



Transportation

**To: Durham Board of County Commissioners
GoTriangle Board of Trustees**
From: Brandi Minor, Staff Working Group Administrator
Subject: FY 2026-27 Durham Annual Transit Work Program Update
Date: January 5, 2026

Background and Purpose

In 2011, Durham County voters approved a half-cents sales tax to fund public transportation improvements that expand the quality of service within Durham County and provide greater regional connectivity to the rest of the Triangle. The Durham County Transit Plan (Transit Plan), which was updated and adopted in 2023, determines how public transportation funds within Durham County will be managed and spent and which proposed projects and improvements will be approved by the governing bodies. The Transit Plan was approved by the Durham Board of County Commissioners (BOCC), GoTriangle Board of Trustees, and Triangle West Transportation Planning Organization (Triangle West TPO) in the Spring 2023.

Annual Work Program

The Work Program serves as the annual budget for the Transit Plan and includes projected revenues and expenditures, along with a Multi-Year Operating Plan (MYOP) and Multi-Year Capital Improvement Plan (CIP). Its primary purpose is to advance projects outlined in the adopted Transit Plan.

The Work Program is developed collaboratively with our transit partners at the City of Durham, GoTriangle, and Triangle West TPO, over several months and is ultimately approved by the BOCC and the GoTriangle Board of Trustees.

Staff Working Group

The 2023 Transit Governance Interlocal Agreement (ILA) establishes and outlines the duties and responsibilities of the Staff Working Group (SWG), a technical advisory committee to the three

governing boards. The SWG meets monthly on the third Wednesday and participates in additional ad-hoc meetings and workshops during Work Program development.

The SWG includes staff from Durham County, GoTriangle, the City of Durham, and Triangle West TPO. Its primary role is to coordinate planning and implementation of the Annual Work Program and Multi-Year Vision Plan. There are four voting members, one from each organization, who determine which items, such as the Work Program and amendments, advance to the governing boards for approval. While consensus is desired, approval requires at least three affirmative votes.

FY 2025-26 Annual Work Program

The FY 2025–26 Work Program was adopted by the BOCC in May 2025 and the GoTriangle Board of Trustees in June 2025. The total budget for FY26 was \$55 million with \$8.5M drawn from fund balance. As the local and regional transit service providers, the City of Durham and GoTriangle receive the vast majority of these funds to deliver transit services and projects.

The Work Program generally maintained the priorities of the Durham Transit Plan, with some minor adjustments in FY26. Most notably, the Operations and Maintenance category increased by 5%, and the Enhance and Extend Bus Service category increased by 2%.

Since adoption of the 2023 Transit Plan, actual and forecast revenues have increased and these additional revenues have been programmed to accelerate and expand bus service, increase investment in maintenance facilities, and fund additional staffing. Overall, operating funding has increased by approximately \$50M, and capital funding has increased by approximately \$83M. A high-level summary of these increases is provided below:

Category	Description	\$ Increase
Transit Plan Admin	Staffing	+\$12.2M
Transit Operations	Fare Support	+\$4.6M
Transit Operations	Service Expansion	+\$24.8M
Capital	Vehicle Acquisition	+\$39M
Capital	GoDurham Maintenance Facilities	+\$22.5M
Capital	BRT Development	+\$10M

FY 2026-27 Revenue Forecast

The Annual Work Program development process includes an updated revenue forecast. Growth in our largest revenue source, the ½-cent sales tax, has slowed significantly. The Tax District Administration currently projects \$44M for this revenue stream in FY27, approximately \$1.1M less than the original financial model. The financial model applies an annual growth rate to the

current revenue projection, so a decrease has long-term effects. A final revenue projection will be published in the Recommended Work Program.

As of November 2025, the Durham Transit Plan's cash and investment fund balance is \$206M. After accounting for restricted reserves and previously encumbered funds for adopted projects, the current excess liquidity is \$110M. \$55M is encumbered in the FY26 Work Program, and \$55M is available to fund new projects. The financial model already accounts for unencumbered and unreserved fund balance, as well as excess forecasted revenues.

FY 2026-27 Work Program Overview

Development of the Work Program began in August 2025, when partners were asked to submit a pre-list to the SWG Administrator. Formal submissions were due in October 2025. Between August and December 2025, several meetings and workshops were held to review these submissions and assess their potential impact on the financial model. Given the revenue forecast, agencies were encouraged to assess their priorities and modify or decrease funding requests. The SWG has not reached consensus or formally voted on the submissions.

