



Rail Service Plan FY24 & FY25 Operating and Capital Sources and Uses

BART Board of Directors

May 11, 2023



Agenda

Rail Service Plan

- September Service Plan
- Timed Transfers

FY24 & FY25 Operating Sources & Uses

- Major Changes
- Operating Budget Sources and Uses
- Net Result & Projected Deficits
- Revised Five-Year Outlook & Fiscal Runway
- Next Steps & Calendar

FY24 & FY25 Capital Sources & Uses

- Capital Sources & Uses

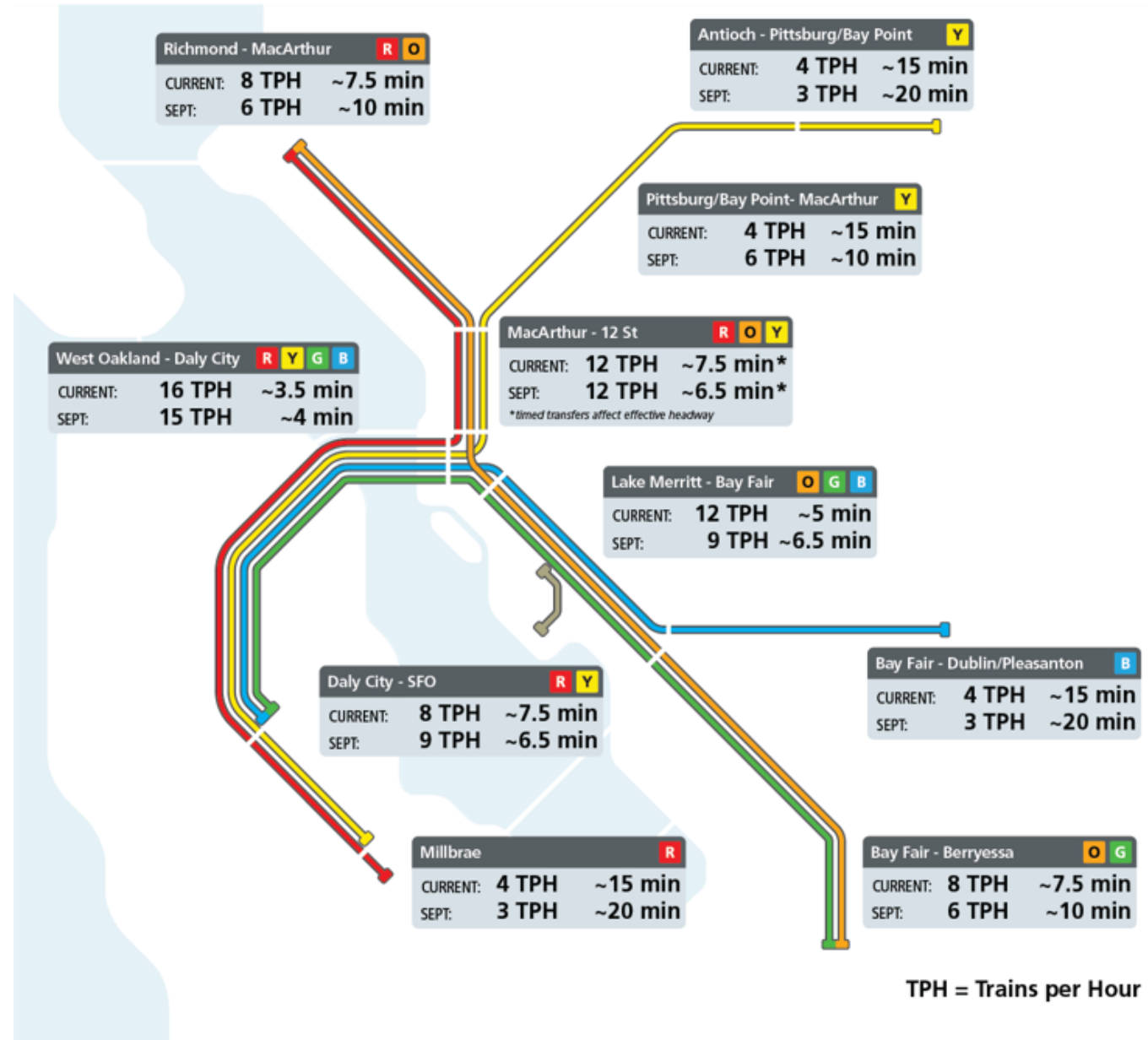


Rail Service Plan



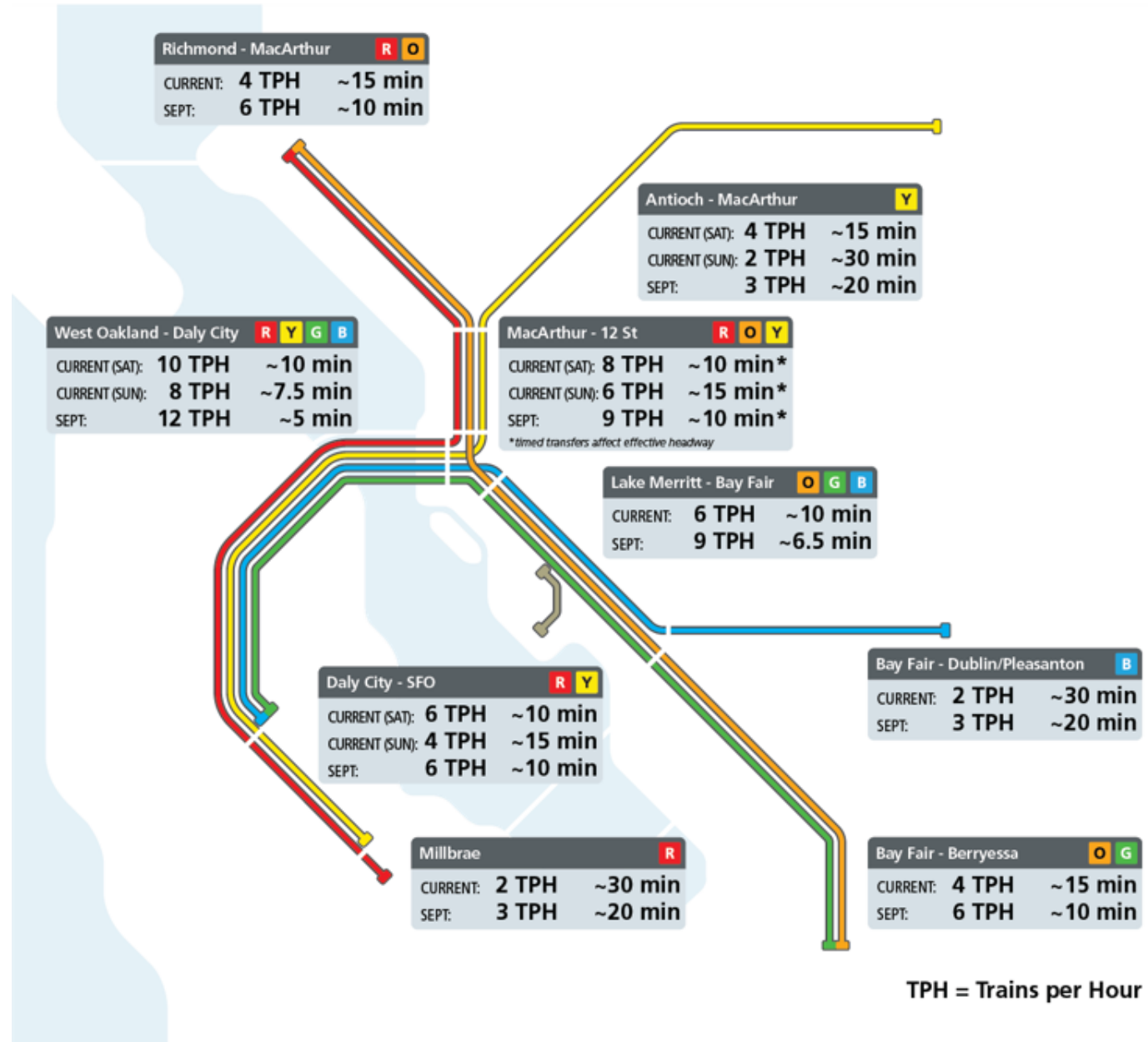
September: Weekday Daytime 5-Line Service

