

2026 Preliminary Transportation Operating Budget

Transportation Committee

August 11, 2025





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Transportation Division

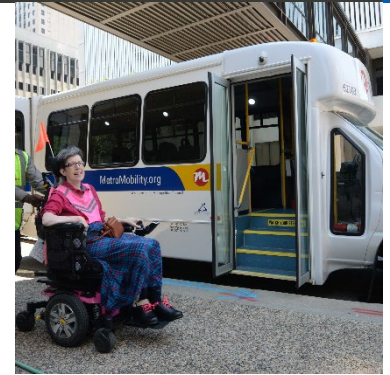
Transportation Division operates, administers, and coordinates public transit services for the Twin Cities metropolitan area

- **Metro Transit**

- Regular route, express bus
- METRO lines (light rail, bus rapid transit)
- Northstar Commuter Rail
- Capital Project Development
- Microtransit

- **Metropolitan Transportation Services (MTS)**

- Contracted Bus
- 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 Councils adopts preliminary budget, levies
October	Capital Improvement Program presented to Met Council Operating budget adjusted based on public comment 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



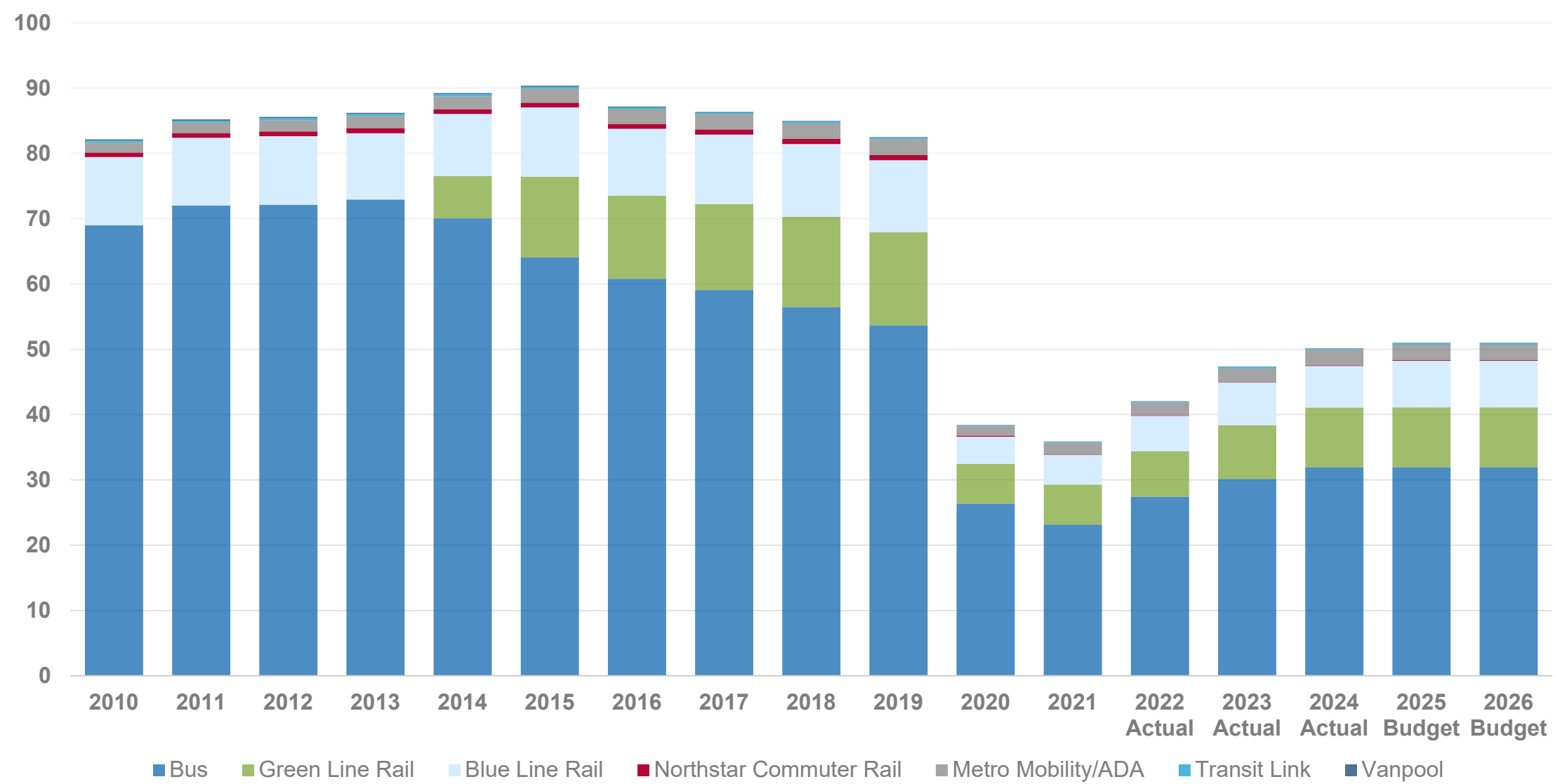
Transportation Division

Budget Framework Considerations

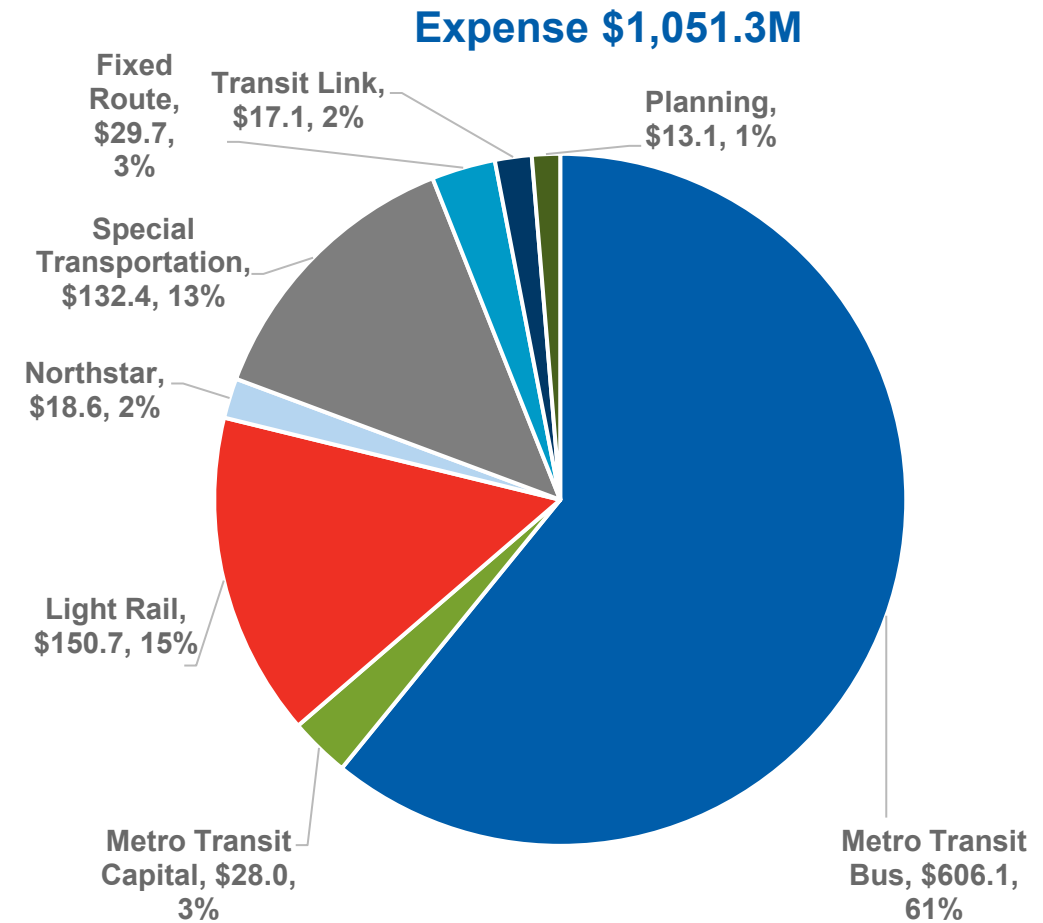
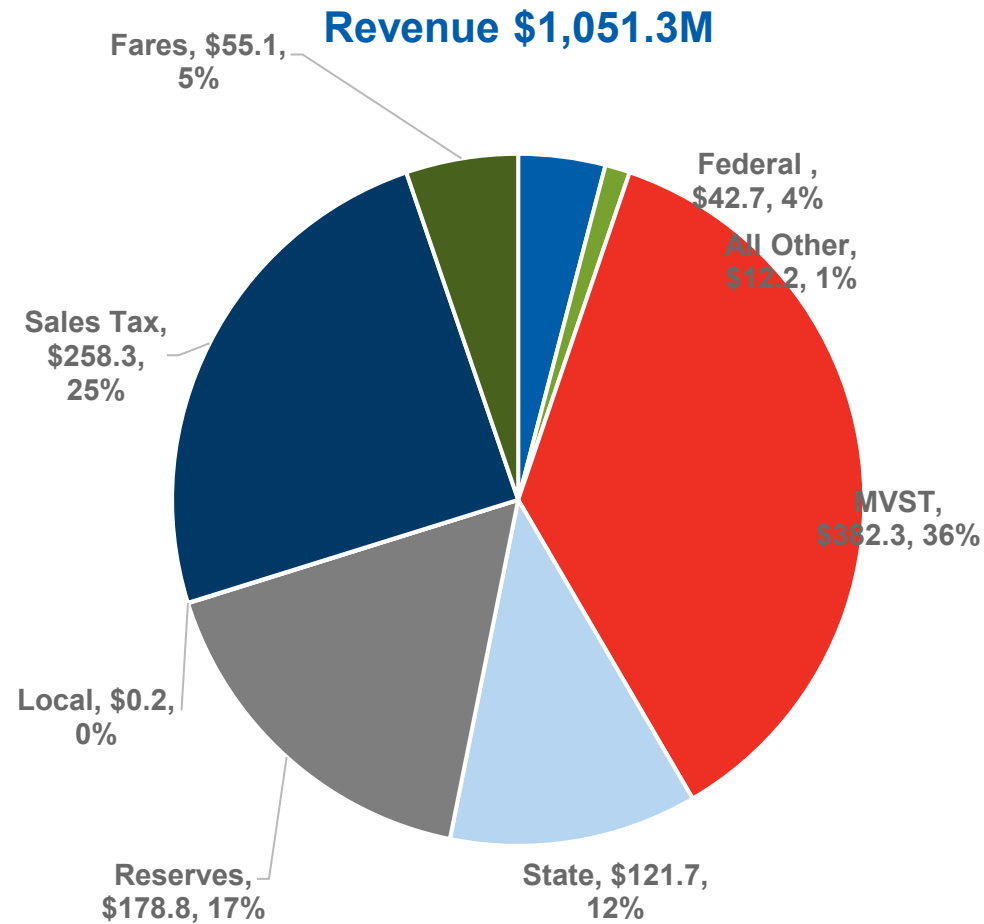
- **Rollup major revenue & expense categories**
 - Department director expense budgets
 - Fares, federal and state revenues
- **Levels of service – base and expansion**
 - Service Development - service plans
 - Operators, mechanics, fuel, parts
- **Ridership and Revenue**
 - Ridership forecast
 - Average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



