

# Proposed Biennial Budget

Fiscal Years 2024 & 2025

VTA Advisory Committees  
May 2023



# VTA Budgeted Funds

- VTA Transit (Operations & Capital)
- Congestion Management Program
- Silicon Valley Express Lanes Program
- Transit-Oriented Communities Program
- VTP Highway Improvement Program
- 2008 Measure B - BART Operating Sales Tax Program
- 2000 Measure A Transit Improvement Program
- 2016 Measure B Program



# Proposed Budget Summary

(in Thousands)

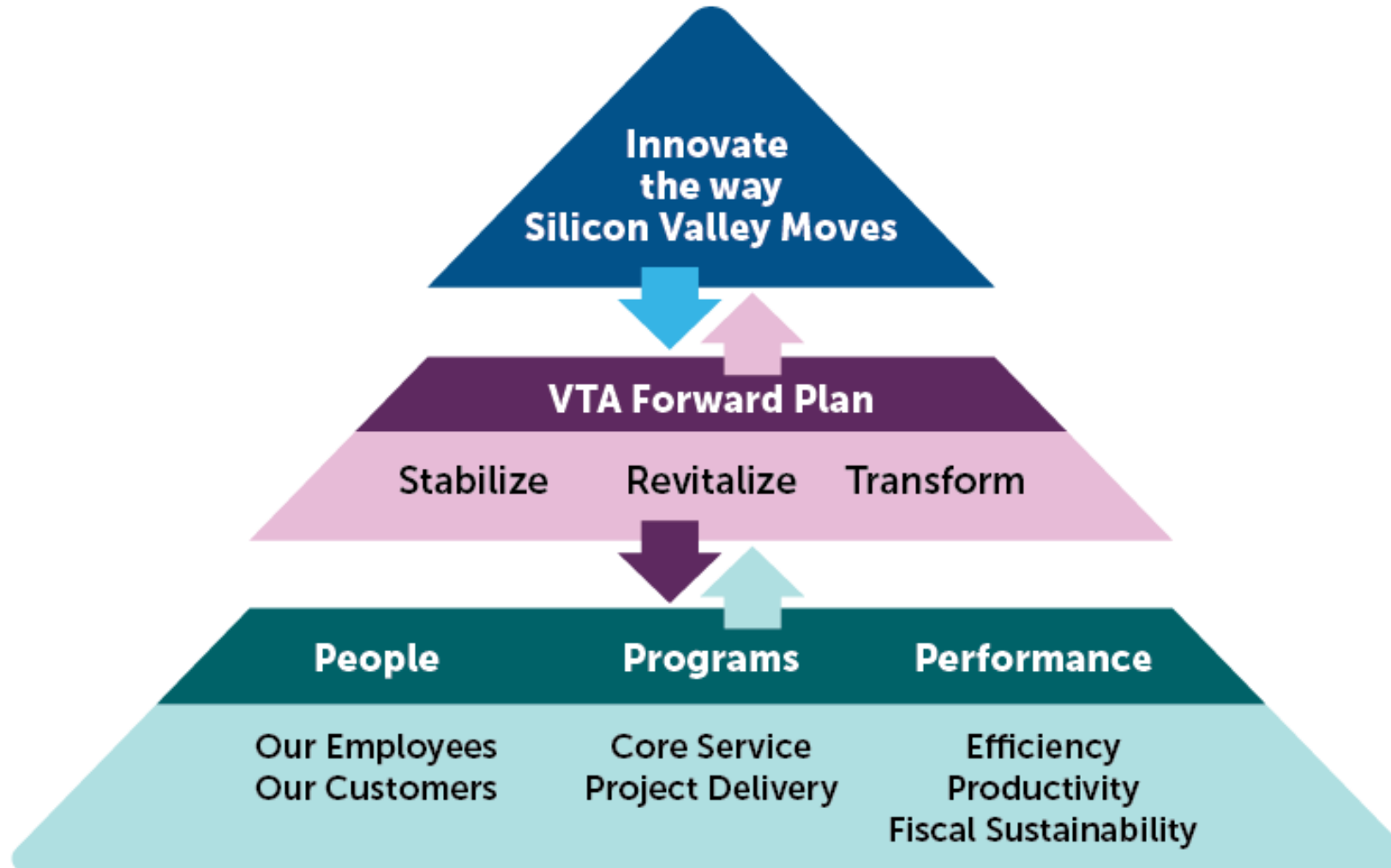
Fund <sup>1</sup>	Fiscal Year 2024	Fiscal Year 2025
VTA Transit-Operating	\$ 601,535	\$ 623,577
VTA Transit-Capital	TBD	--- <sup>2</sup>
Congestion Management Program – Operating	7,187	7,073
Silicon Valley Express Lanes Program – Operating	10,329	10,759
Transit-Oriented Communities Program – Operating	1,060	1,000
Transit-Oriented Communities Program – Capital	14,159	--- <sup>2</sup>
VTP Highway Program – Capital	417,383	--- <sup>2</sup>
2000 Measure A Transit Improvement Program – Operating	147,526	150,090
2000 Measure A Transit Improvement Program – Capital	2,415,787	--- <sup>2</sup>
2008 Measure B – BART Operating Sales Tax – Operating	109,471	106,571
2008 Measure B – BART Operating Sales Tax – Capital	777	--- <sup>2</sup>
2016 Measure B Program	907,790	--- <sup>2</sup>

