**TRANSIT**

Analyst: Mary Bourguignon

|  |  | **Expenditures** |  | **Revenues** |  | **FTEs** |  | **TLTs** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021-2022 Revised Budget |  | $2,078,836,083 |  | $2,513,957,869 |  | 5,367.4 |  | 172.5 | |
| 2023-2024 Base Budget Adjust. |  | $56,540,733 |  | ($321,160,407) |  | 4.2 |  | (150.5) | |
| 2023-2024 Decision Packages |  | $336,240,439 |  | $145,794,019 |  | 463.1 |  | 69.5 | |
| **2023-2024 Proposed Budget** |  | **$2,471,618,000** |  | **$2,337,592,000** |  | **5,834.7** |  | **100.5** | |
| % Change from prior biennium |  | 18.89% |  |  |  |  |  |  | |
| Dec. Pkg. as % of prior biennium |  | 16.17% |  |  |  |  |  |  | |
| **Major Revenue Sources:** Sales tax, grants, contracts for services, fares | | | | | | | | |
| **Base Budget Assumptions:** (1) 4% GWI for ATU represented employees in 2023; (2) 4% GWI for ATU represented employees in 2024; (3) 4% GWI for non-ATU employees in 2023 (Ord 19489); (4) 4% GWI for non-ATU employees in 2024 (Ord 19489);[[1]](#footnote-1) (5) ATU medical/ dental rate assumed at $1,587 for 2023 and 2024 | | | | | | | | |

**Transit Infrastructure Capital Fund (3641)**

|  |  | **2023-2024 Proposed** |  | **2025-2026 Projected** |  | **2027-2028 Projected** |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** |  | $369,069,555 |  | $508,742,494 |  | $696,185,193 |
| **Expenditures** |  | $369,069,555 |  | $508,742,494 |  | $696,185,193 |
| **Major Revenue Sources:** Sales tax, Marine property tax, Sound Transit payment, grants, interest income, debt proceeds | | | | | | |

**Transit Fleet Capital Fund (3642)**

|  |  | **2023-2024 Proposed** |  | **2025-2026 Projected** |  | **2027-2028 Projected** |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** |  | $233,805,562 |  | $67,960,346 |  | $76,297,587 |
| **Expenditures** |  | $233,805,562 |  | $67,960,346 |  | $76,297,587 |
| **Major Revenue Sources:** Sales tax, Marine property tax, grants, interest income | | | | | | |

**Revenue Stabilization Reserve Fund (4643)**

|  |  | **2023-2024 Proposed** |  | **2025-2026 Projected** |  | **2027-2028 Projected** |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** |  | $16.192,374 |  | $20,033,161 |  | $21,128,106 |
| **Expenditures** |  | -- |  | -- |  | -- |
| **Major Revenue Sources:** Sales tax, interest | | | | | | |

**Debt Service (Bond) Fund (8430)**

|  |  | **2023-2024 Proposed** |  | **2025-2026 Projected** |  | **2027-2028 Projected** |
| --- | --- | --- | --- | --- | --- | --- |
| **Revenues** |  | $19,137,198 |  | $20,952,097 |  | $74,068,009 |
| **Expenditures** |  | $13,283,052 |  | $22,663,176 |  | $49,189,093 |
| **Major Revenue Sources:** Sales tax, Marine property tax, interest income, Federal debt service subsidies | | | | | | |

**Description**

The Metro Transit Department (Metro) is the largest provider of public transit in the Puget Sound region. Metro operates fixed-route services, including bus and water taxi; accessible services, including Access paratransit and Community Access Transportation (CAT); and a variety of flexible and shared services, including Dial-A-Ride Transit (DART), Vanpool, Community Van, Community Ride, and contracted on-demand services, such as Via to Transit and Ride Pingo to Transit. Metro also operates Regional Express bus service and Link light rail under contract to Sound Transit, and streetcar service under contract to the City of Seattle. Prior to the COVID-19 pandemic, Metro provided more than 130 million rides each year on these mobility services, with more than 500,000 boardings each weekday.

Metro’s services are guided by its adopted policies, the Strategic Plan for Public Transportation, King County Metro Service Guidelines, and Metro Connects long-range plan.[[2]](#footnote-2) Its services are supported by dedicated funding sources that include a 0.9 percent sales tax; federal and state grants; contracts for service with Sound Transit, the City of Seattle, and other partners; and fares. Metro also receives a minor portion of its revenues from dedicated property taxes, including a dedicated property tax for water taxi service, and interest.

The COVID-19 pandemic significantly affected Metro's operations and finances and will continue to affect Metro into the next biennium. Metro is currently operating approximately 90 percent of its pre-COVID-19 service with approximately half its pre-COVID daily ridership. Ongoing staffing shortages and continued low ridership, particularly during the peak commute periods, have prevented Metro from fully restoring transit service. The pandemic’s fiscal impacts of lower fare collection and higher operating costs have been offset by several rounds of federal aid, which will continue to support operations and capital investments during the 2023-2024 biennium.

**Summary of Proposed Budget and Changes**

Metro’s proposed operating budget of $2.47 billion represents a 19 percent increase over the 2021-2022 biennium. Metro also proposes to spend $369 million on capital projects and $234 million on fleet purchases during the biennium, both of which are part of a 10-year capital improvement plan that, at $4.5 billion, represents a $1.9 billion increase over the plan proposed as part of the 2021-2022 budget.

In 2020, at the start of the pandemic, Metro’s sales tax and fare revenues dropped sharply, while operating expenses increased due to the need for more frequent deep cleaning of vehicles and the imposition of social distancing load limits on buses. In response, the 2021-2022 budget,[[3]](#footnote-3) as originally adopted, made cuts to staff, service, and capital investments, and called for undesignated fund balance to be drawn down over several biennia to cover the gap between revenues and expenditures. Metro predicted that this drawdown would lead to a “fiscal cliff” by 2025 that would require a cut of 500,000 annual transit service hours, or approximately 11 percent of the system.