Council Ridership (in millions)



Proposed 2026 Transportation Budget





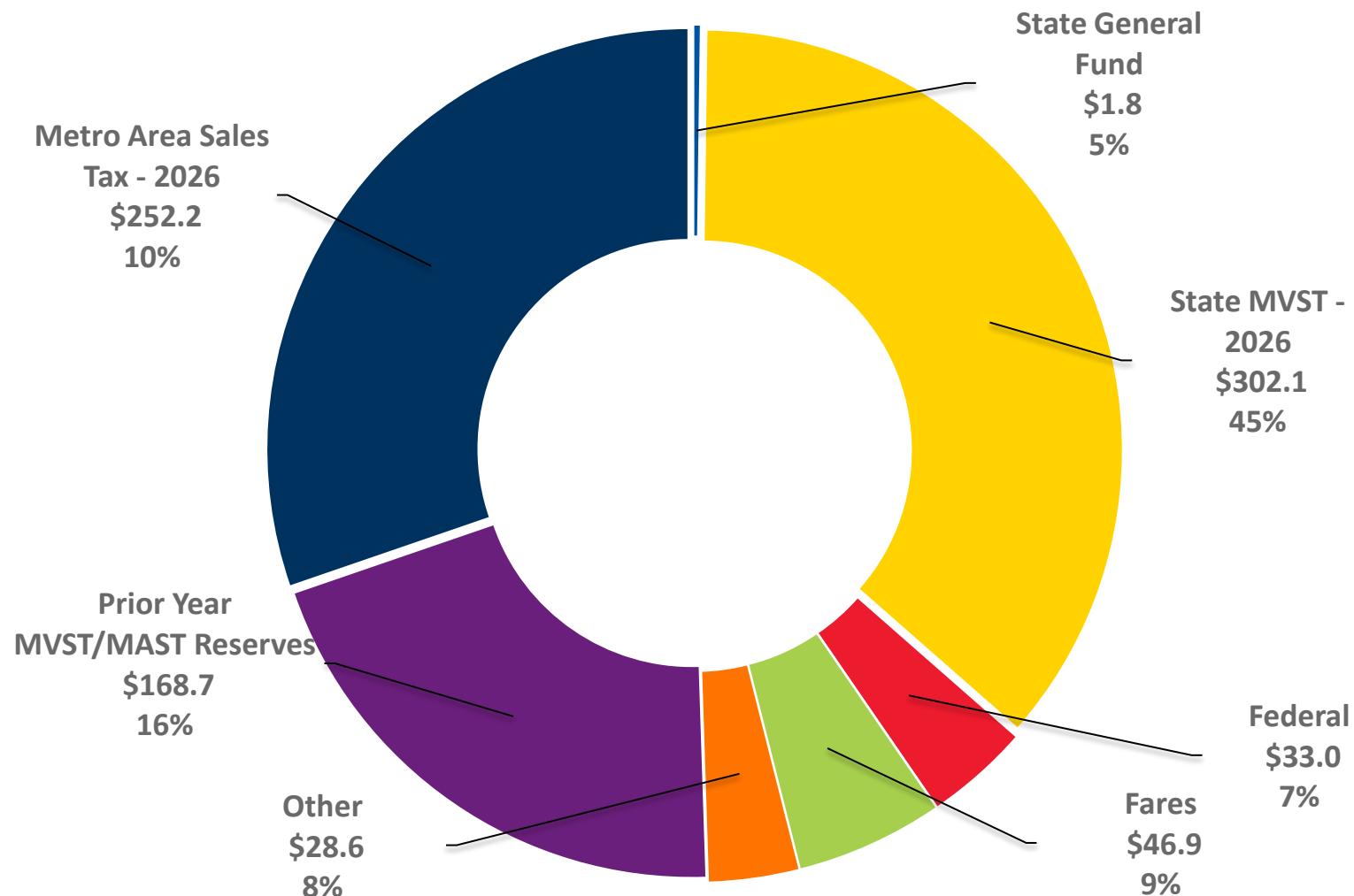
2026 Budget Overview | Metro Transit

Metro Transit 2026 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 2026 operating budget focuses on:
 - Expanding service
 - Improving the customer experience, and
 - Preparing for future system expansion

