



San Francisco Bay Area Rapid Transit District

# FY26 Adopted Operating and Capital Budget

AUGUST, 2025

**MARK FOLEY**, PRESIDENT, BOARD OF DIRECTORS  
**ROBERT POWERS**, GENERAL MANAGER



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**San Francisco Bay Area Rapid Transit District  
California**

For the Biennium Beginning  
**July 01, 2024**

*Christopher P. Morill*

**Executive Director**

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# 1. Message From Leadership

Dear Bay Area Rapid Transit (BART) Riders, Members of the Community, Labor Partners, and Staff:

We are pleased to present BART's Fiscal Year (FY) 2026 Adopted Operating and Capital Budget.

This budget maintains BART's commitment to enhancing the rider experience and providing safe, reliable, clean, and quality service the Bay Area needs. At the same time, it is clear BART's funding model—like those of most other North American transit operators—no longer works, making it necessary to secure a sustainable long-term operating revenue source to support current service levels, safety and cleaning efforts, and new improvements.

## **Improving the Rider Experience**

Providing great service that is welcoming and easy to use is critical to BART's success. BART has doubled down on enhancing the rider experience, and these investments have paid off; in 2024, 73% of BART riders described themselves as satisfied, a 6% increase since 2022. Rider safety has also improved, with crime down by 17% in 2024, showing the effect of yearslong investments in the BART Police Department.

The FY26 Adopted Budget supports high cleanliness and safety standards. BART continues to clean trains and stations frequently. Building on improvements to system safety, BART Police plan more public awareness and to maintain increased presence.

Schedule coordination among transit agencies, referred to as "The Big Sync," is reducing total travel time for transit riders. Additionally, navigating BART and the regional transit network is becoming easier thanks to a concerted coordination effort among agencies and the Metropolitan Transportation Commission (MTC). Fare programs such as Clipper START, which provides discounted rides to eligible low-income riders, and Clipper BayPass, the region's first prepaid unlimited transit pass, are growing. The flexibility provided by the Next Generation of Clipper will enable more innovative fare and pass programs. A regional initiative to improve wayfinding—maps and directional signs—is underway, while BART's own mobile app is being refreshed in late summer 2025 with a more modern, streamlined look offering real-time train location.

## **Changes to BART's Funding Model and the Pursuit of Sustainable Revenue**

BART has lost hundreds of millions of dollars in fare revenue since early 2020 due to remote work. Since then, service levels have been supported by emergency assistance from federal, state, and regional sources, but these funds will be expended by the end of FY26. Though BART has taken cost cutting measures to push off the date when emergency funding runs out, there is no viable path to balancing the operating budget without a new sustainable revenue source.

The FY26 Adopted Budget limits expense growth to less than 1% from FY25 while BART and regional partners plan a regional revenue measure to be approved by voters in November 2026.

We remain confident that BART, the transit backbone of the Bay Area, will secure a long-term revenue source that will support the level of sustainable, green transit service the Bay Area needs. In the meantime, BART is working to gain new riders, reduce expenses, and build public confidence wherever possible. We sincerely thank our riders, dedicated employees, labor partners, the Board of Directors, and our local, state, and national elected leaders for their continued support. Together, we've made a commitment to a cleaner, safer ride that guarantees BART remains the best way to travel the Bay Area.

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Robert M. Powers  
General Manager

## 2. Executive Summary

### Introduction

The FY26 Adopted Budget supports high quality rail service while limiting expense growth. Despite cost reductions implemented over the past several years, BART is still facing a structural deficit. A sustainable operating funding source is essential to resolve this long-term financial challenge.

### Improving the Rider Experience and Optimized Service Schedule

Since ramping up service in August 2022, BART has focused on ensuring adequate staffing levels needed to deliver reliable, clean, and safe service. To accomplish this, BART has continued to hire more station agents, train operators, station cleaners, car cleaners, and rail controllers, while filling more vacant police officer and non-sworn station and train presence positions. These investments in staff, who deliver welcoming service, are necessary to provide a quality customer experience for those who choose to take BART instead of driving.

BART's strategy of end-to-end customer service improvements continues with a focus on passenger information and increased staff presence in the system to complement better service. Every station in the system will have new faregates by the end of calendar year 2025, if not sooner. Stations are being revamped with the ability to pay with contactless bank cards, Apple Pay and Google Pay launched August 20th, easy tap-and-go parking payment, updated wayfinding, LED lighting, and new and redesigned train arrival display boards. Onboard train car digital monitors now show helpful transfer information to other rail and ferry services. Together, these improvements create a more comfortable, simple, and streamlined passenger journey. Further, BART has bolstered the presence of staff in the system, including sworn police officers, community service officers, fare inspectors, ambassadors, crisis intervention specialists, restroom and elevator attendants, and uniformed managers riding trains during peak hours. The result is that overall customer satisfaction as measured by the Passenger Experience Survey increased to 81% in the fourth quarter of FY24, demonstrating that the investments BART has been making are delivering results for riders.<sup>1</sup>

BART has optimized its train lengths and schedule to better match current passenger flows. After implementing a new base schedule in September 2023, BART continues to make small adjustments to its service to improve key connections and reduce crowding. These include improved transfers to Caltrain at Millbrae Station, restoration of the transfer at Bay Fair Station for Richmond-bound Blue Line commuters, and adjustments to train spacing and patterns on the Orange, Green, and Yellow lines. BART's August 2025 schedule change improves bus to BART connections at Dublin/Pleasanton station and at the BART to Antioch transfer platform. As ridership evolves, BART will continue to make changes to reduce trip and transfer times while minimizing crowding. Bay Area transit operators continue to synchronize their schedules to make coordinated changes at the same time. Changes in early 2025 reduced total trip time by up to 16 minutes for some riders and the August 2025 schedule change saves some riders up to 20 minutes on their trips.

BART is also improving fare products and regional connectivity. Along with the Metropolitan Transportation Commission (MTC), BART co-leads the region's Clipper BayPass pilot program, which offers employers, universities, and housing developments the option to buy convenient all-agency transit passes for their constituents. Thousands of riders are already enjoying Clipper BayPass benefits, with more coming in FY26. BART will also continue the successful Clipper START pilot program in FY26; since BART increased the Clipper START discount for eligible low-income riders to 50% off in January 2024, START trips have more than doubled. Together, these initiatives are making it easier and more affordable for Bay Area residents to ride BART.

### Ridership Revenue Outlook is Stable

Over the past few years, passenger levels have recovered from pandemic lows, but ridership gains have slowed. The persistent shift to hybrid-remote work and fewer commute trips means that BART projects only modest farebox revenue growth in FY26.

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<sup>1</sup> [BART FY24 Q4 Quarterly Performance Review](#)

The prolonged loss of over half of BART's pre-COVID-19 ridership brought a corresponding loss of passenger revenue, which had been the single largest funding source for BART operations. In fact, pre-pandemic farebox revenue provided about two thirds of total operating expenses. In FY25, fare revenue was budgeted to cover less than a quarter of operating expenses. In dollar figures, BART generated \$483M in operating revenue from fares in FY19 but only \$219M in FY24.

BART continues to increase operating revenue where possible. New faregates are reducing fare evasion, while inflation-based fare increases allow revenues to keep pace with expense growth. Improved transit coordination and new fare products such as Clipper BayPass and the upcoming Next Generation of Clipper system are also expected to increase ridership. Co-marketing agreements with major events, venues, and creative social media content help promote taking BART for leisure trips.

BART is also exploring opportunities to improve non-farebox revenue possibilities. Staff continue to negotiate new agreements for telecommunications revenues on BART right of way while advancing transit-oriented development on BART property. Though these efforts generate additional much-needed revenue, their scale is not large enough to fully mitigate the structural deficit.

### **Cost Containment Efforts**

The FY26 Adopted Budget reflects BART's commitment to providing high quality service while finding opportunities for savings. Three important efforts have resulted in savings that helped eliminate the FY26 deficit.

The first major savings opportunity came from working closely with BART's labor partners. As part of an extension of collective bargaining agreements with most of BART's labor unions, BART was able to prolong the agreed upon time frame for fully funding a portion of retiree medical benefits costs, resulting in nearly \$8M a year in cost savings without affecting actual benefits. This agreement also eliminated the risk of a very large contribution requirement in FY34, providing long-term budget stability. As part of a cash preservation strategy, in May 2025, BART staff elected to redirect retiree medical contributions into a flexible reserve account, which will allow an additional \$38.2M to be available in FY27 and beyond should efforts to secure a sustainable revenue source fail.

The second savings effort was initiated in February 2025, when BART began a targeted hiring freeze to reduce costs. The freeze is a temporary measure whereby BART has paused recruiting and hiring of identified vacant positions. As a result of that process, 45 positions were frozen, generating ongoing annual savings of \$6.3M. Though the freeze will impact BART's administrative capacity, impacts to frontline staff are minimized, so customer experience will not be affected. BART leadership will continue to review all vacancies quarterly and strategically freeze additional positions as they become vacant, only filling the most service critical.

Finally, as part of the FY26 budget development process, departments were asked to reduce selected components of their non-labor budgets by 5%. Departments were able to find saving opportunities and cut business expenses that were not related to employee salaries, wages, or labor costs. The 5% target was exceeded, resulting in an additional \$7M in ongoing cost reductions.

In addition to these major operating budget reductions, BART has implemented other efficiencies that help limit costs without compromising rider experience or safety. BART continues to optimize train lengths and schedule to better match current passenger flows and improve key connections without causing crowding. This reduces wear and tear on rolling stock and the amount of electricity needed to power trains. The cost of that electricity—most of which comes from renewable sources—is procured at below market prices and locked in over the long term through negotiated power purchase agreements. Other efforts to reduce spending include replacing outdated technologies, improved contract oversight, and simplification of functional processes that reduce administrative burdens and optimize staff time. Staff across BART have been involved in identifying and implementing these efficiencies. The result of this work is that BART's

operating expense—the cost of running the system, before debt service or allocations to capital work are included—increases by only 1% between FY25 and FY26.

### **Capital Budget Prioritizes Reliability and Reinvestment**

BART has been hard at work rebuilding the system and investing in capital improvements with the goal of increasing reliability and improving the customer experience. Phase One of BART's Fleet of the Future Rail Car Procurement project, which replaces BART's legacy rail car fleet and expands the fleet to serve the first phase of the BART-to-Silicon Valley Extension (BSVII), is nearing completion. Today, BART is running only the new Fleet of the Future rail cars, providing a more reliable and comfortable ride for passengers. Phase Two of the project is now underway, expanding the fleet to enable more frequent, longer trains and to accommodate the second phase of BSVII.

Investments in traction power infrastructure and the replacement of aging track minimizes service disruptions and increases on-time performance. Other key capital projects are well underway, including the replacement of BART's 50-year-old fixed block train control system with a modern, communications-based train control system, which will improve service reliability and enable more frequent trains. The Next Generation Fare Gates Project, which will replace outdated fare gates throughout the system with new gates that are more reliable, easier to maintain, and more resistant to fare evasion, is nearly complete. Notably, BART has now completed its Earthquake Safety Program, funded by Measure A general obligation bonds, with the final improvements to the Transbay Tube now delivered.

### **Emergency Relief Funding**

When the pandemic caused ridership revenue from fares to drop, federal, state, and local governments stepped in to ensure BART service would continue at the levels needed to support the Bay Area's recovery. The revenue losses stemming from a persistent shift to hybrid-remote work and fewer commute trips has caused a structural deficit. Since 2020, BART has relied on almost \$2 billion (B) in emergency assistance to cover the gap between revenues and expenditures. Without this funding, BART would not be able to operate its current service levels. At this time, no additional emergency assistance is expected.

BART used the last of its federal emergency assistance in FY25, and projects to expend the last of its Senate Bill (SB) 125 state and regional emergency assistance in FY26. When SB 125 passed, its intent was to help Bay Area operators eliminate deficits through FY26. At this time, no SB 125 assistance is projected to be available in FY27, when BART faces a \$376M projected deficit. A sustained focus on cost controls and the effects of continued service investments may allow some SB 125 funds to be extended into FY27.

### **Looking Ahead**

A \$376M deficit remains in FY27, representing almost 33% of projected operating expenses. Despite efforts to reduce costs, the prolonged fall in fare revenue has created a structural operating deficit. This structural deficit can only be mitigated—not eliminated—with budget cuts, due to the fixed nature of costs associated with running a fixed guideway railroad. Overcoming these challenges will require a new financially sustainable model by securing a new source of funding. BART continues to advocate at the federal, state, and regional levels for a permanent funding source to assist with closing the structural operating deficit. By securing a permanent revenue source, BART can ensure that it will remain the cornerstone of mobility for the region and improve accessibility for all riders.

### 3. About BART

BART’s mission is to provide safe, reliable, clean, quality transit service for riders. Since service began in 1972, BART has played a critical role in providing mass transit to the Bay Area. Connecting the San Francisco Peninsula with communities in the East Bay and South Bay, BART is the largest heavy-rail public transit system in the Western United States.

BART tracks cover more than 130 miles and service extends to Millbrae, Richmond, Antioch, Pleasanton, and North San José. BART also provides service to two major airports, San Francisco International Airport (SFO) and Oakland San Francisco Bay International Airport (OAK), which connect both residents and visitors from all over the globe to the surrounding area. In FY25, BART delivered over 52.7 million passenger trips - helping riders travel to their jobs, schools, entertainment, and opportunities.

BART is committed to supporting a sustainable and prosperous Bay Area by connecting communities with seamless mobility. A key element of this vision is being responsive to changes in mobility needs. BART does this by adjusting service plans based on current ridership data and predictions about future ridership trends. More recently, BART introduced a service plan that relies less on work commutes and offers increased service on nights and weekends, where ridership is growing at a faster rate.

#### BART Trains and Service

BART is primarily a traction power rail system. This type of system uses electricity to power trains through third rail electrification. BART’s electric supply portfolio is comprised of wholesale wind, solar, and hydroelectric sources, as well as five onsite solar projects located across the system. BART’s total power in calendar year 2024 was an estimated 86% greenhouse gas free, with over 50% defined as eligible renewable energy under California state law.

Figure 1: BART Station Map



The BART system consists of five lines of service that run through urban and suburban landscapes, supporting 50 stations across five counties: San Francisco, San Mateo, Alameda, Contra Costa, and Santa Clara.

As a protected right-of-way commuter rail system, BART trains have exclusive use of its tracks and are not affected by traffic conditions that often impact travel times on roads and highways. The right-of-way system bypasses congestion and helps people spend less time traveling. When taking BART, passengers can expect more predictable transit speeds and travel times.

Since early 2024, BART has been running only new Fleet of the Future cars, having retired its legacy train fleet. The new cars are quieter, cooler, and have several new attributes, including meaningful accessibility features, that help passengers enjoy a more comfortable ride.

### **BART and the Bay Area Transportation Network**

BART is one of many options people can choose to meet their mobility needs. The Bay Area transportation system also offers a complex network consisting of highways, local streets, sidewalks, bikeways, bus routes, ferry service, and rail lines. BART trains run on routes that are often parallel to congested highways and offer the public an alternative and often faster and lower cost solution to driving.

BART is as an important link between local and regional transportation systems, helping people travel swiftly and easily. BART works closely with transit operators in the region to ensure seamless connectivity across transportation services. A trip can be completed through a combination of travel methods, both rail and non-rail. To ensure riders' needs are met, BART also focuses on the connectivity of transportation options and the infrastructure needed to accommodate multimodal transportation. For instance, many BART stations have valet and self-park options for bikes. BART has also made it easier for passengers who want to bring their bike with them on BART; some stations now have bike stair channels, and BART trains have leaning bars and straps for bicycles. BART also updated its policy to allow bikes on escalators with the growing popularity of e-bikes, which are heavier to carry up and down stairs.

### **Governance**

BART is designated as a special purpose district, established in 1957 pursuant to California Public Utilities Code Section 28500 et seq., known as the San Francisco Bay Area Rapid Transit District Act or BART Act.<sup>2</sup> BART's Board of Directors is the legislative body responsible for establishing BART policy. Senior staff work closely with the Board of Directors to help ensure delivery of safe and reliable service.

There are nine members of the Board of Directors, each representing a district within BART's geographical service area. The geographical boundaries of the districts are depicted in the map shown in Figure 3. Each Director is elected by voters within their election district and serves a four-year term. Elections are on a two-year cycle, alternating between odd numbered districts elections (Districts 1, District 3, District 5, District 7, and District 9) and even numbered district elections (District 2, District 4, District 6, and District 8).

Regular meetings of the Board of Directors are held in person. Members of the public may attend these meetings in person or via teleconference with the exception of closed sessions. More information about BART's Board of Directors, board meetings, and public comment opportunities can be found at [www.bart.gov](http://www.bart.gov).

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<sup>2</sup>[https://leginfo.ca.gov/faces/codes\\_displayexpandedbranch.xhtml?tocCode=PUC&division=10.&title=&part=2.&chapter=&article=](https://leginfo.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PUC&division=10.&title=&part=2.&chapter=&article=)

Figure 2: BART Districts

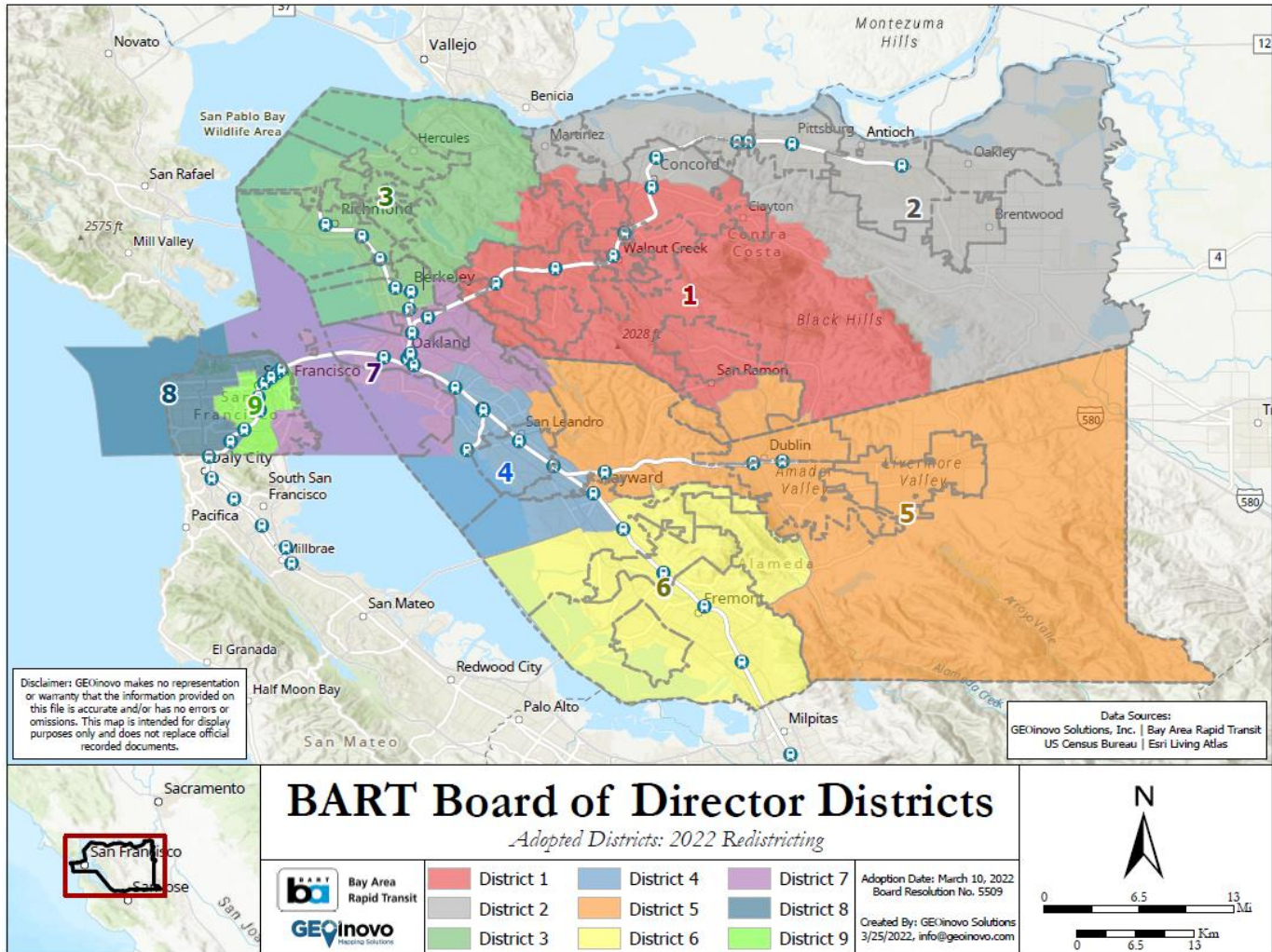


Table 1: BART Districts

| Director                           | District | Term Expiration (December) |
|------------------------------------|----------|----------------------------|
| Matt Rinn                          | 1        | 2028                       |
| Mark Foley (President)             | 2        | 2026                       |
| Barnali Ghosh                      | 3        | 2028                       |
| Robert Raburn                      | 4        | 2026                       |
| Melissa Hernandez (Vice President) | 5        | 2028                       |
| Liz Ames                           | 6        | 2026                       |
| Victor Flores                      | 7        | 2028                       |
| Janice Li                          | 8        | 2026                       |
| Edward Wright                      | 9        | 2028                       |

## 4. Overview of the Budget Development and Process

Each year, BART makes decisions on how to allocate funds based on the resources that are available and the priorities of the organization and those it serves. BART's financial decisions are guided by several key factors. Input is solicited from staff, the Board of Directors, members of the public, and other stakeholders. Decisions are also informed by Board Rules and Policies, BART's Strategic Plan Framework and Two-Year Action Plans<sup>3</sup>, while being constrained by a set of financial policies.

The last three fiscal years, BART has adopted a two-year budget, which includes the current fiscal year (which was already budgeted in a previous year) and a budget for the next fiscal year. BART is not required to, but strives to, balance its budget. A two-year budget is a helpful tool for supporting long-term strategic decision making. However, this year, due to the financial uncertainties of FY27, BART opted to adopt a one-year budget at the request of the BART Board.