As sales tax collections rebounded during 2021 and Metro received additional federal relief funding,[[4]](#footnote-4) Metro’s revenue estimates increased. In the mid-biennial budget omnibus,[[5]](#footnote-5) which was adopted in late 2021, Metro proposed to use the increased revenues to support ongoing service and capital needs, thus avoiding the 2025 “fiscal cliff” reduction in service. Much of this revenue was not immediately appropriated, but rather set aside so that appropriation decisions could be made in the context of the 2023-2024 budget process. During 2023-2024, Metro is proposing to spend $134 million more than revenues in its operating budget, with the difference made up from fund balance comprised of some of the additional revenues that were set aside in 2021.

The proposed 2023-2024 budget is consistent with Metro’s adopted fund management policies,[[6]](#footnote-6) except for the farebox recovery requirement and the order in which expenditures would be made,[[7]](#footnote-7) and would meet required reserve levels over the 10-year financial plan.

**Fund Structure and Fund Management Policies**

**Fund Structure.** The Public Transportation Fund has five subfunds:

* The **Operating Subfund** supports the ongoing operation of transit services and includes direct operating labor and non-labor costs, administrative costs, and indirect and overhead costs. For 2023-2024, the proposed appropriation is $2.47 billion.
* The **Infrastructure Capital Subfund** (Fund 3641) supports capital infrastructure projects other than revenue fleet vehicle purchases, including the planning, design, acquisition, preservation, and replacement of infrastructure and other capital items needed to support Metro’s operations. For 2023-2024, the proposed appropriation is $369 million.
* The **Revenue Fleet Capital Subfund** (Fund 3642) supports new and replacement revenue fleet[[8]](#footnote-8) purchases. To smooth large expenditure fluctuations associated with fleet replacement purchases, Metro maintains a Revenue Fleet Replacement Reserve and may also use short term debt. For 2023-2024, the proposed appropriation is $234 million.
* The **Revenue Stabilization Reserve Subfund** holds fund balance to offset the impacts of an economic downturn. For the 2023-2024 biennium, the financial plan proposes a reserve of $330.7 million. Moneys in the Revenue Stabilization Subfund can only be accessed through an appropriation ordinance and only under specific conditions in which sales taxes are declining.[[9]](#footnote-9)
* The **Debt Service Subfund** is required to be sufficient to meet annual debt service obligations for debt-financed Transit assets. For 2023-2024, the proposed appropriation is $13.2 million.

**Fund Management Policies.** Metro’s adopted fund management policies[[10]](#footnote-10) direct Metro to manage its finances to fund, in the following order: (1) debt service; (2) operation of the current transit system, including asset maintenance and replacement; (3) maintenance and replenishment of reserves; and (4) new transit service and capital investments necessary to achieve service growth priorities identified by the King County Metro Service Guidelines,[[11]](#footnote-11) and new transit service and capital investments necessary to achieve the long range vision identified in Metro Connects.[[12]](#footnote-12)

The fund management policies require Metro to recover at least 25 percent of passenger-related operating costs from farebox revenues, with a target of recovering 30 percent. During the 2021-2022 biennium, farebox recovery did not meet the target due to reduced service and ridership levels. In anticipation of this shortfall, the Council suspended portions of the fund management policies during 2021-2022, including the farebox recovery requirement.[[13]](#footnote-13)

Metro anticipates that farebox recovery will not reach the target during 2023-2024 due to slow ridership recovery. In response, the Executive transmitted Proposed Ordinance 2022-0391, which would continue the partial suspension of Metro’s fund management policies during the 2023-2024 biennium. That ordinance states that Metro will analyze evolving conditions and recommend updates to the farebox recovery requirement as part of the 2025-2026 budget. Table 1 shows the projected farebox recovery rates for 2021 through 2024.

**Table 1. Farebox Recovery Rates 2021-2024**

| Year | Actual or Projected Farebox Recovery Ratio |
| --- | --- |
| 2021 | 7.2% (actual) |
| 2022 | 7.6% (projected) |
| 2023 | 7.7% (projected) |
| 2024 | 9.4% (projected) |

Farebox recovery has also been affected by the decline in Metro business passport accounts, which in 2019 accounted for 35 percent of all boardings and $85 million in annual fare revenue, and in 2021-2022 accounted for 23 percent of all boardings and $25 million in annual fare revenue.

Metro has stated that, although the 2021-2022 budget had based its revenue projections on a $0.25 fare increase that would have been sought in 2023, the proposed 2023-2024 budget does not include a fare increase due to the uncertainty of ridership recovery.[[14]](#footnote-14) Metro staff state that revenue estimates for the 2023-2024 biennium have been revised downward by $15 million to reflect that a fare increase proposal will be deferred until at least 2025.

**Operating Budget Highlights**

Highlights of the $2.47 billion 2023-2024 proposed transit operating budget include:

**Restoration of and additions to fixed route transit service.** Metro is currently operating just under 90 percent of pre-pandemic fixed-route service levels, when changes to Seattle-funded and Sound Transit-funded bus service are factored in. Table 2 shows a comparison of service hours between 2019 and Fall 2022.

**Table 2. Metro Fixed-Route Annual Service Hours, 2019 vs 2022**

| Bus Service | 2019 | Fall 2022 | % of 2019 |
| --- | --- | --- | --- |
| King County Metro funded | 3,855,000 | 3,508,000 | 91% |
| City of Seattle funded | 310,000 | 139,000 | 45% |
| Sound Transit funded | 320,000 | 263,000 | 82% |
| Total Hours | **4,485,000** | **3,910,000** | **87%** |

In March 2020, in response to the onset of the pandemic, Metro began a series of emergency service reductions,[[15]](#footnote-15) ultimately reducing service to approximately 85 percent of pre-pandemic levels. The reduced service was expected to be fully restored by the end of the 2021-2022 biennium, but ongoing staffing shortfalls and slow ridership recovery prevented Metro from fully restoring the suspended service. Eighteen routes remain fully suspended, with many more continuing partial suspensions of service.[[16]](#footnote-16)

The proposed budget would add a net 191,000 service hours of fixed-route service at a cost of $12.4 million and 18 FTE. These service hours would include additions for the new RapidRide G[[17]](#footnote-17) and H[[18]](#footnote-18) lines, which are expected to begin service during the biennium; additional service funded by the Seattle transit funding measure and provided by Metro under contract;[[19]](#footnote-19) and restoration of some of the service that was suspended during the pandemic. Metro staff state that Metro will continue to evaluate ridership patterns and may propose permanent service reductions or restructures during the biennium as post-pandemic travel patterns become clearer.

