



Draft FY 2026-27 Operating and Capital Budget

Derek Hansel
Chief Financial Officer

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FY 2025-26 Budget Assumptions

Revenue

- Transportation Development Act (TDA) budget projections up by 2.4% in comparison to FY 2025-26
- Interest yield 3.3%
- Modest decrease in federal grant funding
- Decrease in state grant funding is primarily Regional Early Action Planning 2.0 carryover projects

Expense

- 431 Full Time Equivalent positions (approved FY 2025-26)
 - One new position
 - 3.2% cost of living adjustment
- Additional work for final proposed budget
 - Update cost of living adjustment
 - Update interest earnings projection

Continuing and New Operating Concerns

MTC budget is developed in the face of challenges and uncertainty including:

- Moderate to high inflation over past five years
- Interest rate uncertainty
- Funding uncertainty
 - Federal Action Response Team
 - Scenario Planning
- Global trade tensions due to tariffs, inflationary pressures, and materials and labor supply constraints could impact future sales tax growth and availability of state funding

MTC FY 2026-27 Operating Budget

Operating Revenue Sources

- Federal Grants:
FHWA, FTA, Safe Streets

Operating Expense

- Salary & Benefits - COLA 3.2% (per CPI); 8% vacancy; 46% benefit rate

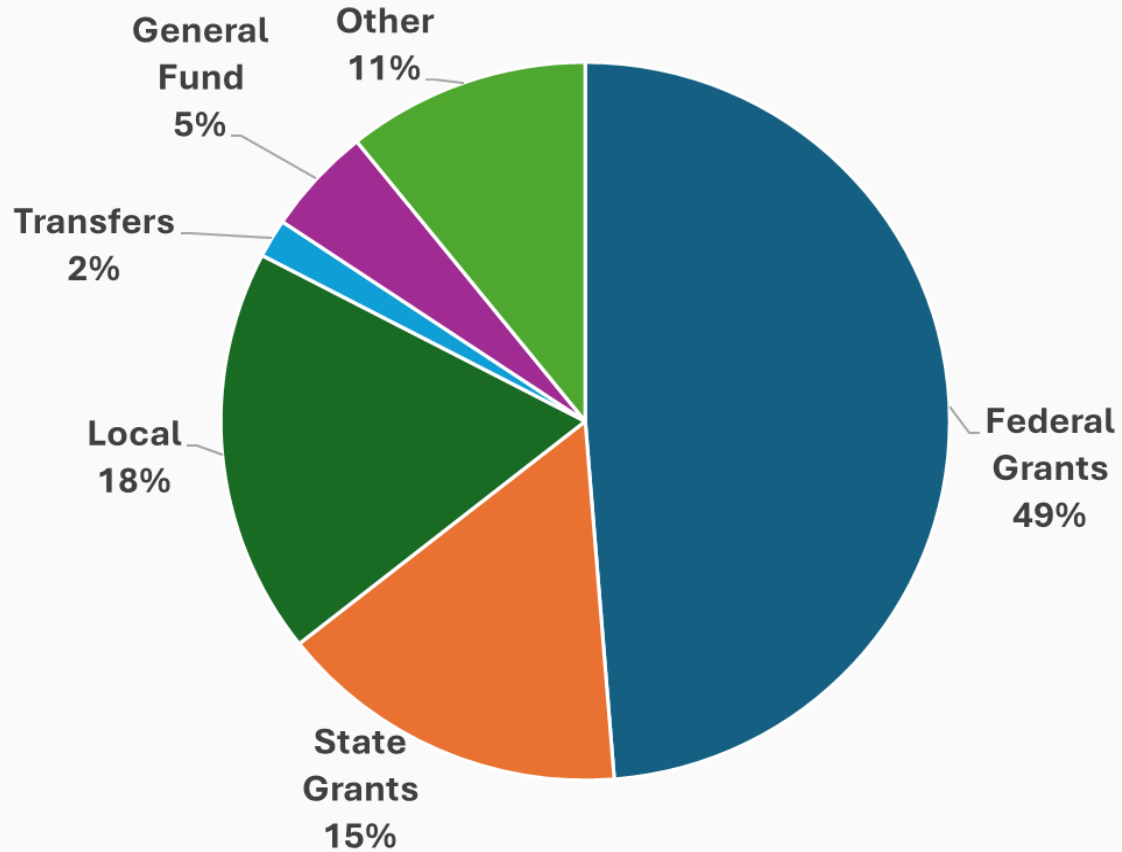
Reserves

- \$1.4M deficit driven by ICAP carryforward (-\$5.5M)
- Policy requires \$38M operating reserve of projected year-end total reserve of \$78 million

