

Media Relations Contact:
Morgan Lyons
Mark A. Ball

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New DART budget sets groundwork for expanded rail operations

The Dallas Area Rapid Transit (DART) Board of Directors has approved a \$1.15 billion budget for fiscal year 2012 that is slightly smaller than the FY 2011 budget (\$1.25 billion). The budget, which takes effect October 1, supports the opening of the first section of the Orange Line light rail to Irving in July 2012 while preparing the agency for additional rail expansions to DFW Airport and Rowlett later in the year.

There are three components to DART's annual budget: operating, capital and non-operating and net debt service.

Operating	\$433.5 million
Capital and Non-Operating	\$572 million
Net Debt Service	\$147.7 million

The FY 2012 budget is the latest in a multi-year effort to manage the impact of a decade of flat sales tax receipts. Through FY 2011 DART has made adjustments in bus and rail service to help manage the budget. The number of employees at the agency has also been reduced through the year either by attrition or through an early retirement program. Although DART is projecting FY 2011 sales tax receipts to be ahead of budget, additional staff positions will have to be cut. While some of those positions are vacant and will not be filled, approximately 35 full-time employees will lose their jobs over the next several weeks.

The cost reduction steps are a result of higher operating costs and lower long-term sales tax revenue projections. There are a number of factors contributing to the higher costs. Like many North Texas businesses and organizations, DART is addressing the challenge of rising healthcare costs. The other major cost drivers for this budget include preparation for the opening of the Orange Line from the Irving Convention Center to the future Belt Line Station and Blue Line extension from Garland to Rowlett in December 2012.

In addition to approving the budget, the Board approved an updated 20-year Financial Plan, which guides future agency operations and expansion. Some of the projects in the plan include a Blue Line light rail extension from Ledbetter Station to the UNT Dallas campus (SOC-3), a second light rail alignment in Downtown Dallas and the complete replacement of the DART bus fleet including the conversion to compressed natural gas. The new fleet will include approximately 120 19-seat buses which will be delivered during 2012. The smaller buses are part of an effort to maintain the same level of service at lower costs.