- All-day, 7-day base service of 3 TPH
- Increases Yellow line service to 6 TPH on weekdays



September: Weekend Daytime 5-Line Service

- 3 TPH per line all-day on weekends



September: Evening 3-Line Service

- 3-lines at 3 TPH is a 50% improvement throughout the system



We'll help our riders become experts at timed transfers

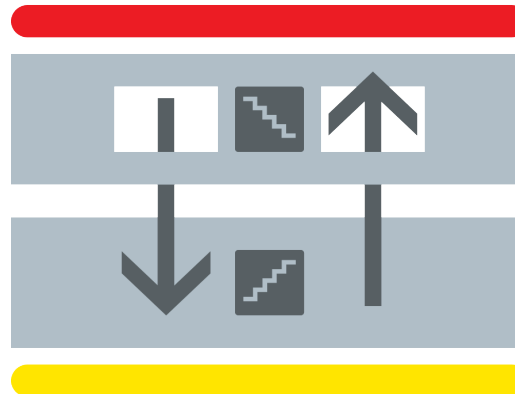
- Educate riders on how to make a smart transfer
- Notify of transfer opportunities – on platforms and via trip planners
- Push location-specific strategies – posters, announcements, videos

Lake Merritt Service	
O	Orange Line Richmond - Berryessa/North San Jose until 12am 1 Platform 1 to Berryessa/North San Jose 2 Platform 2 to Richmond For Antioch, board here and transfer to Y at 19 St - Oakland
G	Green Line Daly City - Berryessa/North San Jose until 9pm 1 Platform 1 to Berryessa/North San Jose 2 Platform 2 to Daly City For SFO Airport/Millbrae, board here and transfer to R Y at Balboa Park
B	Blue Line Daly City - Dublin/Pleasanton until 12am 1 Platform 1 to Dublin/Pleasanton 2 Platform 2 to Daly City For SFO Airport/Millbrae, board here and transfer to R Y at Balboa Park

Cross Platform (19 St - Oakland, Bay Fair, MacArthur)



Multi Platform (12 St - Oakland, MacArthur)



Same Platform (Balboa Park, Bay Fair)