Table 3 summarizes the anticipated service hour additions (and reductions) during the biennium, by funding source.

**Table 3. 2023-2024 Proposed Service Plan by Funding Source**

| Service Changes | Spring  2023 | Fall  2023 | Spring  2024 | Fall  2024 | TOTAL |
| --- | --- | --- | --- | --- | --- |
| Service Guidelines |  |  |  |  |  |
| Service Recovery |  | 66,000 | 37,200 | 48,000 | **151,200** |
| Run-time impacts |  | 20,000 |  |  | **20,000** |
| RapidRide | 4,000 | 0 | 0 | 26,000 | **30,000** |
| Fixed route DART conversion |  | (4,200) | (7,200) |  | **(11,400)** |
| King County Metro funded | **4,000** | **81,800** | **30,000** | **74,000** | **189,800** |
| City of Seattle funded |  | 20,000 | 20,000 | 30,000 | **70,000** |
| Sound Transit funded[[20]](#footnote-20) |  | (51,600) |  | (16,800) | **(68,400)** |
| Partner funded | **0** | **(31,600)** | **20,000** | **13,200** | **1,600** |
| Total Hours | **4,000** | **50,200** | **50,000** | **87,200** | **191,400** |

**Additions to flexible and contracted service.** The proposed budget would add $28 million to support increases in flexible and contracted service. This funding would support approximately $12 million in resources to cover the continued recovery of Access paratransit ridership, as well as increased contractor costs; $1.1 million for Community Access Transit (CAT); $9.4 million to transition three pilot DART services into permanent routes (Route 635 and two Trailhead Direct routes); $500,000 for Vanpool; and $5 million for flexible services to sustain funding for existing Via to Transit and Community Van programs and invest in expanded Community Van service in unincorporated and rural communities.

**Additions to water taxi service.** Metro’s West Seattle water taxi route traditionally provided more service during the summer months, with service reduced during the winter. During the closure of the West Seattle Bridge, however, the City of Seattle purchased additional, year-round service to offer West Seattle residents an additional commuting option. With the West Seattle Bridge now reopened, the City of Seattle will no longer be funding this additional water taxi service.

The 2023-2024 budget proposes $2.1 million, which would be supported by Marine fund balance from the dedicated passenger ferry property tax, to provide summer-level service year-round on the West Seattle water taxi. Metro states that this proposal is to avoid the disruption of having to lay off and then rehire crew to accommodate seasonal fluctuations. This higher level of service is being piloted during winter 2022-2023, and Metro will evaluate the results following the winter season.

**Ridership recovery.** Transit ridership fell sharply during the early months of the pandemic, reaching a low of 25 percent of pre-pandemic ridership in April 2020. Although ridership has increased steadily since then, reaching more than 200,000 average weekday boardings by August 2022, it is still less than half the pre-pandemic total. The proposed budget includes a range of initiatives to encourage riders to return to transit, including several programs focused on increasing access for riders who might otherwise find it difficult to use transit. Proposed spending includes:

* **Bus, shelter, and facility cleaning and maintenance.** The proposed budget would add $10.3 million, 47.0 FTE, and 23.0 TLT to continue the enhanced cleaning practices that Metro implemented at the start of the pandemic and to address the backlog of preventative maintenance at Metro bus shelters and facilities.
* **Third Avenue improvements.** The proposed budget includes a one-time appropriation of $3.3 million for a capital project to complete transit, sidewalk, and pedestrian enhancements along Third Avenue in Downtown Seattle, between Yesler Way and South Main Street. Metro states that it is coordinating work with the City of Seattle and other stakeholders seeking to make Downtown Seattle and the Third Avenue transit corridors more attractive to riders.[[21]](#footnote-21)
* **Advanced service management pilot.** The proposed budget includes $3.67 million, 4.0 FTE, and 6.0 TLT to implement “active headway management,” in which buses are spaced based on headway (the time between buses) rather than a schedule. The goal is to provide more reliable service for riders, as well as more certainty for bus operators.
* **Ridership engagement and research.** The proposed budget includes $6.1 million, 2.0 FTE, and 10.5 TLT to engage with partners and community stakeholders in an effort to rebuild ridership on the transit system. Projects will include outreach to and incentives for businesses and community-based organizations, as well as pilot projects to increase the use of ORCA fare cards.
* **Youth outreach.** In response to the Move Ahead Washington statewide transportation investment program, the Council approved a free transit fare for youth,[[22]](#footnote-22) which took effect September 1. The proposed budget includes $1.6 million, 1.0 FTE, and 2.0 TLT to implement the new free youth fare policy by distributing youth transit passes and providing transit education. Metro states that it has distributed 29,000 cards, for a total of 75,000 cards currently in circulation and aims to secure and distribute 25,000 additional cards to middle and high school students during the 2022-2023 school year, focusing on low-income school districts and noting that card availability has been limited by supply chain issues.
* **Increased resources for reduced fare and paratransit riders.** The proposed budget includes legislation[[23]](#footnote-23) that would lower the ORCA LIFT low-income fare from $1.50 to $1.00 for twelve months starting January 1, 2023, at a cost of $554,000. The budget also includes $2.4 million, 5.0 FTE, and 1.0 TLT to provide additional customer service support, including wayfinding, for Access paratransit and ORCA LIFT passengers.[[24]](#footnote-24)
* **Health through Housing support.** The proposed budget includes $16.5 million and 1.0 TLT to provide mobility services to residents of DCHS Health through Housing units. Services would be customized based on the needs of residents at each site. Metro staff note that at a site that is close to frequent transit, for example, residents might be provided with fare media, while at a site that is farther from transit, Metro might provide on-demand services or a shuttle van. Metro states that three of the sites in operation are already leasing Metro vans for use in transporting residents to opportunities and Metro is working with those site operators on solutions for additional mobility needs. Metro notes that Health through Housing funding is covering the cost of this current leasing of vans and future solutions, which will depend on existing transit services in the vicinity of the site location. Funding will also support a project manager and engagement with property operators and residents to design and implement solutions.