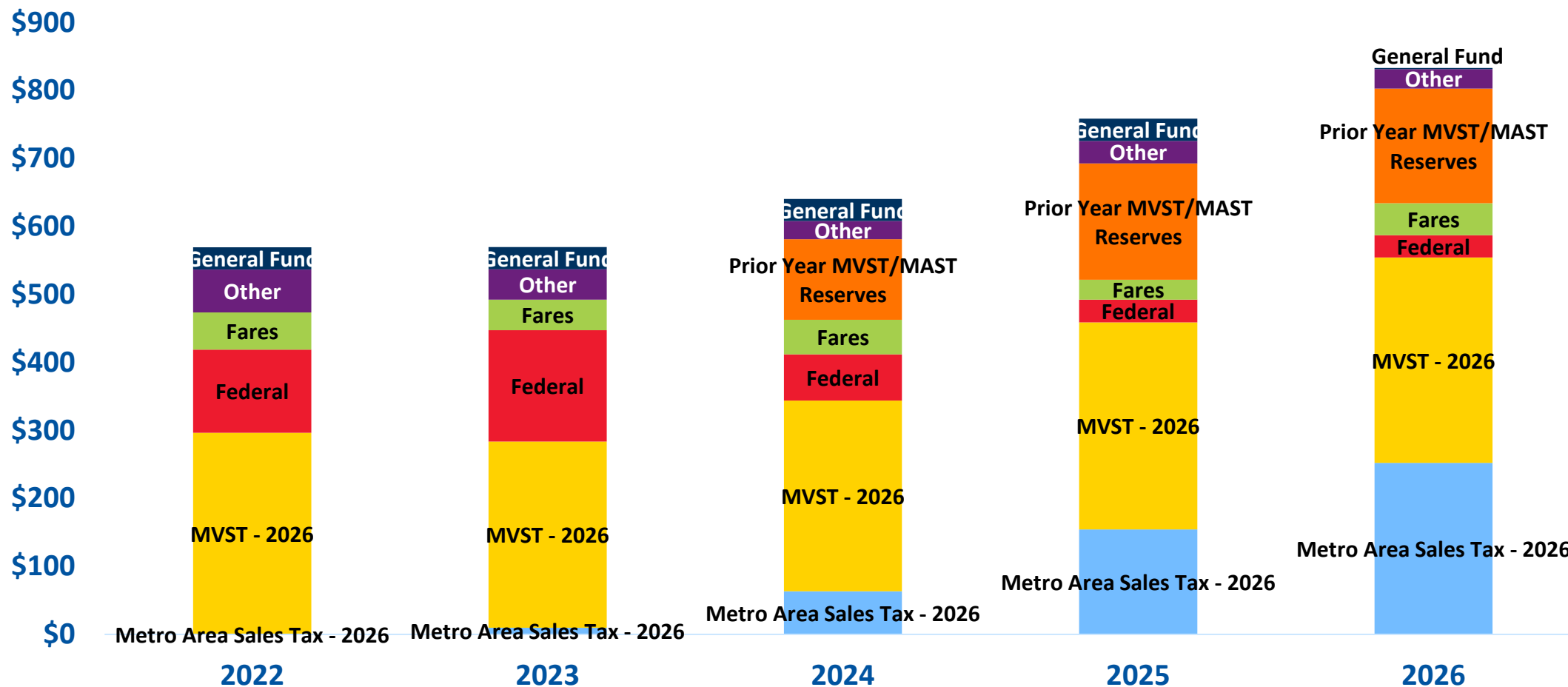


Metro Transit | 2026 Operations Sources \$833.3M



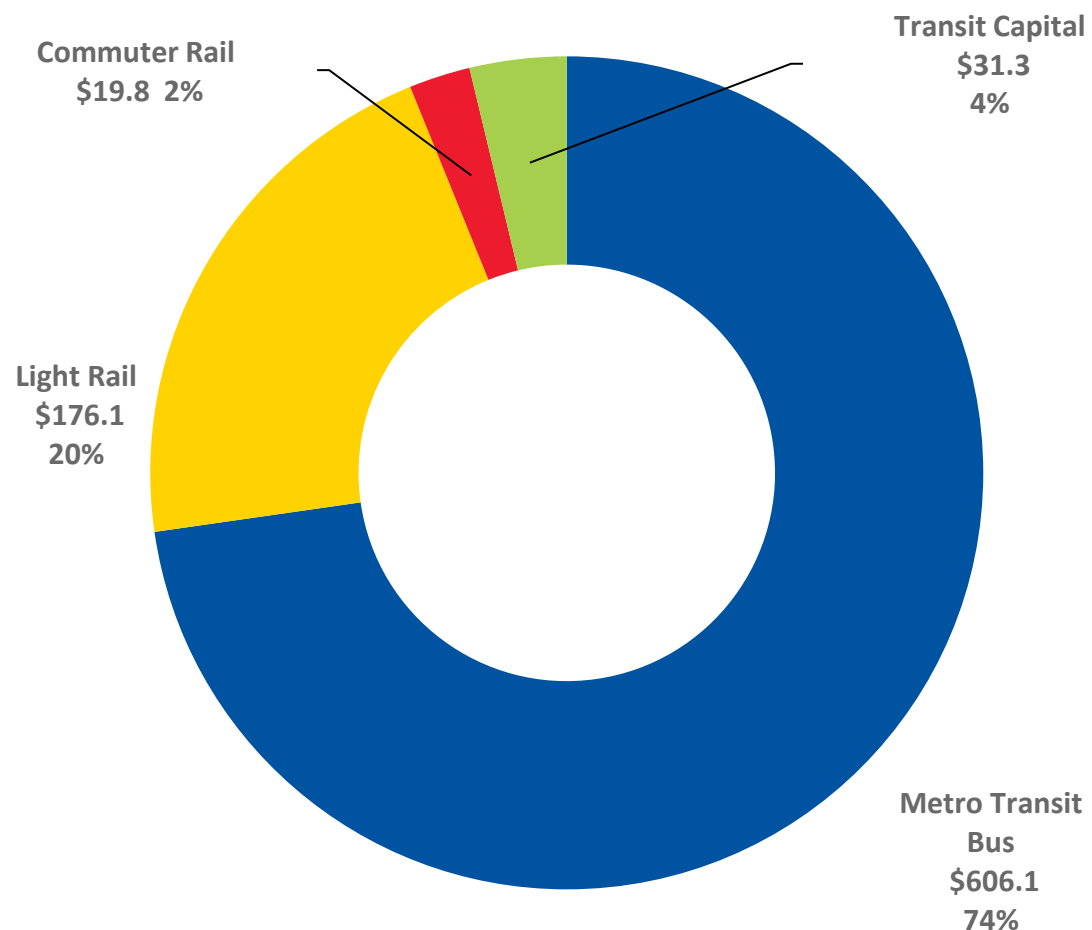
Total Operating Sources | Historical Trend (\$M)

