

Governor's Budget Recommendations for Metropolitan Regional Transit SFY 2022-2023

March 4, 2021

House Transportation Finance and Policy Committee



Metropolitan Council Role in Transit

Metro Transit

- Operates bus, light rail, commuter rail

Metropolitan Transportation Services

- Develops the overarching transportation plan for the region
- Operates contracted services, including Metro Mobility and Transit Link



Transit is a Community Asset

A strong regional transit system:

- Connects people to opportunity
- Improves quality of life
- Builds prosperity
- Plays a critical role in addressing climate change



Transit Continues to be Essential During the Pandemic

- Prior to the pandemic, Metro Transit provided over 250,000 rides/weekday. During the pandemic, Metro Transit is still providing 80,000-90,000 rides per day.
- Bus rapid transit and local bus ridership has been more resilient during COVID-19.
- Essential health care worker trips on Metro Mobility grew to nearly 2000 trips/day in February.
- Food shelf delivery on Transit Link service is up to 200 deliveries per day.



Adjusting Service in Response to COVID-19

- **Service changes**

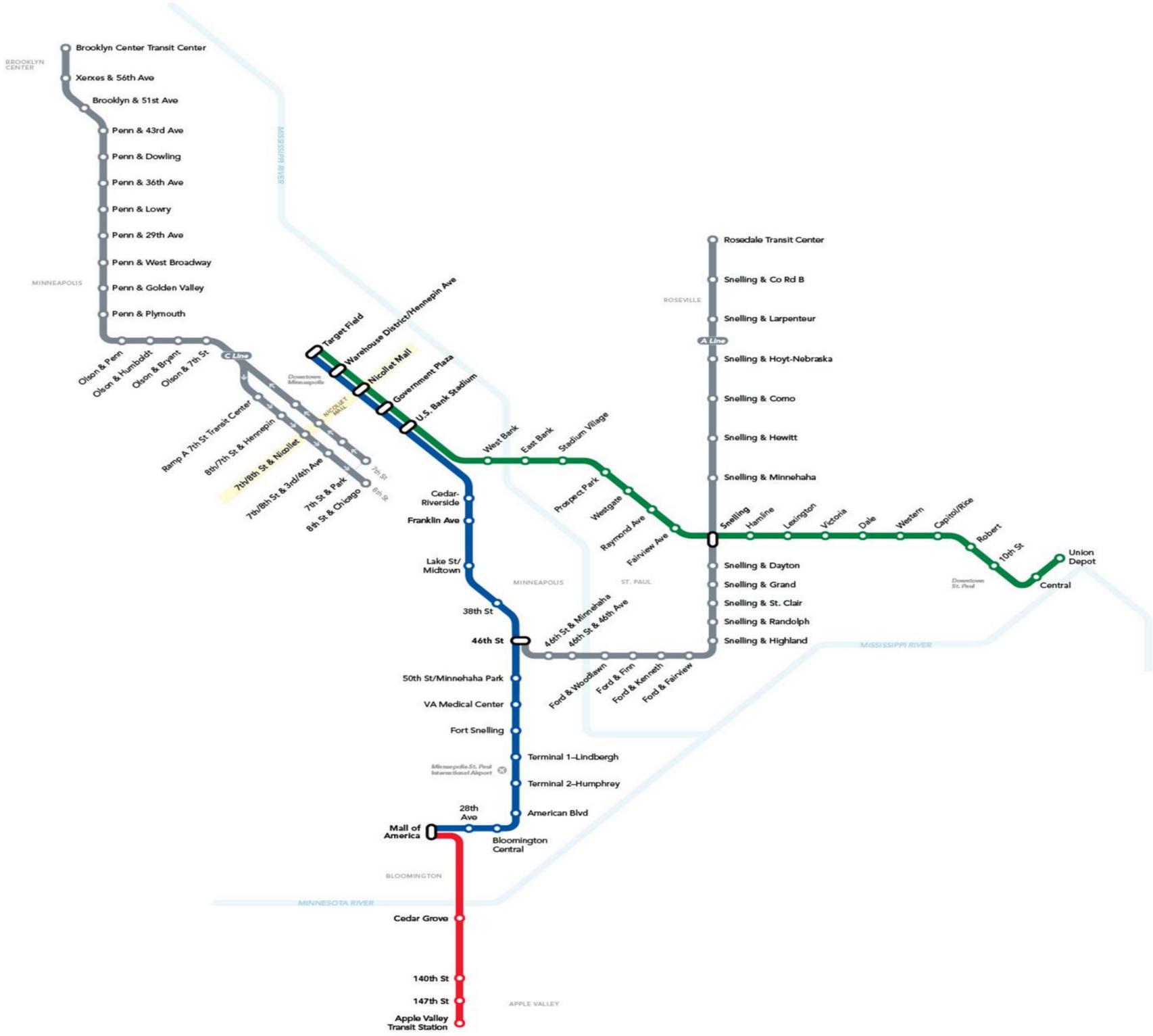
- Metro Transit bus at ~80% of pre-pandemic service levels
- Light rail frequency and time span changes
- Northstar reduced from 72 trips/week to 20 trips/week (about 28% of pre-pandemic service)

