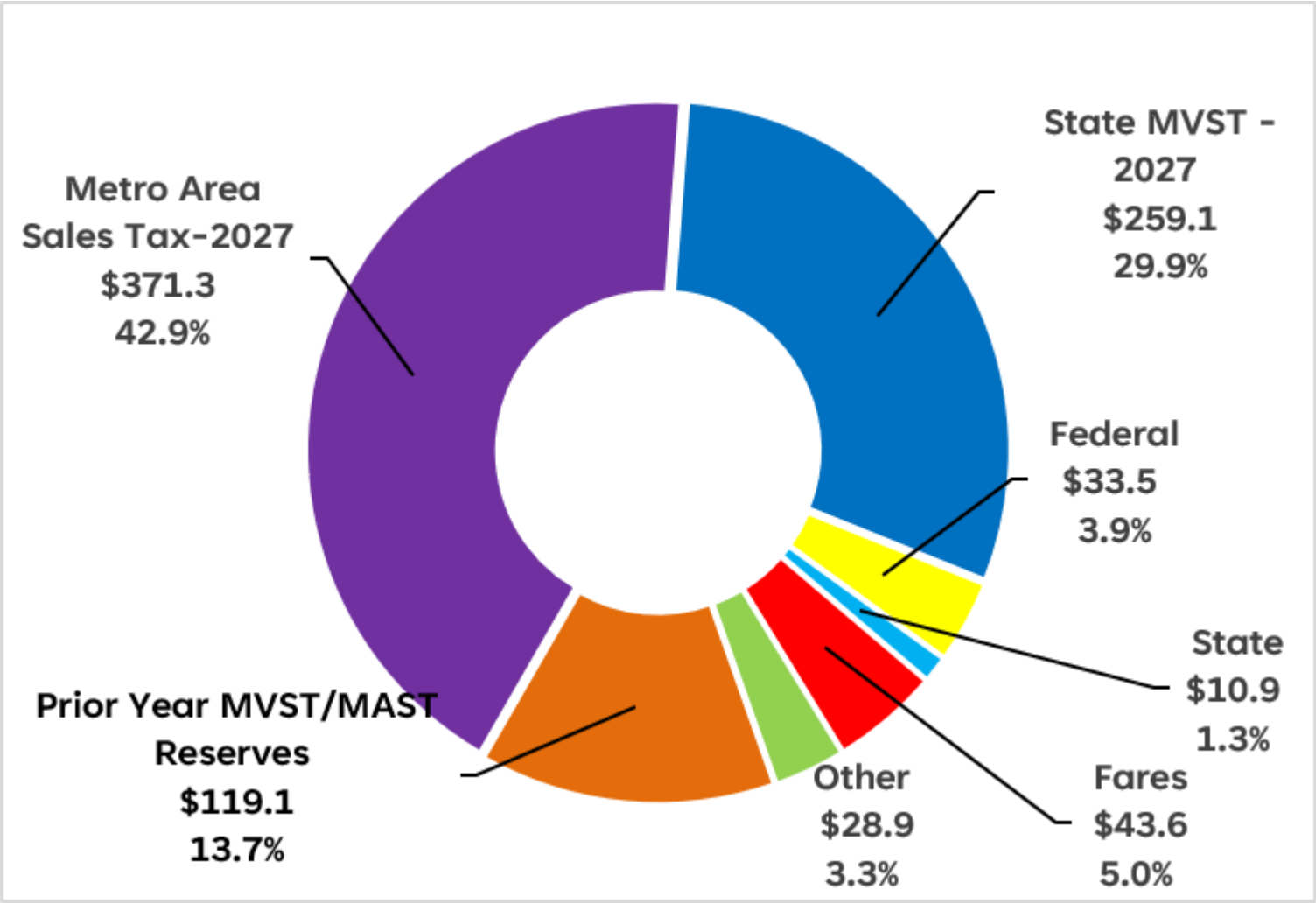
# 2027 Budget Overview | Metro Transit

Metro Transit
a service of the Metropolitan Council

# Metro Transit 2027 Operating Budget Overview

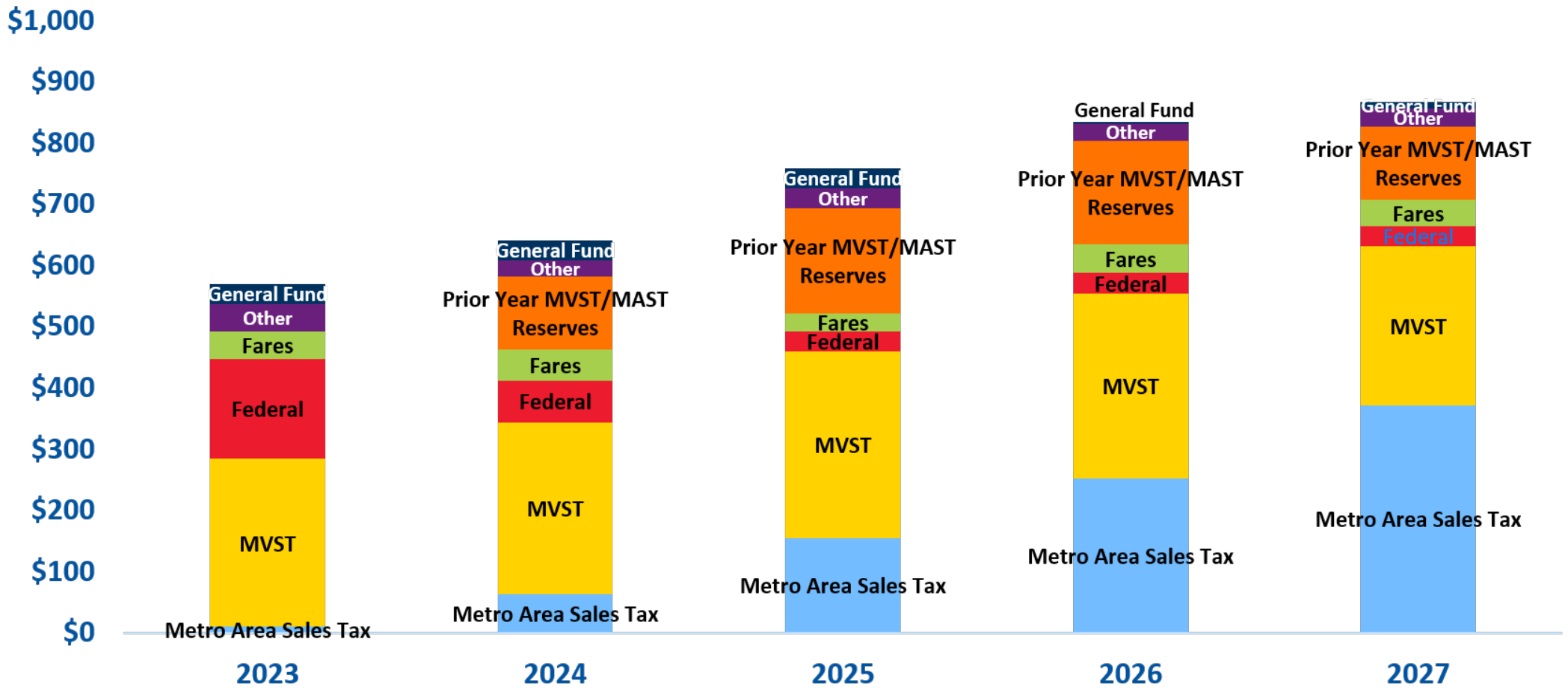
- Budget development was driven by Metro Transit Forward, our strategic framework that is guided by three priorities: Employees, Experience, and Service.
- Proposed 2027 operating budget focuses on:
    1. Expanding service
    2. Improving the customer and employee experience