The sales tax continues to support our growing operating budget

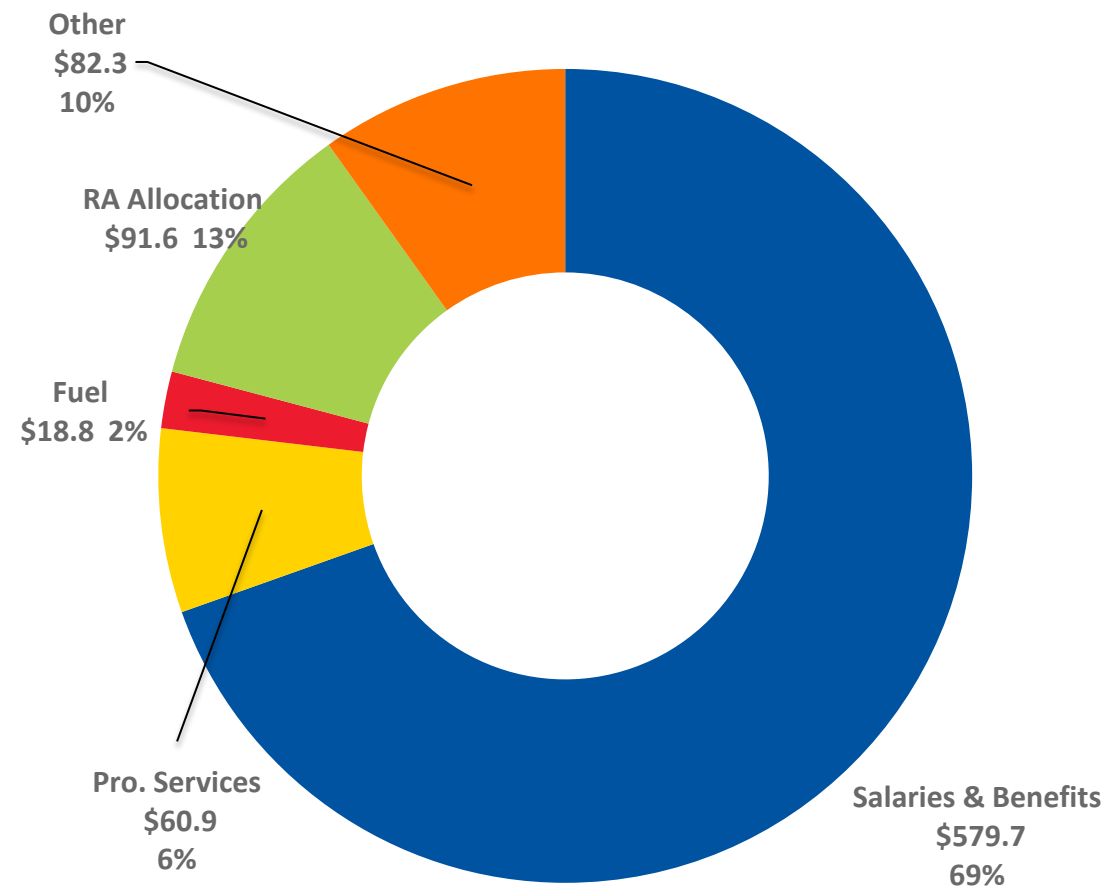


Metro Transit | 2026 Operations Uses \$833.3M

Uses by Transit Mode

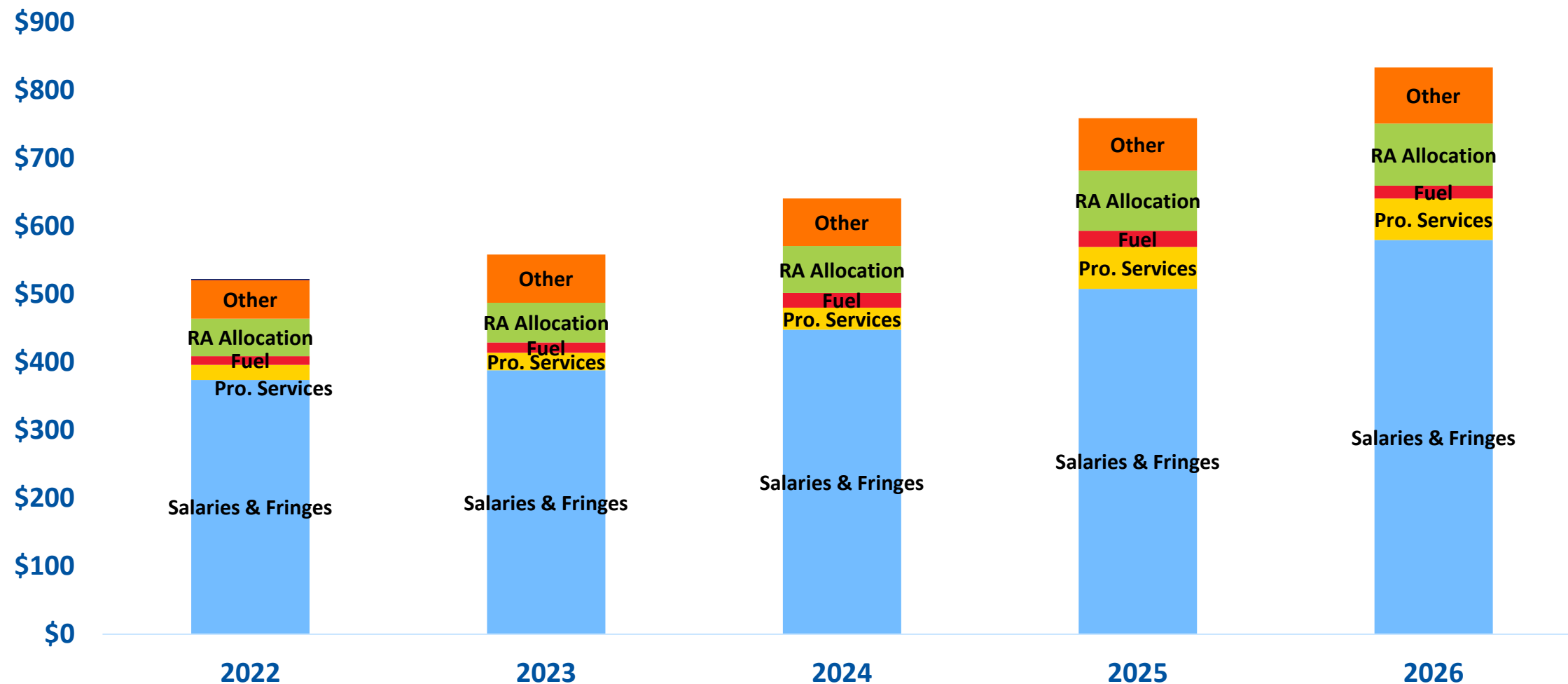


Uses by Category



Total Operating Uses | Historical Trends (\$M)

Investments in our workforce continue to drive operating budget growth



Proposed Budget by Area | 2026 to 2025 Comparison (\$M)

Division	2025 Adopted Budget (\$M)	2025 Amended Budget (\$M)	2026 Budget (\$M)	2025 Amended FTEs	2026 FTEs	FTE Change (Rev. 25 vs. 26)
Bus Transportation	211.9	246.4	270.0	1728.95	1,952.08	223.13
- TRIP	21.5	21.5	43.1	102.00	162.00	60.00
Bus Maintenance	118.2	121.7	123.1	520.34	551.34	31.00
Eng & Facilities	62.5	73.3	83.0	324.51	367.51	43.00
Police	51.0	51.0	49.5	231.01	231.01	0.00
Rail Operations	140.6	144.8	162.8	653.99	724.98	71.00
Capital Programs	24.0	34.3	23.3	125.00	125.00	0.00
Other	112.4	87.2	121.6	411.45	453.45	35.00
Total	\$720.6	\$758.7	\$833.3	3,995.23	4,405.37	410.13

NOTE: FTE's include Full Time, Part Time and Overtime, exclude supplemental FTEs. *Includes decrease in A-87 offset

