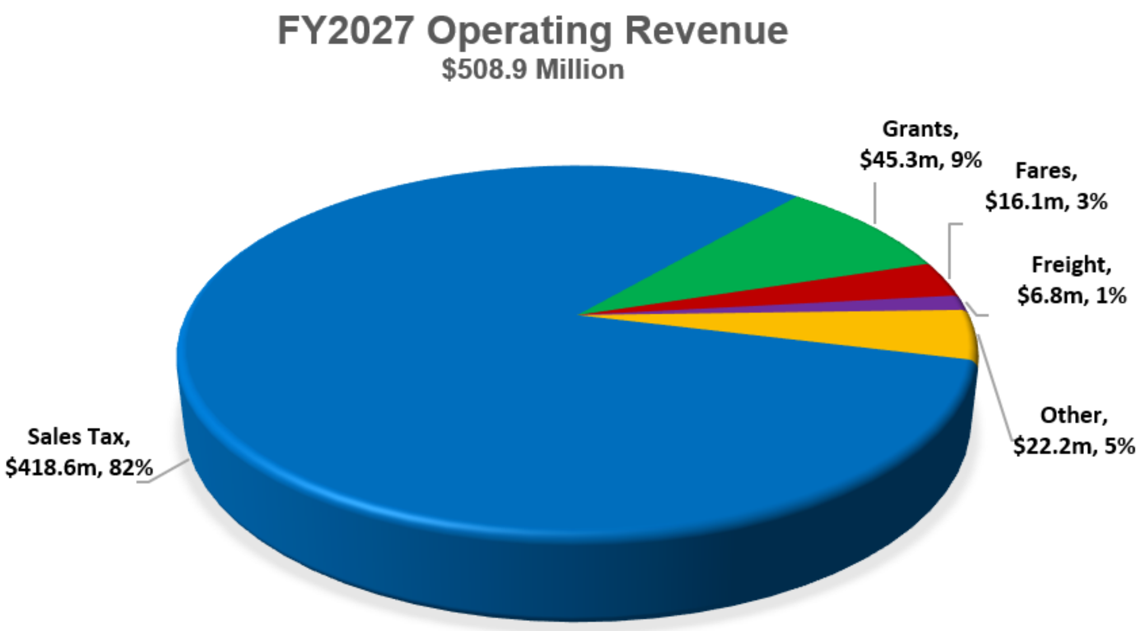
FY2027 Budget Proposal

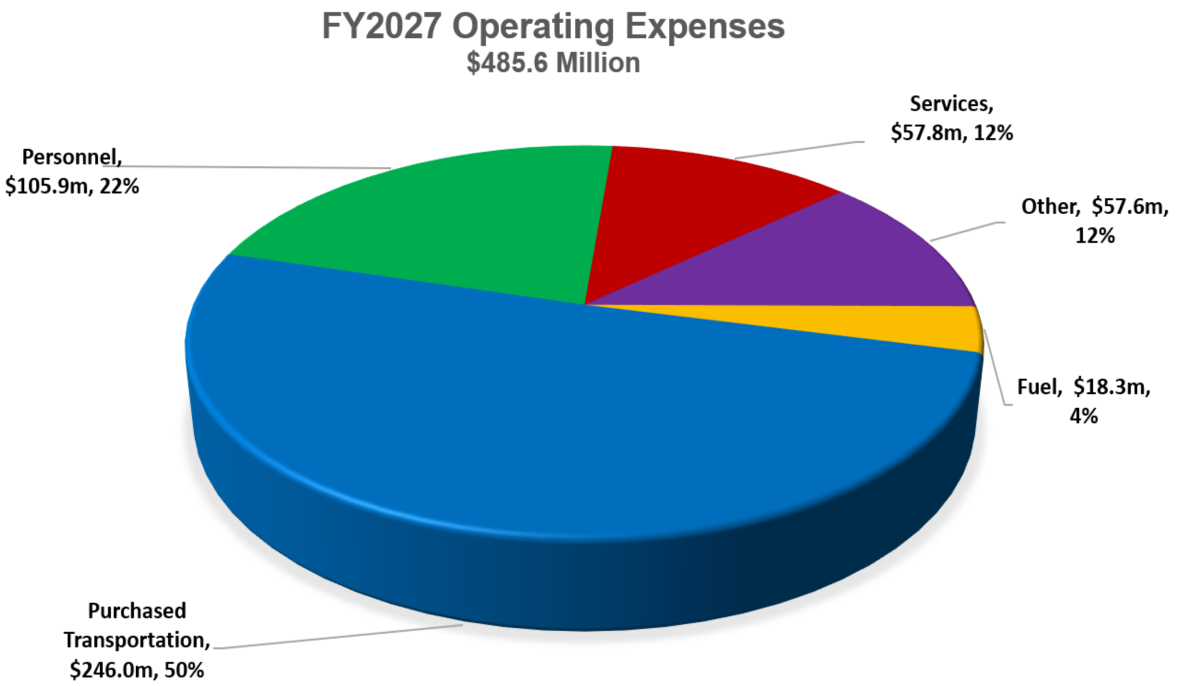
Project Connect Community Advisory Committee 8/13/2026