# Metro Transit | 2027 Operations Sources $866.3M



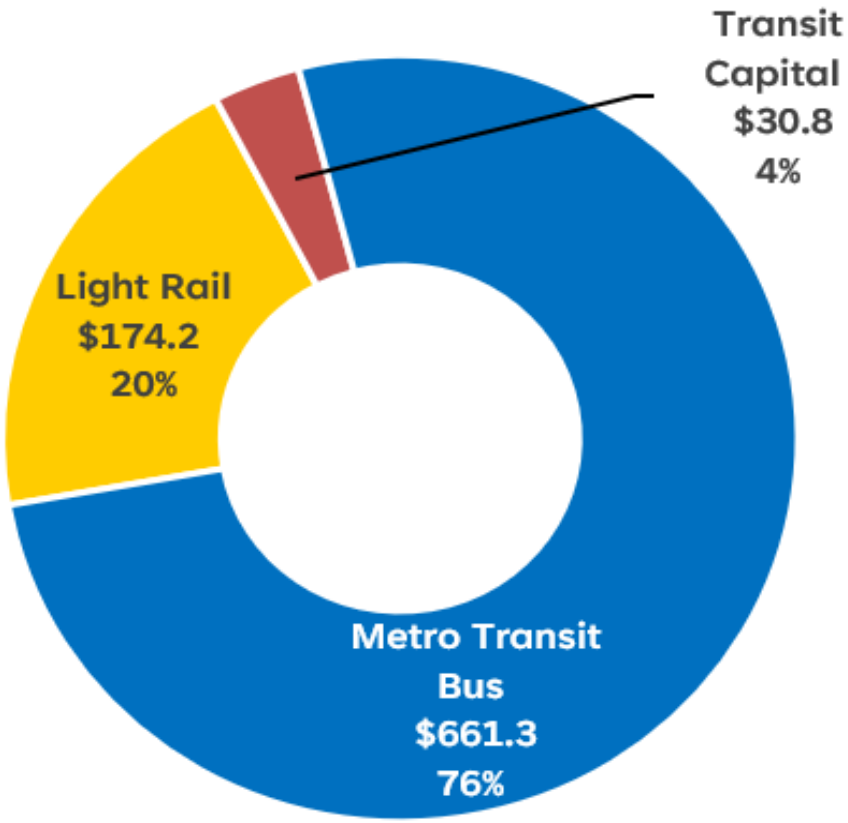
# Total Operating Sources | Historical Trend ($M)