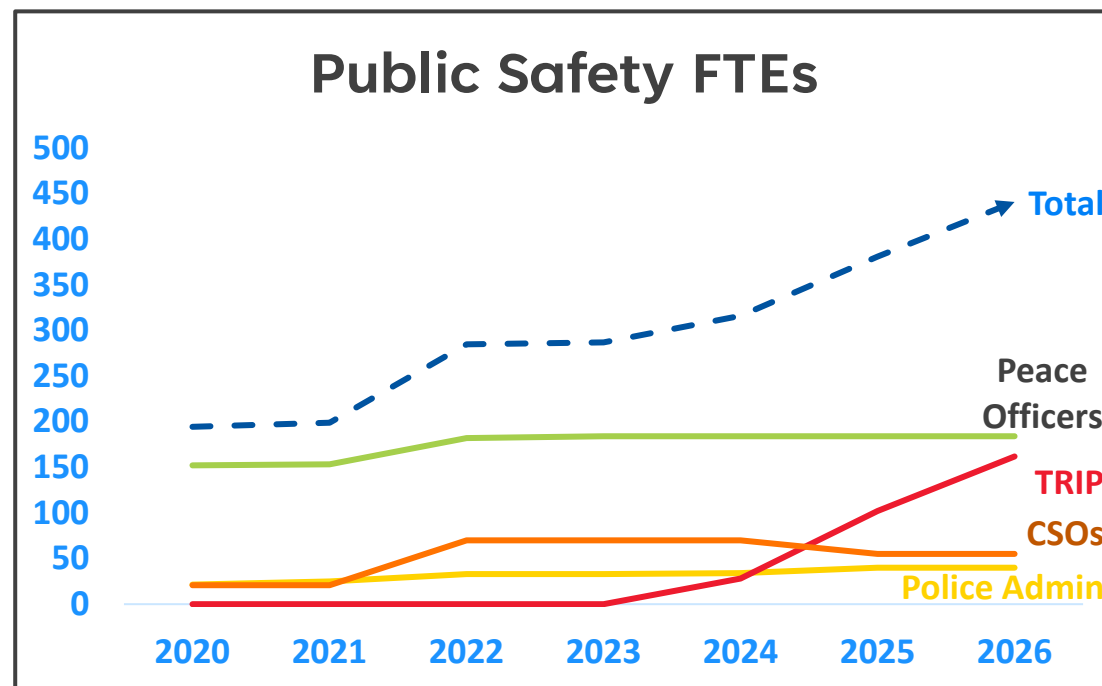
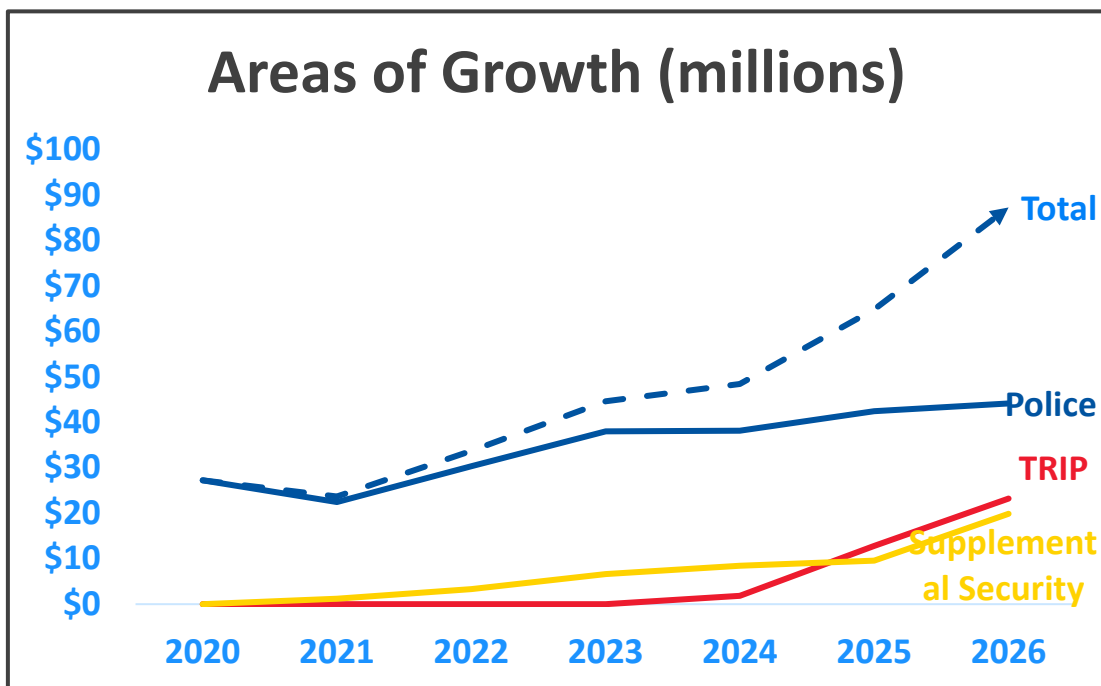
2026 Metro Transit Operating Budget Drivers

- Preliminary Budget increasing 15% over 2025 Adopted
 - \$833M compared to \$721M in 2025 adopted
- Areas with targeted investments include:
 - \$30.0M Network Now Bus Operator FTE increases
 - \$18.4M to continue to expand TRIP & supplemental security
 - \$14.3M increases for Green Line Ext.
 - \$12.9M Wage Increases per Contracts and Agreements
 - \$10.3M RA Allocation increase
 - \$1.2M for Mechanic Recruitment



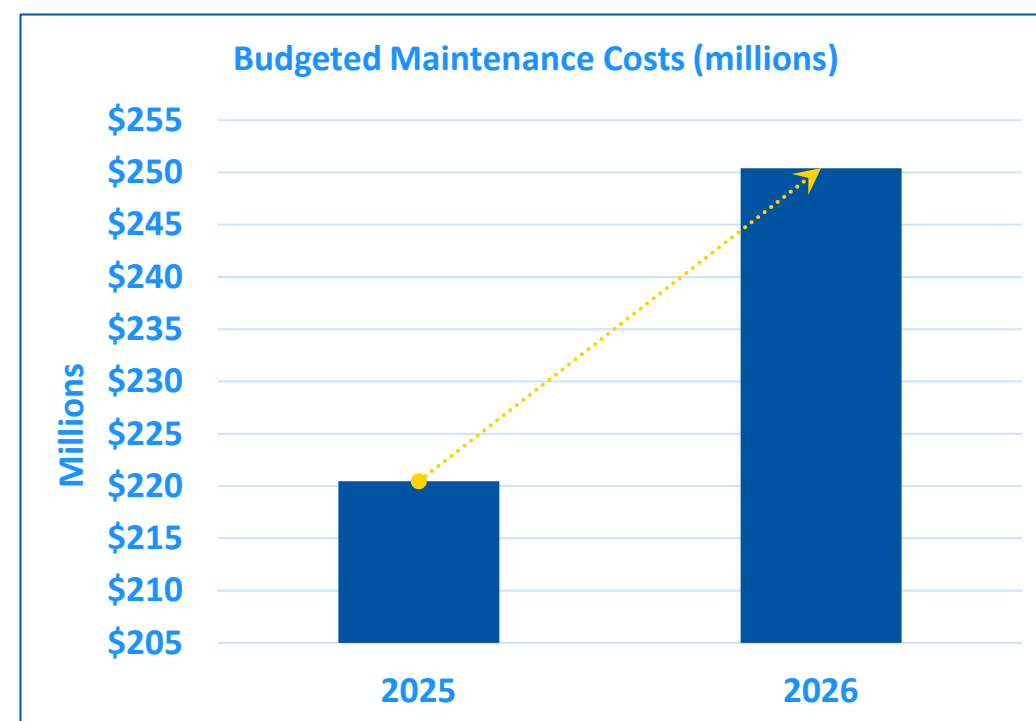
Budget Drivers | Public Safety

- 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 2026
- Increases in supplemental security, including partnerships with community organizations

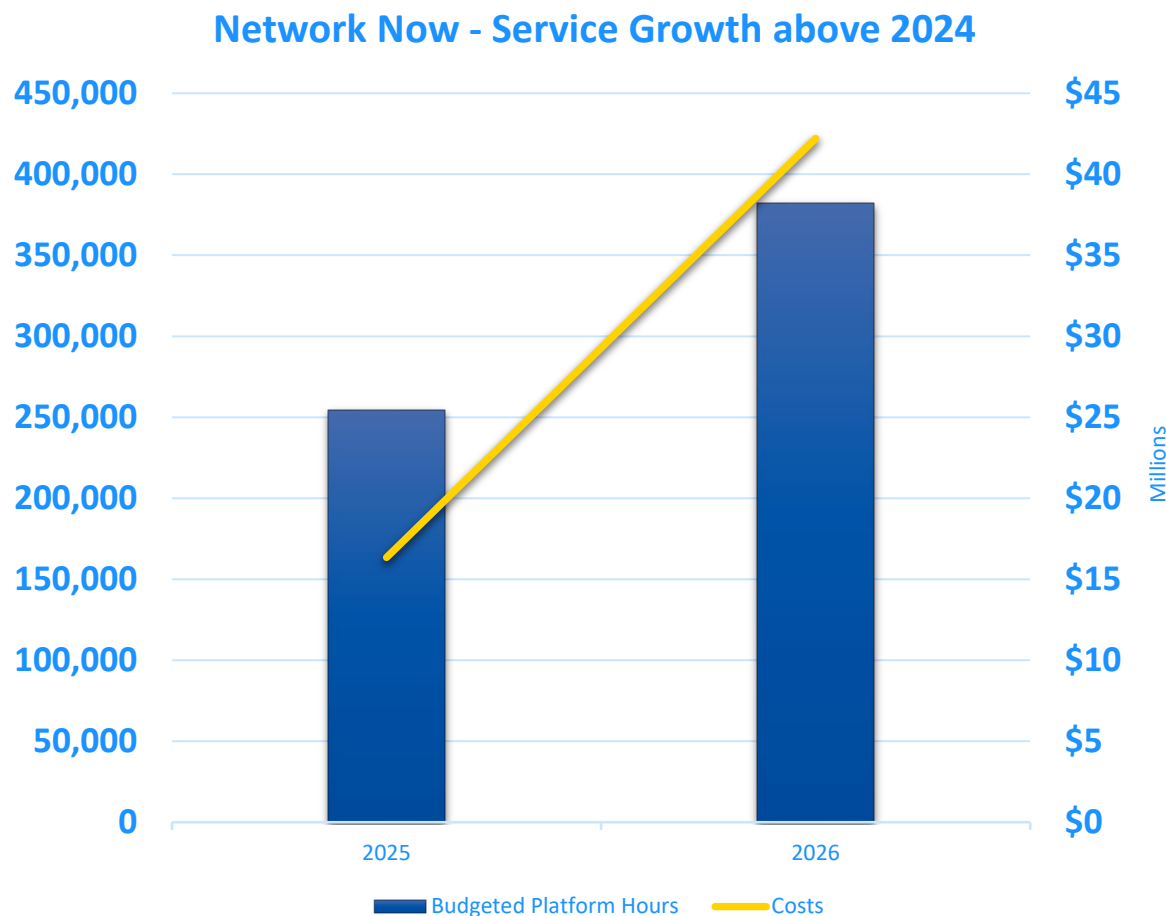


Budget Drivers | Cleaning, Repair & Maintenance

- 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 the EAMS implementation which will improve work order management
 - Adding staff to expand public art program to deter vandalism and graffiti



