

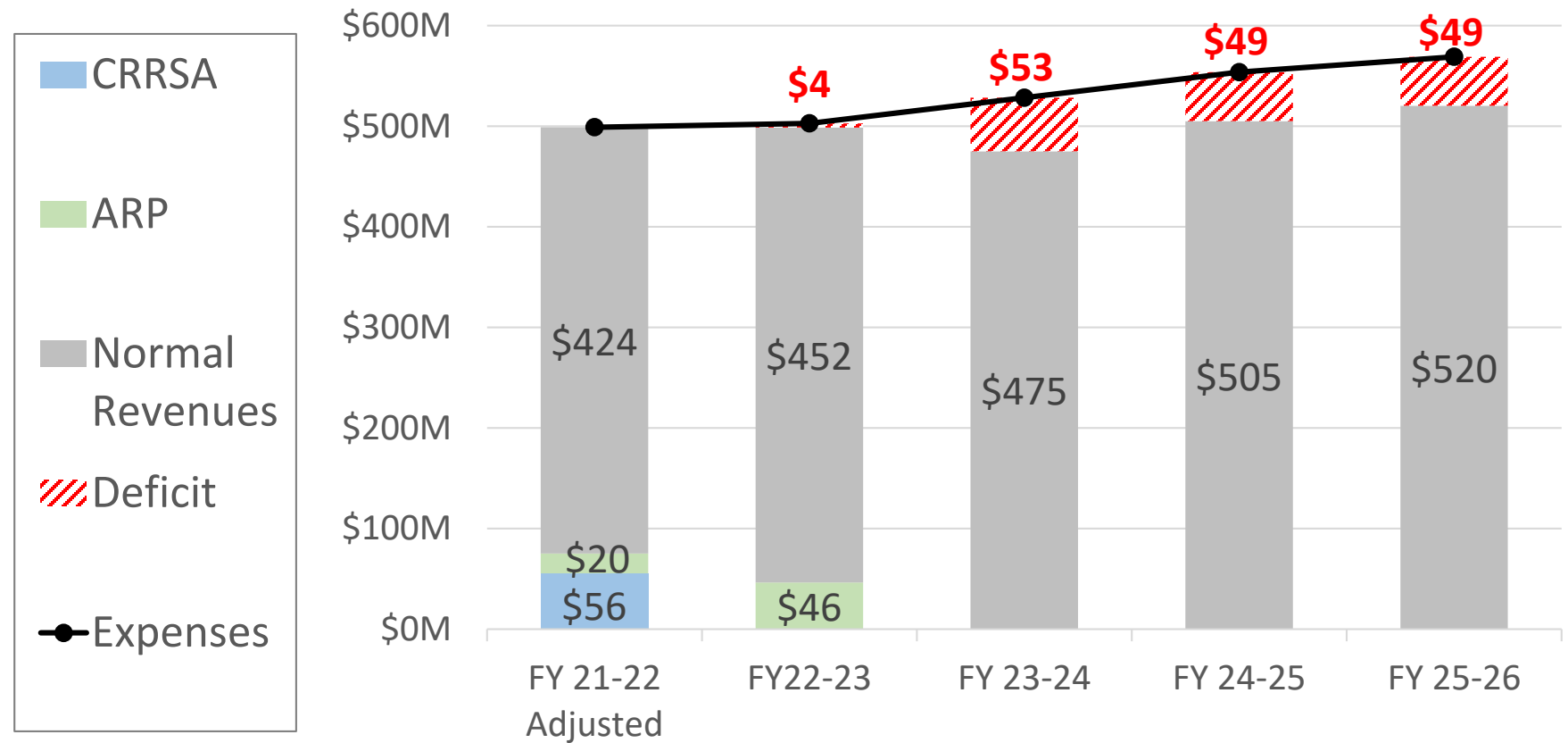
FY 2021-22

Proposed
Operating Budget Adjustment



Projection

(including proposed spending)



- Fare revenue still far below prior levels (47% of pre-pandemic)
- Sales tax revenues not yet back to prior levels



American Rescue Plan Funding



- Total regional funding: \$1.7B
 - MTC reserved 10% (\$157M) for regional initiatives
- District allocated \$66.1M (out of first 60% of total funding)
- Second (or more) allocations likely starting January 2022
- Factors for further allocations are still undefined
- No guarantee District will get same relative share of funds



Balancing Priorities

Service level increase
One-time spending
Critical initiatives

Longer-term Financial
sustainability

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Recap - FY 2021-22 Adopted Budget - \$479.7M

- **Revenues**

- Operations Revenues: \$41.8M
 - Farebox revenue only 48% of pre-pandemic level
- Subsidies: \$382.4M
- Federal CRRSA Act: \$55.5M (almost 12% of total revenue)

- **Expenses**

- Increase to 85% of pre-pandemic service level
- Labor: \$350.5M
- Non-Labor: \$129.2M



Proposed Additional Spending - \$19.3M

- Service level increase from 85% to 90% (\$10M)
- Bus Operator Training and Incentives to increase/retain operators (\$525k)
- Continued COVID Protection (\$2.0M)
- 10 New Positions (\$2.1M)
- Operations and Other Needs (\$4.6M)



Revenue Adjustment

- **Previously Approved**
 - Fare-free Fridays in September (-\$380k)



Potential Other Uses

- Paying off the Tempo project line of credit debt (\$30M)
- Payment towards the remaining capital commitment of the Salesforce Transit Center (\$3M)



Wrapping Up

- Changes to proposed expenses?
- More generally:
 - How to increase service in a sustainable way?
 - How to balance service and critical initiatives?