- **Steps to reduce risks for riders and employees**

- Essential travel only messaging
- Vehicles cleaned daily
- Capacity limits on vehicles for social distancing
- Masks required
- Rear door bus boarding until operator barriers installed
- Providing operators with masks, shields, sanitizer, gloves



Current METRO Network



Bus Rapid Transit

- A Line
- C Line

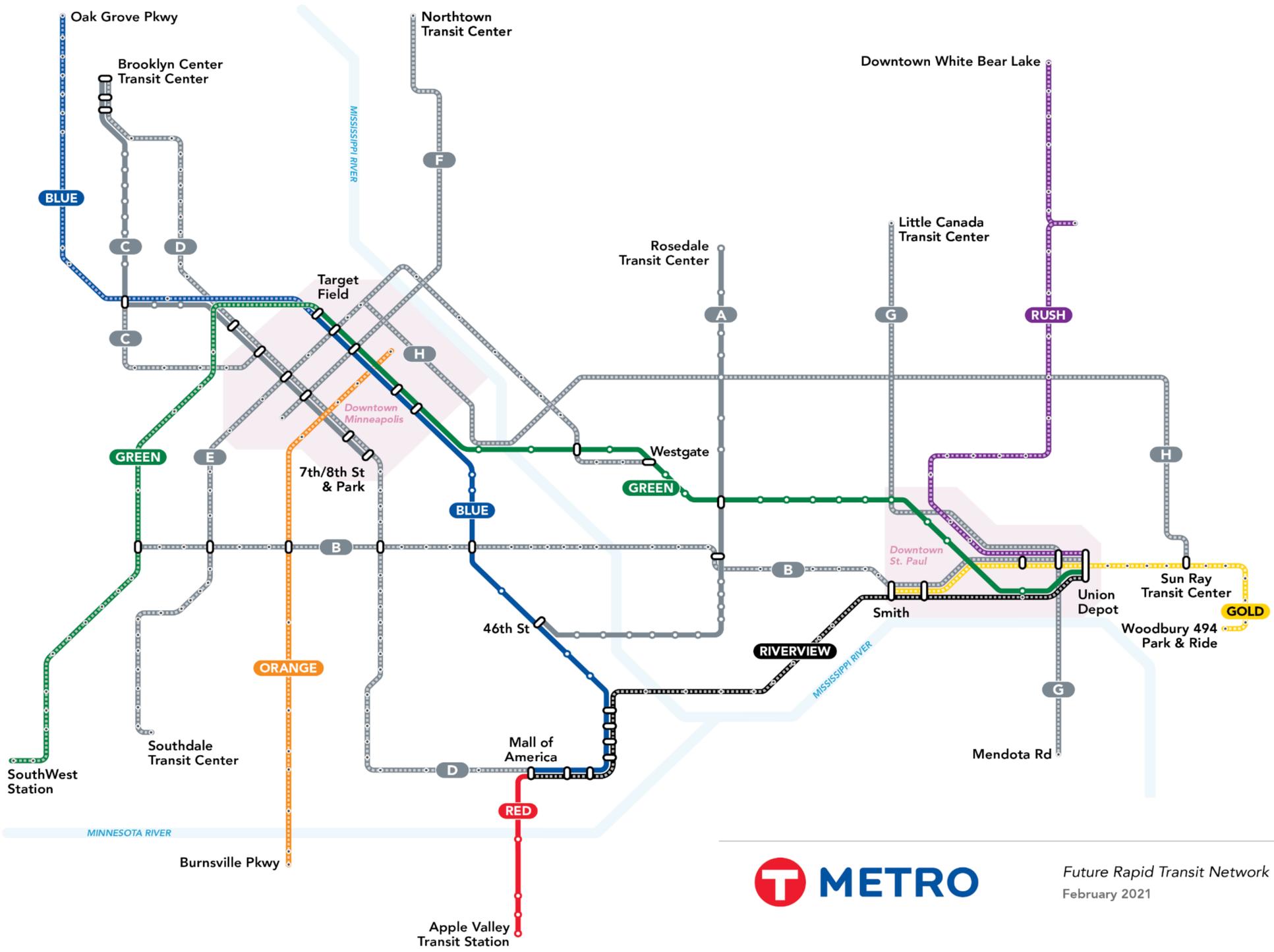
Red Line

Light Rail Transit

- Blue Line
- Green Line



METRO Network 2040 Vision



Future Rapid Transit Network
February 2021



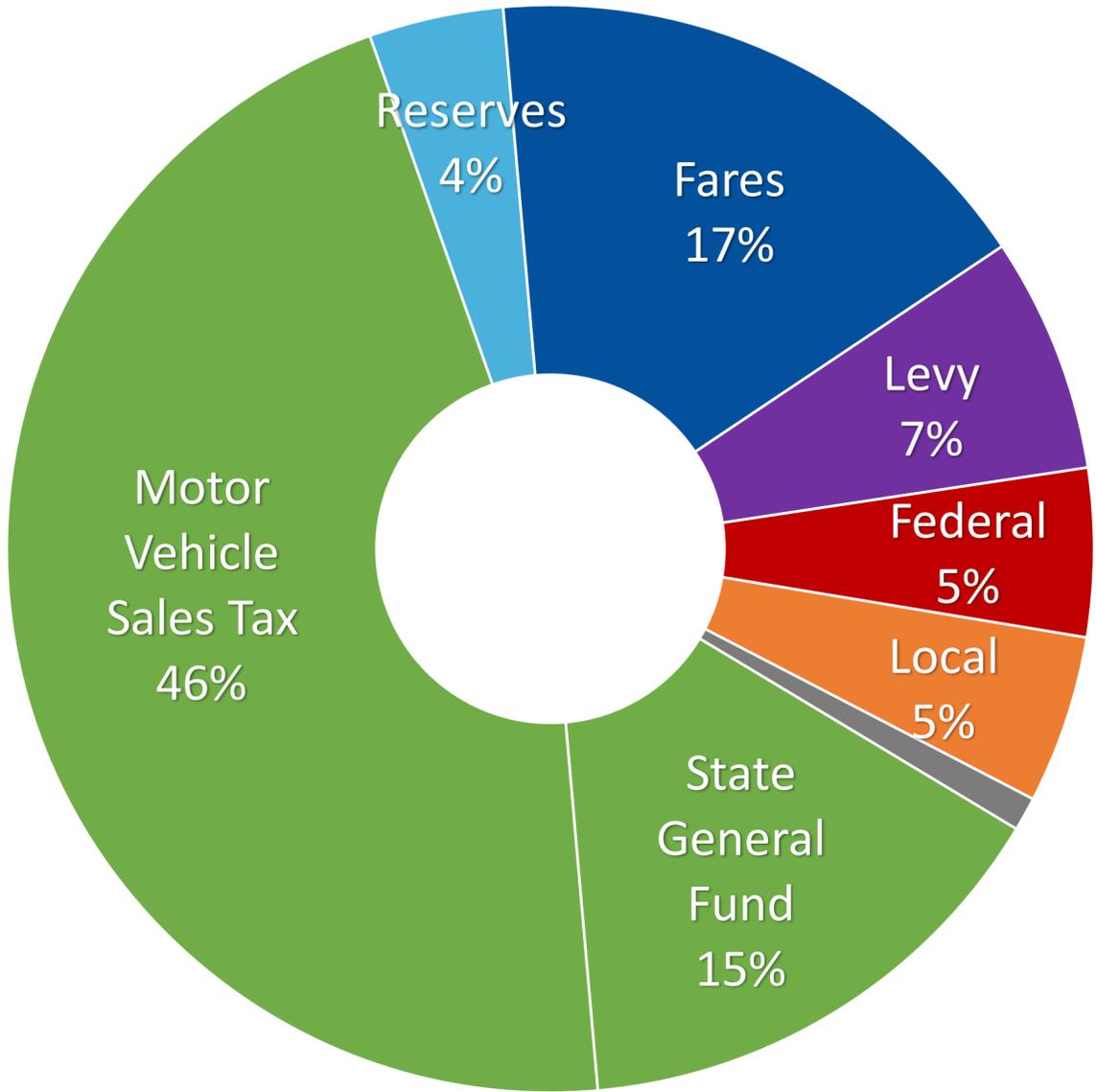
Four Principles Guide Network Next Planning