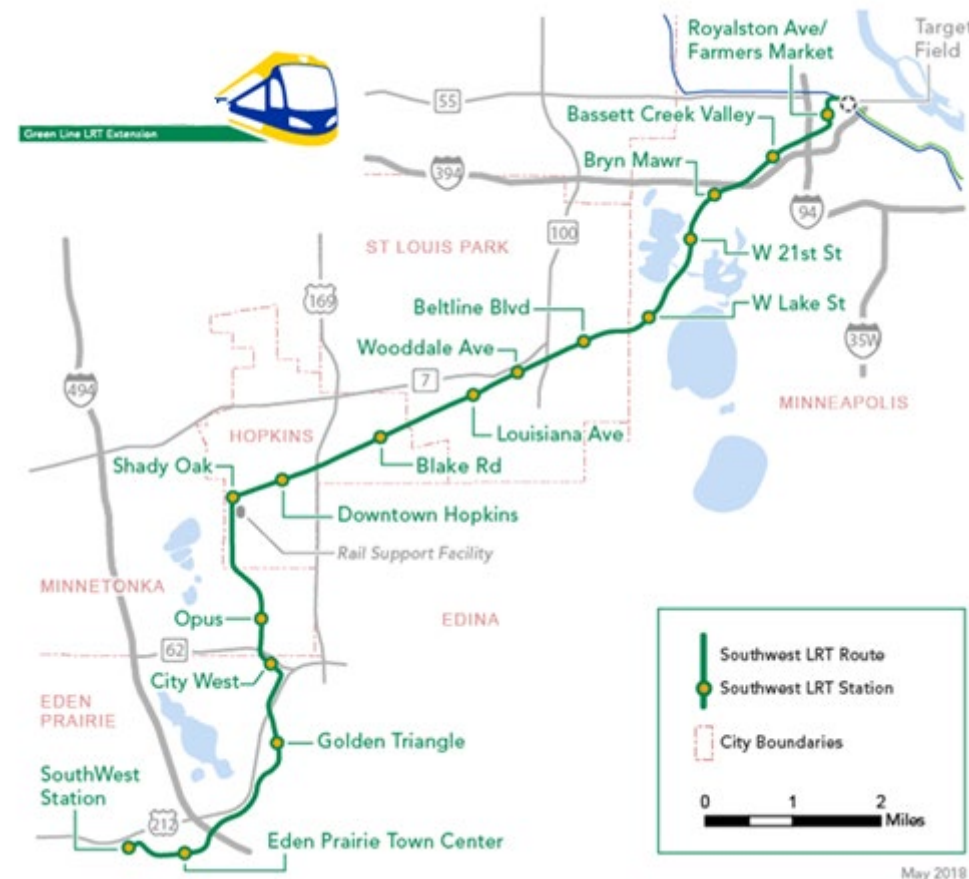
Budget Drivers | Network Now



- The 2026 budget advances our Network Now vision to grow ridership, enhance mobility and meet travel needs.
- Platform hours increase by 6% in 2026
 - More than 50% of Network Now implemented by end of year
- Bus operator growth of 157 FTEs from 2025 amended budget to 2026.

Budget Drivers | Green Line Extension

- Largest infrastructure project in the state of MN
- Hiring and system testing underway in advance of revenue service in 2027
- Hiring continues to advance in the 2026 budget:
 - In 2025, budgeted 136.77 additional FTEs in advance of revenue service
 - In 2026, budgeted 105.0 additional FTEs in advance of revenue service



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 higher salaries and additional FTEs, service contracts and cost allocations
- Continuous evaluation and review of assumptions and ridership / travel demand.
- Special Transportation Services transition to state forecasted program

Metropolitan Transportation Services Preliminary Budget \$217.9M

Special Transportation Services

- 5% increase
- \$139.3M compared to \$133M in 2025
- Assumes gas at \$3.55/gallon

Bus / Vanpool

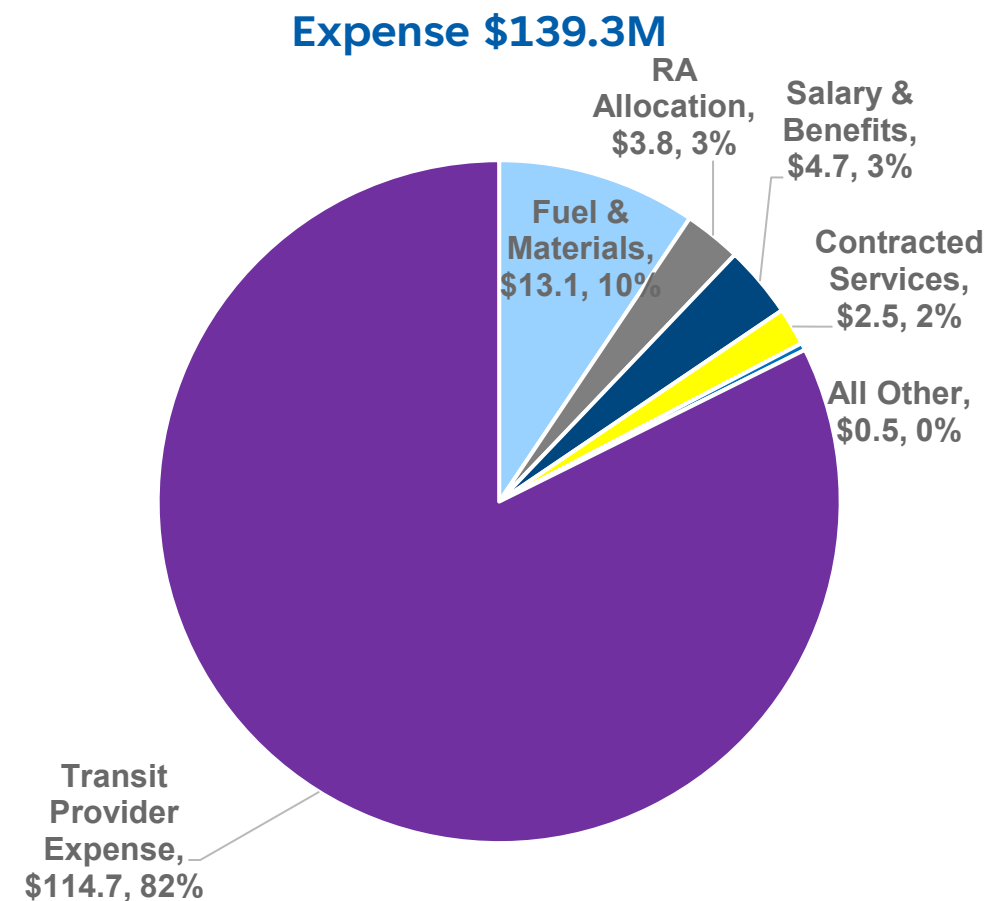
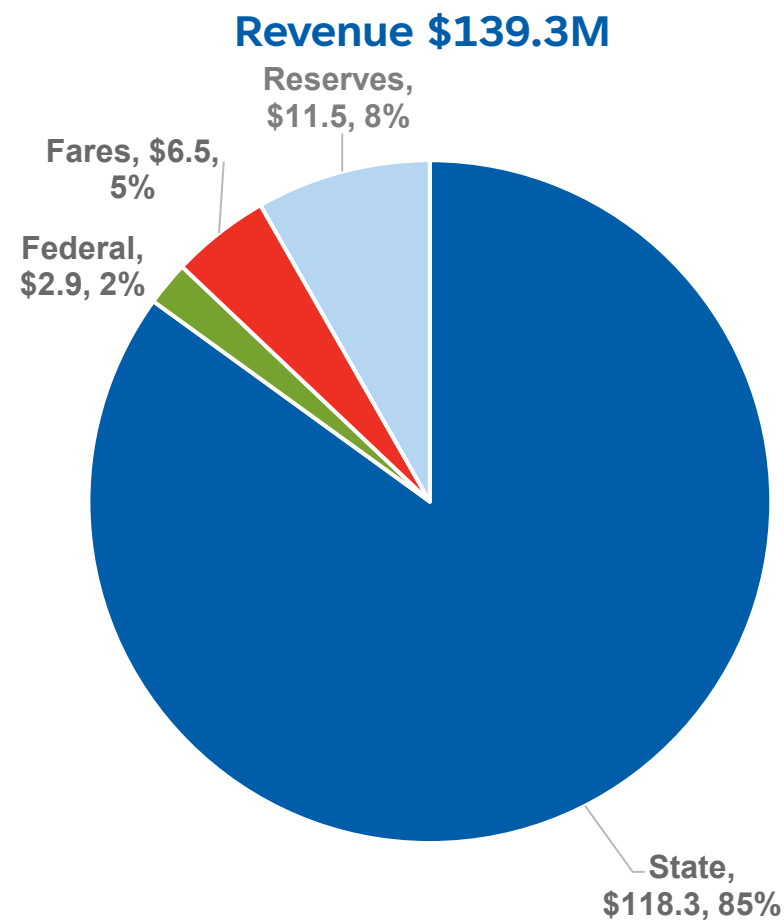
- 18% increase
- \$36.7M compared to \$31.1M in 2025
- Network Now implementation
- Assumes diesel at \$3.10/gallon
- Assumes gas at \$3.55/gallon