**Safety, Security, and Fare Enforcement (SaFE) Reform Initiative.** In response to ongoing safety and security incidents on Metro buses and at transit stops and bases, the proposed budget would implement several initiatives that emerged from Metro’s SaFE Reform Initiative, which aimed to make passengers and employees safer and to reimagine Metro’s safety and security functions. Budget initiatives include:

* **SaFE implementation strategies.** The proposed budget includes $3.8 million and 1.0 TLT, to be offset by $500,000 in funding from the Move Ahead Washington transportation investment program, to implement strategies from Metro’s SaFE Reform Initiative.[[25]](#footnote-25) Programs to be funded include a fare enforcement replacement pilot, social service partnerships to pilot new methods of safety and security operations, development of an alternative enforcement approach to minor code of conduct violations, development of a de-escalation curriculum, design changes to transit stops, activation of transit centers, and a communication platform for non-emergency feedback.
* **Administrative and facility resources for Metro Transit Police.** The proposed budget includes $539,000 to support the conversion of four deputies to Master Police Officers and add two administrative staff from the King County Sheriff’s Office. The Master Police Officers would provide training and supervision for new recruits and newly trained deputies, while the administrative staff would allow the Metro Transit Police office to be open to the public during all business hours.
* **Additional transit security officers.** The proposed budget adds $21 million and 1.0 FTE to support the hiring of 140 transit security officers through Metro’s existing contract with Securitas, USA, which currently provides fare enforcement and transit and facility security. Metro states that the new transit security officers would be deployed based on data about incident locations.

**Employee recruitment and retention.** Metro has been experiencing ongoing staffing shortages (particularly with bus operators) since the start of the pandemic. Currently, Metro has appropriation authority for 2,620 FTE bus operators but has 269 FTE open, a vacancy rate of more than 10 percent. The proposed budget includes several initiatives to support recruitment, training, and retention, including:

* **Bus operations training capacity.** The budget includes $3.1 million and 11.0 FTE to increase bus operations supervisory staff and supervisors in training to provide support and training to bus operators and more easily fill vacancies.
* **Resources for recruiting.** The proposed budget adds $6.4 million ($2.85 million revenue-backed), 3.0 FTE, and 17.0 TLT in Employee Services to assist with recruitment, with a particular focus on recruiting for the new positions that will be needed in the Rail Division to support the expansion of Link light rail.
* **Business transformation.** The proposed budget adds $15.3 million and 3.0 TLT to analyze and develop new processes, tools, and techniques to improve business practices, including improving talent acquisition, capital delivery, and asset management.

**Link light rail expansion.** Even with the delays recently announced by Sound Transit, the 2023-2024 biennium will feature significant expansion of Link light rail, with the anticipated opening of East Link (2 Line), as well as Link extensions to Redmond, Lynnwood, and Federal Way. Metro operates Link light rail service under an intergovernmental agreement with Sound Transit,[[26]](#footnote-26) which covers Metro’s operations and maintenance costs, as well as some overhead expenses. Administrative, maintenance, and operational support for Link expansion during 2023-2024 is proposed as an increase of $87.7 million, 368 FTEs, and 1.0 TLT (all revenue-backed).

**Process and system improvements.** The proposed budget includes initiatives to develop efficiencies and process improvements and to improve employee morale. These include $21 million, 3.0 FTE, and 1.0 TLT to expand staff, training, and investigation resources for Equal Employment Opportunity and Equity, Inclusion, and Belonging programs; $702,000 and 5.0 FTE to bring drug and alcohol testing in-house, after a pilot project showed that it saved employees time and increased flexibility; $8.7 million, 14.0 FTE, and 3.0 TLT to support Metro’s technology, training, and data needs; $3.6 million and 13.0 FTE to provide additional financial and administrative support; and $9 million in reappropriation from 2021-2022 to support the reconfiguration of King Street Center into a hybrid work environment.

**Capital Budget Highlights**

Metro’s capital budget is organized into two sub-funds: Fund 3641 for Transit Infrastructure, which proposes expenditures of $369 million for 2023-2024; and Fund 3642 for Revenue Fleet, which proposes expenditures of $234 million for 2023-2024. Highlights of the proposed capital budget include:

**Capital Division project support.** The 2021-2022 budget responded to the fiscal challenges of the early pandemic months by deferring or cancelling many planned capital projects. With increased sales tax revenue and federal funding support, Metro is reinitiating many of these projects. To support these investments, the proposed budget adds 20.0 FTE to support capital projects (funded through the capital project budgets). In addition, Metro proposes to spend$475,000 on the cost of a capital management training program DNRP is developing for County capital project staff.

**Electrification.** In early 2020 the Council adopted the goal of transitioning to a zero-emission revenue bus fleet by 2035.[[27]](#footnote-27) In response, the 2023-2024 biennial budget proposes $1.3 million in the operating budget and $248.5 million in the capital budget to continue the work of implementing that transition.

While Metro’s last several biennial budgets have included significant investments in electrification, including the purchase of 40 battery-electric buses and the development of the South Base test charging facility, the 2023-2024 budget is the first to move substantially beyond the pilot phase. Rather than purchasing small numbers of battery electric buses to test, the 2023-2024 budget would appropriate funding to purchase 120 battery electric buses, two 150-passenger battery electric water taxi vessels, and 19 paratransit battery electric minibuses. It would also invest in technical applications to manage battery-electric bus charging and dispatch and would continue the work of converting each of Metro’s bases with electric charging infrastructure, a process that will involve the rolling closure and reopening of each base between 2025 and 2036.

Table 4 shows the non-trolley electrification projects proposed in the 2023-2024 capital budget. The list includes several base conversion projects that are not budgeted for this biennium but are anticipated for funding requests by 2028.