Based in Council **policy**, shaped by **performance data** and **community input**

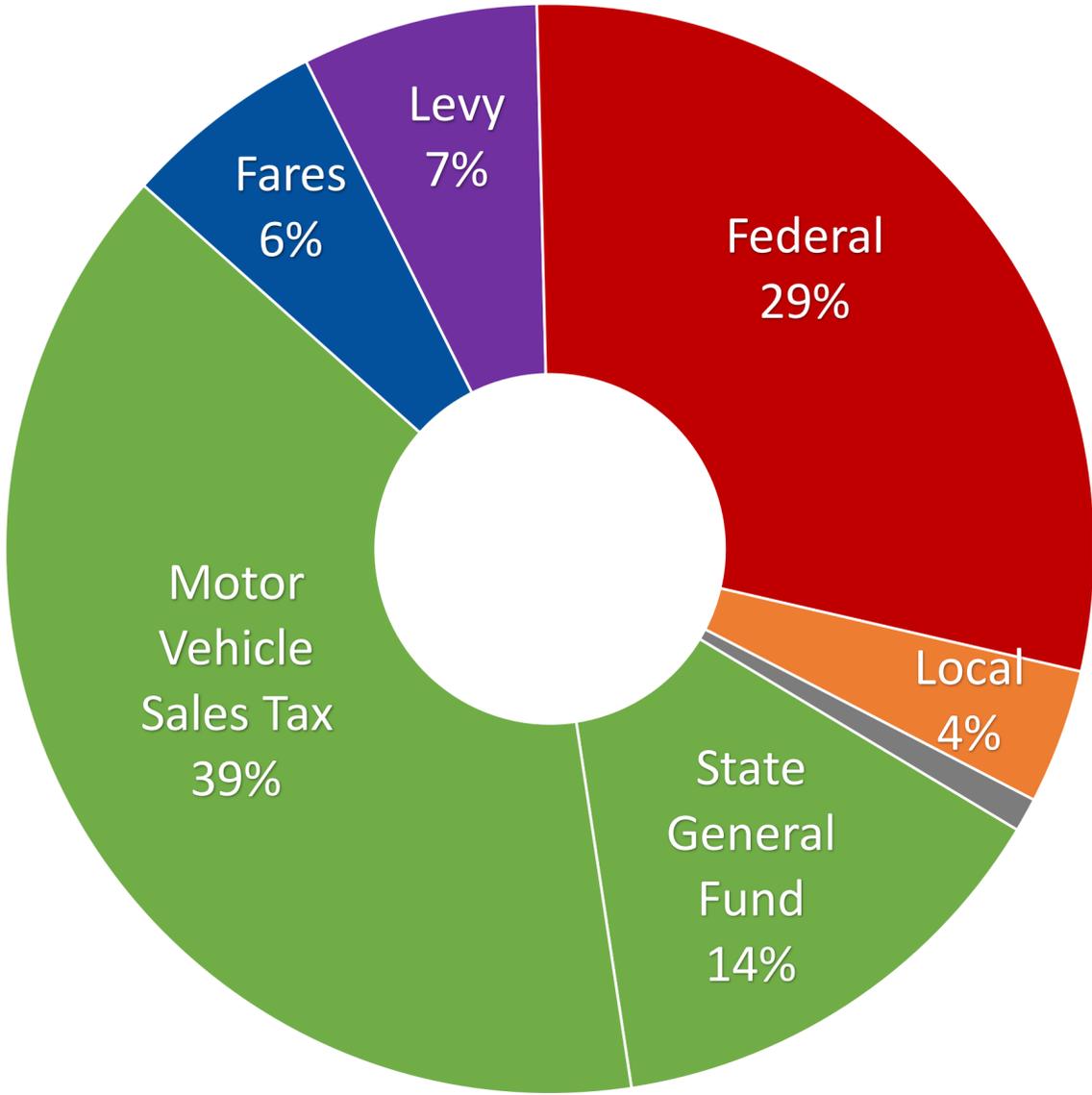
- Advance Equity and Reduce Regional Racial Disparities
- Build on Success to Grow Ridership
- Design a Network that Supports a Transit-Oriented Lifestyle
- Ensure the Long-Term Sustainable Growth of the Bus Network