Transit Link

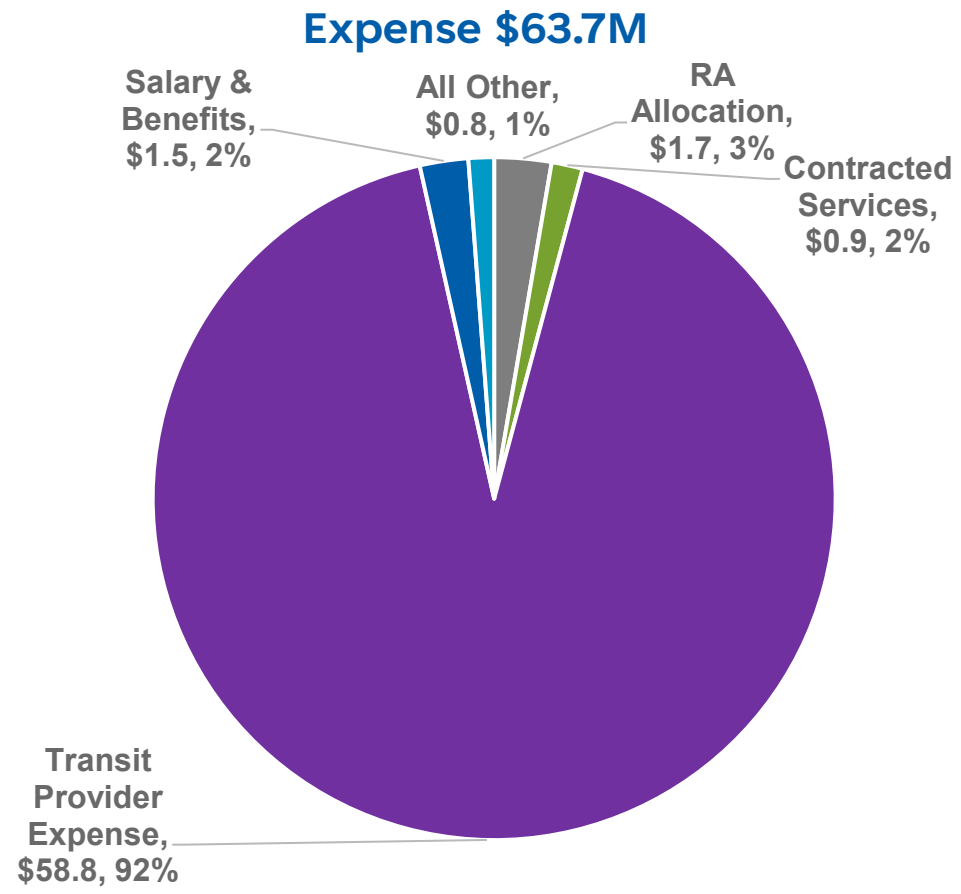
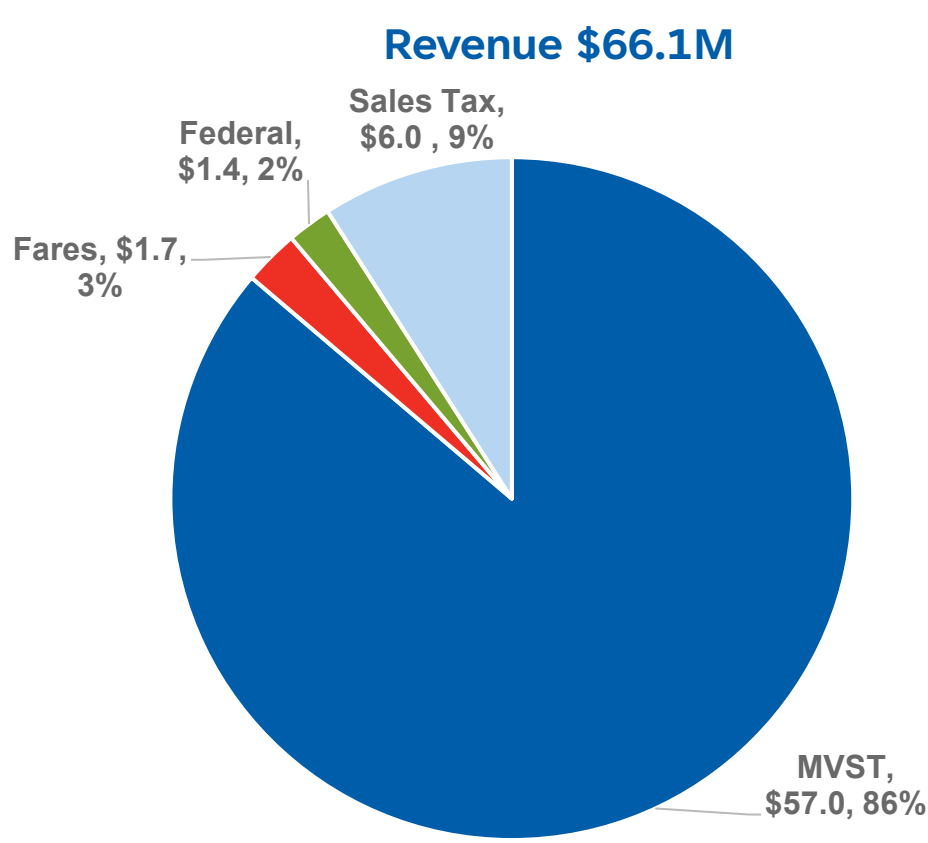
- 57% increase
- \$27.1M compared to \$17.2M in 2025
- Network Now/Microtransit Implementation
- Assumes gas at \$3.55/gallon