**Table 4.**

**Transit 2023-2024 Non-Trolley Electrification Projects (Funds 3641, 3642)**

| **Name** | **Description** | **2023-2024** | **2025-2026** | **2027-2028** | **6-Year Total** |
| --- | --- | --- | --- | --- | --- |
| **South Annex Base** *(1134223)* | Will open as an electrified base in 2028 with capacity for 250 battery-electric buses | $0 | $82,534,100 | $264,934,398 | $347,468,498 |
| **Zero Emission Infrastructure Planning** *(1134274)* | Overall planning and programming of vehicle infrastructure facilities to support zero-emission fleet | $1,311,845 | $1,962,220 | $1,958,311 | $5,232,376 |
| **Electric Bus Charging Test Facility at South Base** *(1134282)* | Design, implementation, testing, certification, operations, and closeout of the test facility project | $1,073,442 | $0 | $0 | $1,073,442 |
| **Electric Vehicle Charging Program Budget** *(1139326)* | Non-bus vehicle charging infrastructure at transit facilities | $1,622,741 | $2,512,253 | $3,082,870 | $7,217,864 |
| **Interim Base Bus Charging** *(1139367)* | Will open as an electrified base in 2025 with capacity for 120 battery-electric buses | $26,483,149 | $0 | $0 | $26,483,149 |
| **Contracted Services Electric Vehicle Base Planning** *(1142080)* | Preliminary design to prepare for construction of eEV operations base for Mobility Division | $612,920 | $333,000 | $0 | $945,920 |
| **Base Electrification** *(1142163)* | Planning and design for conversion of Atlantic (2030) / Central (2028) Bases | $12,039,400 | $65,281,577 | $56,425,331 | $133,746,308 |
| **Energy Monitoring** *(1144118)* | IT: System to monitor and gather data on zero emissions revenue fleet | $2,400,000 | $0 | $0 | $2,400,000 |
| **Yard Management** *(1144127)* | IT: Software to coordinate battery electric bus charging and dispatching | $4,800,000 | $0 | $0 | $4,800,000 |
| **East Base Electrify** *(1144128)* | Planning and design for conversion of East Base (2030) | $4,071,080 | $11,570,949 | $87,280,569 | $102,922,598 |
| **South Base Electrify** *(1144141)* | Planning and design for conversion of South Base (2032) | $0 | $4,068,171 | $10,865,480 | $14,933,651 |
| **Ryerson Base Electrify** *(1144142)* | Planning and design for conversion of Ryerson Base (2034) | $0 | $0 | $3,767,014 | $3,767,014 |
| **Burien Layover Expansion and Charging** *(1144143)* | Expand Burien TC off-street layover to support layover charging | $0 | $2,654,773 | $2,448,175 | $5,102,948 |
| **Atlantic Base Electrify** *(1144144)* | Planning and design for conversion of Atlantic Base (2030) | $0 | $0 | $36,044,914 | $36,044,914 |
| **ADA Van Procurement** *(1130170)* | Fleet: In 23-24, purchase of 19 battery electric minibuses to achieve 67% electrification of Access fleet by 2030 | $6,261,916 | $31,249,049 | $25,671,625 | $63,182,590 |
| **Community Access Transportation Vehicle Procurement** *(1130171)* | Fleet: In 23-24, purchase 19 vehicles of which 2 are small low floor electric vehicles | $2,982,288 | $994,725 | $17,549,232 | $21,526,245 |
| **Battery Electric Bus Budget** *(1139507)* | Fleet: In 23-24, purchase 120 vehicles to be received in the 25-26 biennium (for Interim Base) | $180,540,954 | $0 | $439,763,242 | $620,304,196 |
| **Access Transportation EV Pilot** *(1141993)* | Fleet: Support the first battery electric vehicles for use in ADA paratransit revenue operations | $2,000,000 | $0 | $0 | $2,000,000 |
| **Marine Zero Emission Vessel** *(1142317)* | Fleet: Replace the existing diesel 278-passenger ferry on WS route with two 150-passenger battery electric vessels | $2,000,000 | $12,427,586 | $572,414 | $15,000,000 |
| **Countywide Layover Facilities Planning** *(1144088)* | Planning for layover spaces in coordination with Metro's battery electric bus program | $308,689 | $300,346 | $0 | $609,035 |
| **2023-2024 TOTAL** | | **$248,508,424** |  |  |  |

Earlier this year, Metro completed a zero-emission bus fleet transition plan[[28]](#footnote-28) as part of a Federal Transit Administration requirement to apply for federal electrification funds. This transition plan outlines Metro’s current planned timeline and strategy to achieve a zero-emission revenue fleet by 2035.

* **Fleet purchase plan.** Metro’s revenue bus fleet currently comprises approximately 1,400 vehicles, including 174 electric trolley buses and 51 battery electric buses.[[29]](#footnote-29) Over the next 12 years, Metro plans to purchase 30 additional trolley buses and 1,334 additional battery electric buses (BEBs). Table 5 shows Metro’s bus purchase plan as of May 2022.

**Table 5. Metro Bus Purchase Plan[[30]](#footnote-30)**

|  | **2024** | **2025** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **TOTAL** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| BEBs |  | 120 |  |  | 240 | 15 | 175 | 55 | 235 | 209 | 35 | 250 | **1334** |
| Trolleys |  |  |  | 30 |  |  |  |  |  |  |  |  | **30** |
| **TOTAL** |  |  |  |  |  |  |  |  |  |  |  |  | **1364** |

* **Base conversion plan.** To accommodate the zero-emission fleet, Metro must convert its bases to add charging infrastructure. Metro’s current plan is to convert the bases sequentially, with each base expected to require 18 to 24 months for conversion, and with a permanent reduction in capacity of 10 to 15 percent due to the installation of charging infrastructure within the yard. The current draft timeline for electric base reopening is:
  + 2025: Interim Base
  + 2028: South Annex Base
  + 2028: Central Base
  + 2030: East Base
  + 2030: Atlantic Base
  + 2032: South Base
  + 2034: Ryerson Base
  + 2035: North Base
  + 2035: Bellevue Base
* **Layover charging.** Metro’s current plan calls for a mix of on-base and on-route charging. Metro is currently pursuing five initial layover sites in South King County to support electrification of the fleet operating out of the Interim and South Annex Bases. Next, Metro will seek candidate locations for layover charging across the system, a process that will require significant electrical infrastructure in multiple jurisdictions.

