

# General Manager's Access Committee September 9, 2025

## District Financial Update



# FY 2025-26 Adopted Budget

## Annual FY 2025-26 budget effective July 1, 2025

- Operating Revenues \$565M, Operating Expenses: \$606M, **Operating Deficit of \$42M**
- \$606M Budget is flat compared to prior year. Substantial reductions made during budget process
- No federal emergency operating funds – used up in prior year
- Budget continues to allow for 85% of pre-pandemic service level
- No new positions



# Financial Look Ahead

**Current year operating deficits are expected to continue if no new revenue sources are found**

- Sales Tax subsidies have substantially declined, adding to the deficit. Property tax subsidies remain healthy
- Staff expects gradual but declining improvements in Farebox Revenue and Ridership



# Working on the Fiscal Cliff Problem

- Current year deficit hole filled with reserves and cost control is a focus
- Staff is working with the state on a potential loan to support next year's operations
- Staff is advocating for a regional measure to reduce future year deficits