*The sales tax continues to support our growing operating budget*

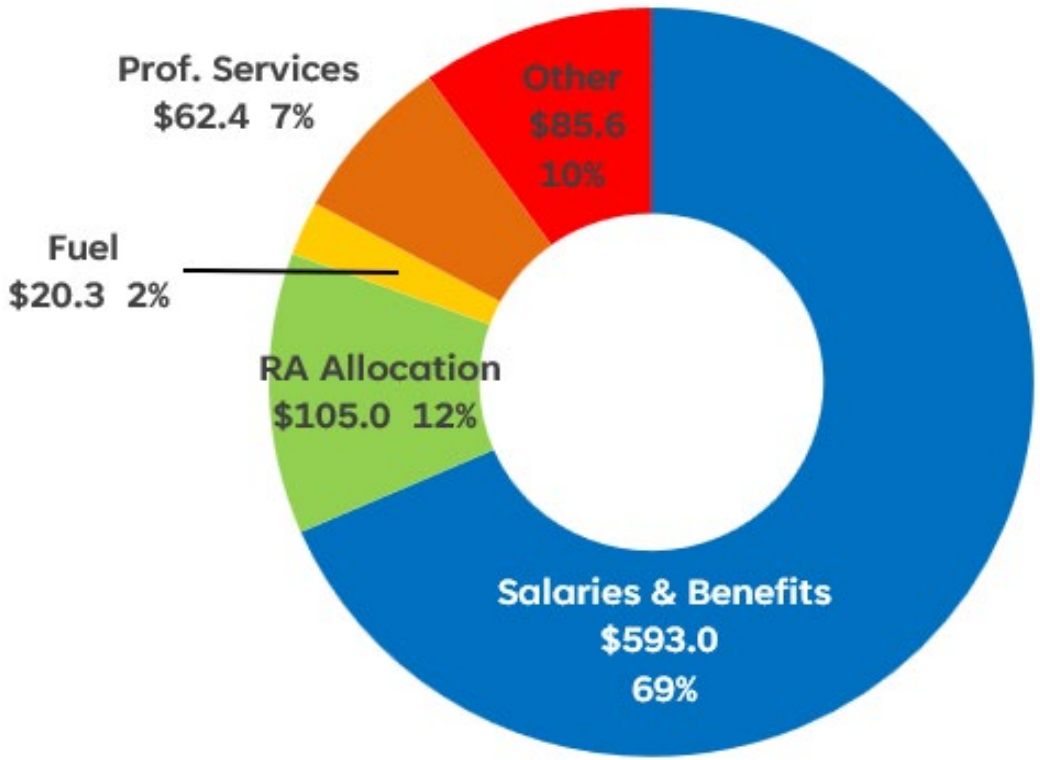


# Metro Transit | 2027 Operations Uses $866.3M

## Uses by Transit Mode

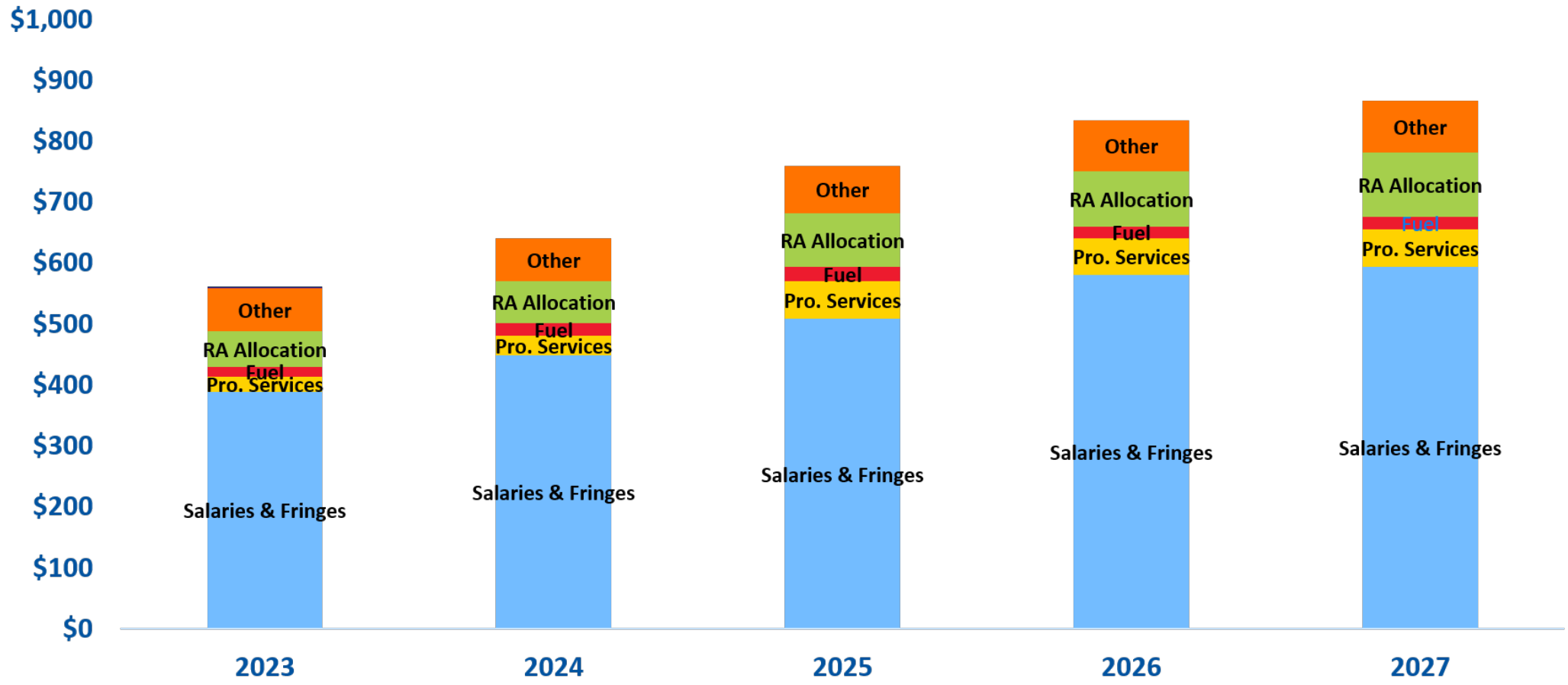



## Uses by Category



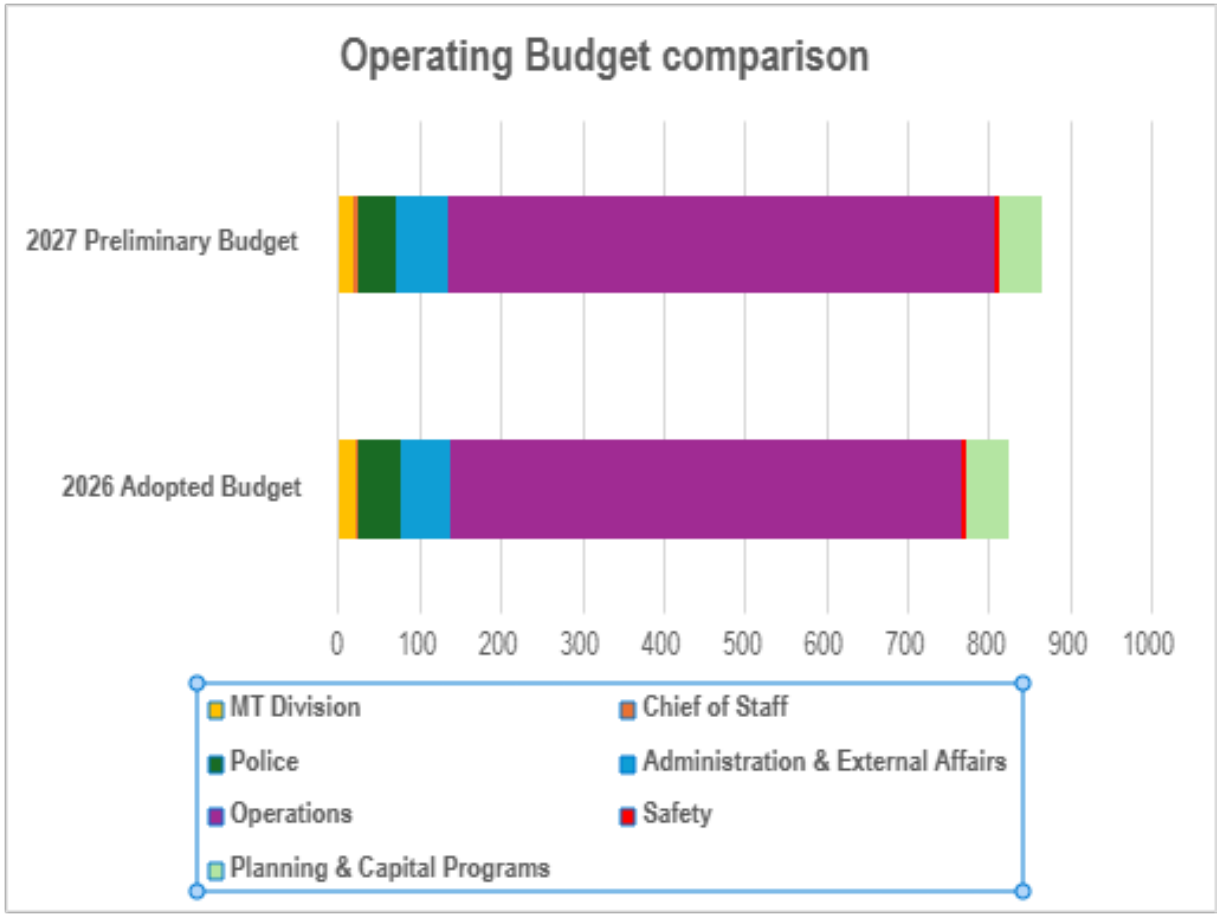
# Total Operating Uses | Historical Trends ($M)

*Investments in our workforce continue to drive operating budget growth*



# Proposed Budget by Area | 2027 to 2026 comparison ($M)

- Budget 5% higher than 2026 adopted budget (+$40M)
- FTE Growth in Operations
- Changes from 2026 to 2027:
  - Updated Vacancy Factor (-$56M)
  - Inflation (+$25M)
  - Budget Drivers (+72M)