BART's budget consists of an operating and a capital budget. The operating budget funds the annual operations and maintenance of the BART system. The capital budget funds the construction, expansion, renovation, replacement, and improvement of physical assets (new train cars, equipment, station access improvements, etc.). Each budget is divided into revenues (sources) and expenditures (uses). Generally, operating revenue is intended to be ongoing and is funded annually. Capital funding, on the other hand, is split between formulaic sources, which are generally allocated each year, and competitive grant sources that are awarded periodically based on assessment criteria. Capital funding is typically spent over multiple fiscal years, depending on the duration of the capital project.

### Key Participants

BART's key financial decision maker is the Chief Financial Officer (CFO), who reports directly to the General Manager. The Assistant General Manager for Performance & Budget and the Assistant General Manager for Finance report to the CFO. This is a recent reorganization that has streamlined coordination and collaboration between the two teams.<sup>4</sup>

### Fund Structure

BART's operating budget functions as a single general fund. There are no internal service or enterprise funds; revenue is not assigned to specific cost centers or organizational units.

BART maintains several grant and other dedicated funds for the purpose of funding capital projects, which are budgeted as separate projects with balanced revenues and expenditures.

### Basis of Budgeting

BART utilizes the modified accrual basis of accounting. BART recognizes financial transactions when expenses are incurred and when revenues are earned, regardless of the timing when payments are made or received with exception of sales tax revenue, which is reported on a cash basis. Depreciation expense, non-cash related gain or losses, and adjustments related to the implementation of GASB 68 (pension), GASB 74-75 (Other Post Employment Obligations), GASB 87 (Leases), GASB 96 (SBITA - Subscription-Based Information Technology Arrangement), and GASB 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements), which are included in BART's annual audited financial statements, are not included in the operating budget. BART's budget covers a fiscal year which runs on July 1st through June 30th.

### Financial Policies and Reporting

BART has developed and regularly updates key financial policies, which create a financial framework and sets of rules that BART follows. They include a Financial Stability Policy, Investment Policy, and Debt Policy. Each year, BART completes an Annual Comprehensive Financial Report, which is audited by an independent auditor using Generally Accepted

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<sup>3</sup> <https://www.bart.gov/about/planning/strategic/action-plan>

<sup>4</sup> See [FY26 Org Chart](#)

Government Auditing Standards. Over the course of the fiscal year, staff publish monthly financial reports and present quarterly results to the BART Board of Directors<sup>5</sup>.

BART issues two forms of debt to finance capital investments. Some debt is secured by BART's dedicated share of sales tax revenue in the three BART District counties. This debt is serviced by the operating budget. BART's sales tax is rated AA by Fitch and AA+ by S&P Global Ratings. If approved by voters in the BART District, BART also issues general obligation bond debt. The debt service for this borrowing is covered by supplemental property tax assessments. BART's general obligation bonds are rated AAA by Fitch. BART's debt is governed by its Debt Policy, which sets its overall debt limit<sup>5</sup>.

### **Budget Development Process**

The key processes of budget formulation and approval are governed by the BART Act.<sup>2</sup> To adhere to these rules, BART begins budget development in September and budget adoption happens each June. The annual budget cycle is further divided into three major phases: the pro forma phase, the preliminary phase, and the adoption phase. Each phase is outlined in the following sections.

#### **Phase 1: Pro Forma Phase**

This first phase of the budget cycle lasts from September through December. Leaders articulate their goals and priorities for a given budget cycle. The pro forma budget, along with budget instructions to the departments, serves as a baseline budget for the fiscal year and informs conversations with leaders. The pro forma budget also incorporates any known, anticipated, or planned increases, decreases, and adjustments.

#### **Phase 2: Preliminary Budget Phase**

The second phase of the budget development cycle lasts from January through March. In this second phase, Operating Budgets staff meet with departments to provide guidance and discuss budget needs. Early in this phase, Departments prepare and submit budget requests for review or approval. There are generally two types of budget requests: requests for adjustments and requests for new needs. Adjustment requests are budget increases or decreases due to changes from existing services or contracts, while new need requests are new services and contracts that increase a Department's overall budget.

Operating Budgets analyzes all department requests to ensure they meet budget guidance and are technically accurate. Requests are then compiled and submitted to the Chief Financial Officer (CFO). The CFO reviews them and makes a recommendation to the General Managers Office, and together they determine which requests to approve. Afterward, those decisions are implemented into the budget and the Performance & Budget Office prepares the preliminary budget. The preliminary budget incorporates all approved adjustments, new initiatives, and organizational changes.

BART is required by Board Rules to prepare a preliminary budget memo by March 31<sup>st</sup> of each calendar year.

#### **Phase 3: Adopted Budget Phase**

The third phase of the budget lasts from April through budget adoption in June. At this stage of budget development, BART's leadership focuses on finalizing all budget entries. The budget is then presented to the Board of Directors through a series of presentations at board meetings, which are open to the public. These presentations typically summarize the different components of the preliminary budget, such as operating revenues, capital budgets, and costs, while providing a forum for the Board of Directors to ask questions to BART leadership. Public participation is also encouraged during this time and allows the community to voice concerns and request funding to improve services.

Before final submission of the budget to the Board of Directors, staff ensure that final numbers and data are accurate. The Board of Directors is ultimately responsible for approving the final budget, which must be approved each year on or before June 30th. Within 90 days of the budget adoption, BART publishes the approved budget and posts it on

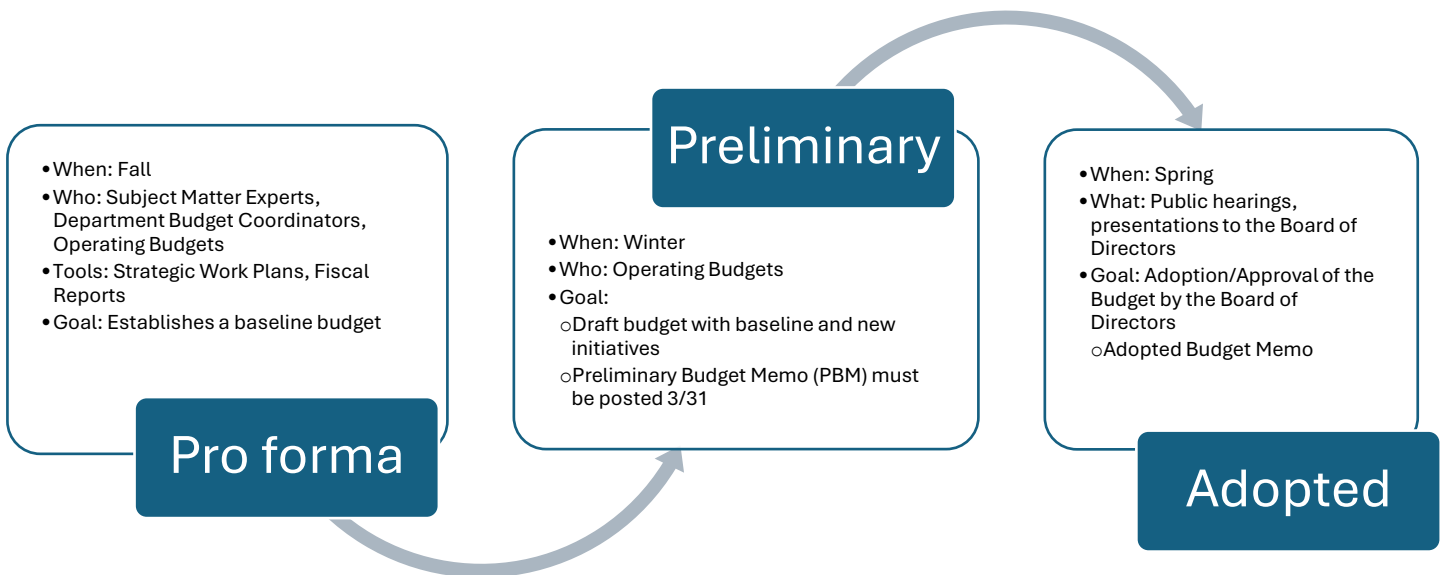
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<sup>5</sup> These reports are publicly accessible at [www.bart.gov/financials](http://www.bart.gov/financials).

[www.bart.gov](http://www.bart.gov). Once the budget has been adopted, any further budget adjustments require approval from the Board of Directors.

After budget adoption, departments can adjust their non-labor budgets by moving funds between accounts. For example, a department can shift funds between licenses and professional fees as long as the total is not increased. At this time, departments and budget staff also calendarize non-labor budgets by allocating budgeted amounts on a monthly basis, which allows departments to account for seasonal increases. This process helps BART align revenue with expenses and better compare actual spending to budgeted amounts. The GAAP matching principle requires expenses be recognized in the same accounting period as the revenues they help generate. While the matching principle doesn't directly dictate how a budget is created, it's a critical concept to consider when comparing budgeted expenses to actual expenses.

Figure 3: BART Budget Process



## 5. Five Year Outlook

Table 2 shows BART's operating financial outlook for the years FY26 through FY30, corresponding with the ridership projections discussed in the next section and used in the budget. Projected operating deficits (excluding emergency assistance) for the years FY26 through FY30 total \$1.8B and average \$361M per year. In this scenario, emergency assistance will offset projected deficits only in FY26. The remaining projected deficits for FY27 through FY30 total \$1.5B.

Prior to the COVID-19 pandemic, rail passenger revenue contributed the majority of funding for BART operations. In FY19, the last fiscal year before the pandemic, fare revenue and parking fees provided \$520.0M in revenue, or 68% of operating expense. These two sources are budgeted at \$252.2M in FY25 and \$274.6M in FY26, covering just a quarter of operating expense. Nearly \$2B of one-time emergency assistance has enabled BART to sustain operations since 2020, but the last of this funding will be exhausted in FY26.

The primary deficit driver is depressed fare revenue. While BART will continue to contain expenses in the face of sustained consumer inflation and generate additional revenues, BART will not be able to balance annual deficits of this magnitude without assistance. To sustain service at the projected level, a combination of new revenues, further expenditure reductions, and continued operational efficiencies efforts are needed.

Table 2: Five Year Forecast

| By Sources and Uses        | FY26         | FY27         | FY28         | FY29         | FY30         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Operating Revenues         | 325          | 326          | 341          | 353          | 368          |
| Financial Assistance       | 512          | 517          | 533          | 550          | 567          |
| <b>Total Sources</b>       | <b>837</b>   | <b>843</b>   | <b>875</b>   | <b>903</b>   | <b>935</b>   |
| Operating Expense          | 1,007        | 1,087        | 1,115        | 1,147        | 1,164        |
| Debt Service & Allocations | 145          | 131          | 136          | 119          | 128          |
| <b>Total Uses</b>          | <b>1,152</b> | <b>1,218</b> | <b>1,251</b> | <b>1,266</b> | <b>1,292</b> |
| <b>Operating Result</b>    | <b>(315)</b> | <b>(376)</b> | <b>(376)</b> | <b>(363)</b> | <b>(357)</b> |
| Total Emergency Assistance | 315          | -            | -            | -            | -            |
| <b>Total Net Result</b>    | <b>-</b>     | <b>(376)</b> | <b>(376)</b> | <b>(363)</b> | <b>(357)</b> |

## 6. Ridership Outlook

BART ridership has experienced significant growth since the early days of the pandemic. However, that growth began to slow down in the middle of FY23. FY23 saw 33% year-over-year growth, FY24 saw 8%, and FY25 ended 6% higher than FY24. The FY26 Adopted Budget assumes that modest growth continues but at a diminishing rate. BART closely tracks ridership because passenger revenue is a critical revenue source. Real time ridership data is also used to project future ridership levels and inform service plans to ensure that passengers' needs are met.

### Methodology

The FY26 ridership forecast builds on the previous year's actuals. Throughout FY25, observed ridership on Midweek days<sup>6</sup> continued to be 20-25% higher than Shoulder days<sup>7</sup>, likely due to the preference of hybrid-remote workers. This forecast continues to use the bifurcated weekday type, allowing for differentiation of growth assumptions and improving accuracy of ridership calendarization.

Adjustments were made to account for the departure of the Oakland Athletics Major League Baseball team. During the 2024 season, the Athletics played 81 home games (52 on weekdays, 13 on Saturdays, 13 on Sundays, and three on holidays), generating an estimated 300K trips on BART. These trips will not be generated for the 2025 season.

According to the February 2025 Bay Area Council Return to Office Survey, 84% of surveyed employers are operating at their "new normal" for their long-term remote work policy. This share has stayed somewhat flat over the past year. While return-to-office rates had been an important driver of ridership earlier on in the pandemic, return-to-office trends are no longer an outsized contributor to commute ridership.

Looking ahead, the main drivers of ridership growth are assumed to be mode shift and modest increases in both work and non-work trips. A generalized growth rate was applied to the forecasted year-over-year growth on a monthly basis. Forecasts assume that the rate of growth continues to decrease throughout the budget period, continuing the observed trend.

### Result

Applying the above methodology results in an overall ridership forecast of 54.2M in FY26. Average weekday ridership on a monthly basis is forecast to range between 164,000 and 189,000. The monthly forecast is presented below along with historical context throughout the pandemic

Table 3: Ridership, by Fiscal Year

| Ridership, by Fiscal Year   | Total (M) | Average Weekday (K) | Average Saturday (K) | Average Sunday (K) |
|-----------------------------|-----------|---------------------|----------------------|--------------------|
| FY24 Actual                 | 49.6      | 162.4               | 90.8                 | 68.1               |
| FY25 Projected <sup>1</sup> | 51.9      | 170.3               | 95                   | 72.3               |
| FY26 Budget                 | 54.2      | 178.1               | 98.8                 | 75.5               |

<sup>1</sup> The FY26 budget forecast was finalized in May, prior to the end of FY25. FY25 actual ridership ended at 52.7M.

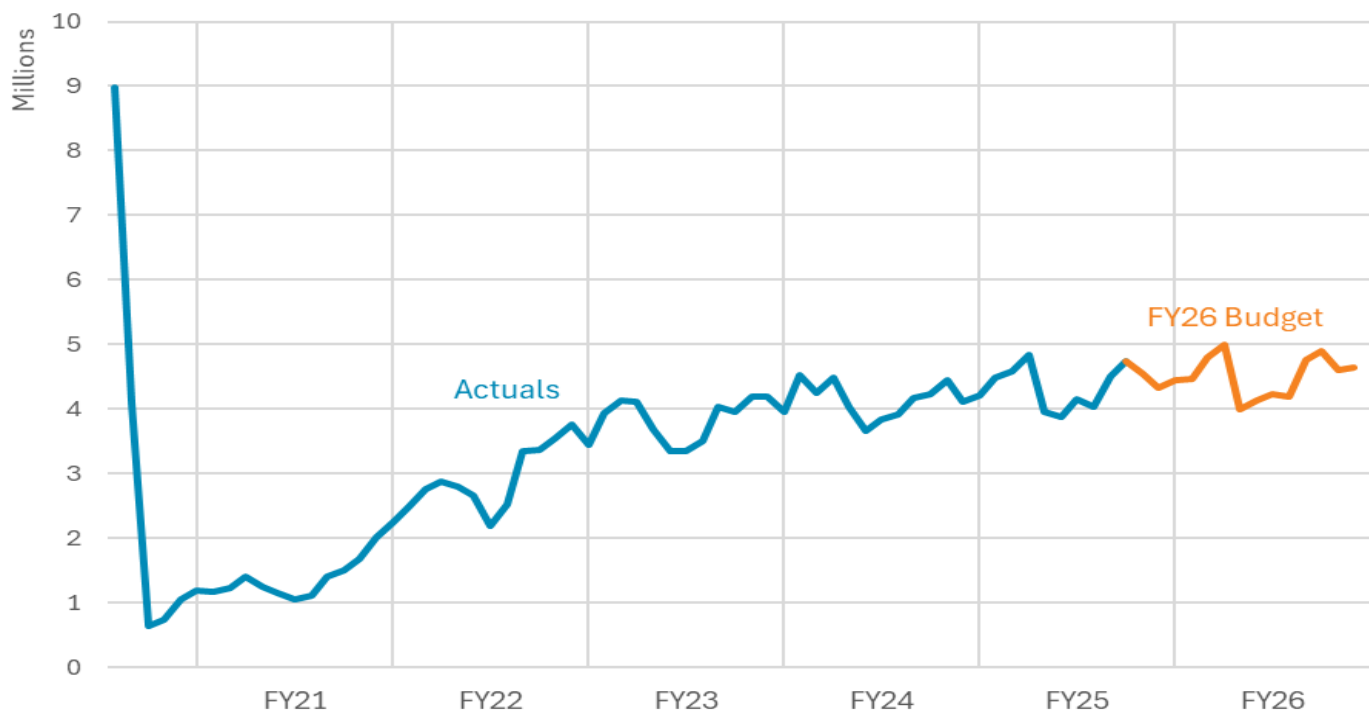
Table 4: Ridership, YOY Growth

| Year-over-Year Growth | Total | Average Weekday | Average Saturday | Average Sunday |
|-----------------------|-------|-----------------|------------------|----------------|
| FY25 Projected        | 4.7%  | 4.9%            | 4.7%             | 6.2%           |
| FY26 Budget           | 4.3%  | 4.5%            | 3.9%             | 4.4%           |

<sup>6</sup> Midweek days are defined as Tuesdays, Wednesdays, and Thursdays

<sup>7</sup> Shoulder days are defined as Mondays and Fridays

Figure 4: System Ridership Actuals and FY25 & FY26 Adopted Budget



### Rail Service Plan

In response to the flattening of traditional peak commute ridership and relatively strong off-peak ridership, BART implemented a new service schedule in September 2023, with all lines operating on a base schedule of 20-minute headways (three trains per hour). Every day of the week, BART runs 5-line service until 9 PM, and 3-line service (Orange Line Richmond – Berryessa/North San Jose, Yellow line Antioch – Millbrae, Blue line Daly City – Dublin/Pleasanton) from 9 PM to system close. The more heavily used Yellow Line trains run at 10-minute headways on weekdays before 9 PM. This service plan is responsive to new commute patterns and leans into ridership growth opportunities. It dramatically increases train service during evenings and weekends while maintaining adequate daytime service on weekdays. BART recently introduced a clock-based schedule offering predictability of departure times seven days a week. The following table summarizes current service.

Table 5: Service Plan

| Day of Week     | Hours of Service                                         | Service                                                                                                   |
|-----------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Monday-Friday   | 5:00 AM – 9:00 PM                                        | 10-minute headways (6 trains per hour) on Yellow, 20-minute headways (3 trains per hour) on other 4 lines |
|                 | 9:00 PM – 12:00 AM                                       | 20-minute headways (3 trains per hour) on 3 lines (Orange, Yellow, Blue Lines)                            |
| Saturday-Sunday | Saturday: 6:00 AM – 9:00 PM<br>Sunday: 8:00 AM – 9:00 PM | 20-minute headways (3 trains per hour) on 5 lines                                                         |
|                 | 9:00 PM – 12:00 AM                                       | 20-minute headways (3 trains per hour) on 3 lines (Orange, Yellow, Blue Lines)                            |

In addition to modifying the number of trains per hour, BART has adjusted train sizing to improve safety and efficiency while reducing traction power costs. To maximize police and staff presence and cleanliness, BART trains now have enough cars to cover peak-hour demand, with no more than needed to minimize empty spaces; this is a shift from

BART's pandemic-era strategy of only running 10-car trains to maximize social distancing. BART now operates 8-car trains on the Yellow line as well as select Red, Green, and Blue line trains, with 6-car trains on the Orange, Red, Green, and Blue lines. This has also resulted in a nearly 20% reduction in BART's traction power costs, helping to reduce deficits. Train crowding is regularly monitored, and trains can lengthen should demand warrant it. Running shorter trains has also helped improve cleanliness and the riders' perception of safety on board trains. Lastly, the revised schedule includes new improvements to timed transfers at Millbrae, Bay Fair, and the BART-to-Antioch transfer platform.

## 7. Adopted FY26 Sources and Uses

Table 6: FY26 Adopted Budget Sources and Uses

| Operating Sources and Uses                       | FY25 Budget<br>(\$ Millions) | FY26 Budget<br>(\$ Millions) | FY25 to FY26<br>Change (\$ Millions) | FY25 to FY26<br>% Change |
|--------------------------------------------------|------------------------------|------------------------------|--------------------------------------|--------------------------|
| Rail Passenger Revenue                           | 235.1                        | 259.1                        | 24.0                                 | 10.2%                    |
| ADA Passenger Revenue                            | 0.6                          | 0.6                          | 0.0                                  | 6.7%                     |
| Parking Revenue                                  | 16.5                         | 19.9                         | 3.4                                  | 20.7%                    |
| Other Operating Revenue                          | 45.3                         | 45.4                         | 0.1                                  | 0.3%                     |
| <i>Subtotal - Operating Revenue</i>              | <i>297.5</i>                 | <i>325.1</i>                 | <i>27.6</i>                          | <i>9.3%</i>              |
| Sales Tax Revenue                                | 320.3                        | 314.1                        | (6.2)                                | -1.9%                    |
| Property Tax Revenue                             | 64.3                         | 68.0                         | 3.7                                  | 5.8%                     |
| VTA Financial Assistance                         | 35.2                         | 35.9                         | 0.7                                  | 2.1%                     |
| State Transit Assistance                         | 48.8                         | 45.8                         | (3.0)                                | -6.1%                    |
| Low Carbon Funding Programs                      | 17.0                         | 32.2                         | 15.2                                 | 89.4%                    |
| Local & Other Assistance                         | 14.8                         | 15.7                         | 0.9                                  | 6.1%                     |
| <i>Subtotal - Financial Assistance</i>           | <i>500.3</i>                 | <i>511.8</i>                 | <i>11.5</i>                          | <i>2.3%</i>              |
| <b>Total - Operating Sources</b>                 | <b>797.8</b>                 | <b>836.9</b>                 | <b>39.1</b>                          | <b>4.9%</b>              |
| Labor & Benefits                                 | 780.6                        | 763.3                        | (17.3)                               | -2.2%                    |
| ADA Paratransit                                  | 22.5                         | 26.3                         | 3.8                                  | 16.9%                    |
| Purchased Transportation                         | 8.4                          | 8.5                          | 0.1                                  | 1.6%                     |
| Traction Power                                   | 61.6                         | 65.0                         | 3.4                                  | 5.5%                     |
| Other Non-Labor                                  | 160.7                        | 143.5                        | (17.2)                               | -10.7%                   |
| <i>Subtotal - Operating Expense</i>              | <i>1,033.9</i>               | <i>1,006.7</i>               | <i>(27.2)</i>                        | <i>-2.6%</i>             |
| Bond Debt Service                                | 60.2                         | 60.2                         | (0.0)                                | 0.0%                     |
| Capital Reinvestment Allocation                  | 29.1                         | 43.8                         | 14.7                                 | 50.6%                    |
| RHBT Reserve Allocation                          | -                            | 38.2                         | 38.2                                 | -                        |
| Other Allocations                                | 3.0                          | 3.0                          | (0.0)                                | -1.1%                    |
| <i>Subtotal - Debt Service &amp; Allocations</i> | <i>92.2</i>                  | <i>145.2</i>                 | <i>53.0</i>                          | <i>57.4%</i>             |
| <b>Total Operating Uses</b>                      | <b>1,126.1</b>               | <b>1,151.8</b>               | <b>25.7</b>                          | <b>2.3%</b>              |
| <b>Net Result Before Emergency Assistance</b>    | <b>(328.2)</b>               | <b>(315.0)</b>               | <b>13.2</b>                          | <b>-4.0%</b>             |
| <b>Emergency Assistance</b>                      | <b>328.2</b>                 | <b>315.0</b>                 | <b>(13.2)</b>                        | <b>-4.0%</b>             |
| <b>NET RESULT</b>                                | <b>0</b>                     | <b>0</b>                     | <b>0</b>                             | <b>-</b>                 |

## 8. Operating Sources

Table 7 summarizes the operating sources for the FY26 Adopted Budget. The operating sources for the FY25 Adopted Budget are included as a point of reference. Each line item is described in further detail in the subsequent sections.