Proposed Budget Overview

- Proposed budget is structurally sound and balanced
  - Ongoing revenue is sufficient to fund operations and provide funds for capital needs
- Meets operating reserve requirements
  - Statutory operating and budget stabilization reserves are fully funded
- Projected sales tax growth of 2% for FY2027 over FY2026 Forecast
  - Declining growth in Fiscal Years 2024 and 2025 followed by an upward trend in 2026
- Service funding based on August Service Plan changes
- Investment in customer-focused transit infrastructure projects

FY2027 Operating Budget Summary





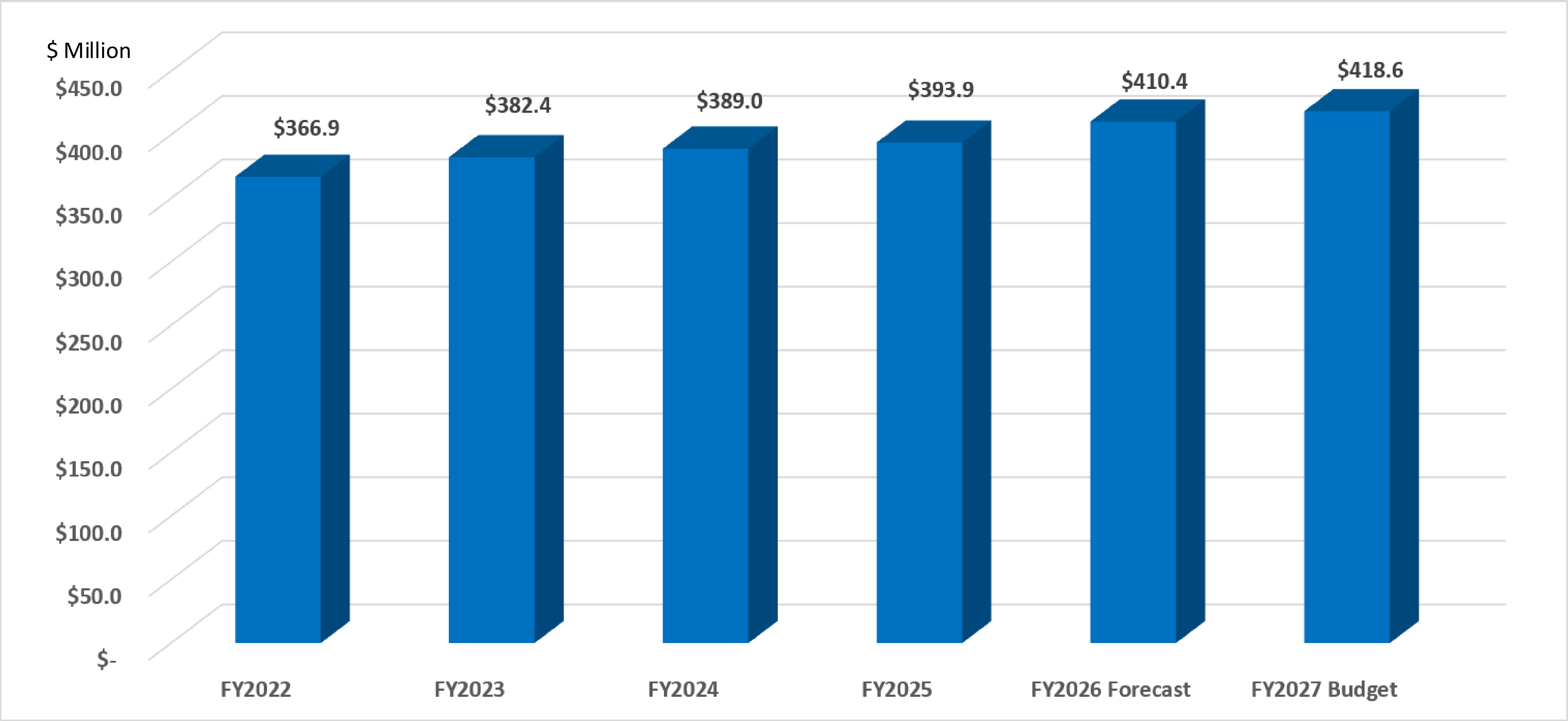
- Heavily dependent on sales tax revenue and grants for annual funding
- Grants include 5307 formula funds, Climate Pollution Reduction and TOD grant funding