In addition to these capital investments, the proposed budget includes $1.3 million and 12.0 FTE in the operating budget to support the conversion to zero-emission operations in Metro’s operating divisions.

**RapidRide.** Metro currently operates six RapidRide lines (A-F) and is working to develop four additional lines (G-J), which are planned to start service between 2023 and 2026. Metro also began planning and design for two more lines (K, R), though work was paused during the pandemic.[[31]](#footnote-31) One additional line, L, with location to be determined, is identified in the 2023-2024 capital improvement plan as beginning planning work in the 2027-2028 biennium (though no appropriation is proposed in 2023-2024).[[32]](#footnote-32)

The proposed 2023-2024 budget would appropriate $64.7 million to RapidRide projects. Table 6 shows the proposed 2023-2024 appropriations for the lines that are currently being planned, designed, or developed (including the planned future L line).[[33]](#footnote-33)

**Table 6. Planned Rapid Ride Lines**

| **Line** | **Pathway** | **2023-2024 Appropriation** | **Total CIP Appropriation through 2028[[34]](#footnote-34)** | **Start Date** |
| --- | --- | --- | --- | --- |
| **G** | Madison Valley to Downtown Seattle | $1,070,353 | $10,609,039 | 2024 |
| **H** | Burien to Downtown Seattle | $5,430,262 | $76,296,806 | 2023 |
| **I** | Renton to Auburn | $31,707,310 | $149,908,525 | 2026 |
| **J** | Downtown Seattle to U District | $605,996 | $2,919,886 | 2026 |
| **K** | Kirkland to Bellevue | $508,549 | $3,854,247 | ?[[35]](#footnote-35) |
| **R** | Rainier Beach to Downtown Seattle | $21,932,277 | $129,863,300 | ? |
| **L** | Location to be determined[[36]](#footnote-36) | $0 | $5,000,000 | ? |

Note: The G, H, J, and R lines are being developed in collaboration with the City of Seattle, with capital contributions from the Move Seattle levy.

For the two lines for which planning is underway (K and R), Metro proposes that design work proceed first with the R Line because it serves an area with a high overall equity score and follows the path of an existing route (Route 7) that has retained high ridership levels during the pandemic.

* **R Line** work was paused at 10 percent design. The 2023-2024 budget would appropriate $21.9 million to revisit the alternatives analysis[[37]](#footnote-37) and proceed with environmental documentation. The budget anticipates that federal grants would finance approximately 60 percent of the estimated $130 million capital cost to develop the line, and that the City of Seattle may be able to become a funding or delivery partner.
* **K Line** work was paused at one percent design but reached two to five percent design in 2021 due to the additional work Metro conducted to develop the RapidRide Restart Report, which was required in response to a Council budget proviso.[[38]](#footnote-38) The 2023-2024 budget would appropriate $500,000 for the K Line, which Metro states would be used to take the project to 10 percent design and prepare for the next stages of development. No potential appropriations for further stages of the design or development are shown in the proposed capital plan for future biennia, leaving the status of K Line development unclear.

**Information Technology Investments.** Metro’s operations rely on several hundred technology applications and interfaces that are used to plan routes and schedules, collect fares, communicate between buses and the base, and provide information to customers. The budget continues Metro’s investment in technology solutions with $46.7 million proposed during 2023-2024 for new or updated transit technology projects, including:

* **Customer payment enhancements:** $1.2 million to develop a new online eligibility portal for Access paratransit applicants that is aligned with the existing reduced fare portal, and $5.4 million for enhancements to the New ORCA system to enhance customer payment options.
* **Improved reliability:** $4.8 to facilitate active headway management, which manages how coaches are deployed to avoid bus bunching and promote greater reliability for passengers.
* **Video management system:** $11.5 million to install an automated, cloud-based system for identifying, labelling, and distributing requested video segments from Metro’s existing on-board camera systems.[[39]](#footnote-39)
* **Safety and security improvements:** $6 million for a system that will log pre-trip inspection data to ensure regulatory compliance and automatically generate vehicle maintenance work orders, and $2.4 million to upgrade existing facility security infrastructure, including video monitoring, alarm systems, and employee access management.
* **Equal Employment Opportunity case management:** $1.2 million to develop a technology solution to monitor investigative cases and track trends in workplace discrimination complaints.
* **Support for electrification:** $2.4 million for a system to monitor and gather data on the zero-emission revenue fleet, and $4.8 million for software to coordinate battery-electric bus charging and dispatching.

**Key Issues**

**Issue 1 – Service Restoration and Ridership Recovery**

Metro is currently operating approximately 90 percent of pre-pandemic service levels with 50 percent of pre-pandemic ridership. As a result, farebox recovery levels are anticipated to remain well below the required 25 percent (7.7 percent in 2023 and 9.4 percent in 2024), meaning that other sources of revenue must cover a higher share of Metro’s operating costs.

As this staff report describes, the budget proposes a number of initiatives to increase ridership, and Metro staff note that Metro will be carefully studying ridership trends and patterns to assess ongoing transit service needs. The proposed budget does not fully cover a return to pre-pandemic service levels, however, and Metro staff have indicated that Metro may seek Council approval at some point during the biennium to reduce or restructure service in areas in which ridership patterns no longer merit pre-pandemic levels of service. Metro staff also note that the farebox recovery requirement may need to be reevaluated as part of the 2025-2026 budget deliberations, following what would have been by then five years of below-target performance.

**Issue 2 – Workforce recruitment and retention**

Metro is currently operating with more than 10 percent of its bus operator positions vacant (269 FTEs vacant out of 2,620 budgeted FTE). This staffing shortfall has prevented Metro from restoring service that was reduced during the pandemic and has even required additional service reductions, most recently at the September 2022 service change.

As this staff report describes, the budget proposes several initiatives to streamline recruitment, enhance training and supervision, and promote retention. Of note, however, the current collective bargaining agreement[[40]](#footnote-40) with the Amalgamated Transit Union (ATU) Local 587 expires October 31, 2022, and Executive staff note that bargaining is currently underway. ATU is not part of the Coalition Labor Agreement. Two of Metro’s other bargaining units (PROTEC 17 Transit Chiefs and PROTEC 17 Transit Superintendents) voted earlier this year to reject the Coalition Labor Agreement[[41]](#footnote-41) and are currently pursuing mediation.