▶ FY24 & FY25 Operating Sources and Uses

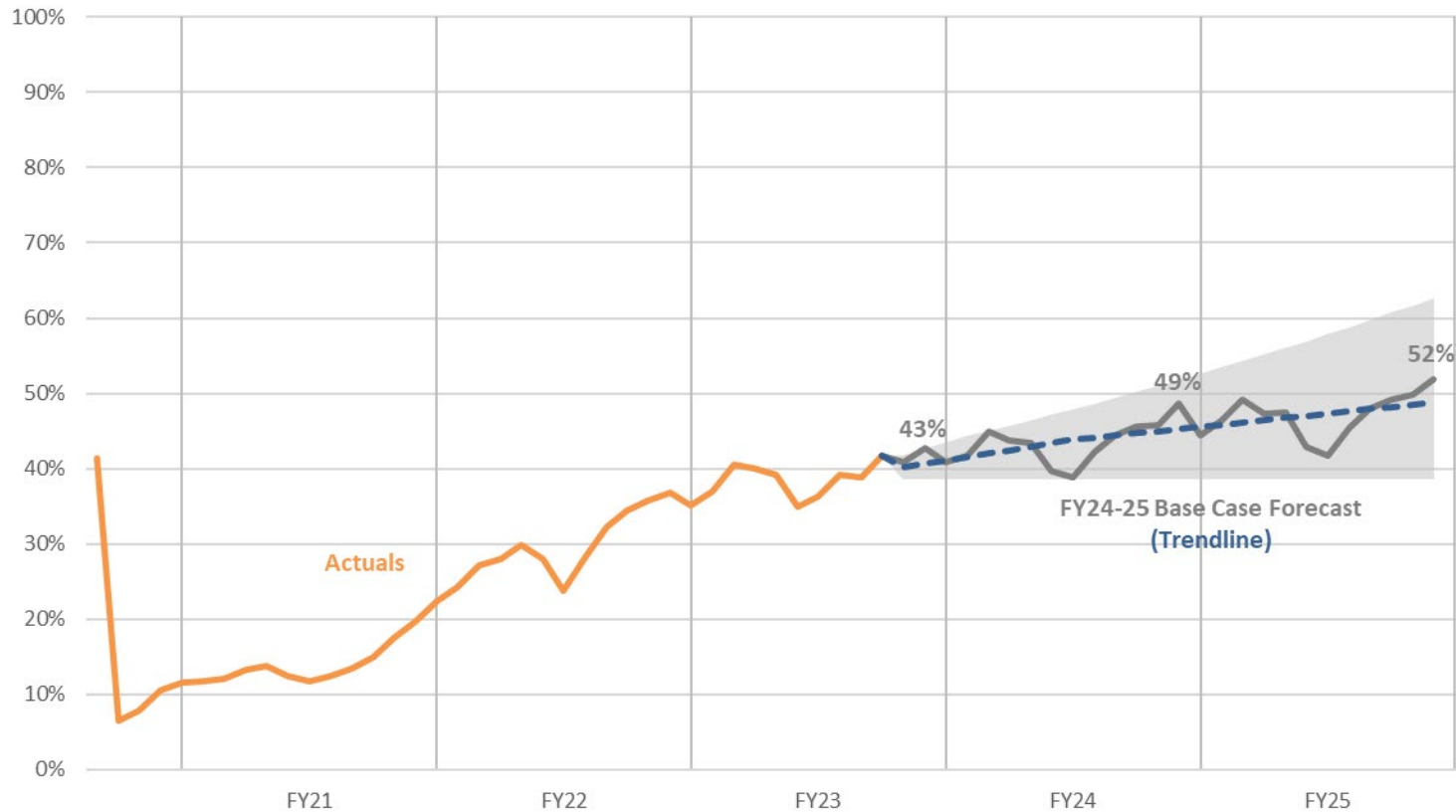
FY24 & FY25 Sources & Uses

Major changes since Preliminary Budget (released 3/31):

- Revisions to operating revenues (sales tax)
- Office of the Inspector General (OIG) budget updated
- Vacancy rates adjusted to 6% for operating, 18% for capital
- Some capital positions removed, additional shifting to operating budget
- Increased Retiree Health Benefits Trust (RHBT) contributions (~\$13-14M/year)
- Increased workers compensation and federally-mandated drug testing costs (~\$1.3M)
- Increased traction power estimates (\$2.5M/year)
- \$10M FY24 allocation for employee-facing facilities removed

FY24 & FY25 Ridership Outlook

% of Pre-Pandemic Expectations:
Actuals and FY24-25 Budget Forecast



- FY23 Ridership 12% below budget as of April 30
- Return-to-office has largely flattened; no longer forecast to be major driver in ridership growth
- Mode shift to transit and continued growth in non-work trips are modest drivers
- Exaggerated seasonality, observed in post-pandemic patterns, applied to forecast
- Average Weekday Forecast:
 - End of FY23: ~165,000
 - End of FY24: ~185,000
 - End of FY25: ~195,000

FY24 & FY25 Operating Revenue

Operating Revenue	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Rail Passenger Revenue	222.1	188.9	(33.2)	-15%	224.7	225.0	0.2	0%	254.1	254.4	0.3	0%
ADA Passenger Revenue	0.5	0.5	0.0	0%	0.5	0.5	0.0	0%	0.5	0.5	0.0	0%
Parking Revenue	13.1	14.0	0.9	7%	14.4	14.8	0.5	3%	14.3	14.9	0.7	5%
Other Operating Revenue	19.4	26.5	7.0	36%	23.9	23.9	0.0	0%	22.8	22.8	0.0	0%
Total - Operating Revenue	255.2	229.9	(25.3)	-10%	263.5	264.2	0.7	0%	291.6	292.5	0.9	0%

- Rail Passenger Revenue includes a two-step CPI-based fare increase: 5.5% increases effective July 1, 2024 and July 1, 2025
- FY23 fare revenue projected to be ~\$30-35M (14-16%) below budget
- FY24 proposed operating revenue budget reflects a 16% increase over FY23 YE estimate; FY25 budget reflects a further 11% increase over FY24 budget
- Fare and parking revenue estimates assume base case ridership forecast
- Advertising revenue estimates reflect revised OUTFRONT contract and base case ridership
- Other operating revenue composed mostly of ground lease, telecom / digital railway, concessions

FY24 & FY25 Financial Assistance

Financial Assistance	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Sales Tax Proceeds	299.0	324.1	25.1	8%	311.5	319.8	8.3	3%	318.7	327.2	8.5	3%
Property Tax Proceeds	58.0	58.0	0.0	0%	61.2	61.2	0.0	0%	64.3	64.3	0.0	0%
VTA Financial Assistance	32.7	35.0	2.4	7%	34.9	34.7	(0.2)	-1%	35.0	34.8	(0.2)	-1%
MTC Financial Assistance Clipper Start	0.3	0.2	(0.1)	-25%	0.5	0.5	0.0	0%	1.2	1.2	0.0	0%
Local & Other Assistance	9.1	15.2	6.1	67%	10.6	12.7	2.1	20%	10.8	13.6	2.8	26%
State Transit Assistance	22.7	34.9	12.1	53%	23.5	23.5	0.0	0%	23.2	23.2	0.0	0%
Low Carbon Transit Operations Program	10.3	10.3	0.0	0%	10.3	10.3	0.0	0%	10.3	10.3	0.0	0%
Low Carbon Fuel Standard Program	16.6	5.0	(11.6)	-70%	6.5	6.5	0.0	0%	6.4	6.4	0.0	0%
Total - Financial Assistance	448.6	482.7	34.1	8%	459.0	469.2	10.2	2%	469.9	480.9	11.0	2%

- Sales tax FY23 year-end estimate is ~\$25M (8%) above FY23 budget; lower growth projected for FY24 and FY25 due to economic uncertainty (inflation outlook, economic climate, fossil fuel prices)
- State Transit Assistance expected to decrease in FY24 due to \$15M planned fund swap with MTC and partial effects of hold harmless expiration; FY25 has full year effect of hold harmless expiration.
- Small decrease in VTA assistance reflects forecast increases in SVBX fare revenue