Transportation Program Revenue Sources



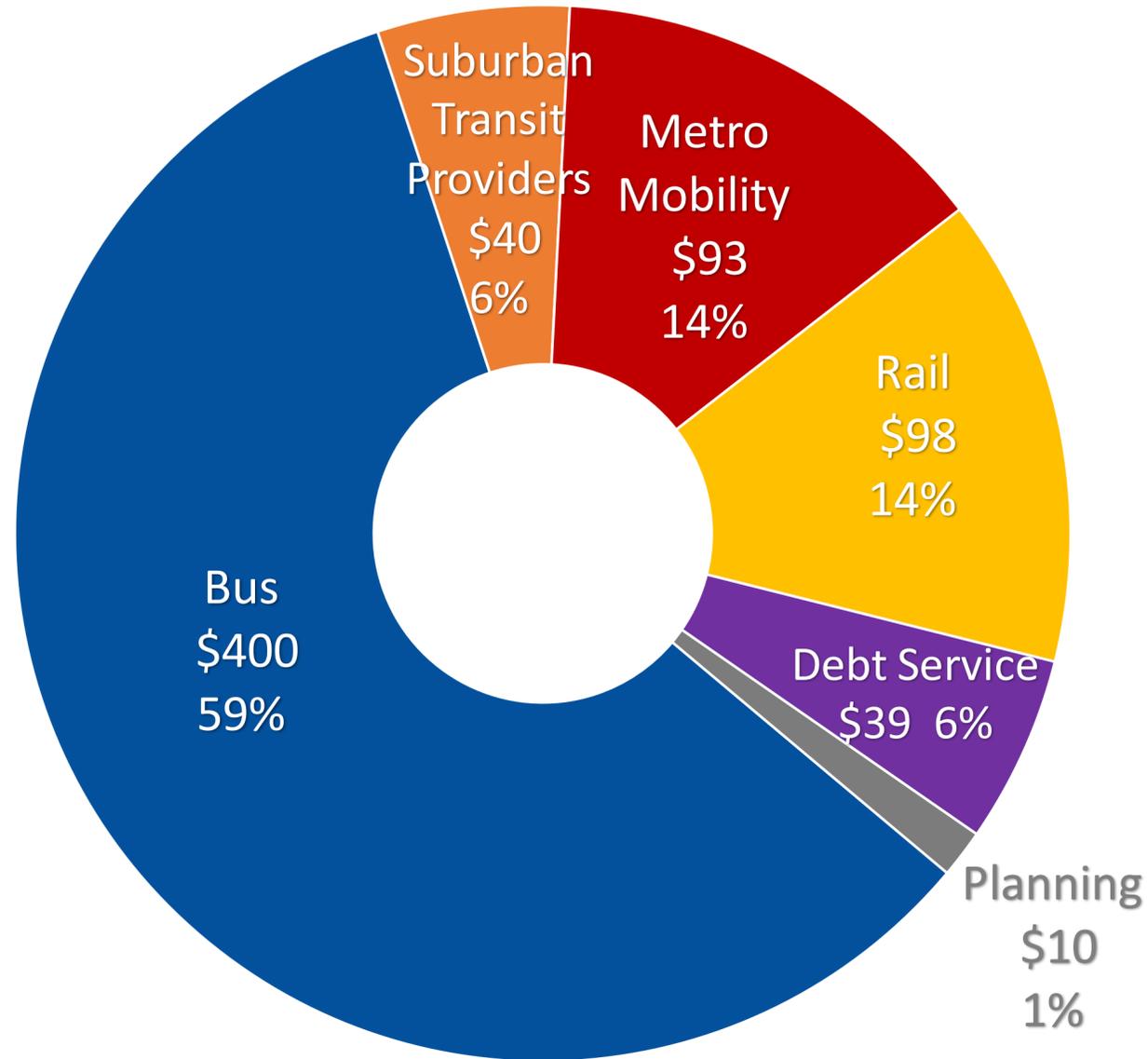
Annual Budget
Revenue Distribution



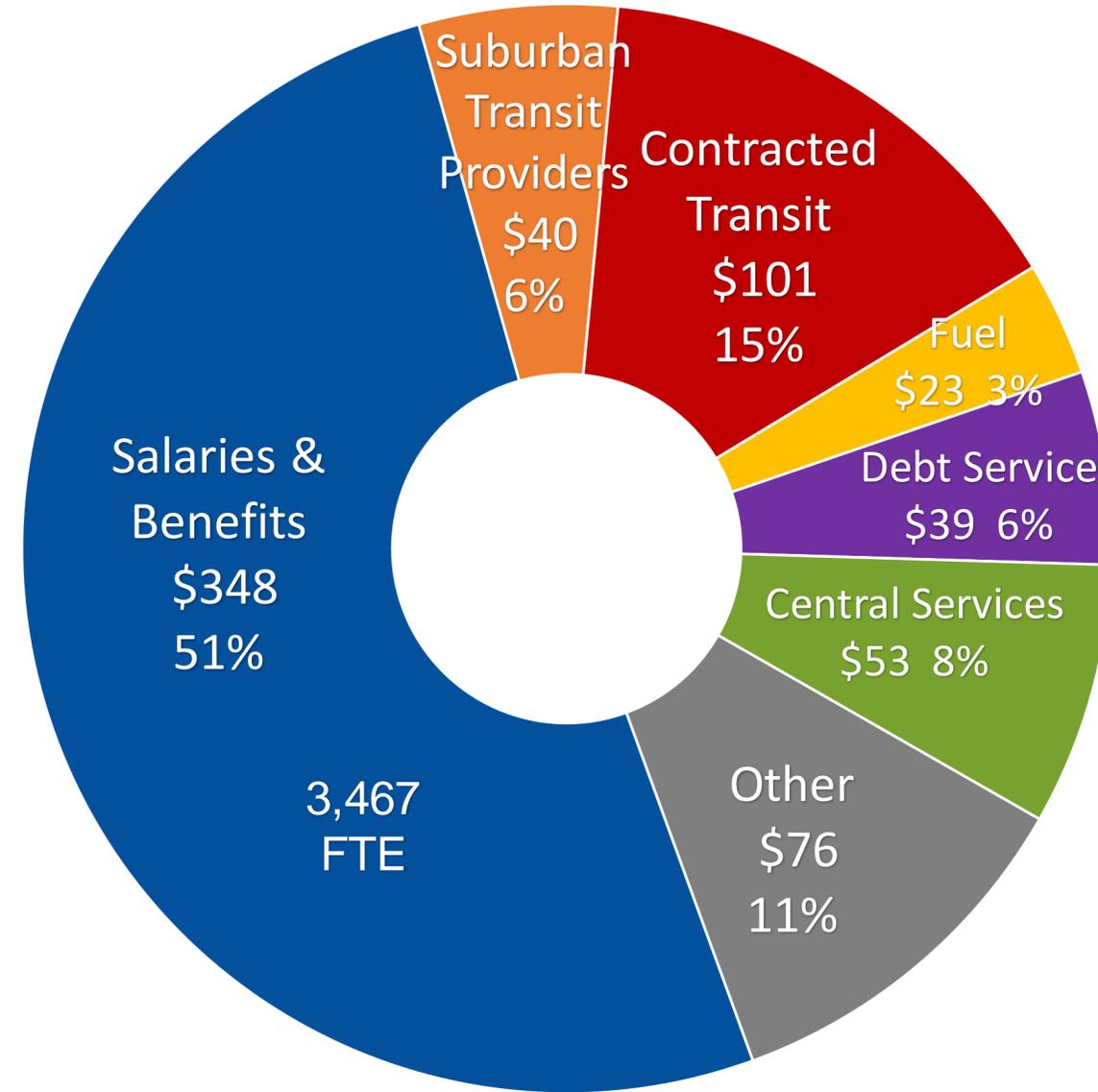
CY 2020 Preliminary
Year-end Result



CY21 Transportation Expense Budget - \$680M



Uses By Department



Uses by Category

Governor's Budget Recommendations

Governor's budget considers one-time transit-dedicated federal relief received by the Metropolitan Council