**Issue 3 – Safety, security, and fare enforcement (SaFE) Reform**

In response to concerns about safety and security incidents on buses and at transit stops and bases, and as part of a larger effort to reimagine and reform Metro’s safety and security functions, the proposed budget includes several safety and security initiatives. The largest of these is the proposed $21 million investment to add 140 transit security officers through Metro’s existing contract with Securitas.

Metro staff state that they are optimistic Metro will be able to secure these transit security officers but note that contracted officers from Securitas are in high demand, with competition from other accounts, such as Amazon. Metro has experienced attrition among its transit security officers and states that it has been difficult to fill vacancies, noting that, if needed, Metro would explore opportunities with other contractors to supplement Securitas’ staffing resources for positions they are unable to fill.

**Issue 4 – Electrification**

To meet the adopted goal of transitioning to a zero-emission revenue bus fleet by 2035,[[42]](#footnote-42) Metro must purchase more than 1,300 battery electric buses, starting with a proposed 120 during 2023-2024,[[43]](#footnote-43) and must convert all its bases to support electric charging infrastructure. The 2023-2024 biennial budget proposes $1.3 million in the operating budget and $248.5 million in the capital budget to proceed with that work. Metro staff note that electrification efforts will be funded in part by the drawdown of undesignated fund balance over the next decade.

One of the questions Councilmembers have asked over the last several years while reviewing options to achieve a zero-emission transit fleet is about the tradeoff between service hours and electrification costs, given the higher cost to acquire zero-emission vehicles.

The most recent study on this topic, which was prepared by Metro in 2020 following a Council budget proviso,[[44]](#footnote-44) estimated life cycle costs for battery electric buses, factoring in both monetary and social costs, and examining scenarios in which zero-emission vehicles remain at their current cost differential versus one in which costs decrease over time as technology advances. The study found that if costs remain steady over time, the additional cost of acquiring a zero-emission fleet would be equivalent to providing 237,000 annual service hours over a 19-year period. However, if costs decrease with advances in technology, the lifecycle and societal costs of zero-emission and diesel-hybrid vehicles would be roughly equivalent over the same 19-year period.

**Issue 5 – RapidRide Progress**

The Metro Connects long-range plan[[45]](#footnote-45) states that 10 RapidRide lines (A-J) are expected to be in operation by 2026; 13 to 15 lines are expected to be in operation by the time of the Interim Network (approximately 2035); and 19 to 23 lines are expected to be in operation by the time of the 2050 Network. The three to five new lines to be included in the Interim Network are to include the K and R lines, as well as one to three lines to be selected through a RapidRide Prioritization Plan, which is due to the Council by June 30, 2024.[[46]](#footnote-46)

The proposed budget indicates that the R Line will be prioritized next, with substantial completion anticipated by 2028, and with a forecasted total budget of $130 million. The K Line has been assigned a substantial completion date of 2030, with a total forecasted budget through 2028 of $3.8 million. A potential third line, dubbed the L Line, with location to be determined by the RapidRide Prioritization Plan,[[47]](#footnote-47) has a total forecasted budget through 2028 of $5 million.