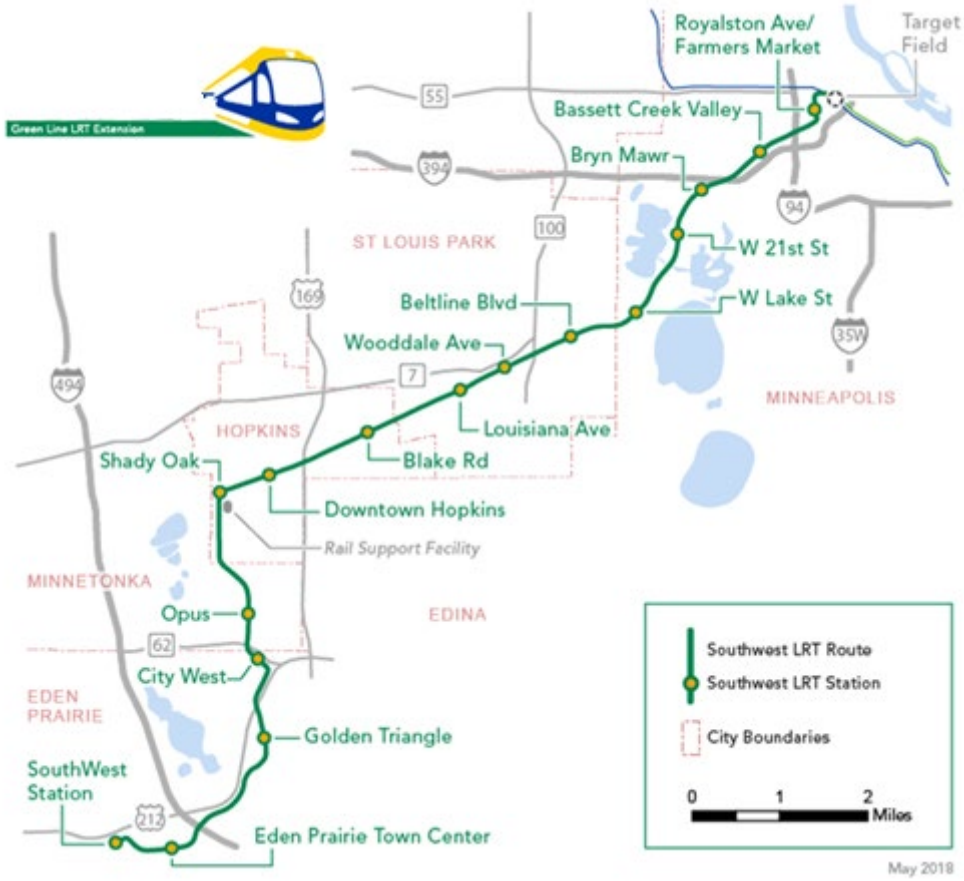


# 2027 Metro Transit Operating Budget Drivers

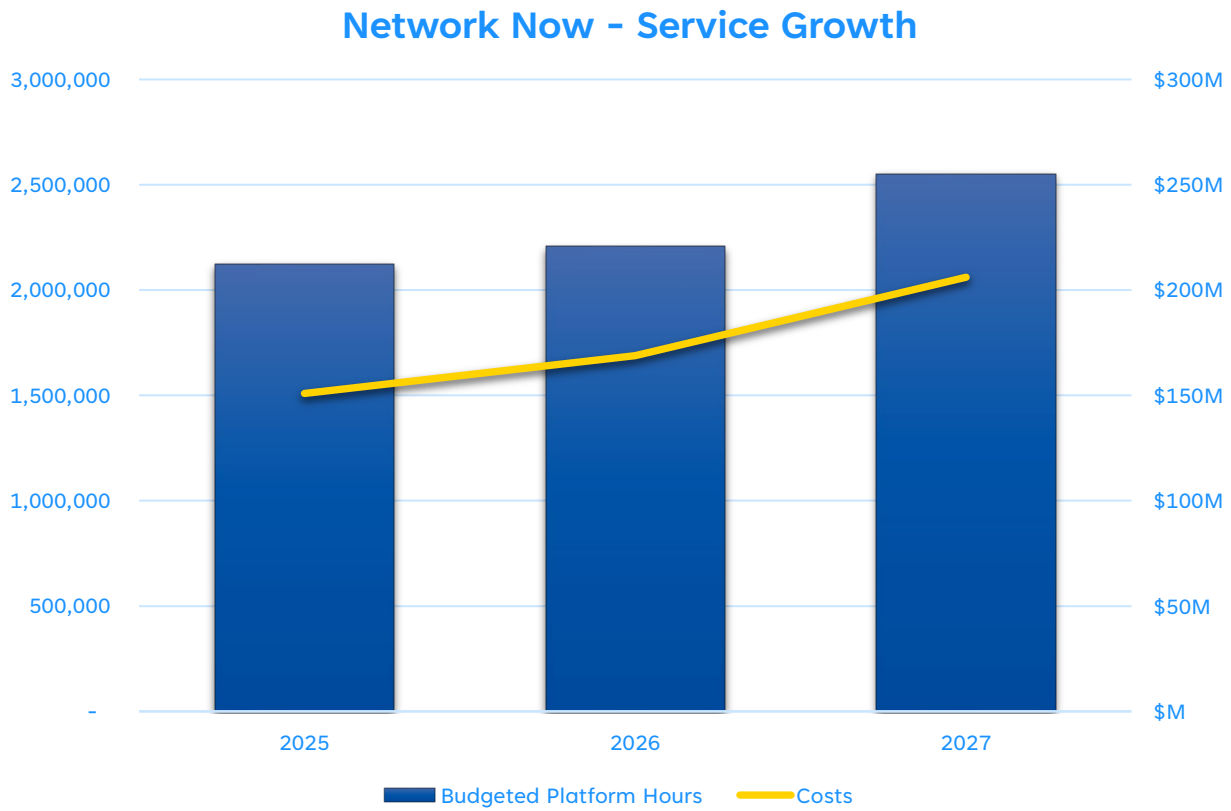
- Targeted investments include:
  - Launching Green Line Extension – transition from project to operations
  - Continuing to expand service through Network Now
  - Investing in safety & security
  - Enhancing customer satisfaction through cleaning & repair standards

# Budget Drivers | Flawless Green Line Extension Launch - $8.5M

- Largest infrastructure project in the state of MN
- 60K train hours (88% increase) added for service
- Prior budgets reflect our staffing preparations; 2027 budget reflects moving this to revenue service:
  - Electricity
  - Cleaning, repair & maintenance
  - Safety & security