FY24 & FY25 Operating Revenue & Financial Assistance

Regular Revenues	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Rail Passenger Revenue	222.1	188.9	(33.2)	-15%	224.7	225.0	0.2	0%	254.1	254.4	0.3	0%
ADA Passenger Revenue	0.5	0.5	0.0	0%	0.5	0.5	0.0	0%	0.5	0.5	0.0	0%
Parking Revenue	13.1	14.0	0.9	7%	14.4	14.8	0.5	3%	14.3	14.9	0.7	5%
Other Operating Revenue	19.4	26.5	7.0	36%	23.9	23.9	0.0	0%	22.8	22.8	0.0	0%
Subtotal - Operating Revenue	255.2	229.9	(25.3)	-10%	263.5	264.2	0.7	0%	291.6	292.5	0.9	0%
Sales Tax Proceeds	299.0	324.1	25.1	8%	311.5	319.8	8.3	3%	318.7	327.2	8.5	3%
Property Tax Proceeds	58.0	58.0	0.0	0%	61.2	61.2	0.0	0%	64.3	64.3	0.0	0%
VTA Financial Assistance	32.7	35.2	2.6	8%	34.9	34.7	(0.2)	-1%	35.0	34.8	(0.2)	-1%
MTC Financial Assistance Clipper Start	0.3	0.2	(0.1)	-25%	0.5	0.5	0.0	0%	1.2	1.2	0.0	0%
Local & Other Assistance	9.1	15.2	6.1	67%	10.6	12.7	2.1	20%	10.8	13.6	2.8	26%
State Transit Assistance	22.7	34.9	12.1	53%	23.5	23.5	0.0	0%	23.2	23.2	0.0	0%
Low Carbon Transit Operations Program	10.3	10.3	0.0	0%	10.3	10.3	0.0	0%	10.3	10.3	0.0	0%
Low Carbon Fuel Standard Program	16.6	5.0	(11.6)	-70%	6.5	6.5	0.0	0%	6.4	6.4	0.0	0%
Subtotal - Financial Assistance	448.6	482.9	34.3	8%	459.0	469.2	10.2	2%	469.9	480.9	11.0	2%
Total – Regular Revenues	703.8	712.8	9.0	1%	722.5	733.4	10.9	2%	761.6	773.5	11.9	2%

- Total regular operating revenue sources (excluding federal assistance) increase 3% in FY24 and 5% in FY25
- Sales tax remains largest single regular revenue source
- Strong sales tax revenues and higher-than-expected State Transit Assistance in FY23 offset below budget ridership revenue

FY24 & FY25 Labor Expense

Labor & Benefits	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Wages	482.2	452.9	(29.4)	-6%	521.4	514.7	(6.7)	-1%	558.6	542.8	(15.9)	-3%
Capital Reimbursement Wages	(146.6)	(93.1)	53.6	37%	(142.6)	(129.3)	13.4	-9%	(151.9)	(134.9)	16.9	-11%
Subtotal - Net (Operating) Wages	335.6	359.8	24.2	7%	378.8	385.5	6.6	2%	406.7	407.8	1.1	0%
Overtime	70.8	90.1	19.3	27%	76.8	76.8	0.0	0%	79.8	79.8	0.0	0%
Capital Overtime	(22.4)	(25.0)	(2.6)	-12%	(23.9)	(23.9)	0.0	0%	(24.8)	(24.8)	0.0	0%
Subtotal - Net (Operating) Overtime	48.4	65.1	16.7	34%	52.9	52.9	0.0	0%	55.0	55.0	0.0	0%
CalPERS Pension	128.0	119.8	(8.1)	-6%	136.3	135.5	(0.8)	-1%	137.6	135.7	(1.9)	-1%
Other Retirement Benefits	14.4	15.0	0.5	3%	13.4	13.2	(0.2)	-1%	14.0	13.6	(0.4)	-3%
Active Employee Medical Insurance	89.5	79.3	(10.1)	-11%	86.1	84.8	(1.4)	-2%	87.9	85.1	(2.8)	-3%
Retiree Medical	50.7	36.2	(14.4)	-29%	37.2	50.6	13.4	36%	38.1	51.9	13.8	36%
Implied Retiree Medical Subsidy	(5.0)	(6.0)	1.0	19%	(6.3)	(5.7)	0.6	-10%	(6.8)	(6.4)	0.4	-6%
Workers' Compensation	17.2	17.2	0.0	0%	20.7	20.7	0.0	0%	20.7	20.7	0.0	0%
Other Fringe	23.1	23.3	0.2	1%	22.6	22.3	(0.3)	-1%	23.7	23.0	(0.7)	-3%
Capital Fringe	(73.7)	(62.3)	11.4	15%	(68.2)	(63.8)	4.4	-6%	(70.3)	(64.3)	5.9	-8%
Subtotal - Net (Operating) Fringe	244.1	222.6	(21.5)	-9%	241.7	257.5	15.8	7%	245.0	259.3	14.3	6%
Other Labor	4.0	4.8	0.7	18%	4.0	4.0	0.0	0%	4.0	4.0	0.0	0%
Total Labor	632.2	652.3	20.1	3%	677.5	699.9	22.4	3%	710.8	726.2	15.4	2%

- FY23 labor spending is trending above budget; driven by wage increases, high overtime, low vacancy rate, and capital under-recovery; partially offset by benefit savings (pension, medical insurance, and retiree medical)
- FY24 vacancy rates adjusted: 6% for operating, 18% for capital; operating further decreases to 5% in FY25

FY23 to FY24 Budgeted FTE Changes

FY23 to FY24 FTE Summary			
	Operating	Capital/ Reimbursable	Total
FY23 Adopted Budget	3,494	1,092	4,586
<i>FY23 to FY24 Changes</i>			
Abolished Positions	-	(24.00)	(24.00)
Funding Conversions	33.75	(33.75)	-
Midyear Additions/Adjustments	11.00	6.00	17.00
New Positions	4.00	-	4.00
<i>Total Changes</i>	<i>48.75</i>	<i>(51.75)</i>	<i>(3.00)</i>
FY24 Proposed Budget	3,543	1,040	4,583

- Additional 2.5 FTEs converted from capital to operating funding
- Selected capital positions abolished in accordance with project timing
- 4 new positions added to Office of the Inspector General