Table 7: Operating Sources

| Operating Sources                      | FY25 Budget<br>(\$ Millions) | FY26 Budget<br>(\$ Millions) | FY25 to FY26 \$<br>Change (Millions) | FY25 to FY26 %<br>Change |
|----------------------------------------|------------------------------|------------------------------|--------------------------------------|--------------------------|
| Rail Passenger Revenue                 | 235.1                        | 259.1                        | 24.0                                 | 10.2%                    |
| ADA Passenger Revenue                  | 0.6                          | 0.6                          | 0.0                                  | 6.7%                     |
| Parking Revenue                        | 16.5                         | 19.9                         | 3.4                                  | 20.7%                    |
| Other Operating Revenue                | 45.3                         | 45.4                         | 0.1                                  | 0.3%                     |
| <i>Subtotal - Operating Revenue</i>    | <i>297.5</i>                 | <i>325.1</i>                 | <i>27.6</i>                          | <i>9.3%</i>              |
| Sales Tax Revenue                      | 320.3                        | 314.1                        | (6.2)                                | -1.9%                    |
| Property Tax Revenue                   | 64.3                         | 68.0                         | 3.7                                  | 5.8%                     |
| MTA Financial Assistance               | 35.2                         | 35.9                         | 0.7                                  | 2.1%                     |
| State Transit Assistance               | 48.8                         | 45.8                         | (3.0)                                | -6.1%                    |
| Low Carbon Funding Programs            | 17.0                         | 32.2                         | 15.2                                 | 89.4%                    |
| Local & Other Assistance               | 14.8                         | 15.7                         | 0.9                                  | 6.1%                     |
| <i>Subtotal - Financial Assistance</i> | <i>500.3</i>                 | <i>511.8</i>                 | <i>11.5</i>                          | <i>2.3%</i>              |
| Emergency Assistance                   | 328.2                        | 315.0                        | (13.2)                               | -4.0%                    |
| <b>Total - Operating Sources</b>       | <b>1,126.1</b>               | <b>1,151.8</b>               | <b>25.8</b>                          | <b>2.3%</b>              |

### Operating Sources Summary

Operating Sources includes Operating Revenue, Financial Assistance, and Emergency Assistance. Within each source of funding, revenue is further broken down into several line items. In FY26, Operating Sources are projected to total \$1.15B, of which \$315M will be emergency assistance.

This summary highlights the overall financial outlook by Operating Sources and any pronounced fluctuations in revenue, and the focus is the revenue projections for FY26 only. A more general picture of revenue in the context of BART's financial future can be found in the Executive Summary.

### Operating Revenue Remains Steady

Operating Revenue includes the following sources: rail passenger revenue, ADA passenger revenue, parking revenue and other operating revenue. The largest source of Operating Revenue comes from rail passenger fares, which are projected to increase year over year in the FY26 Adopted Budget. While ridership revenue appears stable, it is important to recognize the profound and enduring effect the pandemic has had on BART ridership and fare revenue overall. Both revenue and ridership have suffered large losses (see Ridership and Five Year Outlook sections ). And while the “new normal” has taken shape and ridership has stabilized, it is clear that BART will need to look beyond fare revenue to sustain itself long term.

### Spend Down Remaining Emergency Assistance

Emergency Assistance, is comprised of one-time emergency funding from federal, state, and regional sources. BART uses this funding to cover operating costs in excess of what its ongoing revenues could support on their own. Since March 2020, emergency assistance has filled the financial gap created by pandemic-related ridership losses. This assistance has been critical for BART's ongoing operations and has helped to maintain service levels. However, since it is one-time in nature and no additional assistance is expected at this time, this source is projected to be fully spent down in late FY26.

## 8.1. *Operating Revenue*

Total passenger revenue, which includes separate line items for rail passengers and Americans with Disability Act (ADA) paratransit passengers, was BART's single largest revenue source before COVID-19 and consists of fares paid by passengers using BART.

The FY26 rail and ADA passenger revenue budget of \$259.8M is \$24.0M, or 10% higher than the FY25 budget.

Fare revenue for FY26 is based upon and is consistent with the ridership forecast discussed in [Section 6, Ridership Outlook](#).

Per BART Board Resolution 5405, BART's Series 3, 2022-2026, Productivity-Adjusted Inflation-Based Fare Increase Program calls for a 6.2% fare increase in January 2026, based upon actual inflation in 2023 and 2024. This fare increase is assumed in the FY26 passenger revenue budget and is estimated to generate \$7.7M more revenue than without the fare increase for the six months in FY26.

The fare revenue forecast includes the following fare policy assumptions:

- Clipper START: Clipper START provides a 50% discount to qualifying low-income riders, and MTC has provided funding to cover half the Clipper START discount. In May 2025, MTC approved a resolution to transition the program from a pilot program to an ongoing fare product.
- Clipper BayPass: This program is piloting a regional all-agency pass that provides users with unlimited access to all bus, rail, and ferry services on Clipper, except for Muni cable cars. Participating employers, universities, and other institutions enter into contracts with MTC to pass to their constituent populations, and operators, including BART, are reimbursed for trips taken.
- MTC's Free and Discounted Transfer Pilot Program: This aims to improve the rider experience and reduce barriers to interagency trips. Riders will receive a discount of up to the highest local single ride fare on Clipper, currently \$2.85, when transferring between agencies. The operator will be responsible for the first \$0.50 of the discount, and MTC will provide reimbursement for the remainder, using regional funds. The BART share of the discount is projected to reduce fare revenue by \$2.1M in FY26.

### **Parking Revenue**

The FY26 parking revenue budget of \$19.9M is \$3.4M, or 21%, higher than the FY25 budget. Per BART Board policy, the Daily Fee floor will be increased from \$3.00 to \$3.40 in conjunction with the January 2026 fare increase.

Parking revenue in FY26 reflects expected ridership levels and associated parking demand, shifting demand in parking products, special parking agreement leases, and projected parking supply reductions due to transit-oriented development.

### **Other Operating Revenue**

The FY26 other operating revenue budget of \$45.4M is \$0.1M, or 0.2%, higher than the FY25 budget. BART generates operating revenue from a variety of non-passenger sources.

Table 8: Other Operating Revenue

| Other Operating Revenue                        | FY25 Budget<br>(\$ Millions) | FY26 Budget<br>(\$ Millions) |
|------------------------------------------------|------------------------------|------------------------------|
| Commercial Communications Revenue Program      | 11.2                         | 13.8                         |
| Advertising                                    | 2.4                          | 2.4                          |
| Transit Oriented Development and Lease Revenue | 5.2                          | 4.6                          |
| Investment Income                              | 23.5                         | 21.4                         |
| Other Revenue                                  | 3.1                          | 3.3                          |
| Total Other Operating Revenue                  | 45.3                         | 45.4                         |

**Commercial Communications Revenue Program (CCRP)** generates revenue through commercial fiber and wireless telecommunications. It includes BART's Digital Railway Project with Mobilitie Services, LLC, which seeks to increase fiber optic and wireless revenue over time.

**Advertising** revenue comes from BART's franchise agreement with OUTFRONT Media, which manages sales and posting of advertising on BART's behalf.

**Transit-Oriented Development and Lease Revenue** consists of a variety of development projects on BART land. Revenue from Transit-Oriented Development (TOD) is budgeted at \$2M in FY26 and includes ground leases at West Dublin, Pleasant Hill, MacArthur and Millbrae. BART collects transit benefit fees at West Dublin/Pleasanton and South Hayward, which are budgeted at \$0.2M in FY26. BART also receives building and ground lease revenue from leasing vacant parcels and office space in the Joseph P. Bort MetroCenter (MET) building.

**Investment Income** is passive income that BART generates through low-risk investment vehicles. Investment income is budgeted at \$21.4M for FY26.

**Other Revenue** includes concessions, special fees and permits, parking citations, the Capitol Corridor Joint Powers Authority's (CCJPA) overhead recovery, and other miscellaneous sources.

## 8.2. Tax and Financial Assistance

### Sales Tax Revenue

The FY26 sales tax revenue budget of \$314.1M is \$6.2M, or 2%, lower than the FY25 budget.

BART receives a dedicated 75% share of a one-half cent sales tax levied in the three BART District counties (San Francisco, Alameda, and Contra Costa). Per AB 1107 (1977) and AB 842 (1979), the remaining 25% may be allocated by MTC to BART, SFMTA, and/or AC Transit. Since 1987, MTC chose to split the remaining 25%, currently about \$104M annually, equally between AC Transit and SFMTA. Sales tax is expected to remain BART's largest ongoing revenue source for operations in the near term.

Actual sales tax receipts in FY25 were lower than initially budgeted and are assumed to grow modestly in FY26.

### Property Tax Revenue

The FY26 property tax revenue budget of \$68M is \$3.7M, or 6%, higher than the FY25 budget.

Property tax revenue is derived from a statutory portion of the 1% general levy in each of the three BART counties. BART has a separate tax levy for general obligation bond debt service associated with the 2004 seismic retrofit (Measure AA) program and for the 2016 system renewal program (Measure RR).

County assessors are responsible for assessing the value of all taxable, non-exempt property on January 1st of each year. That value is used to set the property tax bill that is due in December of that year and April of the following year. The

BART tax rates were fixed in place by Proposition 13 and remain a relatively small, fixed percentage of the 1% general levy.

The budget anticipates the fixed property assessment growth rates put into place by Proposition 13 will act as a waning buffer against potential declines in property tax revenue due to expected reassessments of commercial property.

#### **VTA Financial Assistance**

The FY26 VTA financial assistance revenue budget of \$35.9M is \$0.8M, or 2%, higher than the FY25 budget.

VTA is responsible for the operating and maintenance (O&M) costs of the BART Silicon Valley extension. VTA's responsibility is calculated as the difference between the net fare revenues associated with trips to or from the Milpitas and Berryessa stations and the calculated O&M costs to provide extension service. Actual results for each fiscal year will be used to calculate the final payment from VTA.

#### **State Transit Assistance**

The FY26 State Transit Assistance revenue budget of \$45.8M is \$3M, or 6%, lower than the FY25 budget.

BART receives funding through appropriations of State Transit Assistance (STA), which is derived from actual receipts of the sales tax on diesel fuel. Statewide collections fluctuate based on diesel prices and consumption. In addition, appropriations to transit operators can vary based on calculations of qualifying revenues for the local operator and the region. In 2023, the California State Legislature extended a hold harmless provision for the STA funding formula through June 30, 2026<sup>8,9</sup>. The hold harmless provision intends to mitigate the impacts of pandemic-related drops in revenue on transit operators' STA receipts.

Included in the FY26 STA budget is \$7.4M from the STA State of Good Repair program.

#### **Low Carbon Funding Programs**

The FY26 low carbon funding programs revenue budget of \$32.2M is \$15.2M, or 89%, higher than the FY25 budget.

BART receives funding from the Low Carbon Transit Operations Program (LCTOP), one of several programs of the Transit, Affordable Housing, and Sustainable Communities Program (Senate Bill 862) established in 2014 by the California legislature. The LCTOP provides transit agencies with operating and capital assistance for programs to reduce greenhouse gas emissions and improve mobility. The program also prioritizes serving disadvantaged communities. LCTOP revenues are derived from the State's greenhouse gas emissions reduction Cap-and-Trade auction proceeds. BART will receive \$10.5M of LCTOP funding in FY26 which will be programmed for BART to Antioch operations.

The Low Carbon Fuel Standard (LCFS) Program is a market-based state program administered by the California Air Resources Board (CARB). The purpose of the program is to promote the production and deployment of low-carbon fuels to support the state's transportation sector. Under the LCFS program regulations, electric railroad operators, including BART, are permitted to generate and sell credits to producers of conventional transportation fuels for the purpose of meeting their LCFS compliance obligations. Each year, BART generates LCFS revenues through the sale of its LCFS credits to regulated entities under the LCFS program at prevailing market prices. BART has budgeted \$21.7M of LCFS revenues for FY26, or \$15.7M higher than the FY25 budget. This substantial increase is due to program amendments adopted by CARB to strengthen the credit price.

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<sup>8</sup> [State of California Public Utilities Code Section 99268.9](#)

<sup>9</sup> [SB-125 Transportation budget trailer bill.](#)

### Local & Other Financial Assistance

The FY26 local and other financial assistance revenue budget of \$15.7M is \$0.9M, or 6%, higher than the FY25 budget.

Table 9: Other Financial Assistance

| Source                        | FY26<br>(\$ Millions) | Notes                                                    |
|-------------------------------|-----------------------|----------------------------------------------------------|
| Alameda County Measure BB     | 7.6                   | For paratransit and transit operations in Alameda County |
| San Mateo County Measure A    | 2.3                   | For SFO Extension operations                             |
| MTC Regional Measure 3        | 2.1                   | For BART's Independent Office of the Inspector General   |
| MTC Clipper START Pilot       | 2.3                   | Subsidy to offset Clipper START pilot discount           |
| Caltrain Millbrae Station Use | 1.1                   | For station use, operations, and maintenance agreement   |
| Contra Costa County Measure J | 0.2                   | For paratransit operations in Contra Costa County        |
| Other Sources                 | 0.2                   | Various smaller sources                                  |

### 8.3. *Emergency Assistance*

The FY26 emergency assistance revenue budget of \$315.0 is \$13.3M, or 4%, lower than the FY25 budget.

In November 2023, the MTC approved an emergency transit operations plan which combines state (via SB125) and regional funding to help support transit operations. BART has been allocated \$352.0M of this funding, \$58.2M of which was disbursed in FY25.

Emergency assistance is used as the last revenue source to balance BART's operating deficit; it covers expenses in excess of the current operating revenue and financial assistance sources. The \$315.0M budgeted in FY26 covers that gap.

## 9. Operating Uses

BART's Operating Uses are separated into two categories: 1) Operating Expenses and 2) Debt Service & Allocations. Operating Expenses include costs associated with the day-to-day operations and maintenance of BART ("running the railroad"). Debt Service & Allocations consists of debt payments and transfers out of the operating budget to fund capital and other projects. Within each category, expenses are further broken down into several line items.

Table 10: Operating Uses

| Operating Uses                                | FY25 Budget<br>(\$ Millions) | FY26 Budget<br>(\$ Millions) | FY25 to FY26<br>\$ Change<br>(Millions) | FY25 to FY26<br>% Change |
|-----------------------------------------------|------------------------------|------------------------------|-----------------------------------------|--------------------------|
| Labor & Benefits                              | 780.6                        | 763.3                        | (17.3)                                  | -2.2%                    |
| ADA Paratransit                               | 22.5                         | 26.3                         | 3.8                                     | 16.9%                    |
| Purchased Transportation                      | 8.4                          | 8.5                          | 0.1                                     | 1.6%                     |
| Traction Power                                | 61.6                         | 65.0                         | 3.4                                     | 5.5%                     |
| Other Non-Labor                               | 160.7                        | 143.5                        | (17.2)                                  | -10.7%                   |
| <i>Total - Operating Expense</i>              | <i>1,033.9</i>               | <i>1,006.7</i>               | <i>(27.2)</i>                           | <i>-2.6%</i>             |
| Bond Debt Service                             | 60.2                         | 60.2                         | (0.0)                                   | 0.0%                     |
| Capital Reinvestment Allocation               | 29.1                         | 43.8                         | 14.7                                    | 50.6%                    |
| Priority Capital Programs Allocation          | -                            | -                            | -                                       | -                        |
| RHBT Reserve Allocation                       | -                            | 38.2                         | 38.2                                    | -                        |
| Other Allocations                             | 3.0                          | 3.0                          | (0.0)                                   | -1.1%                    |
| <i>Total - Debt Service &amp; Allocations</i> | <i>92.2</i>                  | <i>145.2</i>                 | <i>53.0</i>                             | <i>57.4%</i>             |
| <b>Total Operating Uses</b>                   | <b>1,126.1</b>               | <b>1,151.8</b>               | <b>25.7</b>                             | <b>2.3%</b>              |

### Uses Summary

BART's total operating costs for FY26 are \$1.15B -- \$25.7M more than FY25. This increase is due to a \$53M rise in debt service and allocations, which offsets a \$27.2M drop in operating expenses.

### Operating Expense

Most of the Operating Expense budget goes towards Labor and Benefits, covering employee salaries, benefits, and retirement. The decrease in Labor and Benefits costs is mainly due to the shift of \$38.2M in retiree medical liability contributions to a new reserve account known as the Retirement Health Benefits Trust (RHBT) reserve. This shift was made to maintain cash flexibility in FY27 should they be needed to offset operating deficits. Had this shift not been made, the Labor and Benefits budget would have increased by \$15.1M, due to modest increases in wages, overtime, and other benefits, partially offset by the freezing of 42 operating positions.

Non-labor expenses also decreased by a net of \$9.8M in FY26. Part of this decrease is due to BART's cost containment efforts. As part of the FY26 budget development process, BART departments were asked to reduce their non-labor budgets by 5%. The 5% target resulted in an additional \$7.0M in ongoing cost reductions. In addition, FY26 removes \$8.0M in overlapping Clipper transition fees, \$2.5M in election costs, and \$5.0M in inventory write offs from legacy trains.

Under the federal Americans with Disabilities Act (ADA), BART must provide paratransit services. To fulfill this obligation, in partnership with AC Transit and SFMTA, BART contracts with third party providers. The total cost for paratransit services is expected to go up due to increased demand for service and higher labor costs. The terms of the new contract were recently negotiated, and the projected costs of service are reflected in the FY26 budget.

The increases in the Traction Power budget in FY26 is driven by the cost of transmitting electricity over the power grid. These costs are passed on to BART by local electric utilities, whose rates are governed by the California Public Utilities Commission (CPUC). BART has no control over these prices. BART has worked in recent years to secure price stability for renewable electricity through solar power and wind power purchase agreements.

### Debt Service & Allocations Changes

The Debt Service & Allocations category includes repayments of sales tax-backed debt as well as transfers out of the Operating Budget, which fund a portion of BART's Capital Budget.

Debt service payments are made on a set schedule and are budgeted accordingly. Based on project delivery scheduled and later than anticipated cash flow of projects, BART has deferred allocations to Priority Capital Programs to reduce expenses in FY25 and FY26. Capital reinvestment allocations were reduced by \$9.6M in FY25, and the funds were added back in the FY26 budget. The new RHBT reserve account was created to temporarily hold retiree medical contributions and help save cash for future deficits. If the deficit is resolved, the funds will go to the RHBT as planned.

### 9.1. Labor: Wages & Benefits

BART's workforce consists of operating and capital positions. The total number of full-time equivalent (FTE) positions authorized in the FY26 Adopted Budget are itemized in Table 12, with a breakdown of the headcount changes that decreased the number of budgeted positions by 27.3 FTEs. Table 13 summarizes FTEs distributed by Executive Office, Attachment D provides a breakdown of FTEs by Department, and the fully itemized distribution of FTEs are available at [bart.gov/financials](http://bart.gov/financials).