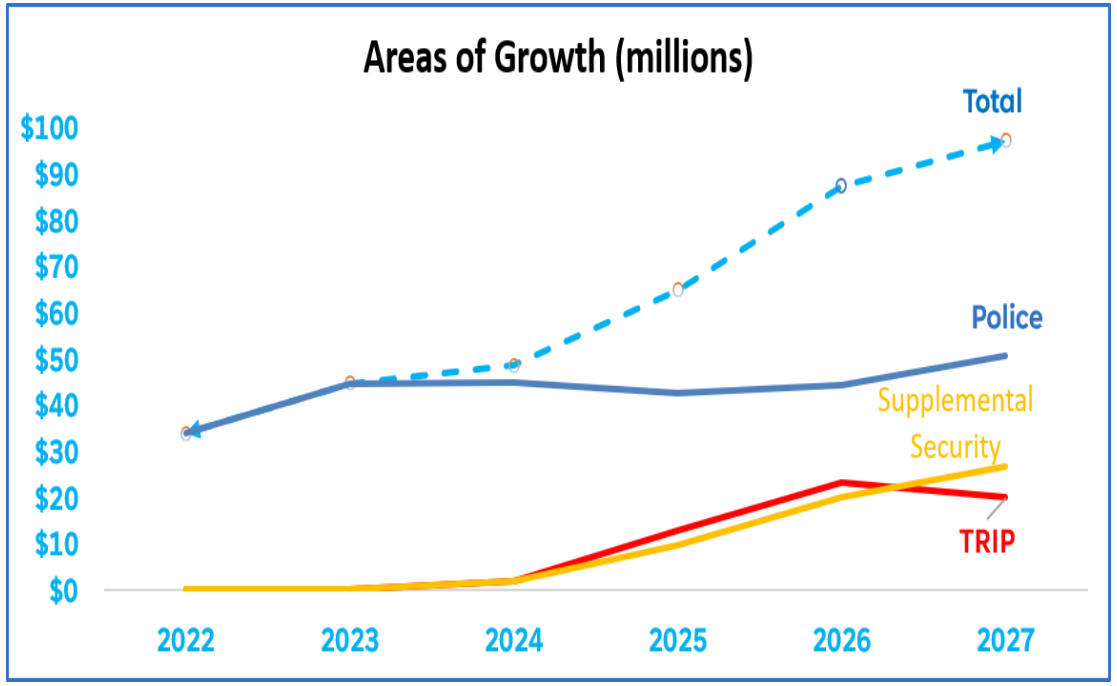
# Budget Drivers | Network Now +$31.0M

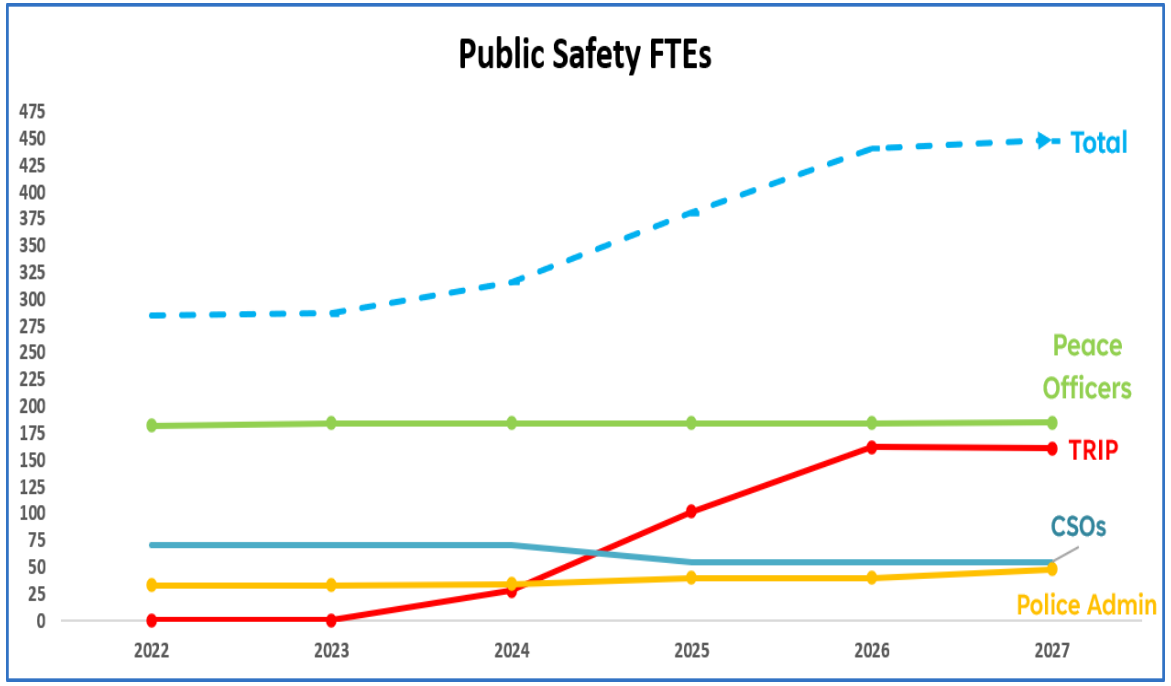



- The 2027 budget continues to support implementation of Network Now, Metro Transit's vision to grow ridership, enhance mobility and meet travel needs
- Bus platform hours budgeted to increase by 16% in 2027 to 2.55M
  - Renew the Blue Bus replacement service
  - Not including Network Now Amendment
- Bus operator and mechanic growth of FTEs from 2026 amended budget to 2027

# Budget Drivers | Safety & Security +$10.5M

- Sustained MTPD FTE levels and continued investment in MTPD recruitment and retention
- Reflects the growth of TRIP from 0 FTEs in 2023 to 162 FTEs in 2027
- Increases in supplemental security, including partnerships with community organizations

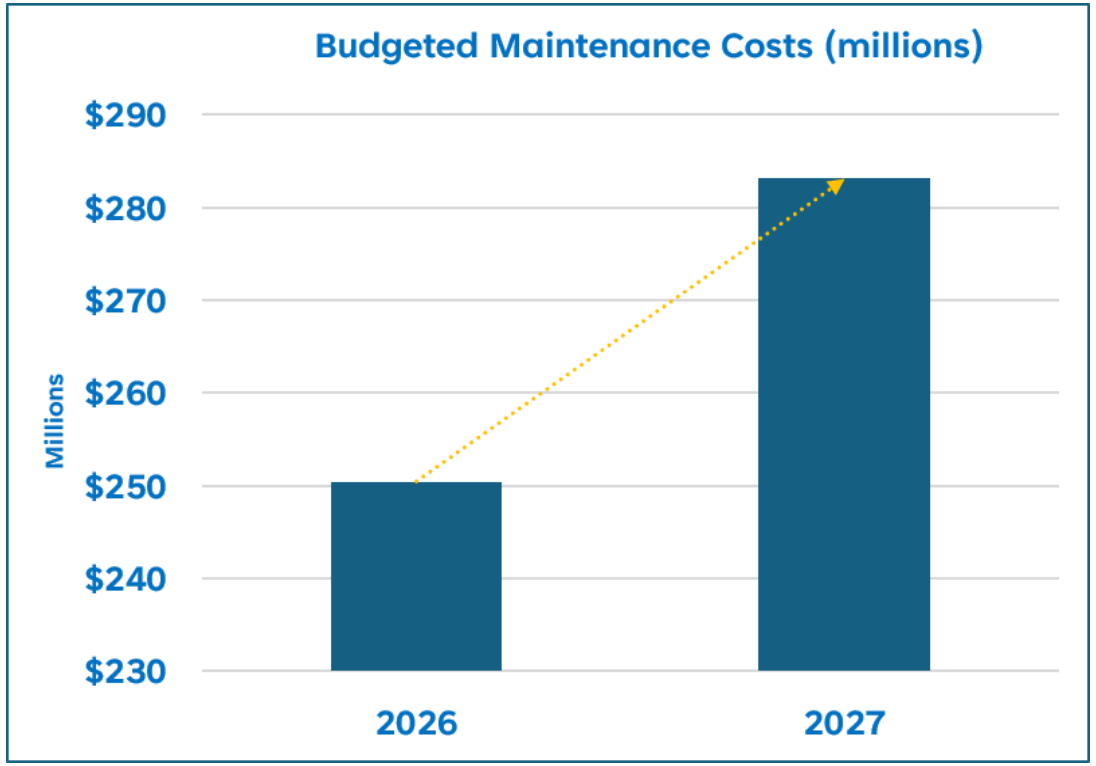



- Drop in TRIP is due to the updated vacancy factor

# Budget Drivers | Cleaning, Repair & Maintenance +$32M

- Improving the customer experience by investing in the implementation of Metro Transit's Cleaning & Repair standards
- Key investments include:
  - Funding to support maintenance staff recruitment efforts
  - Increasing staff to support on-route bus and rail vehicle cleaning
  - Funding to support maintenance and repairs of vehicles