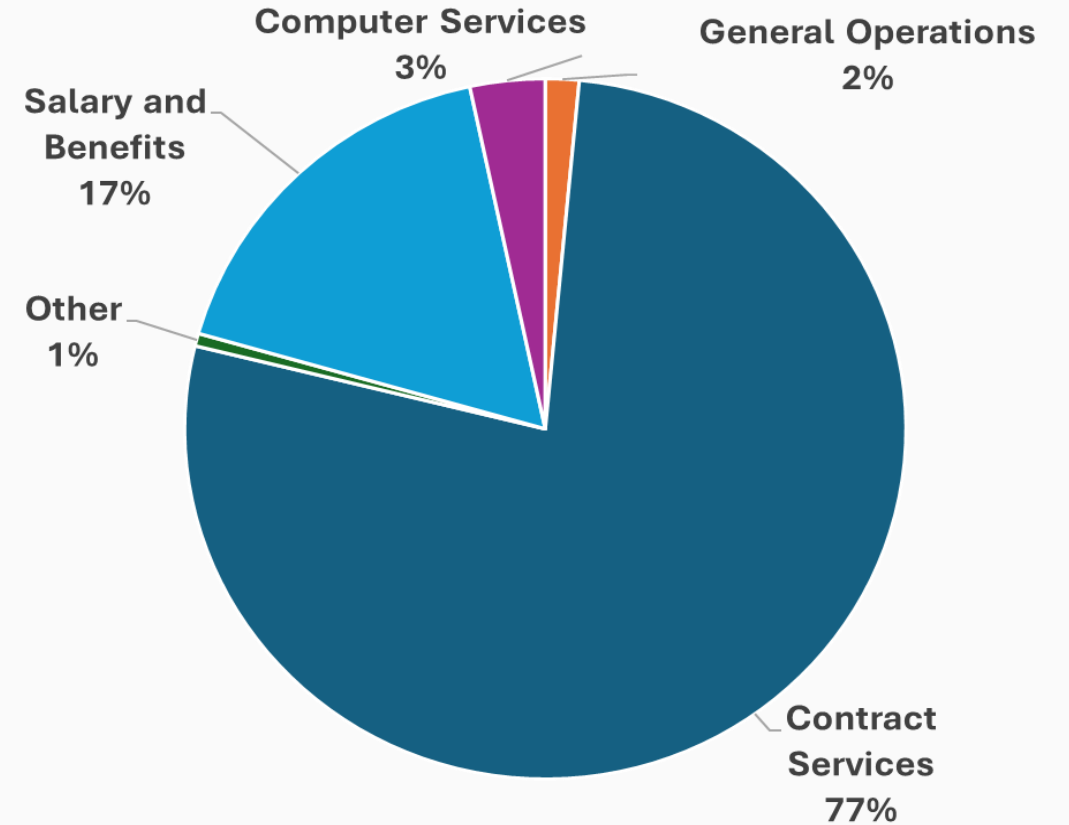
Revenue	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Draft (\$ thousands)	Change % Increase/(Decrease)
Federal Grants	\$182,077	\$173,240	(5%)
State Grants	66,584	55,571	(17%)
Local	44,975	64,999	44%
Transfers	7,880	6,169	(22%)
General Fund	16,782	17,186	2%
Other	38,174	38,335	0%
Total Revenue	\$356,472	\$355,500	(0%)
Expense	FY 2025-26 Amendment No. 1 (\$ thousands)	FY 2026-27 Draft (\$ thousands)	Change % Increase/(Decrease)
Salary & Benefits	\$61,924	\$61,525	(1%)
Computer Services	9,610	11,998	25%
General Operations	5,945	5,365	(10%)
Contract Services	270,287	275,888	2%
Other	2,195	2,080	(5%)
Total Expense	\$349,961	\$356,856	2%
Operating Surplus/(Deficit)	\$6,511	(\$1,356)	(121%)

FY 2026-27 Draft Operating Budget

Revenue by Source



Expense by Category



FY 2026-27 Staffing

431 full time staff

(including term-limited positions)

One new position proposed:

- **Authorized headcount of 431** across MTC, ABAG, and affiliated operating entities
- **New position is fully funded** for TNC Access for All, and includes accessibility work
- **Staffing reallocations** reflect changing program needs and reimbursement sources



MTC FY 2026-27 Capital Budget

FY 2026-27 Additions:

- **\$1,400,000**
Enterprise Resource Planning
Software Replacement
- **\$120,000**
Agenda Management Solution
- **\$119,000**
Intune Enhancements &
Information Security Services