A breakdown of position changes in the FY26 budget is as follows:

- Mid-year position additions in Administration, Office of the Chief Financial Officer, Police, and Maintenance (11.00 FTEs)
- Technical adjustments to align part-time operating positions converted to full-time positions and capital to operating conversions (9.4 FTEs)
- FY26 Additions
  - Increased support in Administration, Office of Inspector General, and CCJPA (7.0 FTE)
  - Permanent creation of Maintenance and Engineering Command Center (MECC) (15.0 FTE)
- Position reductions to cover the cost of new positions (25.0 FTEs)
- Implemented hiring freeze for non-service critical positions (44.6 FTEs)

Table 11: FY25 to FY26 FTE Summary

| FY25 to FY26 FTE           | Operating      | Capital/Reimbursable | Total FTEs     |
|----------------------------|----------------|----------------------|----------------|
| <b>FY25 Adopted Budget</b> | <b>3,770.1</b> | <b>856.9</b>         | <b>4,627.0</b> |
| Mid-Year Addition          | 10.5           | 0.5                  | 11.0           |
| Technical Adjustments      | 17.3           | (7.9)                | 9.4            |
| FY26 Addition              | 18.5           | 3.5                  | 22.0           |
| Reduction                  | (14.0)         | (11.0)               | (25.0)         |
| Hiring Freeze              | (42.3)         | (2.4)                | (44.6)         |
| <b>Total Adjustments</b>   | <b>(10.0)</b>  | <b>(17.3)</b>        | <b>(27.3)</b>  |
| <b>FY26 Adopted Budget</b> | <b>3,760.1</b> | <b>839.6</b>         | <b>4,599.7</b> |

Table 12: FY26 FTE Summary, by Executive Office

| FTE Summary, by Executive Office              | Operating Positions | Capital Positions | Reimbursable Positions | Total          |
|-----------------------------------------------|---------------------|-------------------|------------------------|----------------|
| 01 - Office of the General Manager            | 36.0                | 18.0              | -                      | 54.0           |
| 02 - Office of the General Counsel            | 19.0                | -                 | -                      | 19.0           |
| 04 - Office of the District Secretary         | 7.0                 | -                 | -                      | 7.0            |
| 05 - Office of Administration                 | 168.6               | 13.0              | 1.0                    | 182.6          |
| 06 - Office of External Affairs               | 45.0                | 3.5               | 1.0                    | 49.5           |
| 07 - Police                                   | 409.0               | -                 | -                      | 409.0          |
| 08 - Operations                               | 2,788.0             | 441.6             | 13.0                   | 3,242.6        |
| 10 - Office of Infrastructure Delivery        | 60.7                | 296.3             | -                      | 357.0          |
| 12 - Office of the Chief Information Officer  | 57.5                | 2.0               | 0.5                    | 60.0           |
| 14 - Capitol Corridor                         | -                   | -                 | 26.0                   | 26.0           |
| 17 - Office of the Independent Police Auditor | 5.0                 | -                 | -                      | 5.0            |
| 19 - Office of the Inspector General          | 6.0                 | -                 | -                      | 6.0            |
| 20 - Office of Planning & Development         | 35.8                | 7.2               | -                      | 43.0           |
| 21 - Office of the CFO                        | 122.5               | 13.5              | 3.0                    | 139.0          |
| <b>Grand Total</b>                            | <b>3,760.1</b>      | <b>795.1</b>      | <b>44.5</b>            | <b>4,599.7</b> |

### Labor Expenditures

The Labor Expenditure table below itemizes labor costs for all BART employees. BART's Gross Labor costs consist of the total cost of labor for all BART employees. However, a significant share of employees' labor costs is offset by various sources such as capital funding or work that is reimbursed by other parties. The sum of these reimbursed costs can be seen in the "Subtotal – Reimbursements" line below. Net Labor costs, which are the difference between Gross Labor and Reimbursements, reflect the labor costs included in BART's Operating Budget. The Gross Labor Budget in FY26 is \$928.8M. After reimbursements of \$165.5M in FY26 is taken out, the Operating Labor Budget totals \$763.3M in FY26.

Table 13: Labor Expenditures

| Labor (Wages and Benefits)            | FY25 Adopted Budget (\$ Millions) | FY26 Adopted Budget | FY25 to FY26 \$ Change (Millions) | FY25 to FY26 % Change |
|---------------------------------------|-----------------------------------|---------------------|-----------------------------------|-----------------------|
| Wages                                 | 528.4                             | 542.0               | 13.6                              | 2.6%                  |
| Overtime                              | 77.0                              | 79.7                | 2.7                               | 3.4%                  |
| CalPERS Pension & Retirement Benefits | 160.5                             | 159.1               | (1.4)                             | -0.9%                 |
| Active Employee Medical Insurance     | 89.2                              | 92.5                | 3.3                               | 3.7%                  |
| Retiree Medical                       | 45.6                              | -                   | (45.6)                            | -100%                 |
| Workers' Compensation                 | 21.5                              | 24.6                | 3.1                               | 14.6%                 |
| Other Labor & Benefits                | 29.8                              | 31.0                | 1.2                               | 3.9%                  |
| <b>Subtotal – Gross Labor</b>         | <b>951.9</b>                      | <b>928.8</b>        | <b>(23.1)</b>                     | <b>-2.4%</b>          |
| Capital Reimbursement Wages           | (96.1)                            | (93.2)              | 2.9                               | -3.1%                 |
| Capital Fringe                        | (55.1)                            | (51.9)              | 3.2                               | -5.8%                 |
| Capital Overtime                      | (20.0)                            | (20.4)              | (0.4)                             | 1.9%                  |
| <b>Subtotal – Reimbursements</b>      | <b>(171.3)</b>                    | <b>(165.5)</b>      | <b>5.8</b>                        | <b>-3.4%</b>          |
| <b>NET LABOR</b>                      | <b>780.6</b>                      | <b>763.3</b>        | <b>(17.3)</b>                     | <b>-2.2%</b>          |

## **Wages**

FY26's gross wages budget is \$542.0M. This is a \$13.6M, or 3%, increase from the year prior, driven by a combination of contracted wage increases and labor savings resulting from the implementation of the targeted hiring freeze.

Wages include regular salaries, premium pay, and accrued time off. The total budget for wages also includes the estimated cost of vacant positions. The vacancy rate is expressed as a percentage of the overall wages budget, and in FY26, it is assumed that 5% of operating positions and 18% of capital positions will be vacant at any given time. These assumptions are unchanged from FY25 and reflect actual vacancy rates at BART.

A majority of BART staff are represented by labor unions, so collective bargaining agreements between BART and the unions determine staff wages and increases that may occur year over year. As a matter of practice, BART leadership generally offers bargained wage increases to the minority of employees who are not represented by unions.

There are several different unions that represent BART employees, with each union holding a separate labor agreement with BART. Wage increases for staff may vary between unions based on the terms of negotiation. For instance, in FY26 and FY27, staff represented by AFSCME, ATU, and SEIU will receive a 2% wage increase every 6 months. BPMA and BPOA employees will receive a wage increase of 3.5% in FY26.

## **Overtime**

The FY26 gross overtime budget is \$79.7M, which is \$2.7M, or 3%, higher than the FY25 budget. Overtime pay refers to wages paid to BART employees in compliance with California State Laws that dictate overtime rules and the terms of BART's collective bargaining agreements. Overtime is mostly paid at a higher rate, which in turn costs BART more per hour for an employee's time. Despite the higher costs, overtime can be a tool to increase capacity in the short term without having to increase total headcount.

## **CalPERS Pension and Other Retirement Benefits**

The California Public Employee Retirement System (CalPERS) administers and determines funding rates for BART pension plans. The FY26 CalPERS pension budget is \$159.1M, which is \$1.4M, or 1%, lower than the FY25 budget. The decrease in pension costs in FY26 is primarily due to an increase in the employee cost share or District Contribution Reimbursements budget. The budget calculation has been updated to allow for more accurate reimbursement rates instead of applying an average reimbursement rate.

BART employees are covered by two separate pension plans: Public Safety, which covers sworn members of the BART Police Department (BPD), and Miscellaneous, which covers all other District employees. Pension valuation data as of June 30, 2023 (published July 2024) was used to generate pension costs in the FY26 Adopted Budget. As of that date, BART's funded ratio is 72.6% for the Miscellaneous Plan and 57.7% for the Safety Plan. The funded ratio measures plan assets relative to plan liabilities.

Employees are further divided into two categories that affect their pension contributions and benefits. The California Public Employees' Pension Reform Act (PEPRA) covers all employees who began working at a CalPERS agency after January 1, 2013. With a few exceptions, employees who began their service before that date are referred to as Classic employees.

Pension costs are categorized into three major categories. The first two categories, the employer and employee contributions, are part of the "normal cost" of retirement. These costs vary with headcount, salaries, the number of and type of employees in each plan, and CalPERS' actuarial assumptions, which includes investment returns. The third category is the "unfunded actuarial liability," which is a supplemental payment made each year to CalPERS to make up the amortized difference between prior year actuarial assumptions, including assumed and actual investment returns. Costs for each are described in the following three sections.

### **CalPERS Pension: Employer Contribution**

CalPERS implemented several actions in prior years to improve the stability of the pension fund and guard against

market downturns. The most important action was to reduce future expected investment returns, known as the discount rate, to closely match the projected market returns. A lower discount rate results in higher contributions from CalPERS member agencies; this has a major impact on BART's pension costs. The assumed discount rate is 6.8%. In FY26, BART is required to contribute 9.6% and 25.3% of payroll for the normal cost for the Miscellaneous and Safety plans respectively, lower from 9.8% and 26.4% in FY25.

#### CalPERS Pension: Employee Contribution

Employees subject to PEPRAs pay 7.8% for Miscellaneous employees and 14.3% for Safety employees. Classic Miscellaneous employees pay the full contribution of the employee contribution amount of 7.0%. Classic Safety, BPOA and BPMA employees, pay 0% towards the employee contribution. BART pays the full 9% of the employee contribution (called the Employer Paid Member Contribution or EPMC). The Classic Safety employees pay 10% towards the employer cost share.

Table 14: CalPERS Contributions

| CalPERS Employer and Employee Rates |         |                 |        |                 |        |
|-------------------------------------|---------|-----------------|--------|-----------------|--------|
|                                     |         | FY25 Budget (%) |        | FY26 Budget (%) |        |
|                                     |         | Misc            | Safety | Misc            | Safety |
| Employer Rate                       | Classic | 9.8             | 26.4   | 9.6             | 25.3   |
|                                     | PEPRA   | 9.8             | 26.4   | 9.6             | 25.3   |
| Employee Rate                       | Classic | 7.0             | 9.0    | 7.0             | 9.0    |
|                                     | PEPRA   | 7.8             | 14.3   | 7.8             | 14.3   |

#### CalPERS Pension: Unfunded Actuarial Liability (UAL)

UAL payments, which fund the difference between prior year actuarial assumptions, including the assumed and actual returns, are determined by CalPERS each year. The costs are amortized over several years to smooth out payments. BART is required to contribute \$88.7M in FY26 as a flat fixed payment towards the UAL for both the Miscellaneous and Safety plans, \$0.2M decrease from FY25.

Table 15: District Contributions

|                                    | FY25 Budget<br>(\$ Millions) | FY26<br>Budget<br>(\$ Millions) | FY25 to FY26 Change |            |
|------------------------------------|------------------------------|---------------------------------|---------------------|------------|
|                                    |                              |                                 | (\$ Millions)       | (%)        |
| Employer Share                     |                              |                                 |                     |            |
| Classic                            | 22.9                         | 21.8                            | (1.1)               | -5%        |
| PEPRA                              | 36.7                         | 38.1                            | 1.4                 | 4%         |
| EPMC                               | 2.1                          | 2.0                             | (0.1)               | -5%        |
| Employee Cost Share                | (3.7)                        | (5.3)                           | (1.5)               | 41%        |
| UAL                                | 88.9                         | 88.7                            | (0.2)               | 0%         |
| <b>Total District Contribution</b> | <b>146.9</b>                 | <b>145.3</b>                    | <b>(1.6)</b>        | <b>-1%</b> |

## **Other Retirement Benefits**

In addition to the CalPERS pension, BART contributes to a defined contribution retirement plan (401(a)), the Money Purchase Pension Plan (MPPP). BART's contribution consists of 6.65% of base wages and contributions are capped at an annual amount of \$1,868.65 per employee. The total BART MPPP contribution is projected to be \$7.9M in FY26. BART is required to offer the MPPP as a replacement for Social Security, which BART has opted out of participating in.

An additional 1.627% of wages is contributed to the pension plan for all employees except sworn police. Per BART's collective bargaining agreements (CBAs) with its labor unions, certain deductions are made from this portion of the contribution. For all employees, 0.0888% is retained by BART, except for non-sworn employees in BPOA and BPMA. For employees represented by AFSCME, ATU, and SEIU enrolled in medical insurance, \$37 per month is deducted and included as a contribution towards medical insurance. BART's total estimated net cost for the additional 1.627% MPPP after these deductions is \$5.9M in FY26.

## **Active Employee Medical**

The FY26 active employee medical budget of \$92.5M, which is \$3.3M, or 4%, higher than the FY25 budget. BART offers and pays for most of its current employees' medical insurance costs; these costs are reflected in the active employee medical line item.

Medical opt-out is an option for employees covered by a spouse or partner's medical insurance to waive their BART medical insurance coverage and, in return, receive a \$350 monthly payment. Medical opt-out payments are budgeted to be \$1.7M in FY26.

To offset a portion of BART's medical insurance costs, the current CBA provisions remain in place to gradually increase employee contributions:

- All employees are subject to a 3% annual contribution increase each January. In FY26, the scheduled monthly "base" employee contribution for AFSCME, ATU, SEIU, and Non-Rep is \$135.46, BPOA and BPMA is \$191.19 per employee.
- AFSCME, ATU, and SEIU members "redirect" \$37 per month of BART's additional 1.627% MPPP contribution to apply an additional contribution towards their medical insurance.
- Non-represented employees pay an additional \$37 per month directly in their medical contribution.
- BPOA and BPMA have incorporated an additional contribution towards their medical insurance in their base level contributions.

## **Retiree Medical**

BART pays for most of the medical insurance costs of its retired employees who have vested for the benefit. The budgeted amount includes costs for retired employees as well as what needs to be set aside in the current year to cover future costs of current employees when they retire and vest for the benefit. This cost, called the Actuarial Determined Contribution (ADC), includes insurance premiums for current retirees and contributions to BART's RHBT fund, which helps pay for the long-term medical liability of current and former employees.

The funded ratio is driven by three factors: 1) actuarial assumptions including employee counts and future medical costs; 2) investment returns of the RHBT; and 3) the amount BART funds each year in its operating budget, which is governed by the CBA. Changes to any of these affect the funded ratio.

In FY26, BART elected to redirect retiree medical contributions into a flexible reserve account. This is a deferral permitted under the recent MOU with labor partners, which allows pausing contributions for retiree medical cost. This change provides flexibility during fiscal uncertainty and enables the District to redirect funding toward deficit reduction in FY27 and beyond.

**Workers' Compensation**

The FY26 workers' compensation budget is \$24.6M, which is \$3.1M or 15% higher than the FY25 budget.

Workers' compensation provides benefits for employees who are injured or become ill as a direct result of their job. Employers can choose to either purchase workers' compensation insurance or self-insure. BART is self-insured for workers' compensation and maintains a reserve for outstanding losses based on annual actuarial reports. Annual budgeted funding is based on both actuarial loss projections and BART's reserve balance. Changes are driven primarily by the number of claims and the value of benefits paid to employees who receive workers' compensation. If needed, the liability reserve account is supplemented at the end of each fiscal year.

**Other Labor and Benefits**

The FY26 Other Labor and Benefits budget is \$31.0M, which is \$1.2M or 4% is higher than the FY25 budget.

The Other Labor and Benefits line item includes labor expenses, and the costs associated with additional benefits offered to employees beyond health insurance. Those additional benefits include dental insurance, vision care, life insurance, short- and long-term disability, state unemployment, and Medicare coverage. Expenses covered in this line item also include costs associated with labor, such as temporary help, uniform allowances, and meal allowance.

**Capital & Reimbursable Wages, Fringe, and Overtime**

The FY26 reimbursements budget of \$165.5M, which is \$5.8M, or 3% lower than the FY25 budget.

Reimbursable labor costs are expenses that are paid out of the operating budget, then reimbursed by capital funding sources. The type of costs that are reimbursable include wages, fringe, and overtime costs. Costs that are reimbursable are shown as a reduction (negative cost) to gross wages, as they are subtracted from gross labor costs to generate net operating labor costs.

Labor costs are reimbursable when an employee provides support for capital or reimbursable projects, which are generally related to the construction, expansion, renovation, or replacement of physical assets. Capital and reimbursable sources include voter-approved bonds such as Measure RR; grants from Federal, State, and local government such as Federal Transit Administration (FTA) State of Good Repair funding; services BART provides to other entities, such as Capitol Corridor leadership & administration, and Operating Budget allocations.

Staff will closely monitor capital and other reimbursements over the course of the fiscal year and make adjustments as necessary if employees' charging patterns for capital and operating work vary significantly from the budgeted levels.

## 9.2. Non-Labor

The non-labor budget consists of all costs associated with operating BART that are not related to employee time or labor. Categories that fall under non-labor expenses are outline in Table 16 and described in detail within this section.

BART's non-labor budget in FY26 is \$243.4M, a decrease of \$9.9M over the FY25 Adopted Budget. The budget decrease in FY26 is primarily a result of cost savings effort. BART departments were asked to reduce their non-labor budgets by 5%.

Table 16: Non-Labor Expenditures

|                                | FY25 Budget<br>(\$ Millions) | FY24 to FY25 \$<br>Change<br>(Millions) | FY24 to FY25 %<br>Change | FY26 Budget<br>(\$ Millions) | FY25 to FY26<br>\$ Change<br>(Millions) | FY25 to FY26<br>% Change |
|--------------------------------|------------------------------|-----------------------------------------|--------------------------|------------------------------|-----------------------------------------|--------------------------|
| Clipper, Vending, Banking Fees | 15.1                         | 5.0                                     | 49.6%                    | 7.3                          | -7.7                                    | -51.4%                   |
| Insurance                      | 10.9                         | 1.0                                     | 10.2%                    | 9.8                          | -1.1                                    | -10.1%                   |
| Materials & Supplies           | 50.8                         | 3.4                                     | 7.1%                     | 47.3                         | -3.6                                    | -7.0%                    |
| Professional & Technical Fees  | 50.7                         | 0.3                                     | 0.7%                     | 48.3                         | -2.4                                    | -4.7%                    |
| Repairs & Maintenance          | 12.3                         | 1.1                                     | 10.0%                    | 13.4                         | 1.1                                     | 9.1%                     |
| Rent                           | 4.0                          | 0.0                                     | 1.2%                     | 3.9                          | 0.0                                     | -1.0%                    |
| Traction Power                 | 61.6                         | 2.6                                     | 4.4%                     | 65.0                         | 3.4                                     | 5.5%                     |
| ADA Paratransit                | 22.5                         | 3.7                                     | 19.7%                    | 26.3                         | 3.8                                     | 16.9%                    |
| Purchased Transportation       | 8.6                          | 0.7                                     | 8.4%                     | 8.5                          | -0.1                                    | -0.7%                    |
| Utilities                      | 9.1                          | (0.0)                                   | -0.2%                    | 8.6                          | -0.5                                    | -5.2%                    |
| Other Miscellaneous            | 7.6                          | 2.3                                     | 44.4%                    | 4.9                          | -2.8                                    | -36.1%                   |
| <b>Total Non-Labor</b>         | <b>253.2</b>                 | <b>20.2</b>                             | <b>8.7%</b>              | <b>243.4</b>                 | <b>(9.9)</b>                            | <b>-3.9%</b>             |

### Clipper, Vending & Bank Fees

This non-labor category includes funding for credit card fees, interchange fees, Clipper program fees, and bank service charges.

The FY26 budget of \$7.3M shows a cost decrease of \$7.7M from the FY25 budget due to no longer having to run parallel systems during the changeover period to the next generation Clipper 2 (C2) payment technology early in FY26.

Additionally, MTC will continue to pay the monthly fees associated with the current Clipper system until the transition to Clipper 2 is completed, thus further reducing fees.

### Insurance

This non-labor category covers the cost of insurance premiums for various products BART has purchased. These include property, general liability, cyber, terrorism, fiduciary, and others. It also covers reserve contributions and self-insured losses for public liability, damage to property, and risk-related services. Note that employee health insurance and workers' compensation are not included in this line.

### Materials & Supplies

This non-labor category primarily includes costs or inventory withdrawals and purchases required for the maintenance of rail cars and stations. The materials include aluminum wheel assemblies, circuit boards, seat cushions, fare equipment, and other materials used to keep train cars in use and stations accessible.

In the FY26 Adopted Budget, the Materials & Supplies budget decreased by \$3.6M from the FY25 Adopted Budget due to the completion of inventory write-offs for obsolete legacy cars and associated inventory.

**Professional & Technical Fees**

This non-labor category includes audit, legal, software, and professional services, as well as specialized consulting. This category also covers benefit insurance administration fees, printing fees, computer hardware, and environmental fees. Scheduled multi-year contractual escalations inform the amount budgeted for this line item.

**Repairs & Maintenance**

This line items funds cleaning support, such as graffiti removal, painting, and elevator pit cleaning. Costs also include maintenance, equipment overhaul, and repair-related contracts.

**Rent**

This non-labor category includes funds for administrative building leases and related costs.

**Traction Power**

This non-labor category includes energy costs needed to run BART trains and provide power to stations, yards, and shops.

In FY26, BART's annual electric power costs are projected to total \$65.0M, to align with the District's current rail service plan. Relative to the FY25 Adopted Budget of \$61.6M, BART's FY26 electric power budget reflects a year-over-year increase of 5.5%, driven primarily by projected increases in energy supply costs and higher distribution and delivery rates communicated to BART by energy suppliers.

Between 1972 and 1997, BART procured most of its electricity supply from Pacific Gas & Electric Company (PG&E). Since then, BART has procured its electricity directly on the wholesale market, while PG&E has continued to provide delivery services for that electricity to BART. In 2017, BART took action to manage electricity price risks by entering into two power purchase agreements with clean energy installations. These agreements allow BART to lock in renewable power while offering long-term price stability at rates below current market prices. BART also holds shorter-term power purchase agreements with hydroelectric generators, further increasing its renewable energy procurement and stabilizing its power prices.

Despite these efforts, in recent years PG&E has steadily increased transmission and distribution rates, resulting in significant cost escalation. As these rates are governed by a regulated rate-setting process, BART has no ability to change them.

Beginning in September 2023, BART began to run shorter trains; instead of all trains being the maximum length of ten cars (a response to social distancing guidelines during COVID-19), BART has reduced the lengths of many trains to six or eight cars, which reduces overall power consumption and costs.

**ADA Paratransit**

The Americans with Disabilities Act requires public transit agencies like BART to provide complementary services to people with disabilities who cannot use BART because of a disability.

Paratransit services in the inner East Bay are provided by the East Bay Paratransit Consortium on behalf of BART and AC Transit. BART also pays the San Francisco Municipal Transportation Agency for a share of paratransit services in San Francisco and provides support for Contra Costa County paratransit services.

In FY25, a new paratransit agreement was put in place for East Bay services. The FY26 Adopted Budget includes a \$3.8M increase based upon cost increases experienced in FY25 and communication from Paratransit suppliers that rates will be higher in FY26 and beyond.

**Purchased Transportation**

This non-labor category includes contract expenses for the Oakland Airport Connector (OAC) project, which provides BART service from the BART Coliseum Station to the Oakland San Francisco Bay Airport (OAK).

### Utilities

Utilities included in this line item are for station power electrical energy, and non-traction energy. It also includes garbage collection, natural gas, water, sewer, telephones, and other utilities.