<sup>1</sup> Includes transfers between funds.

<sup>2</sup> Total appropriation for FY 2024 and FY 2025 reflected in FY 2024.



# Transit Operation Focus



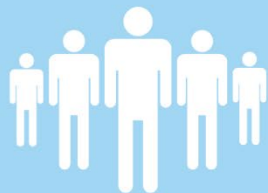
# Transit Operation Focus



# Transit Operation Focus

## People

Training  
Working environment  
Hiring, retention  
Recognition  
Passenger focus



## Programs

Service reliability  
Process improvements  
Facility improvements  
Platform/Bus stop improvements



## Performance

Ridership metrics  
System reliability  
Equity  
Accessibility



# Transit Proposed Budget

Category (\$\$ in thousands)	FY22 Actual	FY23 Projected	FY24 Proposed	FY25 Proposed
Sales Tax Based Revenues	473,449	507,673	524,023	547,403
Other Revenues	204,369	43,528	53,063	49,801
Fares	21,921	26,785	25,899	26,395
<b>Total Operating Revenue</b>	<b>699,739</b>	<b>577,986</b>	<b>602,985</b>	<b>623,599</b>
Labor	353,484	378,413	404,499	425,484
Non-Labor	74,605	84,259	96,088	93,857
Partnerships	39,447	28,062	37,152	40,504
Debt Service	20,903	20,906	20,796	20,732
<b>Total Operating Expense</b>	<b>488,439</b>	<b>511,640</b>	<b>558,535</b>	<b>580,577</b>
Transfer to Capital	40,000	40,000	40,000	40,000
Contingency	0	2,726	3,000	3,000
<b>Total Transfer &amp; Contingency</b>	<b>40,000</b>	<b>42,726</b>	<b>43,000</b>	<b>43,000</b>
<b>Total Operating/Transfer &amp; Contingency</b>	<b>528,439</b>	<b>554,366</b>	<b>601,535</b>	<b>623,577</b>
<b>Operating Surplus</b>	<b>171,300</b>	<b>23,620</b>	<b>1,450</b>	<b>22</b>

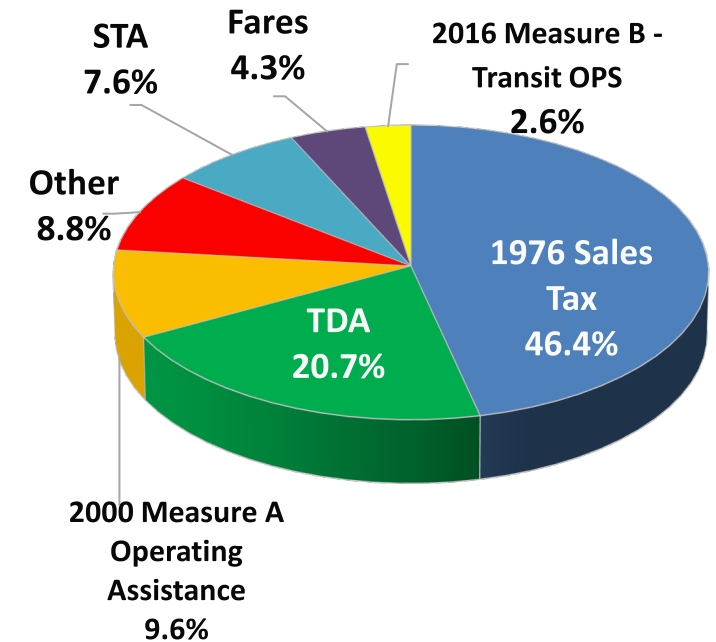
Note: Totals may not be precise due to independent rounding