Revenue	FY 2025-26 Amendment No. 1 LTD Budget (\$ thousands)	FY 2026-27 Draft (\$ thousands)	FY 2026-27 LTD Budget (\$ thousands)
Operating Reserve & Interest Income	\$22,195	\$1,135	\$23,330
Transfer from Bay Area Toll Authority	7,540	434	7,974
Transfer from Bay Area Infrastructure Financing Authority	1,140	70	1,210
Total Revenue	\$30,875	\$1,639	\$32,514
Expense	FY 2025-26 Amendment No. 1 LTD Budget (\$ thousands)	FY 2026-27 Draft (\$ thousands)	FY 2026-27 LTD Budget (\$ thousands)
Information Security Services	\$-	\$39	\$39
Infrastructure Systems	1,346	200	1,546
Enterprise Resource Planning Software Replacement	29,967	1,400	31,367
Systems Transformation	2,500	-	2,500
Total Expense	\$33,813	\$1,639	\$35,452

Clipper FY 2026-27 Operating Budget

- Total operating costs decreased from amended **FY 2025-26** budget
- Clipper 1 closing out as Clipper 2 enters full revenue service during FY 2026-27
- Significant Operator contribution growth as Clipper 2 reaches full operations

Revenue	FY 2025-26 Amendment No. 1 (\$ millions)	FY 2026-27 Draft (\$ millions)	Change % Increase/(Decrease)
Regional Measure 2	\$4.2	\$4.5	6%
State Transit Assistance	6.7	7.0	4%
State of Good Repair	11.4	8.9	(21%)
CARES	0.0	0.0	0%
Low Carbon Transit Operations Program (LCTOP)	14.9	10.0	(33%)
Clipper Cards	1.5	2.7	79%
Float Account Interest	7.1	3.7	(47%)
Operators	22.2	30.4	37%
Total Revenue	\$67.9	\$67.2	(1%)
Expense	FY 2025-26 Amendment No. 1 (\$ millions)	FY 2026-27 Draft (\$ millions)	Change % Increase/(Decrease)
Staff	3.7	4.7	25%
Operations	66.1	59.4	(10%)
Total Expense	\$69.8	\$64.0	(8%)

Clipper FY 2026-27 Capital Budget

- Total capital costs increased from amended **FY 2025-26** budget by **\$19.2 million**
- Proposed costs of **\$19.0 million** to support continued Clipper 2 deployment and capital consultant costs

Revenue	FY 2025-26 Amendment No. 1 LTD (\$ millions)	FY 2026-27 Draft (\$ millions)	FY 2026-27 LTD (\$ millions)
Federal	\$311.7	\$0.9	\$312.6
State	128.8	13.3	142.1
Local	70.4	0.0	70.4
General Fund	0.9	0.0	0.9
Transit Operators	12.2	0.2	12.4
Clipper Cards	48.9	0.0	48.9
Inactive Accounts	1.1	2.3	3.4
Float Account Interest	1.1	2.5	3.6
Total Revenue	\$575.1	\$19.2	\$594.3
Expense	FY 2025-26 Amendment No. 1 LTD (\$ millions)	FY 2026-27 Draft (\$ millions)	FY 2026-27 LTD (\$ millions)
Staff	\$44.6	\$3.8	\$48.4
Equipment	69.0	8.7	77.7
Consultants	460.5	6.5	467.0
Total Expense	\$574.1	\$19.0	\$593.1

Bay Area Infrastructure Capital Budget

FY 2026-27 Additions:

- **\$31.1 million**
Bay Bridge Forward 2020
- **\$14.9 million**
West Oakland Link

Revenue	FY 2025-26 Amendment No. 1 LTD (\$ millions)	FY 2026-27 Draft (\$ millions)	FY 2026-27 LTD (\$ millions)
Bay Bridge	\$66.6	\$31.1	\$97.7
Richmond San Rafael	4.3	0.0	4.3
Freeway Performance Initiatives	22.3	0.0	22.3
Dumbarton	9.4	0.0	9.4
Napa	4.7	0.0	4.7
Sears Point to Mare Island	74.0	3.5	77.5
West Oakland Link	65.2	14.9	80.1
Adaptive Ramp Metering	6.0	0.0	6.0
Total Revenue	\$252.5	\$49.5	\$302.0
Expense	FY 2025-26 Amendment No. 1 LTD (\$ millions)	FY 2026-27 Draft (\$ millions)	FY 2026-27 LTD (\$ millions)
Bay Bridge	\$66.6	\$31.1	\$97.7
Richmond San Rafael	4.3	0.0	4.3
Freeway Performance Initiatives	22.3	0.0	22.3
Dumbarton	9.4	0.0	9.4
Napa	4.7	0.0	4.7
Sears Point to Mare Island	74.0	3.5	77.5
West Oakland Link	65.2	14.9	80.1
Adaptive Ramp Metering	6.0	0.0	6.0
Total Expense	\$252.5	\$49.5	\$302.0