### Other Miscellaneous

This non-labor category includes election costs, dues and memberships, promotion expense, county filing fees, supplies, and other non-building lease expenses.

The changes in this category are primarily due to costs associated with Board of Directors elections, which are held every other year. Since FY26 is not an election year, costs decrease compared to FY25.

## 9.3. Debt Service and Allocation

Table 17: Debt Service and Allocations

| Debt Service and Allocation Reserve              | FY25<br>Budget<br>(\$ Millions) | FY26<br>Budget<br>(\$ Millions) | FY25 to FY26 Change |            |
|--------------------------------------------------|---------------------------------|---------------------------------|---------------------|------------|
|                                                  |                                 |                                 | (\$ Millions)       | (%)        |
| Debt Service                                     | 60.2                            | 60.2                            | -                   | -          |
| Capital Reinvestment Allocation                  | 29.1                            | 43.8                            | 14.8                | 51%        |
| Priority Capital Programs Allocation             | -                               | -                               | -                   | -          |
| Other Allocations                                | 3.0                             | 3.0                             | -                   | -          |
| RHBT Allocations                                 | -                               | 38.2                            | 38.2                | -          |
| <b>Total Debt Service and Allocation Reserve</b> | <b>92.2</b>                     | <b>145.2</b>                    | <b>53.0</b>         | <b>51%</b> |

### Debt Service

The FY26 debt service budget of \$60.2M is the same amount budgeted in the FY25 budget.

BART issues bonds, backed by BART's dedicated sales tax revenues, to fund capital costs for system improvements and renovations. Repayment of Sales Tax Revenue Bond obligations are funded by BART's operating budget. The District's sales tax revenues are transmitted by the California Department of Tax and Fee Administration directly to the District's Trustee Paying Agent, which withholds the amount needed for debt service and remits only the excess funds to BART. Payments on BART's General Obligation Bonds are made through the District's Debt Service Fund.

As authorized by Measure AA and Measure RR, the source of payments for the District's General Obligation Bonds is funded by property taxes imposed by the District on property owners in the three counties of the BART District. The debt service budget in the General Fund for FY26 covers the amount needed to service outstanding Sales Tax Revenue Bonds Series 2015A, 2016A, 2017A, 2019A, and 2019B with an outstanding principal balance of \$515.6M as of July 1, 2025.

### Allocations

The FY26 allocations budget of \$145.2M is \$53M, or 51%, higher than the FY25 budget.

Each fiscal year BART allocates operating funds to capital projects and other programs. These allocations support projects that are critical to the District's basic operations, state of good repair, fiscal stability, and priority initiatives. Some funds go toward uses not eligible for external funds, or a portion of this allocation serves as BART's local match to leverage outside funding, or is used for expenses not eligible under external funds. Allocations help to reduce future costs by reducing future liabilities in the present, whether for capital needs or retirement obligations.

The FY26 Adopted Budget continues deferrals to planned allocations. Historically, BART has adjusted its operating allocation funding amounts based on revenues; the District has allocated more in higher revenue years while reducing, to help balance the budget during lower revenue years. Given their dollar size and relative flexibility compared to labor and non-labor costs, allocations constitute the single largest lever the District has to reduce expenditures.

**Capital Reinvestment Allocation** serves as the local match for federal grants and to fund ongoing capital projects for which grants are not typically available, such as station and facilities renovation, inventory buildup, non-revenue vehicle replacement, tools, other capitalized maintenance, and funds to support technology needs. Capital reinvestment allocations were reduced by \$9.6M in FY25, and those funds were added back in FY26 to the original capital reinvestment baseline.

**Priority Capital Program Allocation** provides BART funds for high-priority capital programs. This includes new rail cars, the Hayward Maintenance Complex, and the Train Control Modernization Program that is critical to the District's long-term ability to provide reliable service. In FY25 and FY26, planned allocations of \$34M and \$40M, respectively, have been deferred to align with updated cash flow needs for the projects. Funding is not being cut -- it is being deferred to future years to better match when it will be needed.

**Other Allocations** include \$1.1M budgeted for the BART-to-OAK Capital Asset Replacement Program (CARP) to provide a reserve for future renovation and replacement needs of that asset. Accounting entries of \$0.6M are included to offset amounts booked as Other Revenue or Financial Assistance for the Pleasant Hill/Contra Costa Centre and MacArthur Stations. Also included is \$1.4M in financing for a loan program from PG&E called on-bill financing. This is an interest-free loan from PG&E that is being used to install LED lighting in BART facilities and stations. The energy savings from the new lights will result in lower electricity costs for the District; these savings will be used to repay the loan, which will be fully repaid in FY33.

**Sustainability Allocation** was created by Board policy, which directed 50% of Low Carbon Fuel Standard (LCFS) credit sale revenues to Sustainability capital projects. Since FY24, 100% of LCFS sales have been directed to the operating budget to support expenses, notably for traction power purchases. The FY26 Adopted Budget continues to suspend the Sustainability allocation indefinitely.

**Pension Trust Allocation** sets aside funds to pay down pension liability and is intended to reduce BART's future year pension liabilities and offset potential spikes in unfunded liabilities. The FY26 Adopted Budget continues to suspend the Pension Trust allocation indefinitely. This suspension only affects contributions to the trust and not funds already set aside in the pension trust, and all pension costs are paid.

**RHBT Allocation Reserve** is a new operating reserve allocation created in FY26 that will redirect contributions meant for the Retiree Health Benefit Trust (RHBT) into a flexible reserve account. This change is designed to help preserve cash for use against future deficits. If the structural deficit is eliminated, the funds will be applied to the trust as originally intended.

## 10. FY26 Capital Budget

The FY26 Adopted Capital Budget anticipates a maximum investment of \$1.126B in BART's capital assets. The Adopted Capital Budget provides an estimate of the cost of work that project managers intend to accomplish in the coming year. All cost estimates in the annual capital budget are fully funded by awards received in prior fiscal years and programmed funds.

### Point in Time

The capital budget is a plan that changes in real time as the year progresses based on District priorities, BART's needs, funding, and risks and opportunities with respect to operations. While presented as a fixed figure, the annual capital budget is a best estimate of capital investment based on individual project schedules and cost estimates. Individual project schedules may shift due to resource constraints (such as track access), contracting outcomes, or unforeseen site issues. Departments review project progress throughout the year to refine individual budgets and schedules, as needed. Projects further along in scope completion provide firmer budget estimates, which are less likely to change as compared to projects in their early stages.

### Definition of Capital Assets

A capital asset is a facility, unit of rolling stock, land, unit of equipment (valued over \$5,000), element of infrastructure, or intellectual property (including software), with a useful life of more than one year that is capitalized in accordance with Generally Accepted Accounting Principles (GAAP). Capital assets may also include an addition, improvement, modification, replacement, rearrangement, reinstallation, renovation, or alteration to capital assets that materially increases the value of the asset (excluding ordinary repairs and maintenance).

### Adopted Capital Sources and Uses

The FY26 Adopted Capital Budget directs \$1.126B across five Capital Investment Plan (CIP) Purposes: System Reinvestment, Service and Capacity Enhancement, Resiliency (formerly Earthquake Safety), System Development (formerly System Expansion), and Safety and Security. The following charts also summarize planned work by CIP Category, which generally reflects an asset type or program area.

As can be seen in the chart below, 98% of BART's planned capital investment will be in System Reinvestment – investments to keep BART's existing system reliable and safe – and Service & Capacity Enhancement – investments to enhance the rider experience, support more frequent service, and add system redundancy to improve reliability. In FY26, BART will complete Phase 2 of the Fleet of the Future Rail Car Procurement, which will deliver 306 expansion rail cars for the Core Capacity Program. BART will also continue its significant investment in traction power infrastructure – replacing cables, renewing existing substations, and adding new substations to provide more redundant power to the BART system to improve reliability. Riders will also experience big changes in BART stations in FY26 as BART will have fully implemented the Next Generation Fare Gates Project by the end of 2025.

The District is continually refining and evolving how capital project information is reported and shared with the Board and the public, with the goal of increasing transparency. Since FY23 Q1, the District has been developing a quarterly project report – the Capital Project and Program Status Report (CPPSR) – which meets this goal. The CPPSR provides program and project status updates, as well as project-level cost estimates, budget, and timeline details. The CIP, BART's long-term forecast of needed capital investments and funding sources to support such investment, was updated and published in October 2024. The Final FY25 Capital Investment Plan is posted to BART.gov for public review<sup>10</sup>. The CIP includes more information about BART's capital investment planning approach, capital program, and funding strategy.

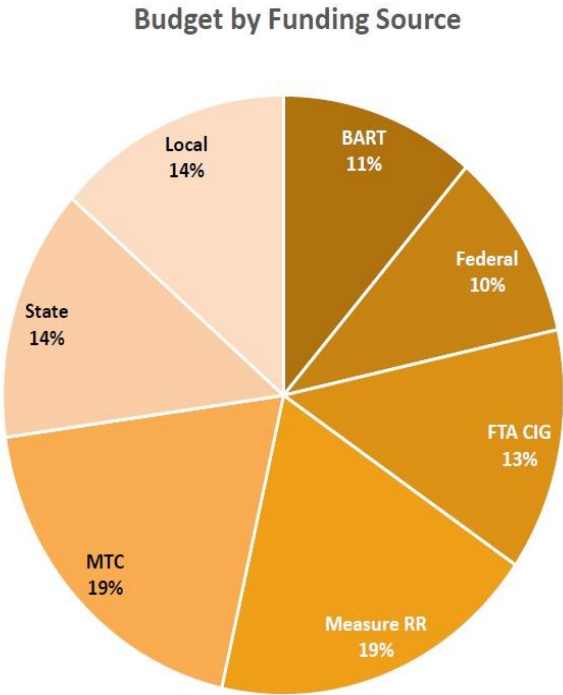
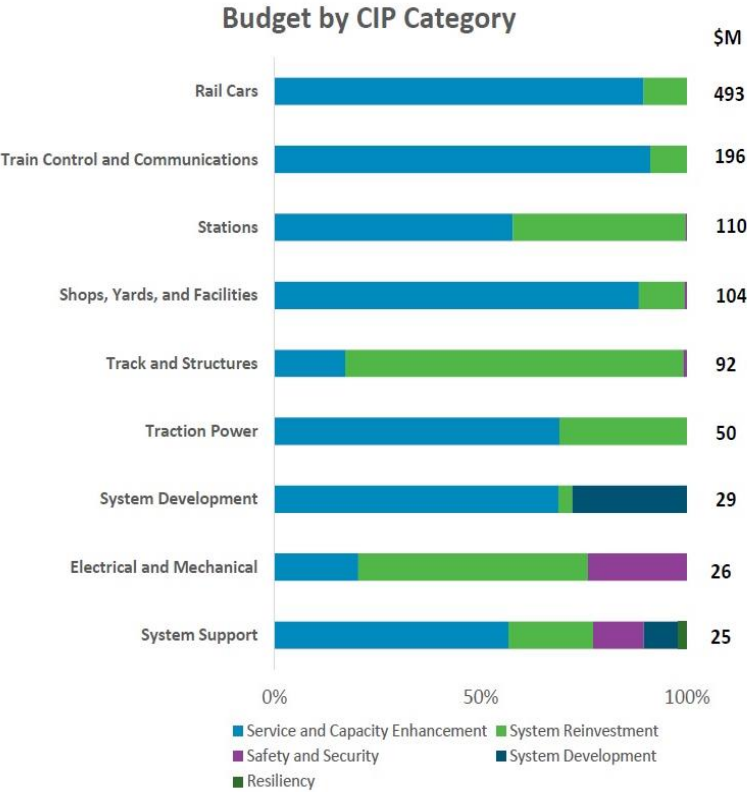
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<sup>10</sup> <https://www.bart.gov/sites/default/files/2024-10/Final%20FY25%20Capital%20Investment%20Plan%20-%20October%202024.pdf>

BART’s capital budget is funded with federal, state, and regional grants, along with BART funds and Measure RR system renewal General Obligation bond proceeds. Projected FY26 funding sources are summarized in the chart following. Regional, local, and BART sources, including BART Measure RR general obligation bonds, comprise 63% of the funding for the Adopted Capital Budget. State and federal sources, including the State’s Transit and Intercity Rail Capital Program as well as the Federal Transit Administration’s Capital Investment, total nearly over 37% of the Adopted Capital Budget funding. See Attachment H for the FY26 Adopted Capital Budget by project.

Figure 5: FY26 Adopted Capital Sources and Use

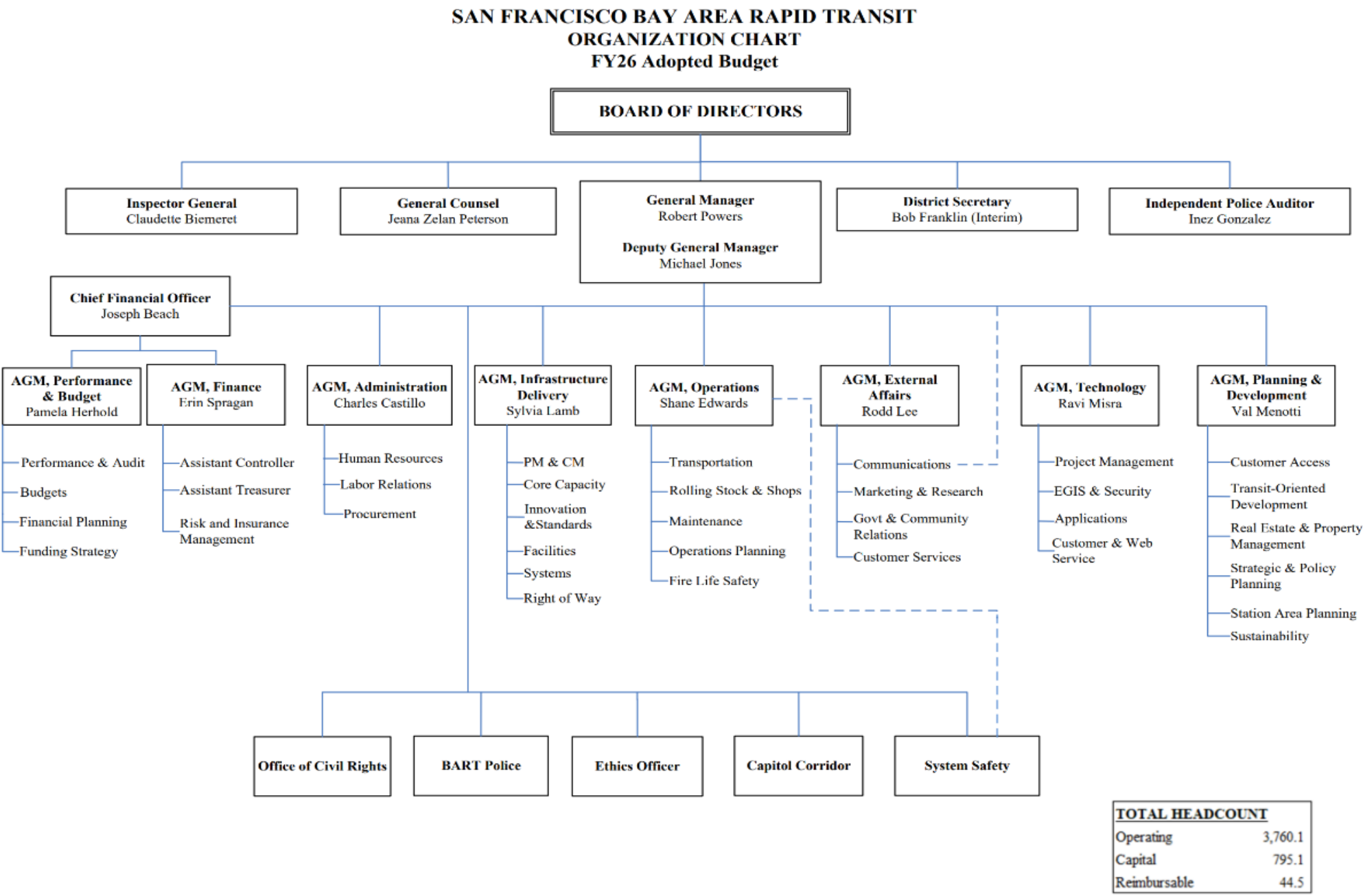
# FY26 Capital Budget: \$1.126B



## 11. Attachments

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Attachment A: FY26 Organization Chart



- **Office of the General Manager:** The Office of the General Manager (OGM) is comprised of the General Manager, who is appointed by the BART Board of Directors, and includes the Deputy General Manager, Office of Civil Rights, and System Safety. The OGM provides general oversight of BART and the leadership to develop and deliver BART's programs and projects, ensuring coordination and consultation with our many internal and external stakeholders.
  - **Goals of the OGM Includes:**
    - Monitor safety performance, improve safety incident tracking, and identify regulatory compliance against assets and locations.
    - Invest in our current and future workforce development, wellness, and safety.
    - Increase diversity in hiring and contracting to meet District diversity goals.
    - Progress to a more sustainable energy portfolio.
    - Build and strengthen community confidence in BART.
  - **Office of Civil Rights:** The Office of Civil Rights aims to create a workplace free of discrimination, harassment, and retaliation, and ensures that those who do business with BART are treated equitably and is responsible for Environmental Justice, Title VI of the Civil Rights Act of 1964, policy, and program implementation at BART according to local and federal laws. The office is comprised of the following divisions: Contract and Labor Compliance Programs, Economic Opportunity Policies and Programs, Workforce and Policy Compliance, and Agreement Compliance Programs.
  - **System Safety:** BART prioritizes the safety of its employees and riders. BART's Chief Safety Officer ensures that safety remains BART's top priority in all functions, including planning, design, construction, testing, maintenance, and operations of the rail system. System Safety strives to make the system as safe as possible by implementing a Safety Management System and tracking safety hazards to resolution. System Safety oversees, audits, and monitors safety in the areas of: Rail Operations, Occupational Health & Safety, Engineering & Safety Certification, and Environmental Compliance. System Safety maintains, revises, and implements the BART Public Transportation Agency Safety Plan (PTASP), and handles safety and compliance issues with regulatory agencies including the California Public Utilities Commission (CPUC), Cal/OSHA, Federal Transit Administration (FTA), local public health departments, Centers for Disease Control (CDC), National Transportation Safety Board (NTSB), Certified Unified Program Agencies (CUPA)/Environment Protection Agency (EPA), and many others.
- **Office of Chief Information Officer:** The Assistant General Manager of the Office of the Chief Information Officer (OCIO) sets information technology policy and direction for BART. The office reports directly to the Office of the General Manager and works closely with the Executive Offices to support BART's technology vision and mission. The office is comprised of the following divisions: Enterprise Geographic Information System (EGIS) & Security, Applications, Customer Services & Web Services, and Project Management.
- **Office of the General Counsel<sup>11</sup>:** The Office of the General Counsel (OGC) provides comprehensive legal services to BART. Responsibilities of the OGC include:
  - Board of Directors: Review all matters submitted to the Board and respond to all questions referred to the Office of the General Counsel.
  - Litigation: Defend BART's interests in matters handled inhouse and provide clear direction and control of litigation referred.
  - Labor Relations: Provide accurate and timely legal advice on labor matters including contract negotiations, arbitrations, terminations, and discipline.

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<sup>11</sup>Board Appointed Position

- Human Resources: Provide accurate and timely legal advice on all Human Resources matters including compliance of District policies and procedures (concerning wages, working conditions, and benefits) with legal requirements and Board action.
- Contracts & Agreements: Review, revise as necessary, and approve contracts and agreements of all types in support of BART.
- **Office of the CFO:** Created in FY25 by merging the Executive Offices of Performance and Budget with Finance, the Office of the CFO is responsible for BART's finances, develops and manages BART's short and long-range financial plans; including the District Strategic Financial Plan and both the operating and capital budgets. The Office of the CFO collects, dispenses, accounts for, and creates financial reports for all monies that flow in or out of BART's coffers. The Office of the CFO is divided into two major groups, and includes the following departments: Treasurer, Controller, Insurance, Budget, Financial Planning, Funding Strategy, and Performance & Audit. The Office of the CFO's responsibilities and goals include addressing BART's ongoing structural deficit by working with both internal and external stakeholders to reform BART's operating funding structure, steward taxpayer dollars responsibly, ensure BART's financial reporting meets the highest standards, and secure BART's long-term financial stability.
- **Office of the District Secretary:** The Office of the District Secretary provides comprehensive administrative support to the Board of Directors. Responsibilities of the Office of the District Secretary include:
  - Administer and record activity of the Board of Directors, Capitol Corridor Joint Powers Authority (CCJPA), BART Police Citizen Review Board (BPCRB), and Transit Security Advisory Committee (TSAC) for compliance with applicable statute and agency requirements.
  - Provide and enhance effective and responsive communications on behalf of the Board of Directors with customers, constituents, officials, agencies, and staff.
  - Perform prescribed contract administration supporting District procurement and construction activities and initiatives.
  - Serve as the authorized agent for legal service, requests for records, and Custodian of Records.
  - Administer BART's Conflict of Interest Code and the CCJPA's Conflict of Interest Code in coordination with the Fair Political Practices Commission.
- **Office of the Independent Police Auditor<sup>1</sup>:** The Independent Police Auditor (IPA) provides all members of the public with effective and independent oversight of the BART Police Department by conducting independent investigations and reviews of police department activities, making policy recommendations to improve the performance of the Police Department, and maintaining continual communication with members of the public in the BART service area. The IPA reports to the BART Board of Directors, not the Police Department or the General Manager. Responsibilities of the IPA include:
  - Accept and investigate certain complaints of misconduct against BART police officers.
  - Review all use-of-force incidents.
  - Respond to the scene of officer-involved shooting incidents to monitor the ensuing BART Police Department investigation and/or initiate an independent investigation.
  - Review Internal Affairs investigations conducted by the BART Police Department, including those cases where the complainant has sought to appeal the findings issued by Internal Affairs.
  - Maintain an alternative dispute resolution process for resolving some complaints and maintain a regular program of community outreach.
  - Develop recommendations to improve BART Police Department policies and prepare monthly and annual reports for the public, the BART Police Citizen Review Board, and the BART Board of Directors.