1. The current collective bargaining agreement with ATU Local 587 (Ordinance 19145) expires October 31, 2022. ATU is not part of the Coalition Labor Agreement. Two bargaining units (PROTEC 17 Transit Chiefs and PROTEC 17 Transit Superintendents) voted earlier this year to reject the Coalition Labor Agreement (Ordinance 19489) and are pursuing mediation. [↑](#footnote-ref-1)
2. Ordinance 19367 [↑](#footnote-ref-2)
3. Ordinance 19210 [↑](#footnote-ref-3)
4. Since the start of the pandemic, Metro has been allocated a total of **$897 million** in three tranches of federal aid through the Puget Sound Regional Council. In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (**CARES**) Act, from which Metro was allocated **$243.7 million** in April 2020. Metro used this funding to cover the revenue losses and emergency operational expenses during the early months of the pandemic, fully expending the funds by the end of 2020 (CARES Act funding was not included in the 2021-2022 biennial budget). In December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (**CRRSAA**), from which Metro was allocated **$258 million** in April 2021. Much of this funding was incorporated into Metro’s revenue estimates prior to the end of 2020, with the remainder appearing in the revenue estimates in the mid-biennial budget ordinance (Ord 19364). In March 2021, Congress passed the American Rescue Plan Act (**ARPA**), from which Metro was allocated **$395.6 million** in September 2021. This latest round of federal relief funding was incorporated into Metro’s revenue estimates as part of the mid-biennial budget ordinance (Ord 19364). [↑](#footnote-ref-4)
5. Ordinance 19364 [↑](#footnote-ref-5)
6. Ordinance 18321 [↑](#footnote-ref-6)
7. Proposed Ordinance 2022-0391 would suspend those portions of the fund management policies for the 2023-2024 biennium. [↑](#footnote-ref-7)
8. Revenue fleet refers to vehicles used to transport customers, such as buses and Vanpool vans, as opposed to vehicles used for internal purposes such as maintenance. [↑](#footnote-ref-8)
9. Ordinance 18321, Attachment A, Section IV.A [↑](#footnote-ref-9)
10. Ordinance 18321 [↑](#footnote-ref-10)
11. Ordinance 19367 [↑](#footnote-ref-11)
12. Ordinance 19367 [↑](#footnote-ref-12)
13. Ordinance 19206 [↑](#footnote-ref-13)
14. Transit fares were last changed in 2018 (Ordinance 18608), as part of a fare change that eliminated zone and peak fare differentials and set a flat adult fare of $2.75. Prior to that change, fare increases of $0.25 were implemented in 2001, 2008, 2009, 2010, 2011, and 2015. [↑](#footnote-ref-14)
15. KCC 28.94.020.B.2.a. states that “if, in the opinion of the director, an emergency exists that requires any change to established routes, schedules or classes of service, the director may implement such a change for such a period as may be necessary in the director's judgment or until such a time as the council shall establish by ordinance otherwise. Such changes that the director intends to be permanent shall be reported in writing to the chair of the council.” [↑](#footnote-ref-15)
16. Routes with full suspension: Routes 19, 37, 47, 116, 118X, 119X, 122, 123, 143, 154, 157, 178, 179, 197, 200, 219, 252, 931. Routes with partial suspension: Routes 3, 4, 7, 8, 9, 11, 12, 15X, 16X, 17X, 18X, 21X, 22, 24, 27, 28, 29, 31, 32, 33, 40, 45, 55, 56, 62, 64, 75, 79, 101, 102, 107, 111, 113, 114, 118, 119, 131, 231, 255, 631, 120, 121, 162, 167, 177, 190, 204, 212, 214, 216, 218, 221, 226, 232, 240, 241, 245, 249, 250, 257, 268, 269, 271, 301, 303, 304, 311, 320, 322, 342, 346, 347, 348, 372, 630, 901, 903, 906, 914, 915, C Line, D Line, E Line. [↑](#footnote-ref-16)
17. Ordinance 19012 [↑](#footnote-ref-17)
18. Ordinance 19422 [↑](#footnote-ref-18)
19. Ordinance 19240 [↑](#footnote-ref-19)
20. Reflects Sound Transit express bus service hours planned to be reduced following the opening of future Link light rail extensions. [↑](#footnote-ref-20)
21. This is a capital project. It is discussed here due to the potential impact on ridership. [↑](#footnote-ref-21)
22. Ordinance 19474 [↑](#footnote-ref-22)
23. Proposed Ordinance 2022-0392 [↑](#footnote-ref-23)
24. The proposed Public Health budget also includes $489,000, including 1.0 FTE, to be backed by $560,000 from Sound Transit, to add a program manager and contract with two community agencies to add ORCA LIFT enrollment locations in BIPOC communities. [↑](#footnote-ref-24)
25. Motion 16128 [↑](#footnote-ref-25)
26. The current agreement was approved in 2019 through Ordinance 18914. [↑](#footnote-ref-26)
27. KCC 18.22.010.A.1, KCC 28.94.085.A.1 [↑](#footnote-ref-27)
28. King County Metro, Moving to a Zero-Emission Bus Fleet: Transition Plan, May 2022 ([link](https://kingcounty.gov/~/media/depts/metro/accountability/reports/2022/zero-emission-bus-fleet-transition-plan-may-2022)) [↑](#footnote-ref-28)
29. Battery-electric buses include 11 short-range Proterra buses and 40 longer-range New Flyer buses. The remaining buses are diesel-electric hybrids. [↑](#footnote-ref-29)
30. Source: King County Metro, Moving to a Zero-Emission Bus Fleet: Transition Plan, May 2022 ([link](https://kingcounty.gov/~/media/depts/metro/accountability/reports/2022/zero-emission-bus-fleet-transition-plan-may-2022)) [↑](#footnote-ref-30)
31. Some additional planning and design work, as well as a review of pre-pandemic analysis, was conducted for the K and R lines during 2021 and 2022 in response to a Council budget proviso. This work was documented in the RapidRide Restart Report (Motion 16153). [↑](#footnote-ref-31)
32. Metro Connects (Ordinance 19367) states that the K and R lines, as well as one to three additional lines will be operational by the time of the Interim Network (approximately 2035). L would be one of these. [↑](#footnote-ref-32)
33. Note that funding is also proposed for RapidRide expansion planning, bike parking, station enhancement along the existing A Line, development of a Living Building certified station in Auburn, and trolley relocation to accommodate the G Line. [↑](#footnote-ref-33)
34. Includes funding appropriated in past budgets, as well as planned appropriations for 2023-2028. [↑](#footnote-ref-34)
35. Metro Connects (Ordinance 19367) states that the K and R lines, as well as one to three additional lines will be operational by the time of the Interim Network (approximately 2035). [↑](#footnote-ref-35)
36. The RapidRide Prioritization Plan, which is due to the Council by June 30, 2024 (Ordinance 19367) is to identify one to three RapidRide lines (in addition to K and R) that are to be completed by the time of the Interim Network (approximately 2035). L would be one of these, and the location would be proposed in the Prioritization Plan. [↑](#footnote-ref-36)
37. The alternatives analysis that was conducted for the R Line studied future No-Build scenarios for 2024 and 2040, which were analyzed to determine the future intersection operations with the current roadway conditions, planned roadway improvements, and future volumes. Because this analysis was completed prior to the COVID-19 pandemic, Metro has indicated it must be reviewed and updated to address changes in traffic and roadway conditions that have occurred during the last several years. [↑](#footnote-ref-37)
38. Motion 16153 [↑](#footnote-ref-38)
39. Metro’s on-board cameras were expanded and enhanced during the 2017-2018 and 2019-2020 budgets in response to Motions 14595 and 14741. [↑](#footnote-ref-39)
40. Ordinance 19145 [↑](#footnote-ref-40)
41. Ordinance 19489 [↑](#footnote-ref-41)
42. KCC 18.22.010.A.1, KCC 28.94.085.A.1 [↑](#footnote-ref-42)
43. Metro’s proposed battery electric bus purchase timeline, beginning with the planned purchase of the 120 buses proposed in the 2023-2024 budget, is shown in Table 5. As Table 5 shows, these 120 buses must enter service beginning in 2025. To meet that goal, the buses must be ordered earlier than 2025 so that they can be built, delivered, and then put into service. To allow time for that process, they are proposed for purchase during the 2023-2024 biennium. [↑](#footnote-ref-43)
44. Zero-Emission Battery Bus Preliminary Implementation Plan (2020-RPT0142) [↑](#footnote-ref-44)
45. Ordinance 19367 [↑](#footnote-ref-45)
46. Ordinance 19367 [↑](#footnote-ref-46)
47. Ordinance 19367 requires a RapidRide Prioritization Plan to be transmitted to the Council by June 30, 2024. The plan must identify the RapidRide lines for inclusion in the Interim Network (approximately 2035), which are to include the K and R lines, as well as one to three additional lines. [↑](#footnote-ref-47)