# Transit Fund Revenues

Revenue Source (in millions)	FY23 Projected	FY24 Proposed	FY25 Proposed
Fares	\$26.79	\$25.90	\$26.40
1976 Half Cent Sales Tax	\$274.25	\$279.94	\$290.22
Transportation Development Act (TDA)	\$128.01	\$124.77	\$129.71
STA	\$30.50	\$45.72	\$46.98
2000 Measure A Sales Tax-Operating Assistance	\$55.77	\$58.09	\$60.22
2016 Measure B - Transit OPS	\$19.15	\$15.50	\$20.27
Other	\$43.53	\$53.06	\$49.80
<b>Total</b>	<b>\$577.99</b>	<b>\$602.98</b>	<b>\$623.60</b>

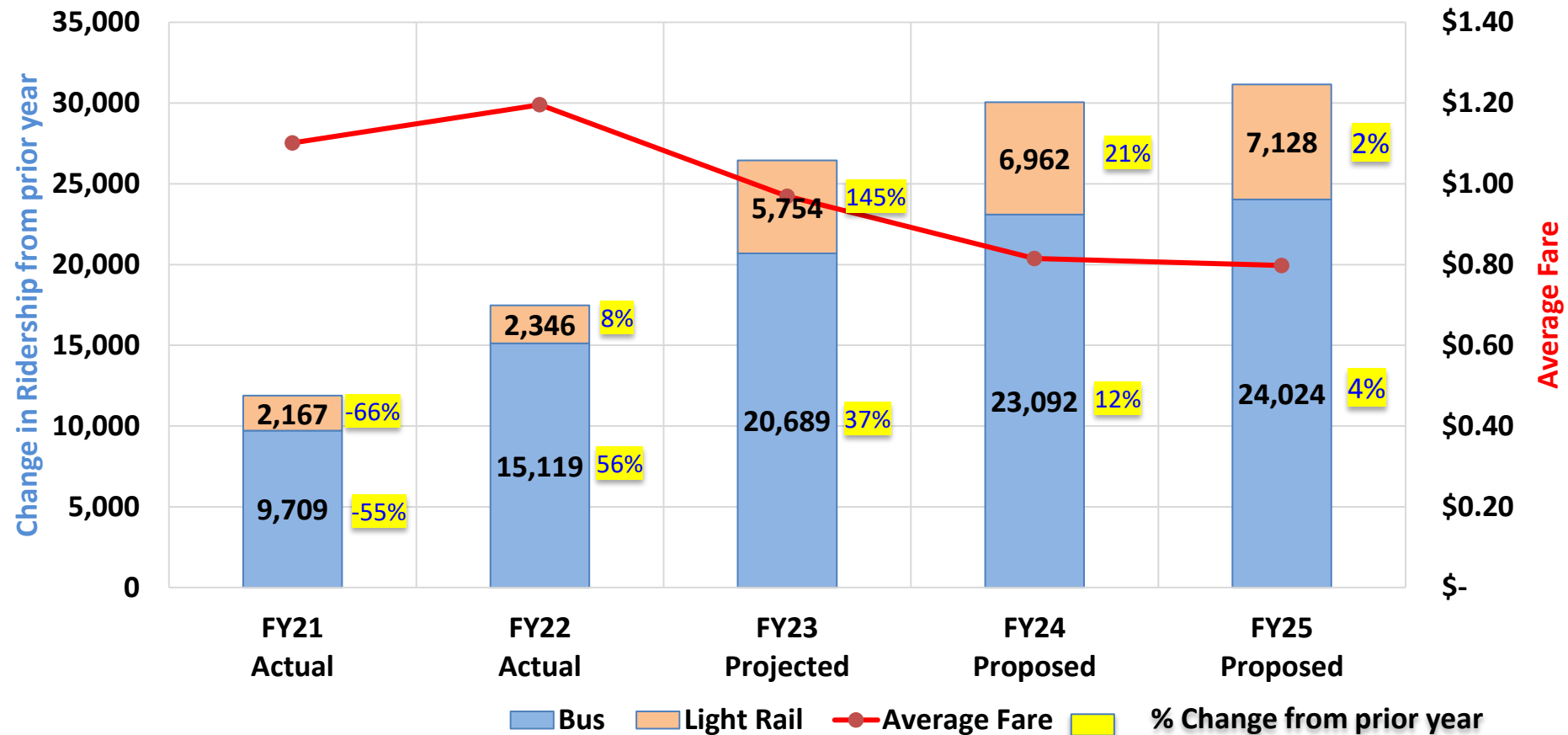


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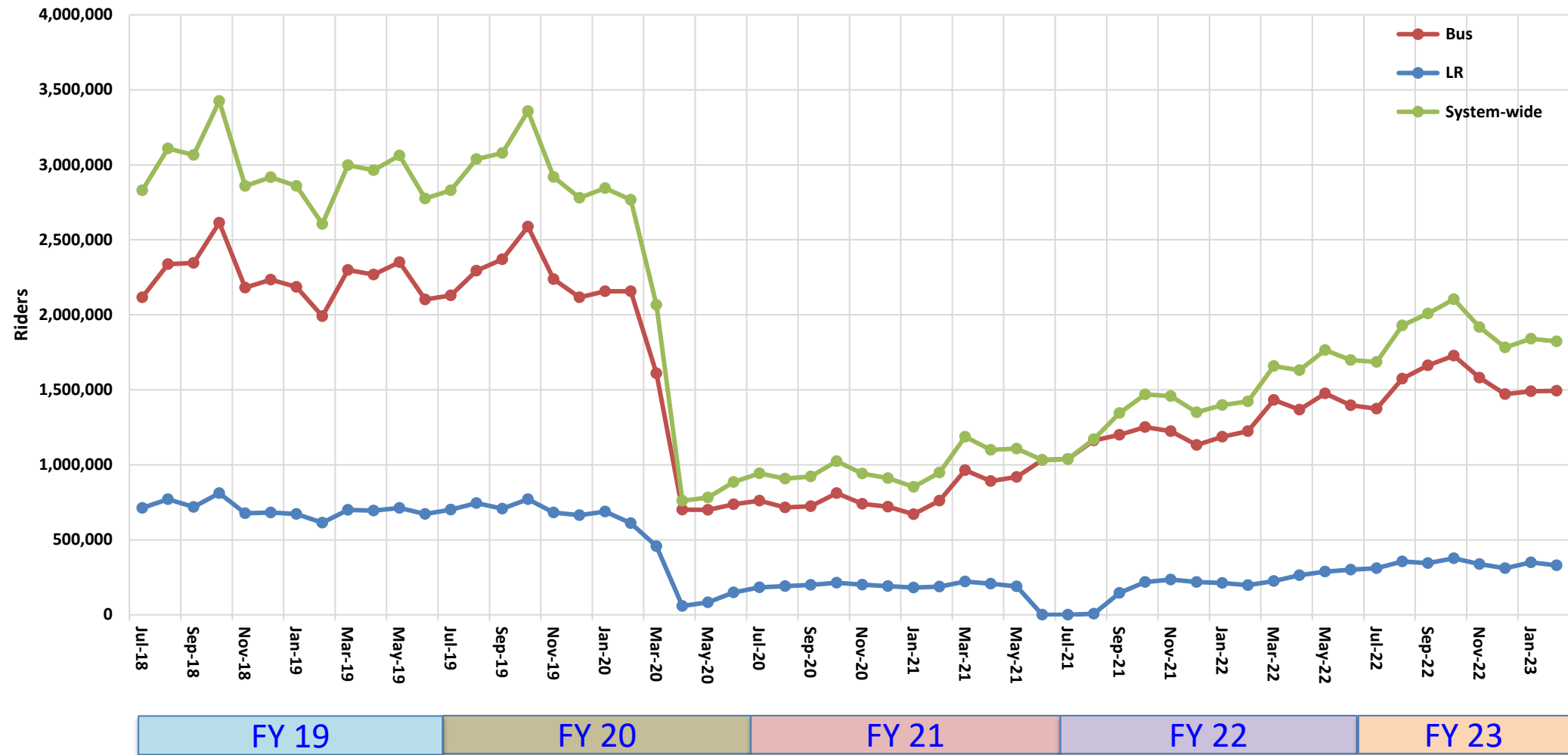


# Transit – Ridership Projection

5-Year Ridership Change and Average Fare  
FY 2021 through FY 2025



# FY19 – FY23 Ridership Trend (Actuals)



# Transit Proposed Budget

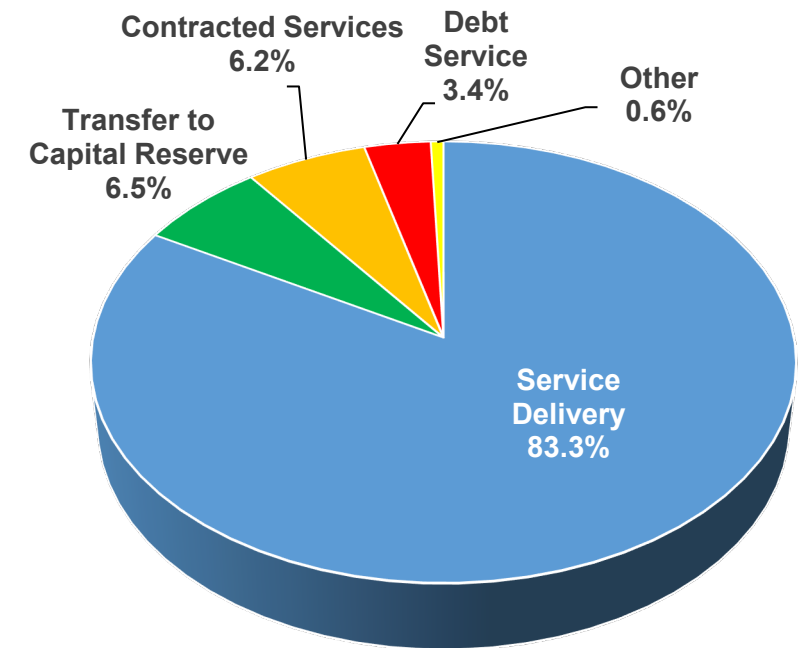
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Note: Totals may not be precise due to independent rounding