- **Office of the Inspector General<sup>12</sup>:** The Office of the Inspector General provides independent oversight of District programs and operations to ensure that the District makes effective use of its revenues and operates efficiently, effectively, and in compliance with applicable federal and state laws. It accomplishes this by conducting audits and investigations to:
  - Identify fraud, waste, and abuse, and opportunities for efficiencies in the administration of programs and operations.
  - Identify opportunities to improve the data used to determine project resource allocations.
  - Identify best practices and recommend policies to enable the District to adopt these practices.
  - Recommend policies promoting efficiency in the administration of programs and operations.
  - Ensure BART administration, the Board of Directors, the California State Legislature, and the public are fully informed of the Inspector General's (IG) findings and recommendations.
  - Conduct, supervise, and coordinate audits and investigations relating to BART's programs and operations and, at least annually, provide a report to the Board of Directors and the California Legislature that summarizes significant problems identified in audits and investigations and whether BART has implemented the resulting recommendations.
  - Review and recommend best practices that BART should follow to maintain positive and productive relations with its employees and the collective bargaining units representing those employees.
- **Office of Administration:** The Office of Administration provides comprehensive human resources, procurement, and labor relations services to BART. The Human Resources Department is responsible for managing compensation and analytics, benefits, human resources information systems, absence and leave management, talent acquisition, workforce development, and Substance abuse programs for BART's employees. The Procurement Department oversees contract management, inventory management, logistics, purchasing, and strategic maintenance across the BART system. The Labor Relations Department is responsible for fostering effective and cooperative labor-management relationships between BART and its labor unions and charged with negotiating, administering, and resolving grievances and employment issues related to agreements for BART's five represented bargaining units.
- **Office of External Affairs:** External Affairs ensures BART speaks strategically with one voice to the public by communicating BART's messages and initiatives clearly and concisely to our riders, elected officials, neighborhoods, the media, and taxpayers. Additionally, External Affairs identifies local, state, and federal grant opportunities to fund BART projects and programs. External Affairs includes the following departments: Communications, Customer Services, Government & Community Relations, and Marketing & Research. In addition, the Quality of Life programs are also included under the Government & Community Relations department.
- **Police Department:** The BART Police Department is a 24/7 full-service law enforcement agency that provides police services for the San Francisco Bay Area Rapid Transit District. The BART Police Department is comprised of both sworn and non-sworn personnel. The Department's sworn personnel are comprised of the following classifications: Chief of Police, Deputy Chiefs, Lieutenants, Sergeants, and Police Officers. The Department Bureaus are, Operations, Support Services, Personnel & Training, and Progressive Policing & Community Engagement. The Department's non-sworn personnel are comprised of the following classifications: Community Service Officers, Transit Ambassadors, Fare Inspection Officers, Police Dispatchers, Civilian Supervisors, Revenue Protection Guards, Police Administrative Specialists, Police Administrative Analyst, Director of Security Programs, Manager of Security Programs, CALEA Accreditation Manager, Executive Assistant, Crime Analyst, Crisis Intervention Specialist, and CAD/RMS Administrator. The Department is a signatory to the Bay Area's mutual-aid pacts with allied law

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<sup>12</sup> Appointed by California Governor

enforcement agencies in order to obtain assistance during major emergencies, critical incidents, and tactical callouts. The Department has a variety of specialized assignments that include: Central County SWAT Team, Critical Asset Patrol Team, Criminal Investigations, FBI Joint Terrorism Task Force, Narcotics Task Force, Background Investigations, Training Officer, Evidence Technician, Motorcycle Officer, Bicycle Officer, and Electric Personal Vehicle Operator.

- In August of 2020, the BART Police Department created the Progressive Policing & Community Engagement Bureau. The Bureau's mission is to engage the BART Police Department in leading transparent, equitable, and innovative policing practices to improve public safety across the diverse communities in which BART serves. The Bureau is committed to rebuilding trust and nurturing relationships between communities and law enforcement through a culture of accountability, responsibility, and collaboration. The Progressive Policing & Community Engagement Bureau includes the Transit Ambassadors, Crisis Intervention Specialists, and Community-Oriented Policing Unit
- **Operations:** Operations ensures BART fulfills its mission to provide safe, clean, reliable, and customer-friendly regional public transit service by providing maintenance frontline employees for BART's 50 stations, 131.4 miles of track, control systems and infrastructure, passenger trains and work equipment. Operations also manage and deliver major capital infrastructure and vehicle programs. Operations includes the following departments: Transportation, Rolling Stock & Shops, Maintenance, Fire Life Safety, Operations Planning, and BART Silicon Valley Extension.
- **Office of Infrastructure Delivery:** The Office of Infrastructure Delivery (OID) delivers capital projects and provides engineering in support of the operational state of good repair to fulfill BART's commitment of a safe, reliable, and innovative system for our riders and create opportunities for local economic growth. OID includes the following departments: Business Administration, Civil/Structural/Track Engineering, Communications & Controls, Communications-Based Train Control (CBTC), Innovation & Resiliency, Integration Engineering, Power/Mechanical Engineering, Project Management/Construction Management (PM/CM), Quality & Standards, Systems & Data Informatics, and Systems Engineering.
- **Office of Planning & Development:** Planning & Development (P&D) focuses on customer access needs, regional transit coordination, long-range planning, energy procurement and transit-oriented development. P&D includes the following departments: Customer Access, Property Development & Real Estate, Transit Oriented Development, Station Area Planning, Strategic and Policy Planning and Sustainability
- **Capitol Corridor:** The Capitol Corridor Joint Powers Authority (CCJPA) provides administrative management of the Capitol Corridor intercity passenger rail service. The Capitol Corridor is a safe, reliable, affordable, and convenient way to travel between the Sierra Foothills, Sacramento, the San Francisco Bay Area, and Silicon Valley/San José and it is also the third most popular route in the national intercity passenger rail network. The CCJPA Board of Directors provides policy direction to the CCJPA staff in delivering high-quality passenger rail service along its 170-mile corridor. Amtrak operates the service for the CCJPA and Union Pacific Railroad owns and maintains the tracks. Funding is virtually 100% from passenger fares and state transportation funds. BART provides the full-time management staff, including marketing and communications, transportation, engineering, mechanical, planning and programming, and budget and service performance.

## Attachment C: Four-Year Consolidated Financial Schedule

| Four-Year Financial Schedule                | FY23           | FY24           | FY25           | FY26           |
|---------------------------------------------|----------------|----------------|----------------|----------------|
|                                             | Actuals        | Actuals        | Budget         | Budget         |
| <b>Sources</b>                              |                |                |                |                |
| Rail Passenger Revenue                      | 187.8          | 218.4          | 235.1          | 259.1          |
| ADA Passenger Revenue                       | 0.5            | 0.6            | 0.6            | 0.6            |
| Parking Revenue                             | 14.2           | 17.0           | 16.5           | 19.9           |
| Other Operating Revenue                     | 35.6           | 55.7           | 45.3           | 45.4           |
| Sales Tax Revenue                           | 327.1          | 320.1          | 320.3          | 314.1          |
| Property Tax                                | 61.9           | 65.1           | 64.3           | 68.0           |
| SFO Extension Financial Assistance          | 2.4            | 2.3            | 2.3            | 2.3            |
| VTA Financial Assistance                    | 42.9           | 47.3           | 35.2           | 35.9           |
| State Transit Assistance (STA)              | 22.7           | 57.3           | 48.8           | 45.8           |
| Low Carbon Transit Operations Program       | 10.3           | 10.3           | 11.0           | 10.5           |
| Low Carbon Fuel Standard Program            | 6.2            | 6.7            | 6.0            | 21.7           |
| Local & Other Assistance                    | 22.8           | 26.8           | 12.5           | 13.4           |
| Emergency Assistance                        | 315.9          | 313.5          | 328.2          | 315.0          |
| <b>TOTAL SOURCES</b>                        | <b>1,050.2</b> | <b>1,141.3</b> | <b>1,126.1</b> | <b>1,151.8</b> |
| <b>Uses</b>                                 |                |                |                |                |
| Labor                                       | 675.2          | 758.9          | 780.6          | 763.3          |
| ADA Paratransit                             | 16.1           | 20.3           | 22.5           | 26.3           |
| Purchased Transportation                    | 7.7            | 7.7            | 8.6            | 8.5            |
| Power                                       | 61.2           | 56.5           | 61.6           | 65.0           |
| Other Non-Labor                             | 142.7          | 172.4          | 160.5          | 143.5          |
| <b>TOTAL EXPENSES</b>                       | <b>903.0</b>   | <b>1,015.7</b> | <b>1,033.9</b> | <b>1,006.7</b> |
| Debt Service                                | 59.9           | 60.1           | 60.2           | 60.2           |
| Capital & Other Allocations                 | 87.3           | 65.5           | 32.0           | 85.0           |
| <b>Total Debt Service &amp; Allocations</b> | <b>147.3</b>   | <b>125.6</b>   | <b>92.2</b>    | <b>145.2</b>   |
| <b>TOTAL USES</b>                           | <b>1,050.2</b> | <b>1,141.3</b> | <b>1,126.1</b> | <b>1,151.8</b> |
| <b>NET RESULT</b>                           | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     |

## Attachment D: FY26 FTE Count, by Department

| FTE Count, by Executive Office and Department        | Operating Positions | Capital Positions | Reimbursable Positions |
|------------------------------------------------------|---------------------|-------------------|------------------------|
| <b>01 - Office of the General Manager</b>            | <b>36.00</b>        | <b>18.00</b>      | <b>0.00</b>            |
| 0101 - General Manager                               | 5.00                | 0.00              | 0.00                   |
| 1303 - System Safety                                 | 16.00               | 5.00              | 0.00                   |
| 1304 - Office of Civil Rights                        | 15.00               | 13.00             | 0.00                   |
| <b>02 - Office of the General Counsel</b>            | <b>19.00</b>        | <b>0.00</b>       | <b>0.00</b>            |
| 0201 - Office of the General Counsel                 | 19.00               | 0.00              | 0.00                   |
| <b>04 - Office of the District Secretary</b>         | <b>7.00</b>         | <b>0.00</b>       | <b>0.00</b>            |
| 0401 - District Secretary                            | 7.00                | 0.00              | 0.00                   |
| <b>05 - Office of Administration</b>                 | <b>168.63</b>       | <b>13.00</b>      | <b>1.00</b>            |
| 0501 - Administration Office                         | 2.00                | 0.00              | 0.00                   |
| 0502 - Human Resources Administration                | 56.63               | 0.00              | 1.00                   |
| 0503 - Procurement                                   | 99.00               | 13.00             | 0.00                   |
| 0505 - Labor Relations                               | 11.00               | 0.00              | 0.00                   |
| <b>06 - Office of External Affairs</b>               | <b>45.00</b>        | <b>3.50</b>       | <b>1.00</b>            |
| 0601 - Office of External Affairs                    | 2.00                | 0.00              | 0.00                   |
| 0602 - Marketing and Research                        | 13.50               | 0.00              | 1.00                   |
| 0603 - Communications                                | 9.50                | 1.50              | 0.00                   |
| 0604 - Gov't & Community Relations                   | 9.00                | 0.00              | 0.00                   |
| 0605 - Customer Services                             | 11.00               | 2.00              | 0.00                   |
| <b>07 - Police</b>                                   | <b>409.00</b>       | <b>0.00</b>       | <b>0.00</b>            |
| 0701 - Police                                        | 409.00              | 0.00              | 0.00                   |
| <b>08 - Operations</b>                               | <b>2,788.00</b>     | <b>441.63</b>     | <b>13.00</b>           |
| 0103 - Fire Life Safety                              | 18.00               | 1.00              | 0.00                   |
| 0801 - Operations                                    | 2.50                | 9.50              | 0.00                   |
| 0802 - Maintenance                                   | 850.98              | 314.50            | 13.00                  |
| 0803 - Rolling Stock and Shops                       | 762.78              | 104.00            | 0.00                   |
| 0804 - Operations Planning                           | 18.00               | 4.00              | 0.00                   |
| 0805 - Transportation                                | 1,135.75            | 8.63              | 0.00                   |
| <b>10 - Office of Infrastructure Delivery</b>        | <b>60.70</b>        | <b>296.30</b>     | <b>0.00</b>            |
| 1001 - Infrastructure Delivery                       | 37.20               | 50.80             | 0.00                   |
| 1020 - Delivery                                      | 3.50                | 81.50             | 0.00                   |
| 1030 - Infrastructure                                | 20.00               | 164.00            | 0.00                   |
| <b>12 - Office of the Chief Information Officer</b>  | <b>57.50</b>        | <b>2.00</b>       | <b>0.50</b>            |
| 1201 - OCIO                                          | 57.50               | 2.00              | 0.50                   |
| <b>14 - Capitol Corridor</b>                         | <b>0.00</b>         | <b>0.00</b>       | <b>26.00</b>           |
| 1401 - Capitol Corridor                              | 0.00                | 0.00              | 26.00                  |
| <b>17 - Office of the Independent Police Auditor</b> | <b>5.00</b>         | <b>0.00</b>       | <b>0.00</b>            |
| 1701 - Independent Police Auditor                    | 5.00                | 0.00              | 0.00                   |
| <b>19 - Office of the Inspector General</b>          | <b>6.00</b>         | <b>0.00</b>       | <b>0.00</b>            |
| 1901 - Office of Inspector General                   | 6.00                | 0.00              | 0.00                   |
| <b>20 - Office of Planning &amp; Development</b>     | <b>35.80</b>        | <b>7.20</b>       | <b>0.00</b>            |
| 2001 - Planning & Development                        | 1.00                | 0.00              | 0.00                   |
| 2020 - Real Estate & Prop Development                | 9.80                | 2.20              | 0.00                   |
| 2021 - Strategic and Policy Planning                 | 3.50                | 1.50              | 0.00                   |
| 2022 - Station Area Planning                         | 4.00                | 2.00              | 0.00                   |
| 2023 - Link 21                                       | 0.00                | 0.00              | 0.00                   |

| FTE Count, by Executive Office and Department | Operating Positions | Capital Positions | Reimbursable Positions |
|-----------------------------------------------|---------------------|-------------------|------------------------|
| 2024 - Customer Access                        | 7.50                | 0.50              | 0.00                   |
| 2025 - Sustainability                         | 3.00                | 1.00              | 0.00                   |
| 2028 - Transit Oriented Development           | 7.00                | 0.00              | 0.00                   |
| <b>21 - Office of the CFO</b>                 | <b>122.50</b>       | <b>13.50</b>      | <b>3.00</b>            |
| 0301 - Finance                                | 1.00                | 0.00              | 0.00                   |
| 0302 - Assistant Treasurer                    | 45.00               | 0.00              | 0.00                   |
| 0303 - Assistant Controller                   | 37.00               | 8.00              | 0.00                   |
| 0304 - Insurance                              | 4.00                | 0.00              | 0.00                   |
| 1101 - Performance & Budget                   | 1.00                | 0.00              | 0.00                   |
| 1104 - Budget                                 | 13.00               | 2.00              | 0.00                   |
| 1105 - Funding Strategy                       | 8.50                | 1.50              | 0.00                   |
| 1106 - Financial Planning                     | 4.00                | 0.00              | 3.00                   |
| 1302 - Performance & Audit                    | 7.00                | 2.00              | 0.00                   |
| 2101 - Office of the CFO                      | 2.00                | 0.00              | 0.00                   |
| <b>Grand Total</b>                            | <b>3,760.13</b>     | <b>795.13</b>     | <b>44.50</b>           |



# EXECUTIVE DECISION DOCUMENT

|                                                                                                                                                              |                                                                                    |                                                                                        |                                                                                       |                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| GENERAL MANAGER APPROVAL:                                                                                                                                    |                                                                                    | GENERAL MANAGER ACTION REQ'D:                                                          |                                                                                       |                                                                         |
| <br>47000790F2D7463...                                                                                                                                       |                                                                                    |                                                                                        |                                                                                       |                                                                         |
| DATE: 5/30/2025                                                                                                                                              |                                                                                    | 6/6/2025                                                                               |                                                                                       |                                                                         |
| BOARD INITIATED ITEM: Yes                                                                                                                                    |                                                                                    |                                                                                        |                                                                                       |                                                                         |
| <b>Originator/Prepared by:</b> Katherine Alagar<br><b>Dept:</b> Operating Budgets<br>DocuSigned by:<br><br>Signature Date:<br>697EB8AE6F87469...<br>6/3/2025 | <b>General Counsel</b><br>DocuSigned by:<br><br>2528C067C44147D...<br>6/3/2025 [ ] | <b>Chief Financial Officer</b><br>Signed by:<br><br>7D9A7C6E7348456...<br>6/3/2025 [ ] | <b>District Secretary</b><br>DocuSigned by:<br><br>AFF4529E1F0D45C...<br>6/6/2025 [ ] | <b>BARC</b><br>DocuSigned by:<br><br>3BB24D65B8724F5...<br>6/3/2025 [ ] |

## Resolution to Approve the FY26 Budget

### PURPOSE:

Authorize adoption of the Fiscal Year 2026 Annual Budget Resolution (Budget Resolution).

### DISCUSSION:

Approval by the Board of Directors is required for the Fiscal Year 2026 (FY26) operating and capital budgets. The proposed combined operating and capital budget is \$2.3 billion (B) in FY26.

The proposed FY26 budget is summarized in Attachments 1 and 2, which include funding sources and uses of funds for the operating and capital budgets.

The proposed budget was presented to the Board of Directors at meetings in April and May 2025. Additional information can be found at [bart.gov/financials](http://bart.gov/financials). Changes made to the proposed budget since those presentations are noted in the summary below.

In FY26, BART will adopt a one year operating and capital budget

### FY26 Operating Budget

The FY26 operating budget continues to be highly constrained by reduced operating revenues associated with lower ridership.

Operating revenues in the FY26 budget are \$27.6 million (M) higher than the FY25 Adopted Resolution to Approve the FY26 Budget. The revenue budget projects \$325.1M of operating revenue in FY26. This includes

\$259.1M of rail passenger revenue. The remainder consists of other revenue sources such as parking revenue, ADA fares, and other operating income.

Financial assistance is budgeted at \$511.8M in FY26. This includes \$314.1M of sales tax, \$68.0M of property tax,

\$35.9M of VTA Financial Assistance, \$45.8M of State Transit Assistance, \$32.2M of Low Carbon Funding Programs, and \$15.7M of local and other assistance.

The proposed operating budget authorizes FY26 expenditures of \$1.2B, while funding 3,760.1 operating and 44.5 reimbursable full-time equivalent positions (FTEs) in FY26.

One change has been made to the budget presented to the Board on May 22, 2025 Board presentation (“FY26 & FY27 Sources, Uses & Service Plan”):

- Transfer of \$38.2M in retiree medical contributions from the Labor budget to Debt Service and Allocations. This change will allow BART to save additional funds for deployment in FY27, while preserving flexibility to deposit them into the Retiree Health Benefits Trust at a later date. The overall budget does not change; rather the expense is being transferred from Labor to Debt Service and Allocations.

**The Labor Budget includes:**

- Previously negotiated wage increases of 2% on July 1 and 2% on Jan 1 in FY26 for AFSCME, ATU, SEIU, and non-represented employees as well as a 3.5% increase in FY26 for BPOA/BPMA employees.
- Elimination of funding for 45 vacant positions frozen by the General Manager in February 2025 and the net addition of 17 Full Time Equivalent (FTE) positions including 5 in Progressive Policing, 6 in Human Resources, 1 in Maintenance, 1 in the Office of the Inspector General, 1 in Capital Corridor, 1 in the Office of the CFO, and some conversions of part time station agents and train operators to full time.
- Reduction of \$38.2M in retiree medical contributions, transferred to allocations (noted above).
- An operating position vacancy rate assumption of 5% and a capital position vacancy rate assumption of 18%. The current rates are 6.3% and 18.6%, respectively. Separate budgeting of these rates is intended to bring expected capital reimbursements budget closer to actuals.

**The Non-Labor Budget includes:**

- A net Non-Labor budget reduction of \$9.9M compared to the FY25 Adopted Budget.
- A total of \$7M in targeted reductions to most BART departments.
- Power cost increases of \$3.4M in FY26, due to increased energy supply costs and distribution/delivery rates.
- An increase of \$3.8M in Paratransit in FY26 from increased demand for service, new vendor contracts and higher labor costs.
- \$14M in other non labor reductions from the Clipper 1 phase out, no election costs in FY26, and completion of the legacy fleet inventory write offs in FY25.

**Debt Service and Allocations include:**

- The deferral of retiree medical contributions by transferring \$38.2M from the Labor Budget to an operating reserve account to provide increased flexibility for future year operating funding.
- The suspension of BART’s Sustainability, Pension and Priority Capital allocations. Emergency Funding of \$315.0M in FY26 balances the budget. What is left of the \$58M of State/Regional Emergency Assistance disbursed in FY25 will be exhausted in FY26 and the remaining State/Regional Emergency Assistance of \$294M will be disbursed and exhausted in FY26.

**FY26 Capital Budget**

- Changes since the May 8th Board presentation (“FY26 & FY27 Preliminary Capital Budget”):
- Minor adjustments based on project manager refinement of schedule and budget for select projects.
- The FY26 Capital Budget anticipates a maximum investment of \$1.1B in FY26 in BART’s capital assets and funds 795.1 FTEs.

- The Annual Capital Budget provides an estimate of work planned to be completed in FY26. The majority (98%) of planned investments are in System Reinvestment and Service and Capacity Enhancement. The top 5 projects with the highest capital budgets represent 71% of the total FY26 Capital Budget. The largest investments are in the Core Capacity Program, including investment in Communications-based Train Control (CBTC) and Rail Car Procurement Phase 2. There is also significant investment in the new BART Police Headquarters, for which construction is scheduled to be substantially complete summer of 2026. The remaining 29% of the FY26 Capital Budget invests predominantly in Traction Power, Track & Structures, and Stations projects. 63% of the Capital Budget is funded with regional, local and BART sources including Capital Allocations, BART Measure RR, Regional Measure 3 and county contributions. The remaining 37% of the Capital Budget is funded from Federal and State grants, including State SB1 program funding, FTA Capital Investment Grant, and Federal Formula Funds.