- Half of the budget pays for contracted transit services
- Includes funding for increased CapMetro Rapid operations, maintenance and support services and Rail in-house dispatch, operations and vehicle maintenance beginning in January 2027

Operating Revenue

- Fare Revenue
  - Fare revenue based on ridership projections for FY2027 and proposed January 2027 fare increase
- Federal Grants
  - Approximately $40 million annually in Section 5307 funds
- Freight Railroad Revenue
  - Mainline revenue on target with FY2026 Budget of $5.4 million

Sales Tax Revenue



Operating Cost Drivers

- Service levels based on August Service Plan changes
- Full year of increased frequency on Pleasant Valley and Expo Center Rapid routes
- Change in Rail structure beginning in January 2027
  - Commuter Rail operations, maintenance and dispatch moving in-house
- Fuel prices remain higher over the next fiscal year
  - Diesel estimate of $2.90 per gallon, inclusive of tax
  - No fuel hedge currently in place for FY2027 due to high diesel pricing
- Performance-based average annualized pay increase for employees
- Strategic plan initiatives considered in budget preparation

Capital Budget Highlights

- Demand response operations and maintenance facility
- North Burnet/Uptown Rail Station
- Hybrid bus purchases
- Bus stop enhancements and improvements

Proposed 5-Year Capital Plan

$' Million Project Category	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Vehicles	$51.4	$5.5	$53.0	$56.3	$61.9	$228.0
Commuter Rail	11.7	5.9	6.2	6.7	5.5	36.1
Facilities	29.5	35.0	19.0	4.6	2.1	90.2
Information Technology	13.3	13.6	2.1	2.8	-	31.8
Other	32.0	6.8	5.9	6.1	5.5	56.3
Project Connect	5.0	5.0	5.0	38.0	45.0	98.0
Property and Asset Mgmt	61.6	42.5	1.0	.9	.4	106.3
Total Capital Projects	**$204.5**	**$114.4**	**$92.2**	**$115.4**	**$120.3**	**$ 646.9**
Funding						
Local Funding	136.3	103.4	47.9	62.3	62.2	412.2
Grants/Contributions	68.2	11.0	44.3	53.1	58.1	234.7
Total Capital Projects	**$204.5**	**$114.4**	**$92.2**	**$115.4**	**$120.3**	**$ 646.9**
Project Type						
Enhancement	136.3	103.4	47.9	62.3	62.2	412.2
State of Good Repair	68.2	11.0	44.3	53.1	58.1	234.7
Total Capital Projects	**$204.5**	**$114.4**	**$92.2**	**$115.4**	**$120.3**	**$ 646.9**

Next Steps

- Budget updates to Board Committees if necessary
- Public hearing on the proposed budget
- Final Board approval scheduled for September 28
- Board update on Long-Range Financial Plan

Fare Proposal

Why?