# Transit- Proposed Expense

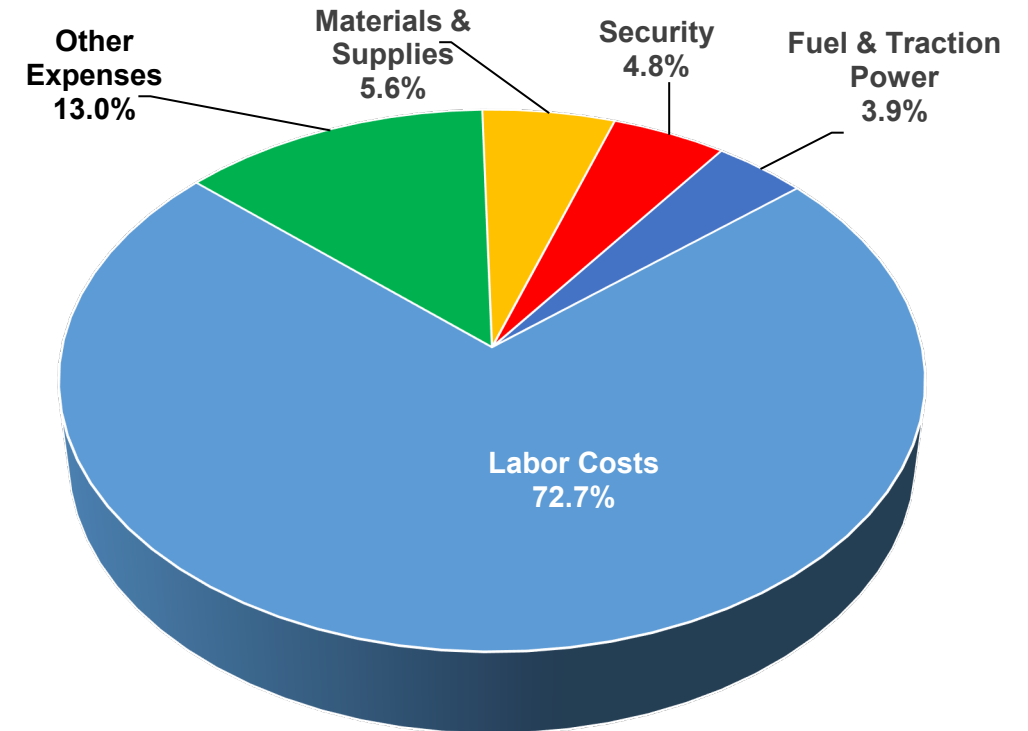
By Expenditure Type (in millions)	FY23 Projected	FY24 Proposed	FY25 Proposed
Service Delivery	\$462.67	\$500.59	\$519.34
Contracted Services	\$27.48	\$36.34	\$39.37
Debt Service	\$20.91	\$20.80	\$20.73
Other	\$3.30	\$3.81	\$4.13
Transfer to Capital Reserve	\$40.00	\$40.00	\$40.00
<b>Total</b>	<b>\$554.37</b>	<b>\$601.54</b>	<b>\$623.58</b>



Note: Totals and percentages may not be precise due to independent rounding

# Service Delivery Expense Category

Service Delivery Breakdown (in millions)	FY24	FY25
Wages & Benefits	\$404.50	\$425.49
Reimbursements	(\$43.48)	(\$44.57)
<b>Subtotal Labor Costs</b>	<b>\$361.02</b>	<b>\$380.92</b>
Materials & Supplies	\$29.23	\$27.59
Security	\$24.18	\$24.87
Fuel & Traction Power	\$19.89	\$20.02
Other Operating Expense	\$66.26	\$65.94
<b>Total</b>	<b>\$500.59</b>	<b>\$519.34</b>



Note: Totals and percentages may not be precise due to independent rounding

# Transit - Service Levels

(In Thousands)