# Metropolitan Transportation Services

# Contracted Services Highlights

## Operating Budget Highlights

- Bus service levels 100%
- Special Transportation Services (including Metro Mobility) service levels 100%
- Cost increases driven by additional service, new contract rates, salary increases and cost allocations
- Continuous evaluation and review of assumptions and ridership / travel demand.
- Special Transportation Services now a state forecasted program

# Metropolitan Transportation Services Preliminary Budget $222.1M

### Special Transportation Services

- 3% increase
- $142.3M compared to $139.4M in 2026 Adopted
- Assumes gas at $3.87/gallon

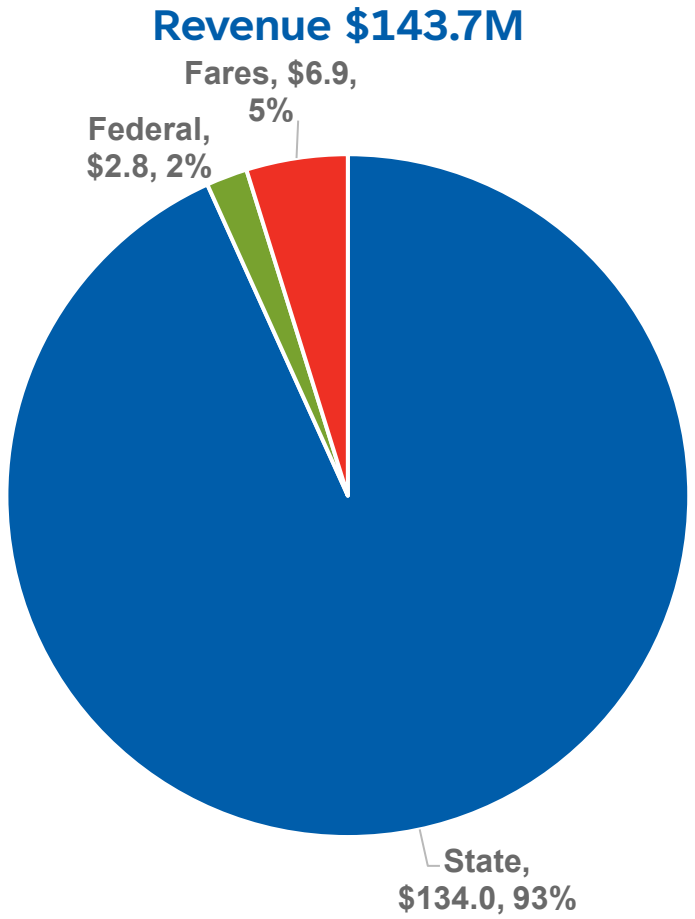
### Bus / Vanpool

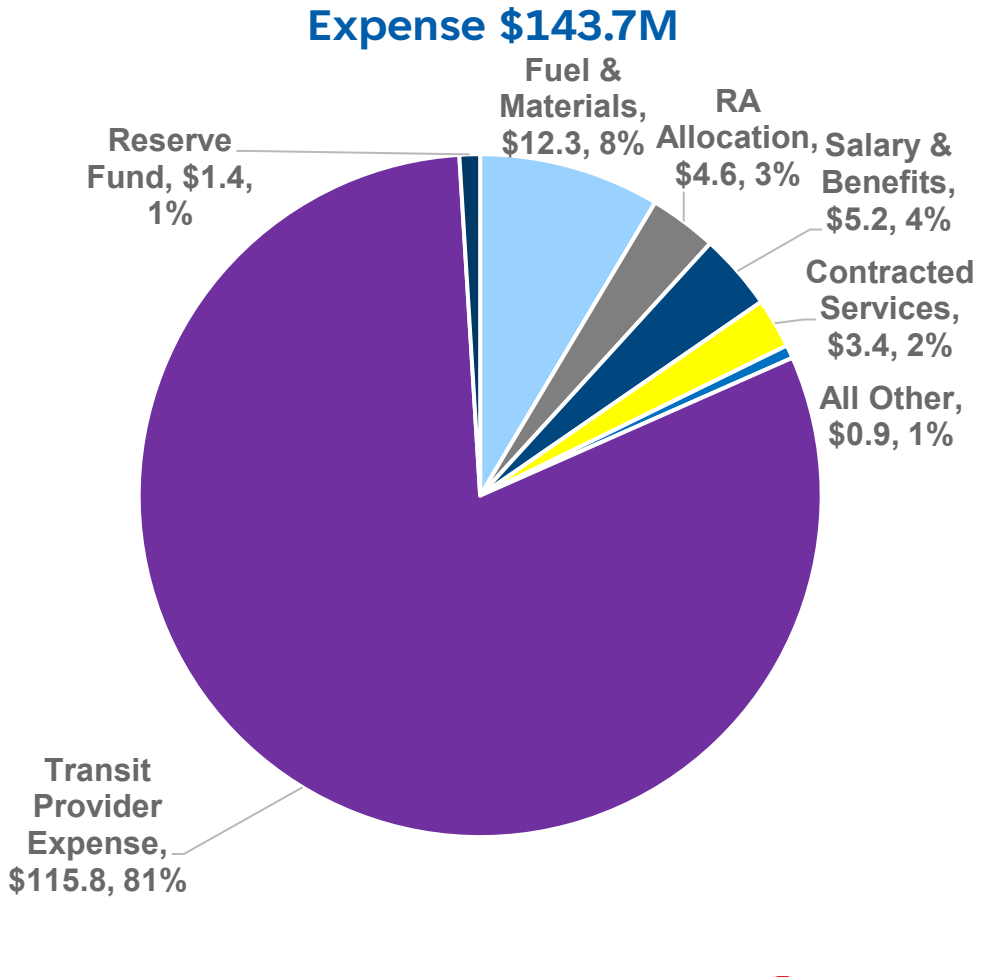
- 29% increase
- $55.3M compared to $43M in 2026
- Network Now implementation
- Assumes diesel at $3.61/gallon
- Assumes gas at $3.87/gallon