- First fare increase in 11 years
  - CapMetro has expanded and improved transit service throughout Central Texas while keeping fares unchanged
- Helps maintain reliable service and invest in future transit
- Addresses inflation and rising operating costs
- Even with the proposed changes, CapMetro fares remain among the lowest of peer agencies nationwide

Webpage


CapMetro Ride Services Fares

Home > Proposed Fare Increase in 2027 & 2029

wide fare adjustment across all services since 2015.

- The CapMetro Board of Directors will also consider updates to the fare policy. Customers who currently have a Reduced Fare ID Card would continue receiving their benefits under the proposed changes.
- We're collecting community feedback now until CapMetro's Board votes on the proposal on September 28, 2026.

Background

In September 2026, the CapMetro Board of Directors is expected to decide on a potential fare increase along with changes to the reduced fare program. The proposed fare increase would help CapMetro maintain reliable service, support investments in transit vehicles and infrastructure, and create a more sustainable source of revenue to support transit operations.

Community feedback gathered during the public engagement process will help inform recommendations presented to the Board in September. We encourage customers and community members to learn more about the proposal and share their feedback.

Even with the proposed changes, CapMetro's fares would remain among the lowest of comparable transit agencies nationwide.

Why Is CapMetro Considering Fare Changes?

Over the past 11 years, CapMetro has expanded and improved transit service throughout Central Texas while keeping fares unchanged.

- Launching Rapid service in east Austin
- Increasing frequency on key routes
- Expanding Pickup service
- Establishing the Transit Police Department
- Modernizing fare payment technology
- Investing in new transit vehicles and infrastructure

These investments have helped improve the customer experience and provide more transportation options for the growing Central Texas region.

Since fares were last increased in 2015, inflation has significantly increased the cost of fuel, equipment, maintenance and transit operations. While CapMetro has worked to absorb many of these costs, rising expenses continue to impact the cost of providing public transportation.

The proposed fare changes would help CapMetro:

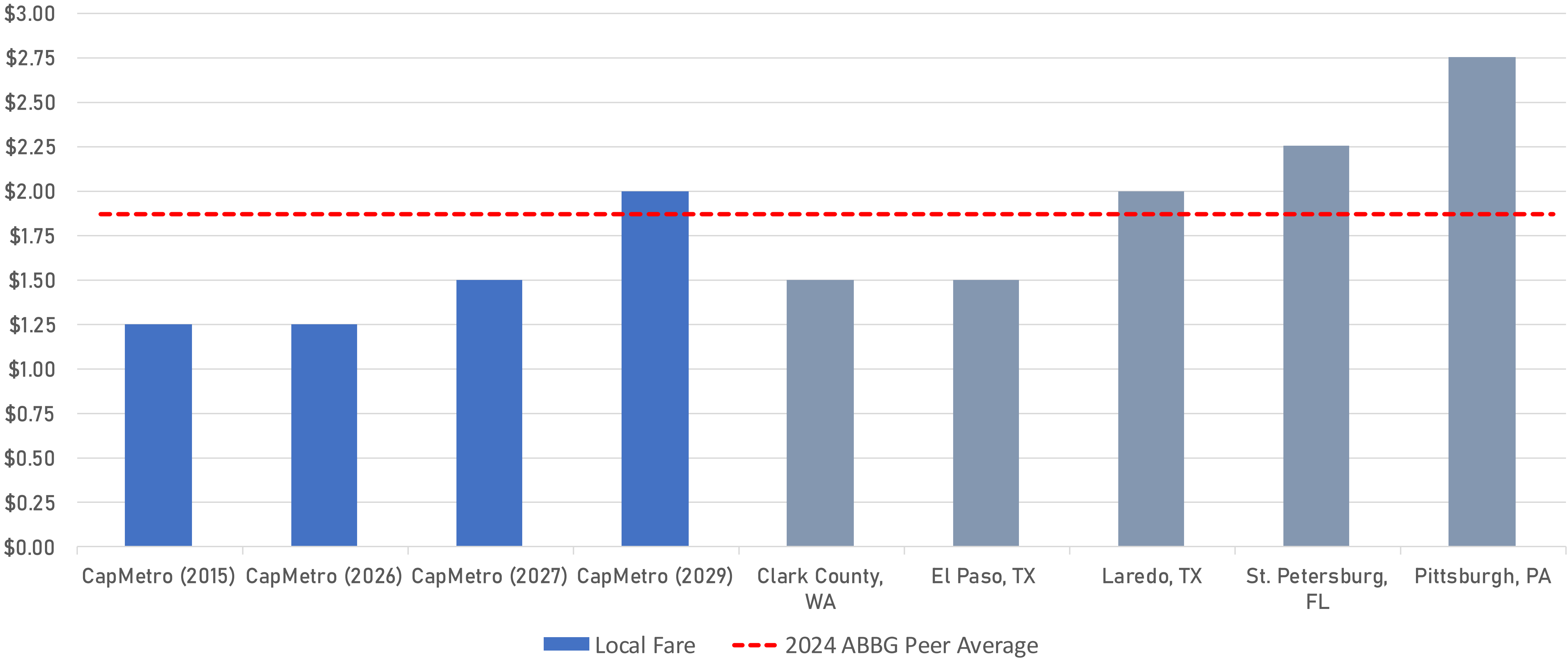
- Maintain reliable transit service
- Support existing and future transit vehicles and infrastructure
- Address rising operating costs
- Create a more sustainable source of revenue for transit operations