	FY 2022 Actual	FY 2023 Projected	FY 2024 Proposed	FY 2025 Proposed
<b><u>Service Miles</u></b>				
Bus	16,450	17,209	18,547	18,964
Light Rail Train	1,479	2,022	2,208	2,220
<b>Total Service Miles</b>	<b>17,929</b>	<b>19,231</b>	<b>20,755</b>	<b>21,184</b>
% change		7.3%	7.9%	2.1%
<b><u>Service Hours</u></b>				
Bus	1,222	1,369	1,475	1,508
Light Rail Train	109	144	160	166
<b>Total Service Hours</b>	<b>1,331</b>	<b>1,513</b>	<b>1,635</b>	<b>1,674</b>
% change		13.7%	8.1%	2.4%

Note: Totals and percentages may not be precise due to independent rounding



# Labor & Benefits

- **Key elements of budget**

- Assumes current labor agreements
- Does not include potential impact of Classification & Compensation study
- Operators training budget at \$2.0 million per year

- **Benefit Assumptions**

(\$ in millions)	FY23	FY24	FY25
Pension Contribution	\$55.00	\$54.51	\$55.95
OPEB Contribution	\$6.29	\$4.44	4.44
Medical Insurance	\$55.30	\$58.11	\$63.48

- **Total Positions**

FY23 <sup>1</sup>	FY24	FY25
2,365	2,391	2,391

- **Vacancy Rate**

FY23 <sup>2</sup>	FY24	FY25
13.9%	8%	8%

<sup>1</sup> Position as of 6/30/21

<sup>2</sup> Average vacancy rate





# Budget Assumption Risks

- Economic volatility
  - Sales tax receipt growth
  - Diesel fuel prices
  - Utilities
  - Inflation
- Transit ridership
- New initiatives



# 10-Year Projection

(\$\$ in millions)	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Sales Tax Based Revenues	524.02	547.40	557.32	576.00	593.60	610.16	626.52	643.32	660.56	678.26
Other Revenues	53.06	49.80	46.59	28.01	26.19	26.63	26.93	27.24	27.55	27.87
Fares	25.90	26.40	27.19	28.00	28.84	29.71	30.30	30.91	31.53	32.16
<b>Total Operating Revenue</b>	<b>602.98</b>	<b>623.60</b>	<b>631.10</b>	<b>632.01</b>	<b>648.64</b>	<b>666.49</b>	<b>683.75</b>	<b>701.46</b>	<b>719.64</b>	<b>738.29</b>
Labor	404.50	425.48	440.38	455.79	471.74	488.25	500.46	512.97	525.80	538.94
Non-Labor	96.09	93.86	97.81	101.91	106.18	110.60	113.61	116.70	119.86	123.12
Partnerships	37.15	40.50	41.92	43.39	44.91	46.48	47.64	48.83	50.05	51.30
Debt Service	20.80	20.73	20.74	3.87	3.91	-	-	-	-	-
<b>Total Operating Expense</b>	<b>558.54</b>	<b>580.58</b>	<b>600.84</b>	<b>604.97</b>	<b>626.74</b>	<b>645.34</b>	<b>661.71</b>	<b>678.50</b>	<b>695.71</b>	<b>713.36</b>
Transfer to Capital/Capital Fund	40.00	40.00	29.64	23.78	19.11	18.70	19.52	20.38	21.28	22.21
Transfer to Operating Reserve			0.62	3.27	2.79	2.46	2.52	2.58	2.65	2.71
Contingency	3.00	3.00	-	-	-	-	-	-	-	-
<b>Total Operating/Transfer &amp; Contingency</b>	<b>601.54</b>	<b>623.57</b>	<b>631.11</b>	<b>632.01</b>	<b>648.64</b>	<b>666.49</b>	<b>683.75</b>	<b>701.46</b>	<b>719.64</b>	<b>738.28</b>
<b>Operating Balance</b>	<b>1.44</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Totals may not be precise due to independent rounding

# VTA Transit Capital Budget Focus

- Evaluating previously approved projects
- Prioritize essential needs – repurpose some funds.
- Capital focus
  - Facility Improvements
  - Critical Infrastructure
  - Safety & Security
  - Zero-emission Fleet / Infrastructure.
  - Mandates





# Policy Change Proposal

## 1. Create Separate Capital Fund

- Currently part of Debt Reduction Fund
- Prefer dedicated and separate fund
- Utilize \$100 million of Debt Reduction Fund as seed
- Operating performance surplus will transfer to Capital Fund
- Will be the source of Capital Project funds going forward

