

General Manager's Access Committee September 10, 2024

District Financial Update



FY 2024-25 Adopted Budget

Annual FY 2024-25 budget effective July 1, 2024

- Operating Revenues and Expenses: \$605.8M
- Federal ARP Act: \$44.7M (most remaining ARP funding used up)
- Budget allows for 85% of pre-pandemic service level
- No new positions
- Budget increased due to large, unavoidable, and necessary expenses (Paratransit, Insurance Premiums)



Financial Look Ahead

As the District exhausts federal emergency relief funding, future operating deficits are expected beginning in FY 2025-26.

- The economy is slowing and Staff is paying attention to any signs of weakness that will impact revenues – still expect “soft landing”
- Sales Tax subsidies have declined. Property taxes remain healthy
- Staff expects Farebox Revenue and Ridership to continue gradual improvements



Working on the Fiscal Cliff Problem

- Staff plans to support the early deficit years with reserves and cost control
- Additional support from SB125 for FY 24-25 and FY 25-26 helps
- Later years deficit support depends on the severity of an economic slowdown and whether new sources of revenue can be found
- Board will receive a financial projection update during the next Board Retreat in October