Proposed New Fares

Fares are proposed to increase (effective January 2027 and January 2029) in two phases across Local, Pickup, Express, Rail and Access services. Fare capping would continue & Pickup rides are capped daily and monthly.

Fare Type	Current Fares	Proposed January 10, 2027	Proposed January 2029
Local & Pickup			
Single Ride	$1.25	$1.50	$2.00
Per Service Day / Per Calendar Month	$2.50 / $41.25	$3.00 / $49.50	$4.00 / $66.00
Commuter (Express & Rail)			
Single Ride	$3.50	$4.00	$5.00
Per Service Day / Per Calendar Month	$7.00 / $96.25	$8.00 / $110.00	$10.00 / $137.50
Access			
Single Ride / Monthly Pass	$1.75 / $46.50	$2.25 / $60.00	$3.25 / $87.00
Reduced Local			
Single Ride	$0.60	$0.75	$1.00
Per Service Day / Per Calendar Month	$1.25 / $20.60	$1.50 / $24.75	$2.00 / $33.00
Reduced Commuter			
Single Ride	$1.75	$2.00	$2.50
Per Service Day / Per Calendar Month	$3.50 / $48.10	$4.00 / $55.00	$5.00 / $68.75

Current and Proposed Fares Compared to Peers



Community Engagement

Goodwill Career & Technical Academy/Henna Education Center

- Thursday, July 30 from 5:00PM-7:30PM
- Connected by Routes 10, 325, and 339.

ACC Northridge

- Thursday, August 6 from 5:00PM-7:30PM
- Connected by Routes 325 and 466, and Pickup Walnut Creek.

ACC Riverside

- Tuesday, August 18 from 5:00PM-7:30PM
- Connected by Routes 217, 310, 311, and 350.

ACC South Austin

- Wednesday, August 19 from 5:00PM-7:30PM
- Connected by Routes 3 and 311.

Thank you!

Public Messaging

Current Reduced Fare members keep their 50% discount (seniors, riders with disabilities, Medicare recipients and active/reserve military)

Expand Reduced Fare eligibility to include veterans and households at or below 150% of the Federal Poverty Level

Current Equifare members are automatically enrolled in the Reduced Fare program. The Equifare program will retire.

Ticket Vending Machines removed at bus stations and transit centers. Remain at Rail stations only.

We are collecting community feedback through a public comment box, public meetings and a public hearing.