FY24 & FY25 Non-Labor Expense

Non-Labor	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Clipper, Ticket Sales & Bank Fees	8.0	7.4	(0.6)	-7%	10.1	10.1	0.0	0%	8.9	8.9	0.0	0%
Insurance	9.6	9.5	(0.2)	-2%	9.9	9.9	0.0	0%	9.9	9.9	0.0	0%
Materials & Supplies	49.4	43.0	(6.4)	-13%	48.5	49.9	1.4	3%	48.5	49.8	1.3	3%
Professional & Technical Fees	48.3	41.1	(7.2)	-15%	51.3	51.3	0.0	0%	51.0	51.1	0.1	0%
Repairs & Maintenance	10.2	9.2	(0.9)	-9%	11.7	11.7	0.0	0%	11.7	11.7	0.0	0%
Rent	4.8	5.3	0.5	9%	4.7	4.7	0.0	0%	4.7	4.7	0.0	0%
Power	52.7	65.7	13.0	25%	56.5	59.0	2.5	4%	58.2	60.7	2.5	4%
ADA Paratransit	16.7	16.7	0.0	0%	19.8	18.8	(1.0)	-5%	20.4	20.4	0.0	0%
Purchased Transportation	12.7	6.8	(5.9)	-47%	7.9	7.9	0.0	0%	8.5	8.5	0.0	0%
Utilities	8.6	8.1	(0.5)	-5%	9.0	9.0	0.0	0%	9.1	9.1	0.0	0%
Other Miscellaneous	6.8	3.5	(3.3)	-48%	4.6	5.1	0.5	12%	6.8	7.4	0.5	8%
Total - Non-Labor	227.8	216.3	(11.5)	-5%	234.0	237.5	3.4	1%	237.8	242.2	4.4	2%

- FY23 forecast adjusts Power projections to account for January & February actuals
- FY24 & FY25 Power budget adjusted up to account for continued winter energy cost increases
- Forecast and budget include planned savings of \$5.5M in payments to other operators beginning in FY23

FY24 & FY25 Debt Service & Allocations

Debt Service & Allocations	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Debt Service	59.9	59.9	0.0	0%	60.1	60.1	0.0	0%	60.2	60.2	0.0	0%
Capital Reinvestment	36.5	36.5	0.0	0%	34.2	34.4	0.3	1%	34.2	34.2	0.0	0%
Priority Capital Projects/ Programs	33.0	33.0	0.0	0%	50.0	50.0	0.0	0%	51.0	51.0	0.0	0%
Sustainability	6.4	6.4	0.0	0%	0.0	0.0	0.0	-	0.0	0.0	0.0	-
Other	11.6	11.6	0.0	0%	11.6	1.6	(10.0)	-86%	1.6	1.6	0.0	0%
Pension	10.0	0.0	(10.0)	-100%	0.0	0.0	0.0	-	0.0	0.0	0.0	-
Total - Debt Service & Allocations	157.4	147.4	(10.0)	-6%	155.9	146.2	(9.7)	-6%	146.9	146.9	0.0	0%

- District does not plan to make pension allocation contribution in FY23
- Sustainability and pension allocations eliminated in FY24 & FY25
- FY24 \$10M allocation for employee-facing facilities removed since Preliminary Budget

FY24 & FY25 Total Expense

Total Expense	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Net Wages	339.6	364.6	24.9	7%	382.9	389.5	6.6	2%	410.8	411.9	1.1	0%
Net Overtime	48.4	65.1	16.7	34%	52.9	52.9	0.0	0%	55.0	55.0	0.0	0%
Net Fringe	244.1	222.6	(21.5)	-9%	241.7	257.5	15.8	7%	245.0	259.3	14.3	6%
Subtotal - Labor	632.2	652.3	20.1	3%	677.5	699.9	22.4	3%	710.8	726.2	15.4	2%
ADA Paratransit	16.7	16.7	0.0	0%	19.8	18.8	(1.0)	-5%	20.4	20.4	0.0	0%
Purchased Transportation	12.7	6.8	(5.9)	-47%	7.9	7.9	0.0	0%	8.5	8.5	0.0	0%
Power	52.7	65.7	13.0	25%	56.5	59.0	2.5	4%	58.2	60.7	2.5	4%
Other Non-Labor	145.7	127.1	(18.5)	-13%	149.8	151.8	2.0	1%	150.6	152.5	1.9	1%
Subtotal - Non-Labor	227.8	216.3	(11.5)	-5%	234.0	237.5	3.4	1%	237.8	242.2	4.4	2%
Debt Service	59.9	59.9	0.0	0%	60.1	60.1	0.0	0%	60.2	60.2	0.0	0%
Allocations	97.5	87.5	(10.0)	-10%	95.8	86.0	(9.7)	-10%	86.8	86.8	0.0	0%
Subtotal - Debt Service & Allocations	157.4	147.4	(10.0)	-6%	155.9	146.2	(9.7)	-6%	146.9	146.9	0.0	0%
Total - Uses	1,017.4	1,016.0	(1.4)	0%	1,067.4	1,083.6	16.1	2%	1,095.5	1,115.3	19.8	2%

- FY23 overall expense projection is nearly on budget, despite significant variances
 - Labor spending is over budget
 - Non-labor and debt service/allocations below budget, partially due to management actions
- FY24 & FY25 expenses have increased by approx. 2% since Preliminary Budget