### Transit Link

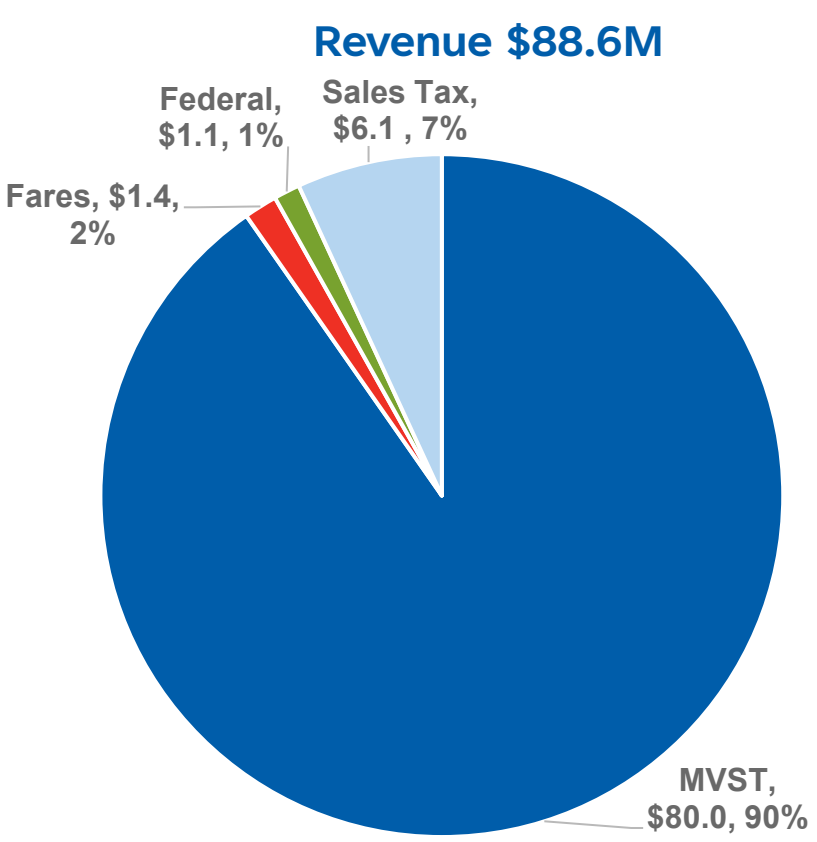
- 10% decrease
- $24.5M compared to $27.1M in 2026
- Network Now/Microtransit Implementation
- Assumes gas at $3.87/gallon

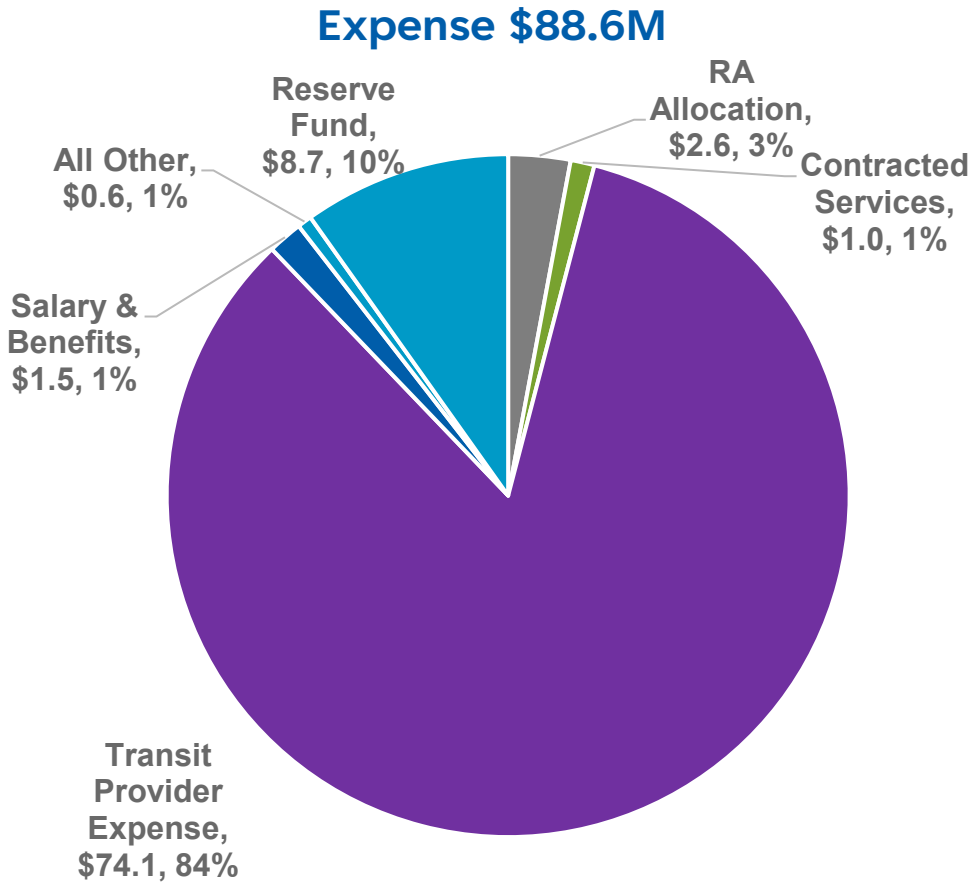
# Special Transportation Services
# 2027 Operating Revenue & Expense