## 2. Modify Operating Reserve Calculation

- Currently 15% of the following fiscal year's Operating Budget
- This includes Capital Transfer as budgeted
- Propose to exclude Capital Transfer as part of Operating Reserve calculation





# Other Programs / Funds





# Congestion Management Program



- Programming and Grants
- Congestion Mgmt Program Conformance
- Land Use and Transportation Integration
- Plans, Studies, and Traffic Engineering
- Proposed Budget

Category	FY24 (in millions)	FY25 (in millions)
Revenues	\$6.26	\$6.71
Expenses	\$7.19	\$7.07
Net Revenue/Expense	(\$0.93)	(\$0.37)

Note: Totals may not be precise due to independent rounding

# Silicon Valley Express Lanes Program



- Reflects anticipated revenues and expenses for both the SR 237 Express Lanes and the US 101 Express Lanes
- Proposed Budget

Category	FY24 (in millions)	FY25 (in millions)
Revenues	\$12.12	\$12.63
Expenses	\$10.33	\$10.76
Net Revenue/Expense	\$1.79	\$1.87



# Transit-Oriented Development/Communities

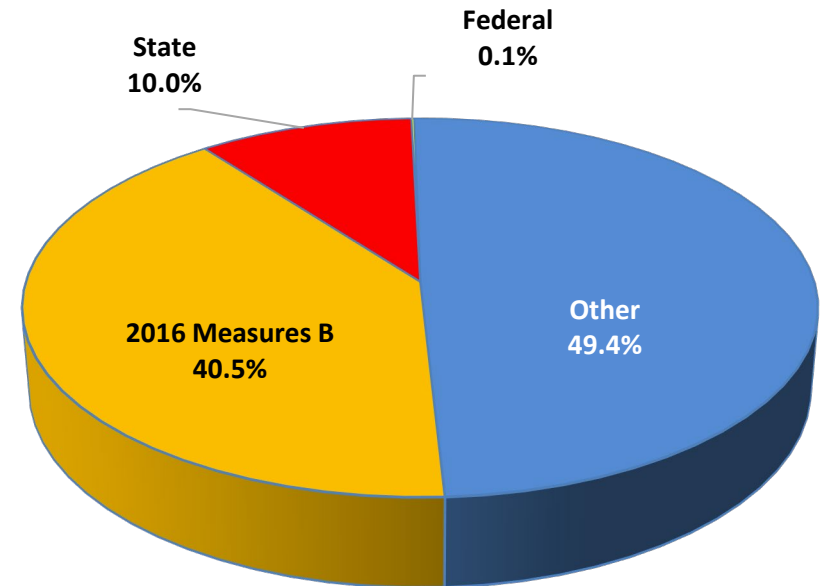


- Reflects continuation of efforts to create mixed-use, mixed-income Transit-Oriented Development, with higher proportion of affordable housing units and expanded focus on workforce housing
- Proposed Budget

Type	FY24 (in millions)	FY25 (in millions)
<b>Operating Budget:</b>		
Revenues	\$2.69	\$2.72
Expenses	\$1.06	\$1.00
<b>Net Revenue</b>	<b>\$1.63</b>	<b>\$1.72</b>
<b>Capital Budget</b>	<b>\$14.16</b>	<b>----</b>

# VTP Capital Program Funding Source

Category	Amount (in millions)	# of Projects
Highway	\$288.2	23
Express Lanes	\$53.6	2
Bicycle & Pedestrian	\$25.3	7
Complete Streets	\$50.2	4
Total	\$417.4	36



Note: Totals and percentages may not be precise due to independent rounding

# 2000 Measure A Sales Tax Program-Operating



- Primarily Operating Assistance to VTA Transit and Debt Service
- Operations & Maintenance (O&M) Agreement in force
- Proposed Budget:

Category (In millions)	FY24	FY25
Revenues	\$290.63	\$300.24
Expenses	\$147.26	\$150.09
Net Revenue/Expense	\$143.37	\$150.15