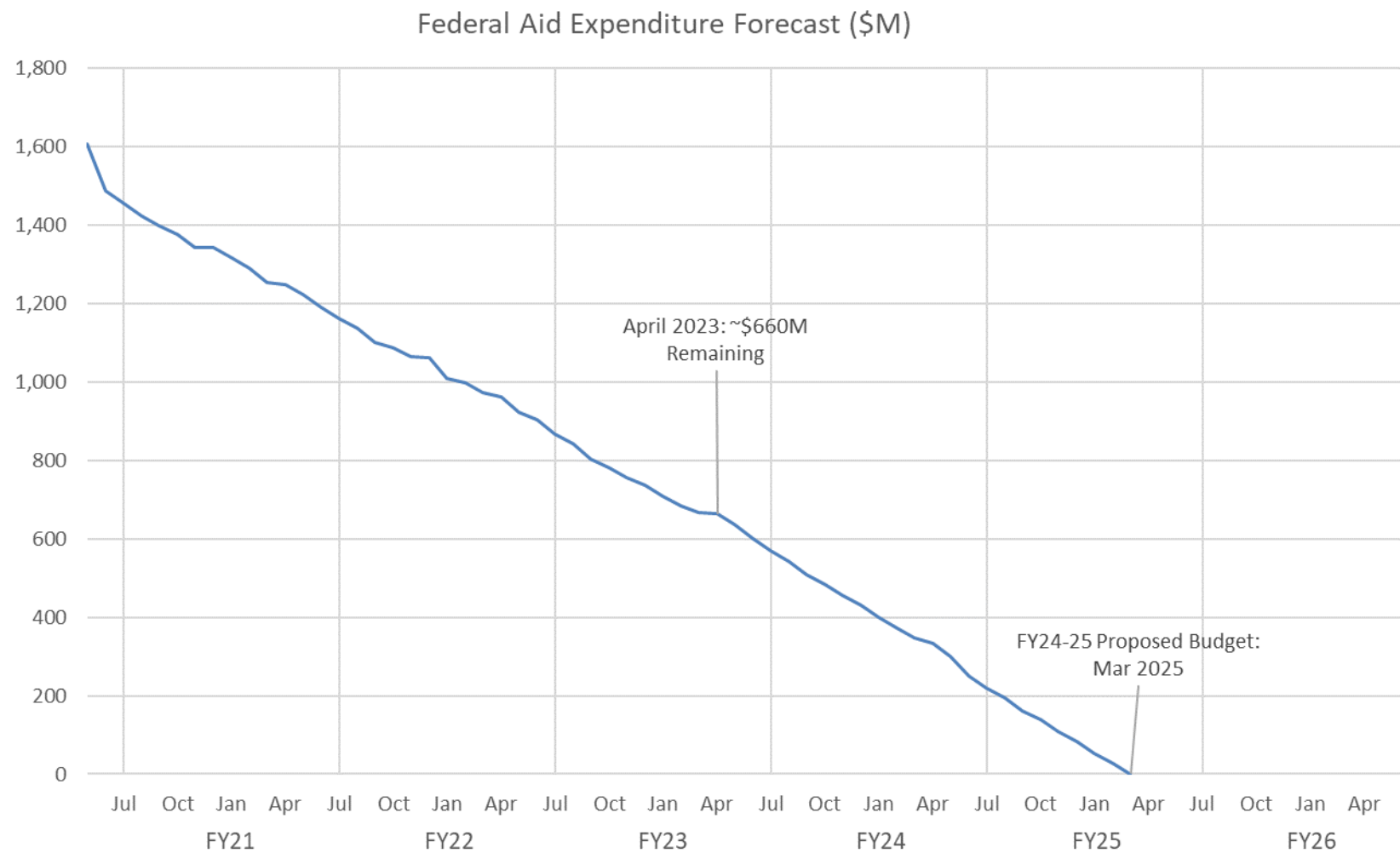
FY24 & FY25 Net Result

Net Result	FY23				FY24				FY25			
(\$Millions)	Adopted	Forecast	Adopted to Forecast		Prelim	Proposed	Prelim to Proposed		Prelim	Proposed	Prelim to Proposed	
			\$	%			\$	%			\$	%
Operating Revenue	255.2	229.9	(25.3)	-10%	263.5	264.2	0.7	0%	291.6	292.5	0.9	0%
Financial Assistance	448.6	482.7	34.1	8%	459.0	469.2	10.2	2%	469.9	480.9	11.0	2%
Subtotal - Regular Revenues	703.8	712.6	8.8	1%	722.5	733.4	10.9	2%	761.6	773.5	11.9	2%
Labor & Fringe	632.2	652.3	20.1	3%	677.5	699.9	22.4	3%	710.8	726.2	15.4	2%
Non-Labor	227.8	216.3	(11.5)	-5%	234.0	237.5	3.4	1%	237.8	242.2	4.4	2%
Debt Service & Allocations	157.4	147.4	(10.0)	-6%	155.9	146.2	(9.8)	-6%	146.9	146.9	0.0	0%
Subtotal - Uses	1,017.4	1,016.0	(1.4)	0%	1,067.4	1,083.6	16.1	2%	1,095.5	1,115.3	19.8	2%
Net Result Before Federal Emergency Assistance	(313.6)	(303.4)	10.2	3%	(344.9)	(350.2)	(5.3)	-2%	(333.9)	(341.8)	(7.9)	-2%
Federal Emergency Funding	313.6	303.4	(10.2)	-3%	344.9	350.2	5.3	2%	255.9	250.2	(5.8)	-2%
Deficit	0.0	0.0	0.0	-	0.0	0.0	0.0	-	(78.0)	(91.6)	(13.7)	18%

Five-Year Projection

(\$M)	FY24	FY25	FY26	FY27	FY28
Operating Revenues	264	293	318	349	393
Financial Assistance	469	481	496	512	532
Total Regular Revenues	733	773	815	861	925
Operating Expense	937	968	977	1,005	1,114
Debt Service & Allocations	146	147	150	153	153
Total Uses	1,084	1,115	1,127	1,158	1,267
Operating Result	(350)	(342)	(313)	(297)	(342)
Total Federal Assistance	350	250	0	0	0
Total Net Result	0	(92)	(313)	(297)	(342)

BART's Fiscal Runway



- Federal funding projected to cover deficits until March 2025
- FY24-25 Proposed Budget currently shows a \$92M deficit for FY25