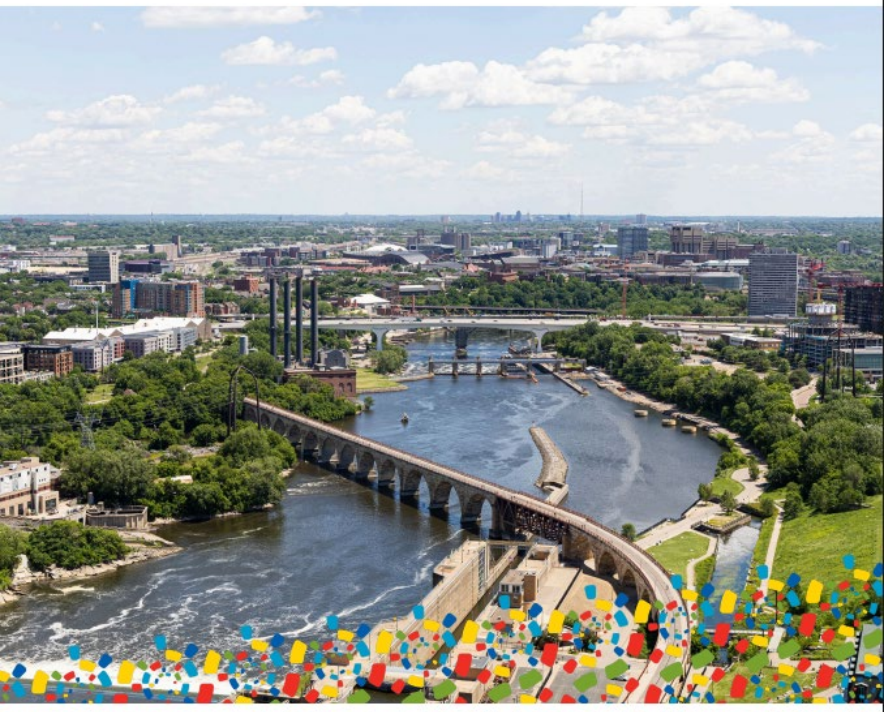



# Contracted Bus / Transit Link / Vanpool
# 2027 Operating Revenue & Expense



# Planning Highlights




## Operating Budget Highlights

- **Implementing Imagine 2050 and 2050 Transportation Policy Plan are focus of planning work**
- **New & Continued planning studies:**
  - Travel Behavior Inventory (TBI)
  - Review of the 2026 Regional Solicitation
  - Metropolitan Highway System Harms, Impacts, and Mitigation Priorities Study
  - Modernization of Existing Interchanges Study
  - Integrating Travel Demand Management into Highway Planning Processes
  - Safer Connections to Transit Study
  - Complete Streets Local Implementation Guide
  - Community Context and Engagement Guide
  - Managed Lane Vision and System Study (with MnDOT)
  - Master Contract for Engagement Assistance
  - Regional Travel Model Updates
  - Electric Vehicle City Support

# Planning and Passthrough Preliminary Budget $121M

## Planning

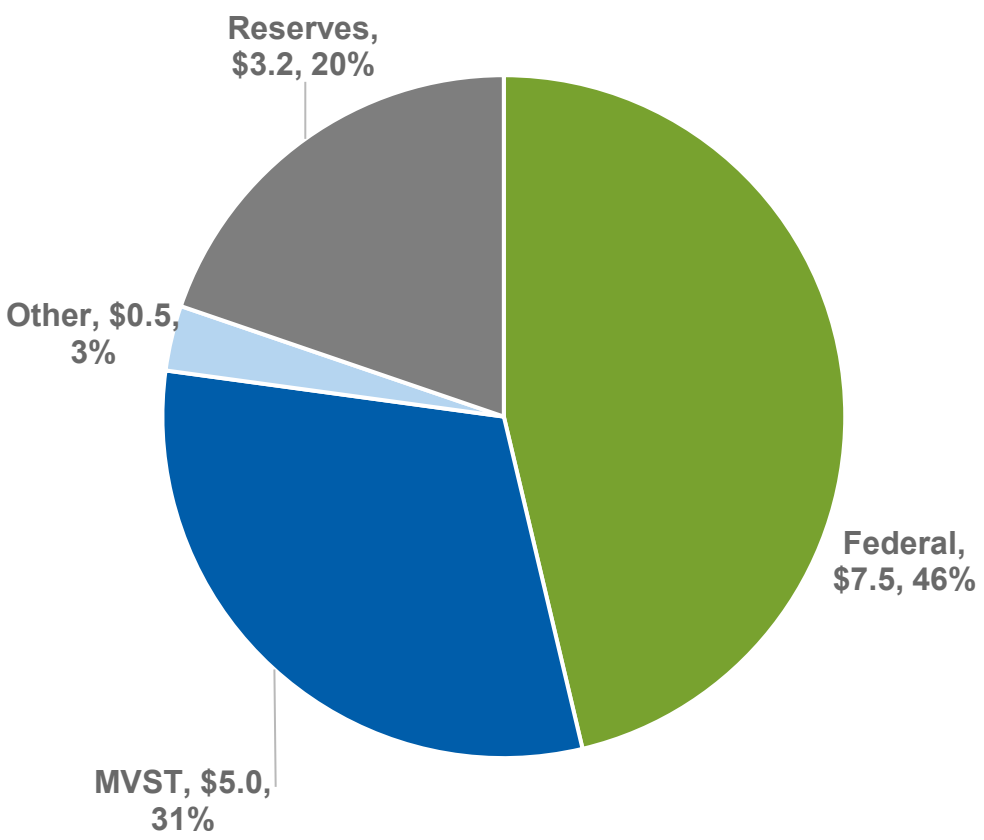
- 8% increase
- $16.2M compared to $14.9M in 2026
- $7.5M in federal Consolidated Planning Grant (CPG) funding

## Passthrough

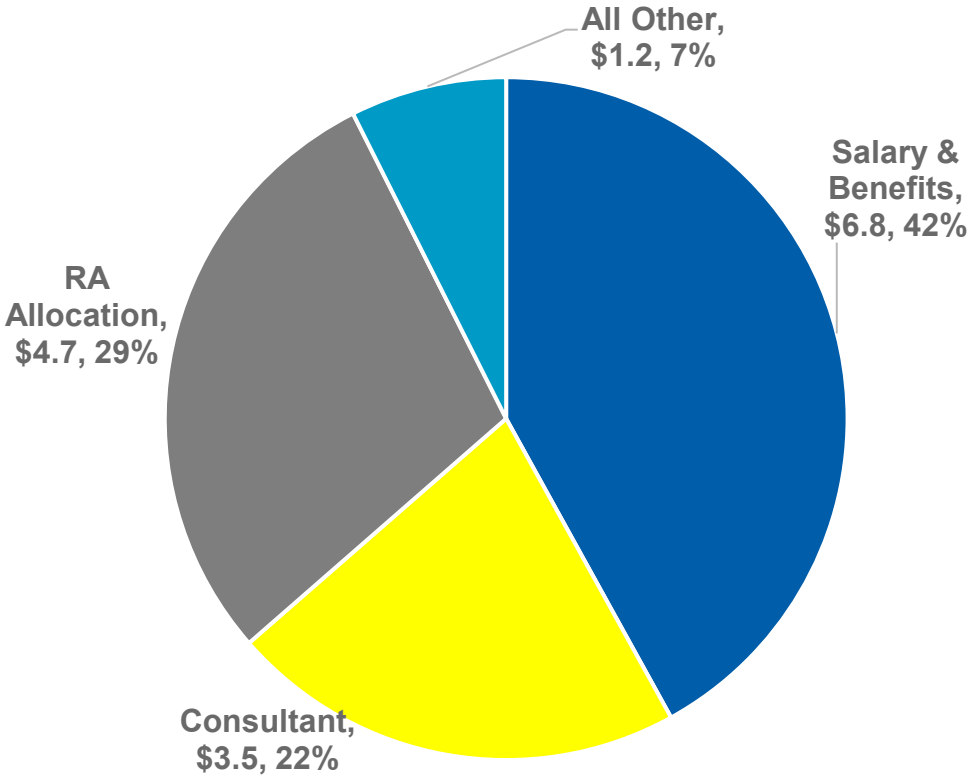
- STP, Active Transportation, TDM
- $104.8M total
- $51.2M in MVST and $20.4M transportation sales tax dollars allocated to STPs through State Transit Funding Allocation Policy
- $23.3M in sales tax for Active Transportation via Transportation Advisory Board (TAB)
- $6.5M in federal competitive grants for STPs
- $3.5M for TDM grants
  - $3M federal
  - $525k sales tax

# Planning 2027
# Operating Revenue & Expense

## Revenue $16.2M




## Expense $16.2M



# 2027 Preliminary Operating Budget

## Thank You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