## **FY26 Budget Resolution**

Staff recommends approval of the attached Resolution to adopt the FY26 Annual Budget. The Budget Resolution includes authorizations that allow the General Manager, the Chief Financial Officer, or the General Manager's designee to apply to different bodies for grant funds (including, but not limited to, Transportation Development Act, State Transit Assistance, Bridge Toll, Federal Emergency Management Agency, SB 125, and Federal Transit Administration). It also includes authorizations that allow the General Manager or the General Manager's designee to execute agreements that may require payments to regional partner governments and agencies. The Budget Resolution incorporates provisions referring to the SFO Extension and Silicon Valley extension service plans.

For FY26, the budget suspends the Low Carbon Fuel Standard Policy, adopted on July 27, 2017, which allocates revenues directed toward sustainability-related projects, and the Pension Funding Policy, adopted on March 28, 2019, which sets aside funds to pay down pension liability in future years. The budget also defers priority capital allocations for FY26.

The Budget Resolution language includes the General Manager's permanent position authorization of up to 100 positions in each fiscal year. This provides the flexibility necessary to meet operational needs as they arise over the course of the fiscal year.

The Budget Resolution has been edited for clarity and consistency with applicable laws, Board rules, and regulatory requirements. This includes the removal of older, unclear language about notice from the General Manager to the Board when budgets are increased mid-year by more than 10% and having the Board approve the Budget to match actuals. Staff note variances in quarterly financial reports sent to the Board and are regularly presented at meetings and the budget and actuals are also presented to the Board.

Exhibit A (attached) to the Budget Resolution summarizes operating and capital budget totals. Exhibit B reflects current hourly pay rates or base pay ranges, as applicable, and management incentive pay, if any, for non-represented employees.

**FISCAL IMPACT:** The proposed FY26 Annual Budget is balanced. The fiscal outlook will be updated and the budget may be revised as conditions and actuals change over the course of the fiscal year.

**ALTERNATIVES:** Do not adopt the budget or adopt a budget that differs from what has been presented to the Board of Directors. Rules of the Board of Directors require that the budget be adopted prior to June 30th; adoption of the Budget Resolution by June 30th is required to authorize expenditures in FY26.

**RECOMMENDATION:** Adoption of the following motion.

**MOTION:** The Board adopts the attached Resolution in the matter of approving the Annual

Budget for the San Francisco Bay Area Rapid Transit District and authorizes expenditures for Fiscal Year 2026, July 1, 2025 to June 30, 2026.

**BEFORE THE BOARD OF DIRECTORS OF THE  
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

**In the matter of approving The  
Annual Budget for the San  
Francisco Bay Area Rapid Transit  
District and authorizing  
Expenditures for the Fiscal Year  
July 1, 2025, to June 30, 2026**

Resolution No. \_

**WHEREAS**, the Board of Directors of the San Francisco Bay Area Rapid Transit District desires to adopt an Annual Budget for the Fiscal Year July 1, 2025, to June 30, 2026; and

**WHEREAS**, the Board of Directors of the San Francisco Bay Area Rapid Transit District is required by Public Utilities Code Section 28767 to determine and create, by resolution, such number and character of positions as are necessary to properly carry out the functions of the District; and

**WHEREAS**, the Transportation Development Act (TDA), Public Utilities Code §99200, et seq., provides for the disbursement of funds from the Local Transportation Fund of the Counties of Alameda and Contra Costa for use by eligible claimants for the purpose of operating assistance; and

**WHEREAS**, the State Transit Assistance (STA) fund makes funds available pursuant to Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

**WHEREAS**, as attested to by opinions of the Office of the General Counsel, the San Francisco Bay Area Rapid Transit District is an eligible applicant for Net Toll Revenues and MTC Rail Extension Reserve bridge toll revenues pursuant to Section 30892 of the Streets and Highways Code; and is an eligible claimant for TDA and STA funds pursuant to Public Utilities Code Section 99260; and

**WHEREAS**, San Francisco Bay Area Rapid Transit District supports the Senate Bill 125 Regional Accountability Measures memorialized in MTC Resolution No. 4619 (November 2023) and commits to advancing the achievement of these initiatives to the best of its abilities; and

**WHEREAS**, the agreement between the San Francisco Bay Area Rapid Transit District and San Mateo County Transit District, dated April 27, 2007, states that the San Francisco Bay Area Rapid Transit District will provide service on the San Francisco Airport (SFO) extension in a manner consistent with BART's system-wide operating policies; and

**WHEREAS**, the agreement between the San Francisco Bay Area Rapid Transit District and Santa Clara Valley Transportation Authority, dated May 22, 2020, states that the San Francisco Bay Area Rapid Transit District will provide service on the Silicon Valley Extension in a manner consistent with BART's system-wide operating policies; and

**WHEREAS**, the Federal Emergency Management Agency (FEMA) or its designee makes reimbursement funds available pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. 5121 et seq.); and

**WHEREAS**, the Regional Institutional and Employer Pass Pilot program began the first phase of

implementation in August 2022 with the product branded as Clipper BayPass; and

**WHEREAS**, the system-wide operating plan for Fiscal Year 2026 was presented to the Board of Directors on May 22, 2025, in a presentation entitled “Fiscal Year 2026 and Fiscal Year 2027 Budget Sources, Uses and Service Plan”; and

**NOW, THEREFORE, BE IT RESOLVED** that the attached Annual Budget (marked Exhibit A and incorporated herein as though set forth at length) is hereby adopted; and

**BE IT FURTHER RESOLVED** that, subject to the resolved clauses, said Annual Budget includes appropriations of monies expected to be available in the General Fund, Capital Funds including Construction Funds and existing and anticipated Federal, State and local grants, for expenditures in the amounts and for the purposes set forth in said budget; and

**BE IT FURTHER RESOLVED** that, subject to the resolved clauses, said Annual Budget includes a fare increase consistent with Board Resolution 5405 (“New Fare Rates and Charges: Series 3, 2022-2026, Productivity-Adjusted Inflation-Based Fare Increase Program”) adopted June 13, 2019; and

**BE IT FURTHER RESOLVED** that, subject to the resolved clauses, said Annual Budget includes a deferral of priority capital allocations for the duration of Fiscal Year 2026, and the Attachments and Exhibits reflect such deferral; and

**BE IT FURTHER RESOLVED** that, subject to the resolved clauses, said Annual Budget includes participation in the No-Cost and Reduced Cost Interagency Transfer Pilot Program as well as the Regional Institutional and Employer Pass Pilot program branded as Clipper BayPass, subject to program amendments and revisions endorsed by the Fare Integration Task Force; and

**BE IT FURTHER RESOLVED** that, subject to the resolved clauses, said Annual Budget includes a suspension of previously adopted Board policy and resolution for the duration of Fiscal Year 2026 and until further notice, including:

- (1) BART Low Carbon Fuel Standard Policy adopted July 27, 2017;
- (2) Pension Funding Policy adopted March 28, 2019; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to enter into services agreements (including professional, technical, maintenance and repair agreements) and lease or license agreements for District use of real property, facilities, equipment, and software provided that:

- (1) The General Manager shall first determine that the work or services concerned, in the amounts authorized in a service agreement, cannot satisfactorily be performed by the officers or employees of the District;
- (2) Agreements that are let by public bidding, service, lease, and license agreements, and amendments thereto, between \$25,000 and \$100,000, shall be reported bi-monthly to the Board of Directors;
- (3) Prior authorization by the Board of Directors is required when:
  - a. The agreement, and amendments thereto, total in the aggregate \$100,000 or more in the fiscal year; or
  - b. Amendments total in the aggregate \$100,000 or more in any subsequent fiscal year;

- (4) The General Counsel is authorized to enter into services agreements in amounts up to \$100,000 with special counsel not previously designated by the Board without prior notice to the Board where the General Counsel determines that such immediate action is necessary to protect the legal interests of the District. Any such agreement shall be reported by the General Counsel to the Board within the calendar month thereafter; and
- (5) The General Manager is authorized to enter into services agreements up to \$1,000,000 in the event of an official emergency, including but not limited to a public health emergency, declared by the federal, state, or a local government. The General Manager may enter into such agreements without prior notice to the Board where the General Manager determines that such immediate action is necessary to protect the health and safety of District employees, contractors, and customers, and to operate essential services. Any such agreement shall be reported by the General Manager to the Board within the calendar month thereafter; and
- (6) The General Manager's authority to take immediate remedial measures, as defined in Section 20224 of the California Public Contract Code, and as authorized in Resolution No. 4834 shall remain unchanged; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to exchange District goods and services for goods and services from others of approximately equal or greater value; and

**BE IT FURTHER RESOLVED** that all disbursements resulting from the exercise of authority granted to the General Manager pursuant to this resolution shall be reported to the Board of Directors in the District's quarterly financial report; and

**BE IT FURTHER RESOLVED THAT** that the General Manager is authorized to waive minor irregularities in bid documents prior to recommending contract awards to the Board; and

**BE IT FURTHER RESOLVED** that the General Manager, the Chief Financial Officer or their designee is authorized to execute and file a Bridge Toll Application, a TDA Application and an STA Application along with necessary supporting documents, with the Metropolitan Transportation Commission for allocation of bridge toll revenues, TDA and STA funds in Fiscal Year 2026; and

**BE IT FURTHER RESOLVED** that the General Manager, the Chief Financial Officer or their designee is authorized to execute and file a reimbursement claim with FEMA or its designee for expenses incurred in Fiscal Year 2026; and

**BE IT FURTHER RESOLVED** that the San Francisco Bay Area Rapid Transit District's system-wide operating policies shall be generally as set forth in the May 22, 2025, presentation entitled "Fiscal Year 2026 and Fiscal Year 2027 Budget Sources, Uses and Service Plan", subject to such adjustments that staff determines necessary to operate the service in the public's interest; and

**BE IT FURTHER RESOLVED** that the General Manager, the Chief Financial Officer or their designee is authorized to execute agreements with regional transit operators 1) to provide or receive transfer payments, such transfer payments being paid or received by the District to facilitate the coordination of transit service and 2) to delineate financial, construction and operational obligations related to capital investments; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to make expenditures and incur liabilities against said funds within the limits set forth in said budget and the provisions of this Resolution, and to act on behalf of the District in connection with contracts arising thereunder, by following the procedures provided by law, and by Board of Directors' Resolutions and Board Rules, except that no contractual obligation shall be assumed by the District in excess of its ability to pay, and provided further

that all expenditures shall be in conformance with statutory and other restrictions placed on the use of said funds; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to make emergency expenditures which are made in accordance with Resolution No. 4834 and Public Contract Code Section 20224; and

**BE IT FURTHER RESOLVED** that the General Manager is authorized to act on behalf of the District, and to make expenditures and incur liabilities against all funds of the District as provided for in contracts which have been authorized by the Board of Directors of the District and that the Board's authorizations of such contracts also include the necessary appropriations for such contracts and change orders authorized by Rules approved by the Board, subject, however, to compliance with such specific appropriation resolutions as may be adopted by the Board from time to time; and

**BE IT FURTHER RESOLVED** that the General Manager or the General Manager's designee is authorized to issue free or discounted promotional rides in Fiscal Year 2026 for purposes of building ridership on the system, consistent with ridership development guidelines; and

**BE IT FURTHER RESOLVED** that effective July 1, 2025:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2025, budgeted for the District shall be 4,599.75 in Fiscal Year 2026 (a part-time position is counted as 0.625 positions). Additional permanent positions are authorized, as required, not to exceed 100 positions;
- (2) The character and salary ranges of such positions, including officers appointed by the Board pursuant to Public Utilities Code Section 28811 shall be as set forth in the agreements entered into with Service Employees' International Union, Local 1021, Amalgamated Transit Union, Local 1555, American Federation of State and County Municipal Employees, Local 3993, the BART Police Officers Association and the BART Police Managers Association as to the employees represented thereby, and with other Bargaining Units for employees that may later be represented thereby, and for all other employees as set forth in the attached "Exhibit B", incorporated herein as though set forth at length. The employment benefits for non-represented employees shall be administered by the General Manager in accordance with Board Rule 4-1.2;
- (3) The General Manager is authorized to make future adjustments to the Professional/Management Salary Ranges ("Exhibit B") for non-represented employees in accordance with applicable provisions of the Compensation Manual, which reflects the District policy and practice to evaluate such ranges on an annual basis and to establish the mid-points of the pay ranges for positions so that they approximate the 75<sup>th</sup> percentile of the average of salaries paid for similar jobs in the labor market and to promptly advise the Board of any and all such range adjustments. The General Manager is directed to initiate the annual review by October of each year; and
- (4) The District Secretary shall ensure that an amendment to Exhibit B be prepared to reflect any adjustment to the hourly wage rates or professional/management pay bands as provided above or any adjustment to the Board appointed officers' salaries as a result of merit adjustments or scheduled increases provided in such officers' employment agreements that take effect during the fiscal year. The District Secretary shall attach any such amendment to Exhibit B as an addendum to this resolution; and

**BE IT FURTHER RESOLVED** that the General Manager, the Chief Financial Officer or their designee shall post all grant application summaries online to the public as they are submitted, except those that if made public would compromise the security of the system.

## Attachment 1

### FY26 District Operating Budget Sources and Uses Detail

|                                                  | FY26<br>Preliminary<br>Budget | FY26<br>Proposed<br>Budget | Delta from<br>Preliminary<br>Budget |
|--------------------------------------------------|-------------------------------|----------------------------|-------------------------------------|
| Rail Passenger Revenue                           | \$ 258,813,827                | \$ 259,114,619             | \$ 300,792                          |
| ADA Passenger Revenue                            | \$ 640,000                    | \$ 640,000                 | -                                   |
| Parking Revenue                                  | \$ 16,008,707                 | \$ 19,910,046              | 3,901,339                           |
| Other Operating Revenue                          | \$ 45,430,155                 | \$ 45,430,155              | (0)                                 |
| <b>Subtotal - Operating Revenue</b>              | <b>\$ 320,892,689</b>         | <b>\$ 325,094,820</b>      | <b>\$ 4,202,131</b>                 |
| Sales Tax Proceeds                               | \$ 318,481,837                | \$ 314,100,000             | (4,381,837)                         |
| Property Tax Proceeds                            | \$ 68,029,798                 | \$ 68,029,798              | 0                                   |
| MTA Financial Assistance                         | \$ 35,982,655                 | \$ 35,936,613              | (46,042)                            |
| MTC Financial Assistance Clipper Start           | \$ 1,739,439                  | \$ 2,267,763               | 528,324                             |
| Local & Other Assistance                         | \$ 13,440,306                 | \$ 13,440,306              | (0)                                 |
| State Transit Assistance                         | \$ 43,105,220                 | \$ 45,799,669              | 2,694,449                           |
| Low Carbon Transit Operations Program            | \$ 10,500,000                 | \$ 10,500,000              | -                                   |
| Low Carbon Fuel Standard Program                 | \$ 21,700,000                 | \$ 21,700,000              | -                                   |
| <b>Subtotal - Financial Assistance</b>           | <b>\$ 512,979,254</b>         | <b>\$ 511,774,149</b>      | <b>\$ (1,205,105)</b>               |
| <b>TOTAL - OPERATING SOURCES</b>                 | <b>\$ 833,871,943</b>         | <b>\$ 836,868,969</b>      | <b>\$ 2,997,026</b>                 |
| Labor & Benefits                                 | \$ 801,140,972                | \$ 763,309,432             | (37,831,540)                        |
| ADA Paratransit                                  | \$ 26,300,000                 | \$ 26,300,000              | -                                   |
| Purchased Transportation                         | \$ 8,581,331                  | \$ 8,581,331               | -                                   |
| Power                                            | \$ 64,996,543                 | \$ 64,996,543              | -                                   |
| Other Non-Labor                                  | \$ 143,480,922                | \$ 143,480,922             | -                                   |
| <b>Subtotal - Operating Expense</b>              | <b>\$ 1,044,499,768</b>       | <b>\$ 1,006,668,228</b>    | <b>\$ (37,831,540)</b>              |
| Bond Debt Service                                | \$ 60,178,575                 | \$ 60,178,575              | -                                   |
| Allocation - Capital Rehabilitation              | \$ 43,819,948                 | \$ 43,819,948              | -                                   |
| Allocation - Priority Capital Programs           | \$ -                          | \$ -                       | -                                   |
| Allocation - RHBT                                | \$ -                          | \$ 38,185,000              | 38,185,000                          |
| Allocation - Other                               | \$ 2,967,243                  | \$ 2,967,243               | -                                   |
| Allocations                                      | \$ 46,787,191                 | \$ 84,972,191              | 38,185,000                          |
| <b>Subtotal - Debt Service &amp; Allocations</b> | <b>\$ 106,965,766</b>         | <b>\$ 145,150,766</b>      | <b>\$ 38,185,000</b>                |
| <b>TOTAL - USES</b>                              | <b>\$ 1,151,465,534</b>       | <b>\$ 1,151,818,994</b>    | <b>\$ 353,460</b>                   |
| <b>Net Result Before Emergency Assistance</b>    | <b>\$ (317,593,591)</b>       | <b>\$ (314,950,025)</b>    | <b>\$ 2,643,566</b>                 |
| <b>Emergency Assistance</b>                      | <b>\$ 317,593,591</b>         | <b>\$ 314,950,025</b>      | <b>\$ (2,643,566)</b>               |
| <b>NET RESULT</b>                                | <b>\$ -</b>                   | <b>\$ -</b>                | <b>\$ -</b>                         |

|                             |            |            |         |
|-----------------------------|------------|------------|---------|
| Average Weekday Trips       | 176,200    | 178,100    | 1,900   |
| Total Ridership             | 53,648,900 | 54,191,100 | 542,200 |
| Rail Farebox Recovery Ratio | 25%        | 26%        |         |
| Operating Ratio             | 31%        | 32%        |         |

## Attachment 2

### FY26 Capital Budget Program Summary by Category

| Program<br>Category                           | FY26<br><u>Planned Expenditures</u> |
|-----------------------------------------------|-------------------------------------|
| <b>System Reinvestment</b>                    |                                     |
| Mainline                                      | 123,155,712.34                      |
| Rolling Stock                                 | 51,800,674.27                       |
| Stations                                      | 59,627,985.85                       |
| Controls & Communications                     | 155,045,086.72                      |
| Facilities                                    | 10,057,964.51                       |
| Work Equipment                                | <u>442,357.28</u>                   |
| <b>Total System Reinvestment</b>              | <b><u>\$ 400,129,781</u></b>        |
| <b>Service &amp; Capacity Enhancement</b>     |                                     |
| Mainline                                      | 33,189,726.47                       |
| Rolling Stock                                 | 441,068,288.38                      |
| Stations                                      | 62,962,431.32                       |
| Controls & Communications                     | 68,160,852.38                       |
| Facilities                                    | 92,440,995.03                       |
| Work Equipment                                | <u>6,340,191.80</u>                 |
| <b>Total Service and Capacity</b>             | <b><u>\$ 704,162,485</u></b>        |
| <b>Safety &amp; Security</b>                  | 10,945,619.40                       |
| <b>Earthquake Safety</b>                      | 559,876.31                          |
| <b>System Development</b>                     | <u>10,190,433.05</u>                |
| <b>TOTAL CAPITAL</b>                          | <b><u>\$ 1,125,988,195</u></b>      |
| <br><b>Total Authorized Capital Positions</b> | <br><b>795.1</b>                    |

# EXHIBIT A

## SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT ONE YEAR BUDGET - FY26

### FUND SOURCES

FY26

#### FUND SOURCES FOR NET OPERATING EXPENSE BUDGET,

#### DEBT SERVICE AND CAPITAL ALLOCATIONS

|                                        |    |                      |
|----------------------------------------|----|----------------------|
| Operating Revenue                      | \$ | 325,094,820          |
| Sales Tax                              |    | 314,100,000          |
| Property Tax                           |    | 68,029,798           |
| MTA Financial Assistance               |    | 35,936,613           |
| MTC Financial Assistance Clipper Start |    | 2,267,763            |
| Local & Other Assistance               |    | 13,440,306           |
| State Transit Assistance               |    | 45,799,669           |
| Low Carbon Transit Operations Program  |    | 10,500,000           |
| Low Carbon Fuel Standard Program       |    | 21,700,000           |
| <b>Subtotal Operating Sources</b>      |    | <b>836,868,969</b>   |
| Emergency Assistance                   |    | 314,950,025          |
| <b>Subtotal – Emergency Assistance</b> |    | <b>314,950,025</b>   |
| <b>Total Operating Sources</b>         |    | <b>1,151,818,994</b> |

#### FUND SOURCE FOR CAPITAL BUDGET

|                           |    |               |
|---------------------------|----|---------------|
| Capital Funds - Cash Flow | \$ | 1,125,988,195 |
|---------------------------|----|---------------|

**TOTAL ESTIMATED FUND SOURCES** **\$ 2,277,807,189**

### FUND USES

#### FUND USES FOR NET OPERATING EXPENSES BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS

|                                                   |           |                      |
|---------------------------------------------------|-----------|----------------------|
| Net Labor Expense <sup>(1)</sup>                  | \$        | 763,309,432          |
| Non-Labor Expense                                 |           | 243,358,796          |
| <b>Total Net Operating Expense</b>                | <b>\$</b> | <b>1,006,668,228</b> |
| Revenue Bond Debt Service                         |           | 60,178,575           |
| Allocation to Capital - Rehabilitation            |           | 43,819,948           |
| Allocation to Capital - Priority Capital Programs |           | 0                    |
| Allocation - RHBT                                 |           | 38,185,000           |
| Allocation to Capital - Other                     |           | 2,967,243            |
| Allocation - Sustainability from LCFS             |           | 0                    |
| Allocation - Pension                              |           | 0                    |
| <b>Total Operating Uses</b>                       | <b>\$</b> | <b>1,151,818,994</b> |

#### FUND USES FOR CAPITAL BUDGET

|                           |    |               |
|---------------------------|----|---------------|
| Capital Funds - Cash Flow | \$ | 1,125,988,195 |
|---------------------------|----|---------------|

**TOTAL ESTIMATED FUND USES** **\$ 2,277,807,189**

**NET FINANCIAL RESULT (DEFICIT)** **\$ (0)**

<sup>(1)</sup> Total Authorized Permanent Positions as of 07/01/25 = 4,599.75

**EXHIBIT B**

**CHARACTER, BASE SALARIES, PAY BANDS,  
HOURLY WAGE RATES, AND MANAGEMENT  
INCENTIVE PAY OF MANAGEMENT AND NON-  
REPRESENTED CLASSIFICATIONS**

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**CHARACTER OF POSITION/PAYROLL CLASSIFICATION TITLE**

**HOURLY WAGE RANGE**

| <b>CLERICAL &amp; HOURLY</b>              | <b>STEP 1</b>    | <b>STEP 2</b>    | <b>STEP 3</b>    | <b>STEP 4</b>    | <b>STEP 5</b>    | <b>STEP 6</b>    |
|-------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>P/T RECEPTIONIST</b>                   | <b>\$38.6033</b> | <b>\$40.2761</b> | <b>\$41.8265</b> | <b>\$43.4172</b> | <b>\$45.0493</b> | <b>\$45.6758</b> |
| <b>PARALEGAL</b>                          | <b>\$45.9515</b> | <b>\$47.9461</b> | <b>\$49.7930</b> | <b>\$51.6904</b> | <b>\$53.6369</b> | <b>\$54.3767</b> |
| <b>P/T SURVEY TAKER<br/>(SINGLE RATE)</b> | <b>\$44.2270</b> |                  |                  |                  |                  |                  |

NOTE: The clerical rates are effective 07/01/2025.