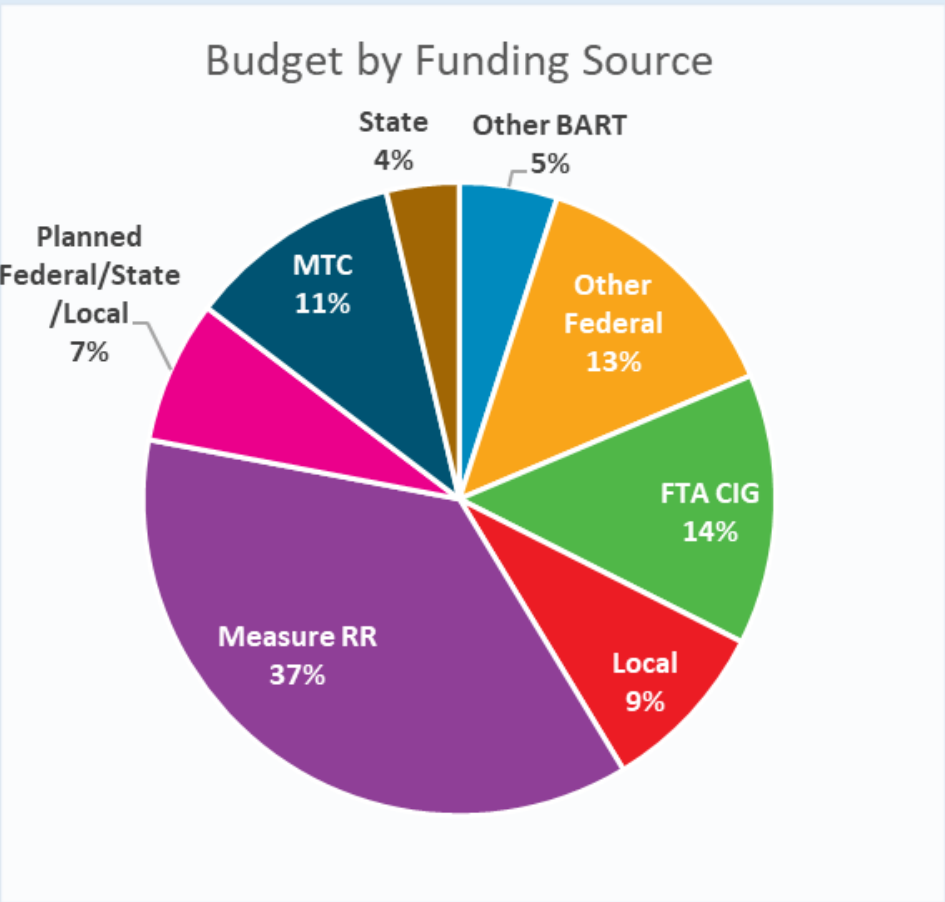
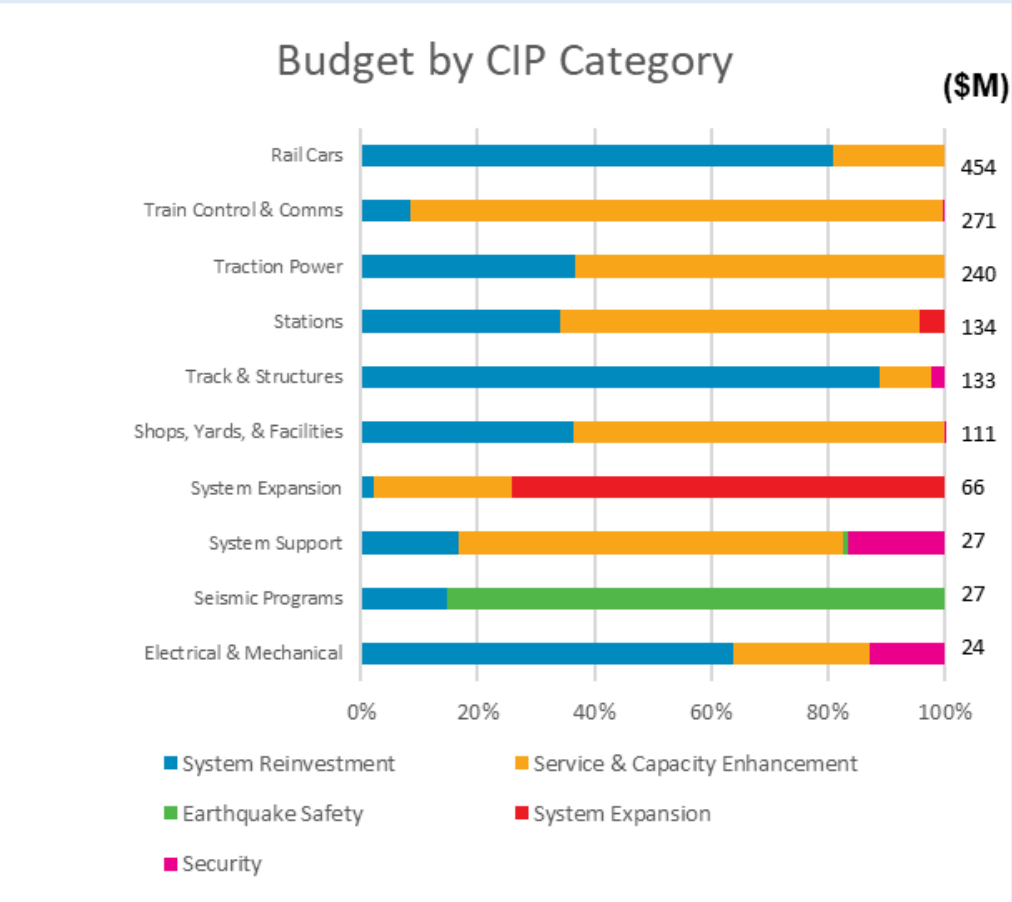
FY24 & FY25 Capital Sources and Uses

FY24 & FY25 Capital Budget

- Staying the course with continued investments in:
 - System Renewal, grounded in Measure RR bond program and leveraging external funds
 - Core Capacity Program, including critical implementation of new Communications-based Train Control System and new Traction Power substations to support more frequent service and reduced crowding
 - Fleet of the Future Rail Cars Procurement, including full replacement of 669 car legacy fleet and expansion cars to support Core Capacity Program and Silicon Valley extension
- Launching Next Generation Fare Gates pilot and implementation