A draft Work Program is scheduled for a vote by the SWG on February 18 and scheduled for public release on February 27, 2026, with anticipated adoption by the governing boards in May and June 2026.

FY 2026-27 Work Program Requests

Several funding requests have been submitted for consideration in the FY27 Work Program. These include capital cost increases, new staffing needs, cost share or scope adjustments, and transit operating requests. An overview of these requests is provided below:

Project Sponsor	Project	\$ Increase
City of Durham	GoDurham Maintenance Facilities	+\$64.7M
City of Durham	Fayetteville TEC	+\$22M
City of Durham	Bus Stop Inventory	+\$200k
Durham County	Transit Plan Update	+\$650k
Durham County	Work Program Improvements	+\$50k
City of Durham/GoTriangle	Transit Operations	+\$2.3M annually
City of Durham/GoTriangle	Fare Support Pilots - Continuation & Increase	+\$2.2M annually
City of Durham	New Staffing	+\$279k annually
GoTriangle	Staffing Cost Share Changes	+75k annually

Fiscal Impact

The Tax District modeled a status quo scenario that includes the updated revenue forecast, a standard 2.5% annual increase for operating projects, and no changes to the current CIP. This model projects a low point of \$14.2M in FY2035.

Under the adopted financial policy, we must maintain at least \$10M in excess liquidity, leaving only \$4.2M available for new projects.

The Tax District also modeled all new requests submitted for consideration. In this scenario, the projection shows a low point of -\$140M in FY2037, with the model falling below the required minimum as early as FY2028.

Issues and Analyses

Since we must maintain at least \$10M in excess liquidity, we would need to identify approximately \$150M in revenues or in savings to create a viable model. It's also important to note that the current model assumes debt based on a rail project, which does not apply to BRT projects. This makes the outlook less favorable, as BRT projects have a shorter useful life compared to rail.

If we wanted to fund some of the new requests, one option could be to delay or cancel future CIP and MYOP projects to free up funding; however, any such action would require a Transit Plan amendment and approval from all three governing boards. There is \$98.4M in the CIP and \$14.2M in the MYOP (total through 2040) for projects that have yet been initiated.

- Capital \$98.4M
 - Route 10 (Chapel Hill/University) Bus Transit Corridor - \$11.5M
 - Route 4 (N. Roxboro) Bus Transit Corridor - \$11.8M
 - Route 9 (Avondale/Dearborn) Bus Transit Corridor - \$23.7M
 - Duke Regional Mobility Hub - \$1.8M
 - Durham Station Transit Emphasis Zone - \$14M
 - Future Bus Transit Corridors – Speed and Reliability Infrastructure (Phase 1, 2, 3) - \$35.6M
- Operating \$14.2M
 - Chapel Hill Route D Extension - \$4.2M
 - GoDurham Route 10 and 12 Improvements - \$5.7M
 - GoTriangle Route 400 Improvements - \$4.3M

Another option is to reduce the Quick and Reliable Regional Connections placeholder which would also require a Transit Plan Amendment and approval from all three governing boards. This placeholder originated as Durham's potential contribution to a Commuter Rail project and is now expected to be directed to Bus Rapid Transit (BRT) projects. The City of Durham has been funded for project development of the Central Durham BRT project, and Durham County has been funded to develop a long-term BRT Vision Plan. Durham County's BRT Vision Plan, which will identify, evaluate, and prioritize up to six corridors for BRT-level investment over the next 30 years, is scheduled for completion in Fall 2026. The Quick and Reliable Regional Connections placeholder represents 26% of the Durham Transit Plan funding through 2040. The 2017 Durham Transit Plan had 85% of funding directed to Light Rail and Commuter Rail, and the new Wake Transit Plan has 45% of funding directed to BRT and Rail.

A status quo budget for FY27 is currently viable and would not require any current projects to be canceled. It would maintain the approved commitments in the CIP and MYOP, and it would not require a Transit Plan Amendment. It may require that partners seek local, federal, or other funding sources or delay requests to a future year.

Action Requested

Durham County staff requests the Board of County Commissioners and GoTriangle Board of Trustees to receive a presentation on the FY27 Work Program. We also request the Boards to provide guidance on expectations for the Draft Work Program, which is scheduled for release by the SWG in February 2026.