- Uses one-time federal relief and reserves to address near-term:
 - Operating deficits
 - Capital maintenance deficits
 - Transit security, including administrative citations implementation if authorized
- Budget language clarifies and updates state law regarding non-state funding responsibilities for the operations and ongoing maintenance of transit guideway investments

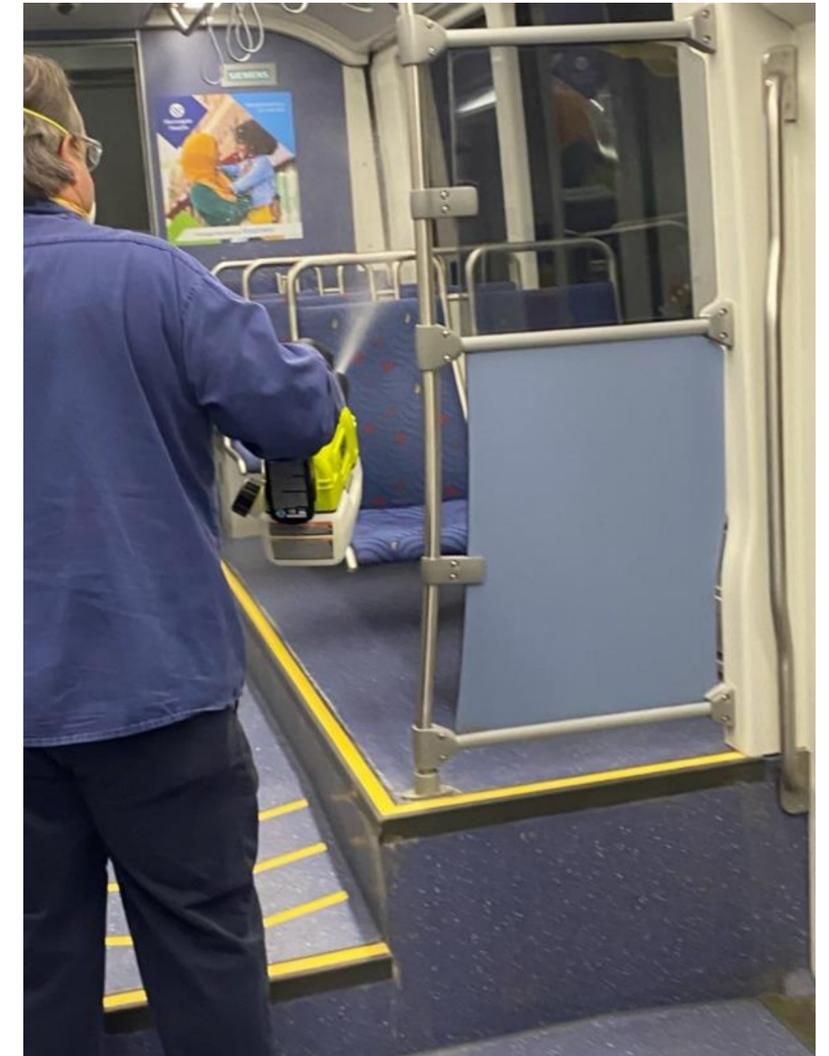
Governor's Budget Recommendations

- **General Fund base level funding = \$89M in FY22; \$88.63M in FY23**
 - Metro Mobility
 - FY22: \$56.416M
 - FY23: \$55.976M
 - Transit System Operations (light rail and commuter rail)
 - FY22: \$32.654M
 - FY23: \$32.654M
- **Regional Transit Capital (RTC) Bonds authorization = \$48.4M in 2021; \$50M in 2022**
 - Used for replacement buses, facilities, and other capital enhancements
 - Leverages federal funds
 - Includes Metro Transit, Metro Mobility, Suburban Opt-outs, and Dial-a-Ride