Note: Totals may not be precise due to independent rounding

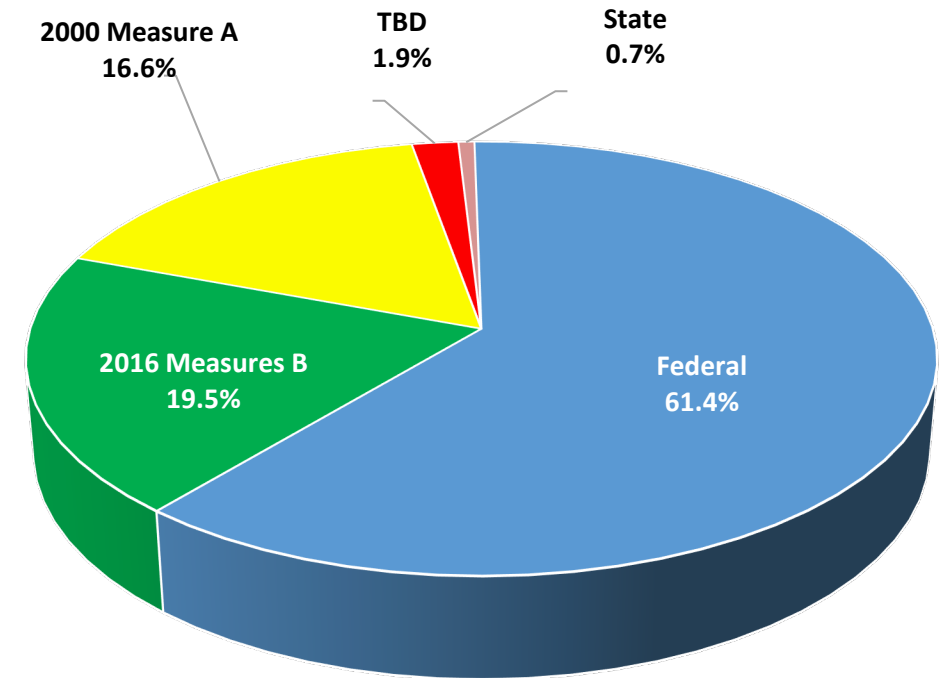


# 2000 Measure A Sales Tax Program – Capital

Planning and completion of projects in specific categories as detailed in the 2000 Measure A Ballot

Project	Total (in millions)
BART Phase II	\$2,354.7
Eastridge to BART Regional Connector	\$61.1
Total	\$2,415.8

Note: Totals and percentages may not be precise due to independent rounding



# 2008 Measure B - BART Operating Sales Tax Program



- Dedicated to provide funding for BART Silicon Valley Extension costs:
  - Operating
  - Maintenance
  - Capital Reserve
- Operations & Maintenance (O&M) Agreement in force.
- Program Expenses:

(in millions)	FY24	FY25
O&M cost and Contribution to BART Capital Improvement Projects	\$102.2	\$99.1
VTA Operating expense	\$7.2	\$7.5
VTA Administered Capital Project	\$0.8	----
Total Expenses	\$110.2	\$106.6

# 2016 Measure B Sales Tax Program

## ➤ Program Categories

### Need/Capacity Program Categories



BART Phase II



Caltrain Grade Separation



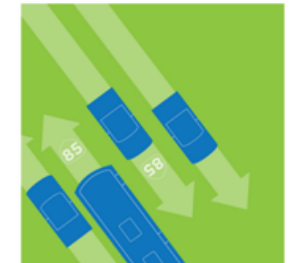
Caltrain Corridor Capacity



Highway Interchanges



County Expressways



SR 85 Corridor

### Formula Based Program Categories



Local Streets & Roads



Bicycle & Pedestrian



Transit Operations

# 2016 Measure B Sales Tax Program Budget

	FY2024	FY2025
Administration	\$1.50	\$2.00
<b>Program Category</b>		
<b>Formula-based Programs</b>		
Local Streets & Roads	\$52.63	\$54.71
Bicycle & Pedestrian	\$10.23	\$11.40
Transit Operations	\$17.87	\$22.80
<b>Need/Capacity-based Programs</b>		
BART Phase II	\$575.00	
Caltrain Grade Separations	\$107.00	
Caltrain Corridor Capacity Improvements*	-	
Highway Interchanges	\$48.36	
County Expressways	\$4.30	
SR 85 Corridor*	-	
<b>TOTAL</b>	<b>\$907.79</b>	

\* Previous allocations available and sufficient for FY24/FY25 projected needs





# Public and Community Meeting Schedule

- **Community Meetings**

Wednesday, May 24                      6:00 pm    Video and Teleconference Meeting

Friday, May 26                        12:00 pm   Video and Teleconference Meeting

- **Committee Meetings @ VTA Headquarters**

Wednesday, May 10                    1:30 pm    Technical Advisory Committee

Wednesday, May 10                    4:00 pm    Citizens' Advisory Committee

Wednesday, May 10                    6:30 pm    Bicycle & Pedestrian Advisory Committee

Thursday, May 11                      10:00 pm   Committee for Transportation Mobility & Accessibility

Thursday, May 11                      4:00 pm    Policy Advisory Committee

Tuesday, May 18                       12:00 pm   Administration & Finance Committee

- **Board Meeting ~ Biennial Budget Adoption**

Thursday, June 1                       5:30 pm    County of Santa Clara, Board Chambers