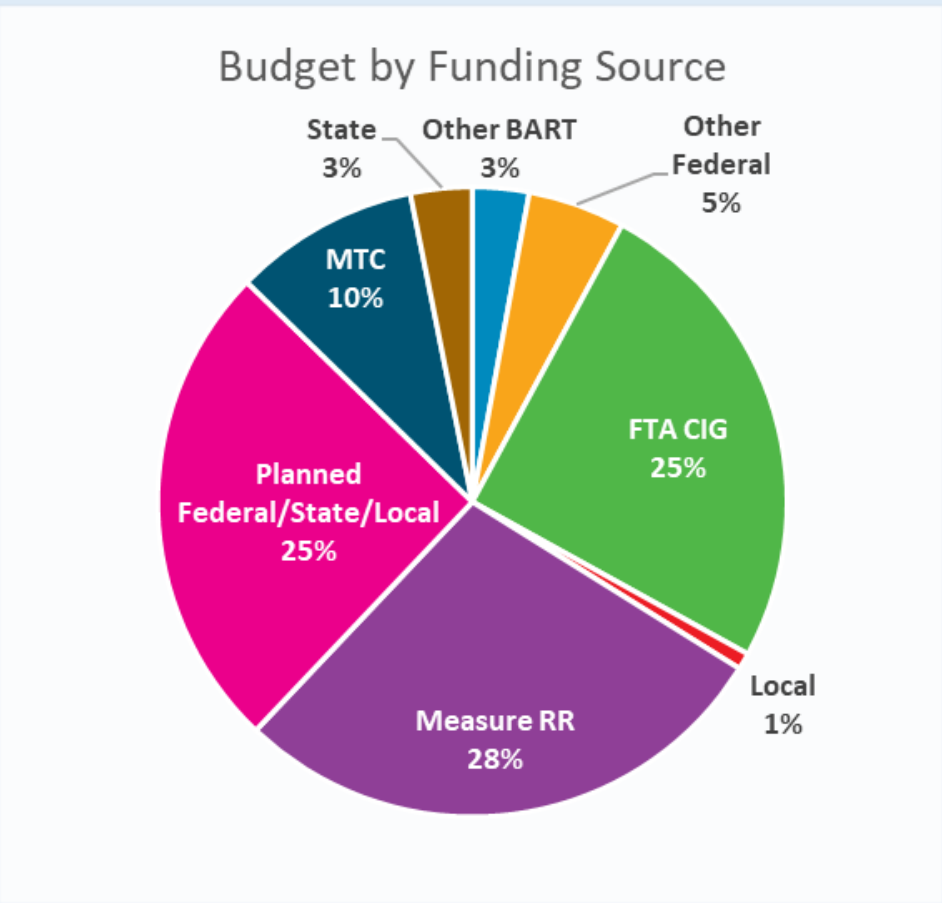
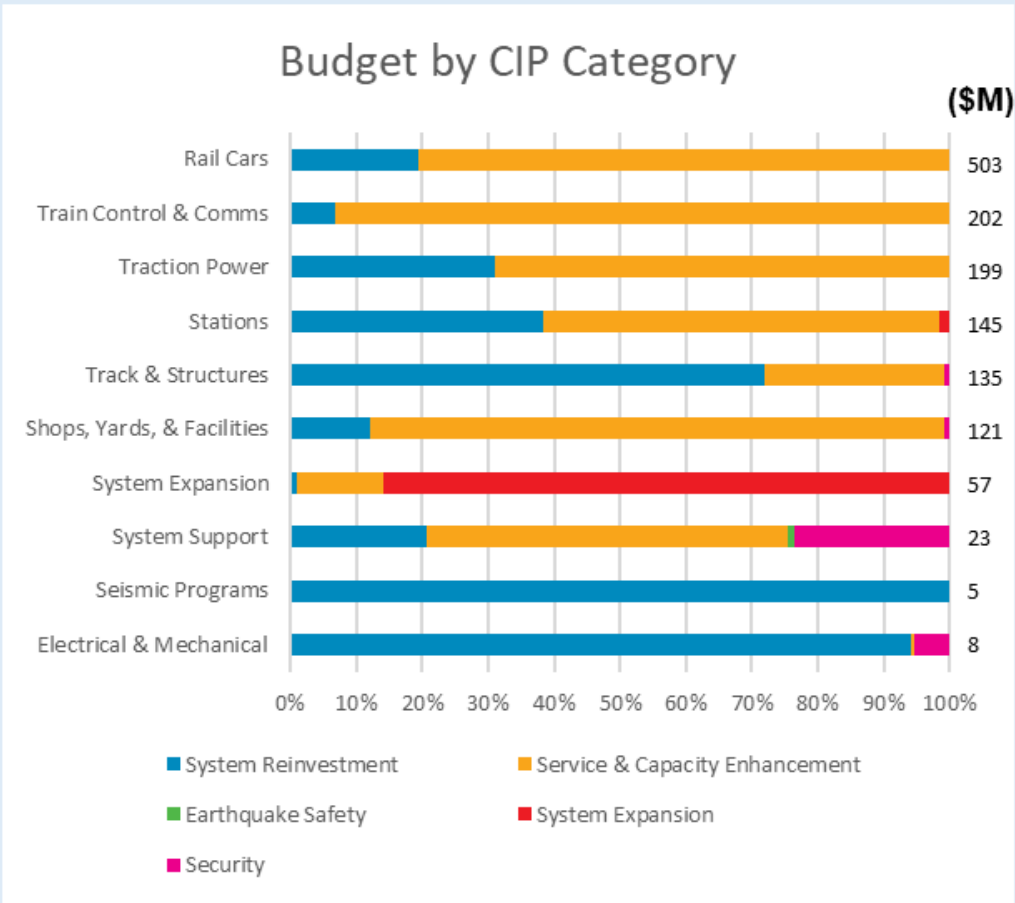
FY24 Capital Sources & Uses

FY24 Budget
\$1,487,655,092

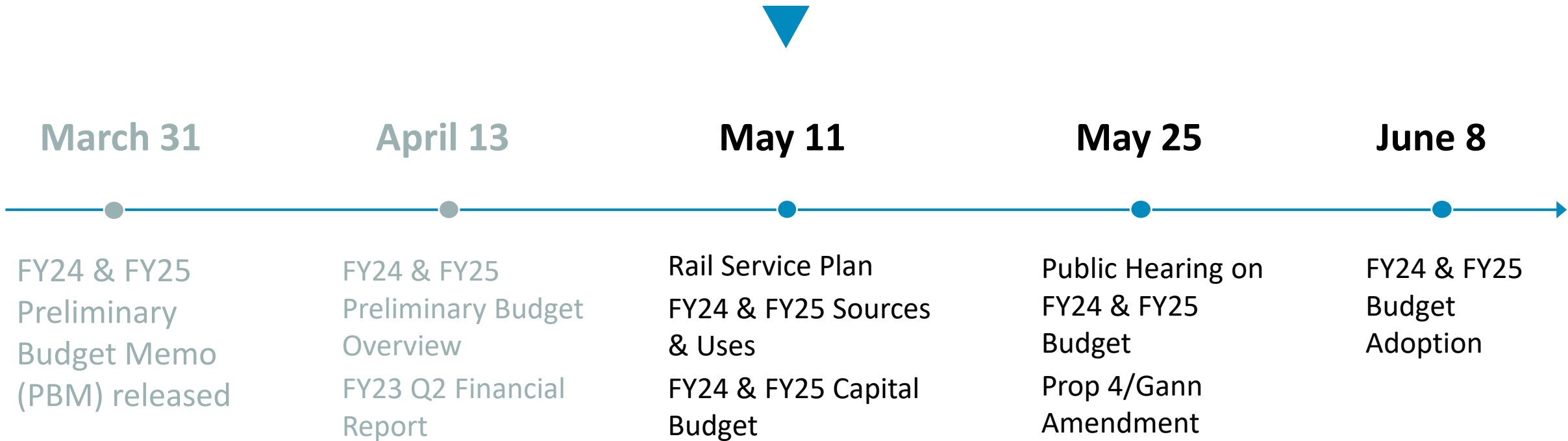


FY25 Capital Sources & Uses

FY25 Budget
\$1,397,573,885



Timeline and Next Steps



Discussion