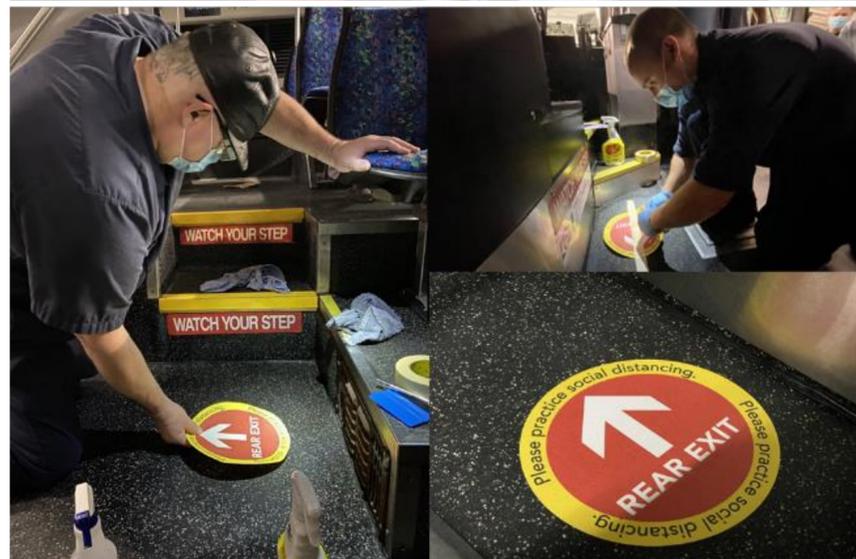
One-Time Federal Relief - CARES Act

Coronavirus Aid, Relief, and Economic Security Act

- \$25 billion nationally for public transit
- \$226.5M to metro region transit
 - \$214.4M to Metropolitan Council
 - \$12.1M to Suburban Providers
- 86% of total regional federal CARES Act funds were spent in 2020
 - Salaries and benefits of transit staff (83%)
 - Contracted transit services including Metro Mobility, Transit Link, and contracted fixed routes (9%)
 - Pass-thru grants to opt out providers (6%)
 - Fuel (1%)
 - Materials and cleaning supplies (1%)
- All remaining funds will be spent in CY 2021



One-Time Federal Relief - CRRSAA



- COVID Response & Relief Supplemental Appropriations Act
 - National Total = \$13.262 billion for public transit
 - \$185.9 million to metro region transit
 - Allocation determined by demonstrated need
- Support anticipated shortfalls in the FY22-23 biennium for Metro Mobility (\$48.6m) and Rail Operations (\$17.8m)
- Like CARES Act, CRRSAA funds used for payroll and operations eligible expenses including additional maintenance due to pandemic

Transportation Budget Summary

Dollars in millions

Council CY 2021 Adopted Budget (November 2020 State Forecast)	SFY 2020-21	SFY 2022-23	SFY 2024-25
Base Revenues for Operations	\$963.9	\$1,164.3	\$1,224.9
Operating Expenses	1,207.5	1,324.6	1,479.7
Structural Position	\$ (243.6)	\$ (160.3)	\$ (254.8)
One-time Funding Solutions:			
Non-Base State Appropriation (Metro Mobility)	36.2	-	-
Federal CARES (\$226.5M)	206.3	20.2	-
Federal CRRSAA (\$185.9M)	-	185.9	-
Available Program Reserves Above Target *	1.1	64.0	40.0*
Transit Safety Initiative	-	(15.3)	(29.3)
Transfer MVST to Capital Improvement Plan (6-year)	-	(94.5)	-
Financial Position	\$ -	\$ -	\$ (244.3)



METROPOLITAN
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