Special Transportation Services

2026 Operating Revenue & Expense

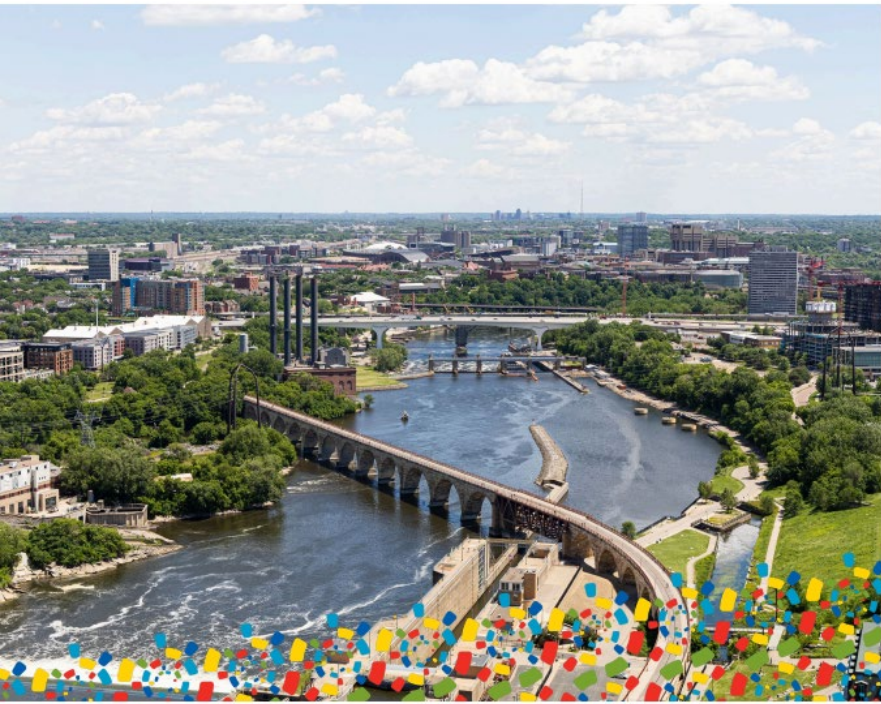


Contracted Bus / Transit Link / Vanpool 2026 Operating Revenue & Expense



Planning Highlights

TRANSPORTATION OVERVIEW



Operating Budget Highlights

- 2050 Development Guide and 2050 Transportation Policy Plan updates are focus of planning work
- Finalizing the Regional Solicitation Evaluation to prepare for 2026 Solicitation funding cycle
- New & Continued planning studies:
 - EV Public Charging Needs Analysis
 - Metropolitan Highway System Harms, Impacts, and Mitigation Priorities Study
 - Existing Interchange Modernization Study
 - Integrating Travel Demand Management into Highway Planning Processes
 - Safer Connections to Transit Study
 - Complete Streets Local Implementation Guide
 - Other ongoing studies

Planning and Passthrough

Preliminary Budget \$86.3M

Planning

- 8% increase
- \$14.9M compared to \$13.8M in 2025
- \$6.3M in federal Consolidated Planning Grant (CPG) funding

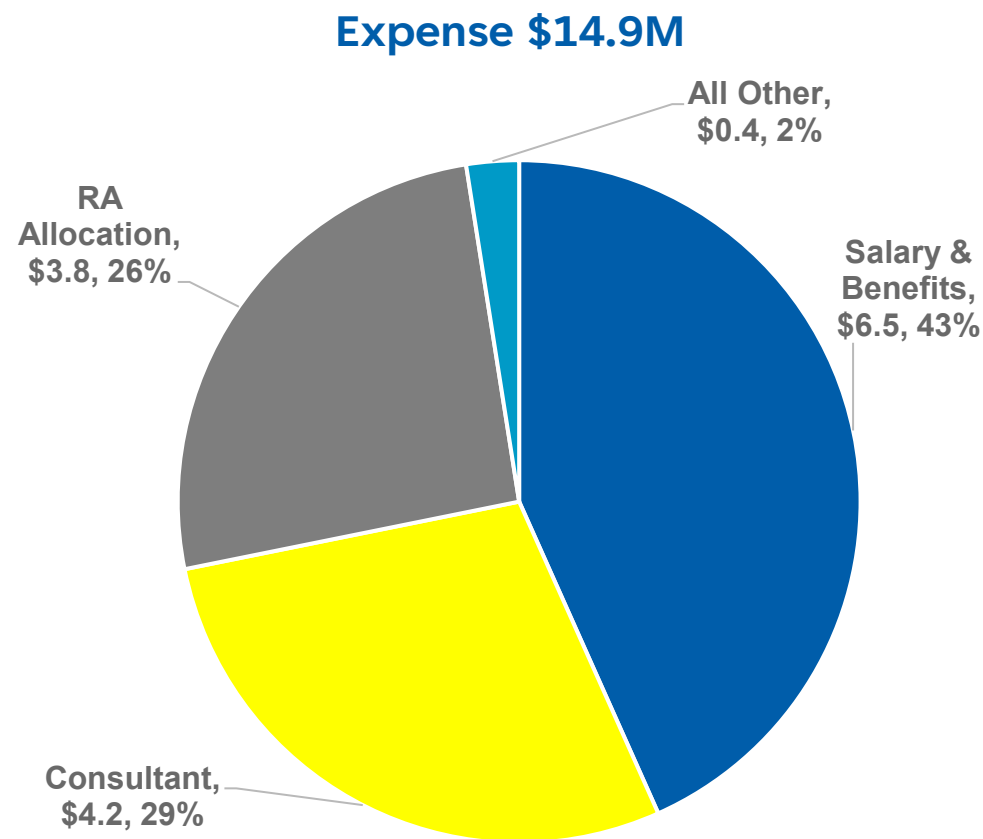
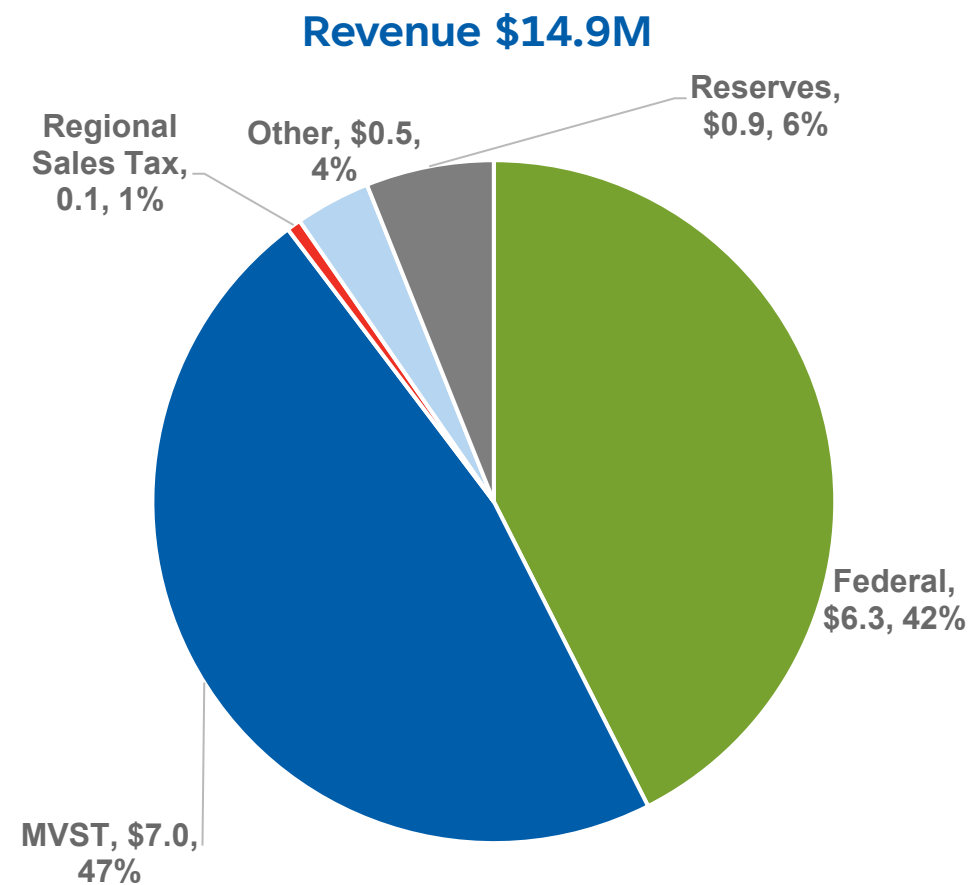
STP Passthrough

- 6% increase
- \$71.4M compared to \$67.2M in 2025
- \$54.3M state operating dollars allocated to STPs through State Transit Funding Allocation Policy
- \$17.1M in transportation sales tax to Suburban Transit Providers (STPs)*

*Placeholder based on 2025 allocation as formal policy is finalized

Planning 2026

Operating Revenue & Expense



2026 Preliminary Operating Budget

Thank You

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