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**PROFESSIONAL/MANAGEMENT PAY BANDS**

| <b>PAY<br/>BAND</b> | <b>MINIMUM</b> | <b>MIDPOINT</b> | <b>MAXIMUM</b> |
|---------------------|----------------|-----------------|----------------|
| <b>16</b>           | \$271,774      | \$341,757       | \$411,739      |
| <b>15</b>           | \$247,067      | \$310,688       | \$374,308      |
| <b>14</b>           | \$224,607      | \$282,443       | \$340,279      |
| <b>13</b>           | \$204,188      | \$256,767       | \$309,345      |
| <b>12</b>           | \$185,624      | \$233,423       | \$281,222      |
| <b>11</b>           | \$173,480      | \$218,152       | \$262,824      |
| <b>10</b>           | \$162,131      | \$203,880       | \$245,629      |
| <b>9</b>            | \$151,524      | \$190,542       | \$229,559      |
| <b>8</b>            | \$141,610      | \$178,075       | \$214,540      |
| <b>7</b>            | \$132,346      | \$166,426       | \$200,505      |
| <b>6</b>            | \$123,687      | \$155,537       | \$187,387      |
| <b>5</b>            | \$115,595      | \$145,361       | \$175,127      |
| <b>4</b>            | \$108,032      | \$135,851       | \$163,670      |
| <b>3</b>            | \$100,964      | \$126,963       | \$152,962      |
| <b>2</b>            | \$94,359       | \$118,657       | \$142,954      |
| <b>1</b>            | \$88,185       | \$110,894       | \$133,602      |

NOTE: Effective date 06/30/2024

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| <b>MANAGEMENT INCENTIVE PAY (ANNUAL)</b>                      | <b>Amount</b> |
|---------------------------------------------------------------|---------------|
| Assistant General Manager - Operations                        | \$4,800       |
| Assistant General Manager - External Affairs                  | \$4,800       |
| Assistant General Manager - Administration                    | \$4,800       |
| Assistant General Manager - Technology/CIO                    | \$4,800       |
| Assistant General Manager - Office of Infrastructure Delivery | \$4,800       |
| Assistant General Manager - Performance & Budget              | \$4,800       |
| Assistant General Manager - Finance                           | \$4,800       |
| Chief Financial Officer                                       | \$4,800       |
| Deputy General Manager                                        | \$4,800       |
| Managing Director - Capitol Corridor                          | \$4,800       |
| Police Chief                                                  | \$4,800       |
| Deputy Police Chief                                           | 10%           |

Due to the unique nature of these jobs as executive management employees, these classifications are eligible to receive Management Incentive Pay of

\$4,800 annually (26 equal pay period installments of \$184.61).

Due to the unique nature of the job as first level management over Police Lieutenants, the Deputy

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Police Chief classification is eligible to receive Deputy Police Chief Management Incentive Pay in the amount of 10% of the regular base pay rate.

| <b>BOARD APPOINTED OFFICERS' ANNUAL SALARIES</b> |                      |                  |
|--------------------------------------------------|----------------------|------------------|
|                                                  | <b>Base Salaries</b> | <b>Effective</b> |
| DISTRICT SECRETARY                               | \$208,884.00         | 7/1/2024         |
| GENERAL COUNSEL                                  | \$353,600.00         | 7/1/2024         |
| GENERAL MANAGER                                  | \$456,846.00         | 1/1/2025         |
| INDEPENDENT POLICE AUDITOR                       | \$224,649.23         | 7/1/2023         |
| INSPECTOR GENERAL                                | \$235,664.00         | 7/1/2024         |

Note: No rate increases approved for Board Appointed Officers in FY26.

## Attachment F: Fund Balance

The following table summarizes the fund balances at the beginning of the fiscal year, the sources and uses of funds during Net Position Rollforward from June 30, 2024 through June 30, 2025

|                                                         | Fiscal Year 2024 |                               |                  | Fiscal Year 2025 |                               |                  |
|---------------------------------------------------------|------------------|-------------------------------|------------------|------------------|-------------------------------|------------------|
|                                                         | General Fund     | Capital and Debt Service Fund | Total            | General Fund     | Capital and Debt Service Fund | Total            |
| Beginning Balance                                       | 8,806,599,178    | (563,250,807)                 | 8,243,348,371    | 9,252,455,235    | (599,648,135)                 | 8,652,807,100    |
| Prior Period Adjustment - GASB 101 Compensated Absences |                  |                               |                  | (15,486,151) 7   |                               | (15,486,151)     |
| Adjusted Beginning Balance                              |                  |                               |                  | 9,236,969,084    | (599,648,135)                 | 8,637,320,949    |
| <b>Sources of Funds</b>                                 |                  |                               |                  |                  |                               |                  |
| Passenger Fares                                         | 218,988,017      |                               | 218,988,017      | 243,623,845      |                               | 243,623,845      |
| Other Operating Income                                  | 39,636,323       |                               | 39,636,323       | 38,038,657       |                               | 38,038,657       |
| Sales Tax Revenue                                       | 320,132,584      |                               | 320,132,584      | 317,276,070      |                               | 317,276,070      |
| Property Taxes                                          | 65,082,449       | 153,635,435 1                 | 218,717,884      | 66,323,067       | 172,171,859 1                 | 238,494,926      |
| Investment Income                                       | 38,383,315       | 36,181,508                    | 74,564,823       | 42,683,709       | 16,857,714                    | 59,541,423       |
| Financial Assistance                                    | 320,534,145      | 655,789,792 2                 | 976,323,937      | 184,968,193      | 829,762,326 2                 | 1,014,730,519    |
| Gain from Exchange of Property                          | 29,436,211       |                               | 29,436,211       |                  | -                             | -                |
| Total Sources of Funds                                  | 1,032,193,044    | 845,606,735                   | 1,877,799,779    | 892,913,541      | 1,018,791,899                 | 1,911,705,440    |
| <b>Uses of Funds</b>                                    |                  |                               |                  |                  |                               |                  |
| Operating Expenses Excluding Depreciation               | (1,028,937,219)  |                               | (1,028,937,219)  | (1,058,319,556)  |                               | (1,058,319,556)  |
| Depreciation                                            | (318,013,690)    |                               | (318,013,690)    | (309,073,973)    |                               | (309,073,973)    |
| Planning & Studies Expense                              |                  | (23,353,629)                  | (23,353,629)     |                  | (6,114,854)                   | (6,114,854)      |
| Interest and Debt Service Expense                       | (2,305,191)      | (95,731,321)                  | (98,036,512)     | (2,026,183)      | (97,281,857)                  | (99,308,040)     |
| Debt Service Allocations                                | (60,131,289)     | 60,131,289                    | -                | (60,163,276)     | 60,163,276                    | -                |
| Capital Allocation and Transfers                        | (70,304,312) 3   | 70,304,312                    | -                | 23,241,851 3     | (23,241,851)                  | -                |
| Transfer of Completed and Capitalized Fixed Assets      | 876,826,698 4    | (876,826,698)                 | -                | 831,758,175 4    | (831,758,175)                 | -                |
| Transfer of Expenses Paid by Capital Fund - GASB 87     | 7,617,468 5      | (7,617,468)                   | -                | 5,486,502 5      | (5,486,502)                   | -                |
| Transfer of Expenses Paid by Capital Fund - GASB 96     | 1,948,378 6      | (1,948,378)                   | -                | 441,175 6        | (441,175)                     | -                |
| Transfer of Materials Inventory from Capital Projects   | 6,962,170        | (6,962,170)                   | -                | 9,400,004        | (9,400,004)                   | -                |
| Total Uses of Funds                                     | (586,336,987)    | (882,004,063)                 | (1,468,341,050)  | (559,255,281)    | (913,561,142)                 | (1,472,816,423)  |
| End Balance                                             | \$ 9,252,455,235 | \$ (599,648,135)              | \$ 8,652,807,100 | \$ 9,570,627,344 | \$ (494,417,378)              | \$ 9,076,209,966 |

- 1 The District receives property tax allocations for debt service payments of outstanding General Obligation Bonds.
- 2 These are grant funds the District received for capital projects.
- 3 Capital Allocations and Transfers include allocations from the General Fund to the Capital Fund to support ongoing capital needs. This also include reverse capital allocations to the General Fund to cover funding of project expenses considered non-capitalizable, which are recognized as operating expenses, and reversal of uncommitted funds allocated in prior years.
- 4 The District recognizes capitalized fixed assets upon acquisition or project completion in the General Fund. Depreciation expense and resulting gain or losses from disposition of fixed assets are included in operations. The District ignores depreciation for budgeting purposes.
- 5 Transfer of lease related project expenses to General Fund required to be accounted for under GASB 87.
- 6 Transfer of SBITA related project expenses to General Fund required to be accounted for under GASB 96.
- 7 Prior period adjustment from implementation of GASB 101, Compensated Absences.

## Attachment G: FY26 Capital Budget

| Project Name                                                  | CIP Category                 | Adopted FY26 Capital Budget |
|---------------------------------------------------------------|------------------------------|-----------------------------|
| TBT Cathodic Protection Upgrade/Replacement                   | Electrical and Mechanical    | 2,187,688                   |
| TBT Cathodic Protection Survey and Assessment                 | Electrical and Mechanical    | 28,121                      |
| SFTS Cathodic Protection Survey and Assessment                | Electrical and Mechanical    | 10,316                      |
| Transbay Tube 480V Switchgear Replacement, XF Pads            | Electrical and Mechanical    | 76,626                      |
| SFTS Transformer Upgrade                                      | Electrical and Mechanical    | 512,793                     |
| Pipe/Structure Repair to MW-21                                | Electrical and Mechanical    | 75,138                      |
| Tunnel Lighting Replacement on M-Line                         | Electrical and Mechanical    | 2,301,239                   |
| Tunnel LED Lighting in TBT                                    | Electrical and Mechanical    | 3,362,028                   |
| Tunnel Lighting Replacement, Walnut Creek Tunnel              | Electrical and Mechanical    | 50,276                      |
| Tunnel Lighting Replacement, R-Line and Berkeley Hills Tunnel | Electrical and Mechanical    | 132,813                     |
| Retrofit Undercar Deluge Sys                                  | Electrical and Mechanical    | 246,420                     |
| MP-3000 Replacement at W-Line Vent Structures                 | Electrical and Mechanical    | 269,425                     |
| UPS W-Line Tunnel Emerg Light                                 | Electrical and Mechanical    | 414,495                     |
| Emergent R/R-Critical Electrical Components                   | Electrical and Mechanical    | 328,217                     |
| Mobile Generator for Emergency Power Enhancements             | Electrical and Mechanical    | 490,816                     |
| Station Emergency Lighting, San Francisco County Stations     | Electrical and Mechanical    | 349,165                     |
| District-wide Lighting Program                                | Electrical and Mechanical    | 1,606,061                   |
| Station Fire Alarm Replacement, 3 Stations                    | Electrical and Mechanical    | 1,312,815                   |
| Station Fire Alarm Replacement, 6 Stations                    | Electrical and Mechanical    | 5,458,890                   |
| BHT Power Distribution Replacement                            | Electrical and Mechanical    | 529,544                     |
| Battery Replacement for Train Control Rooms                   | Electrical and Mechanical    | 1,329,778                   |
| Mechanical Programmatic Support for RR Bonds                  | Electrical and Mechanical    | 593,710                     |
| Train Control Room UPS Replacement, 45 locations              | Electrical and Mechanical    | 1,207,263                   |
| Energy Resiliency Studies&Desi                                | Electrical and Mechanical    | 1,385,288                   |
| Berkeley Hills Emrgcy Vent Sys                                | Electrical and Mechanical    | 1,358,453                   |
| Third Rail Improvement Generation 2 Project                   | Electrical and Mechanical    | 455,306                     |
| Rail Car Procurement Phase 1 Acquisition Planning             | Rail Cars                    | 5,179,818                   |
| Rail Car Procurement Phase 1                                  | Rail Cars                    | 52,918,717                  |
| Rail Car Procurement Phase 1 Warranty-Reimbursable            | Rail Cars                    | 1,909,720                   |
| Rail Car Procurement Phase 2 Contract                         | Rail Cars                    | 425,090,089                 |
| Rail Car Procurement Phase 2                                  | Rail Cars                    | 6,080,619                   |
| New Car Phase 2 Warranty-Reimb                                | Rail Cars                    | 1,690,000                   |
| Hayward Maintenance Complex Phase 1a                          | Shops, Yards, and Facilities | 20,000                      |
| HMC Vehicle Overhaul & Heavy R                                | Shops, Yards, and Facilities | 911,165                     |
| HMC Phase 2 East Storage Yard                                 | Shops, Yards, and Facilities | 4,269,963                   |
| Concord Yard Wheel Truing Facility                            | Shops, Yards, and Facilities | 3,011,829                   |
| Renovation of Control Tower at Richmond and Concord Yard      | Shops, Yards, and Facilities | 530,627                     |
| DC & Hywd Yard Towers Renov                                   | Shops, Yards, and Facilities | 983,659                     |
| Track Renewal Project Richmond Yard                           | Shops, Yards, and Facilities | 1,038,150                   |
| System Wide Stations and Facilities Grounding Assessment      | Shops, Yards, and Facilities | 2,422                       |
| Replacing Equipment and Cabling at Yards                      | Shops, Yards, and Facilities | 763,582                     |
| Update Book 36 and 400 - Support for State of Good Repair     | Shops, Yards, and Facilities | 343,302                     |
| Wheel Truing Machine Overhaul                                 | Shops, Yards, and Facilities | 5,002                       |
| Reroof Facilities Buildings Systemwide                        | Shops, Yards, and Facilities | 2,584,244                   |

| Project Name                                                    | CIP Category                 | Adopted FY26 Capital Budget |
|-----------------------------------------------------------------|------------------------------|-----------------------------|
| Aerial Guideway Sound Wall Repairs, C, R, and L-Lines           | Shops, Yards, and Facilities | 632,456                     |
| New BART Police Headquarters                                    | Shops, Yards, and Facilities | 82,641,300                  |
| Switch Machine Replacement - Model 6                            | Shops, Yards, and Facilities | 1,072,051                   |
| Fall Protection Installation on Stations and Facility Buildings | Shops, Yards, and Facilities | 560,041                     |
| Sewage Pump Replacement Systemwide                              | Shops, Yards, and Facilities | 135,393                     |
| Replace Antiquated Backflow Preventers                          | Shops, Yards, and Facilities | 7,856                       |
| Fire Services at Hayward Yard                                   | Shops, Yards, and Facilities | 395,215                     |
| Turntables Replacement at Concord Yard                          | Shops, Yards, and Facilities | 99,835                      |
| HVAC Renovation and LMA                                         | Shops, Yards, and Facilities | 3,762,609                   |
| Control Tower HVAC at Concord and Richmond Yard                 | Shops, Yards, and Facilities | 68,240                      |
| FY24 NRVE Procurement                                           | Shops, Yards, and Facilities | 86,180                      |
| WTM Hydraulic Upgrades at Richmond Yard and Daly City Yard      | Shops, Yards, and Facilities | 432,042                     |
| SVBX Bioretention Restoration                                   | Shops, Yards, and Facilities | 129,849                     |
| Union City Intermodal Station                                   | Stations                     | 828,162                     |
| Concord Station Lighting Modernization and UPS Project          | Stations                     | 1,273,129                   |
| BerkelySTN_Entrance&PlazaImpro                                  | Stations                     | 181,013                     |
| EL CERRITO DEL NORTE STN MOD                                    | Stations                     | 589,492                     |
| Embarcadero Platform Elevator                                   | Stations                     | 559,339                     |
| EMB Elev Capacity & Redundancy                                  | Stations                     | 2,507,515                   |
| New Platform Stairs at Civic Center                             | Stations                     | 40,782                      |
| Pavement at 16th Street Plaza                                   | Stations                     | 37,468                      |
| Pigeon Abatement FY19                                           | Stations                     | 47,003                      |
| DSS Pilot Project                                               | Stations                     | 296,513                     |
| DSS Modernization Project                                       | Stations                     | 1,008,280                   |
| Electric Vehicle Charging Stat                                  | Stations                     | 2,015,930                   |
| Market Street Entry Canopies                                    | Stations                     | 11,835,595                  |
| Market Street Escalators Project                                | Stations                     | 34,296,346                  |
| Powell Street Elevator                                          | Stations                     | 106,318                     |
| Public Address System Improvement                               | Stations                     | 2,499,098                   |
| Elevator Renovation Program at Coliseum Station (A30)           | Stations                     | 3,796,482                   |
| Elevator Renovation Program at Pittsburg-Bay Point (C80)        | Stations                     | 1,065,030                   |
| Elevator Renovation Phase 1.3                                   | Stations                     | 3,998,312                   |
| DT Berkeley STN Elevator Reno                                   | Stations                     | 1,272,738                   |
| N.Berk:Elev46-Machine Rm Equip                                  | Stations                     | 103,809                     |
| 16th St & BayFair Elev Renov                                    | Stations                     | 1,263,133                   |
| Accessibility Improvement Program                               | Stations                     | 2,699,368                   |
| Landscape Improvements Systemwide                               | Stations                     | 429,719                     |
| Parking Program Modernization                                   | Stations                     | 300,000                     |
| Station Modernization Prep                                      | Stations                     | 69,689                      |
| Elev/Esc Machine Rm-MS4 Compli                                  | Stations                     | 414,845                     |
| Station Agent Booth Dutch Doors                                 | Stations                     | 23,345                      |
| MacArthur Plaza Renovation                                      | Stations                     | 20,948                      |
| New UPS System - LMA Building                                   | Stations                     | 4,417,449                   |
| Program Stop ID and Cradle Upgrade                              | Stations                     | 318,904                     |
| Station Agent Booth Equipment Obsolescence Upgrade              | Stations                     | 54,629                      |
| Station Hardening                                               | Stations                     | 20,169                      |

| Project Name                                                 | CIP Category       | Adopted FY26 Capital Budget |
|--------------------------------------------------------------|--------------------|-----------------------------|
| Support for Europay MasterCard Visa (EMV) Credit Cards       | Stations           | 881,433                     |
| Fare Collection Systems Back Office Server/Disaster Recovery | Stations           | 18,915                      |
| Clipper C2 Integration and Security Upgrade                  | Stations           | 1,267,993                   |
| Next Generation Fare Gate Procurement and Deployment         | Stations           | 14,507,237                  |
| Upgrade Fire Suppression System                              | Stations           | 1,797,887                   |
| Safe Routes to BART Grant Program                            | Stations           | 3,890                       |
| Dublin/Pleasanton Station Active Access Improvements         | Stations           | 2,089,092                   |
| Bicycle Stair Channels                                       | Stations           | 118,470                     |
| MacArthur Station Active Access Improvements                 | Stations           | 1,882,507                   |
| Pittsburg/Baypoint Station Shared Mobility Improvements      | Stations           | 723,200                     |
| Station Wayfinding and Signage                               | Stations           | 98,009                      |
| Wayfinding Improvements Phase3                               | Stations           | 12,554                      |
| Wayfinding Improvements at Various Stations                  | Stations           | 2,777,120                   |
| Access Facility Reconfiguration                              | Stations           | 250,000                     |
| Art - Station Modernization                                  | Stations           | 424,391                     |
| Systemwide Historic Resource Assessment                      | Stations           | 26,640                      |
| GTFS Pathways and Wayfinding                                 | Stations           | 938,218                     |
| A-Line Jobs Attraction Strate                                | Stations           | 20,000                      |
| Bike Parking Stations                                        | Stations           | 2,035,000                   |
| Bicycle Preferred TravelPathP1                               | Stations           | 102,000                     |
| Sight Impaired Navigation Sys                                | Stations           | 343,750                     |
| Regional Mapping & Wayfinding                                | Stations           | 270,000                     |
| Lake Merritt TOD Construction                                | Stations           | 580,000                     |
| Facilities HVAC Equipment Replacement Ph.2                   | System Development | 977,743                     |
| ROW AQUISITIONWSX                                            | System Development | 109,963                     |
| LINE, TRACK, STA/SYS DES/BLD                                 | System Development | 29,379                      |
| Silicon Valley Berryessa Extension Seismic Assessment        | System Development | 803,819                     |
| Link 21                                                      | System Development | 7,035,249                   |
| Renewal and Upgrade OCC                                      | System Development | 20,056,170                  |
| Valley Link                                                  | System Development | 112,022                     |
| Yard Training Simulator                                      | System Development | 2,790                       |
| Negative Return Mapping                                      | System Support     | 1,346                       |
| Incident Energy Analysis (Arc Flash Study)                   | System Support     | 87,314                      |
| Shake Alert-Earthquake Updates                               | System Support     | 442,190                     |
| ShakeCAST Mainline Extension                                 | System Support     | 83,297                      |
| MET-G Generator Replacement                                  | System Support     | 4,898,169                   |
| Network Infrastructure Refresh                               | System Support     | 1,500,000                   |
| MIS Emerging Technology                                      | System Support     | 1,000,000                   |
| Digital Transformation at OCC                                | System Support     | 571,021                     |
| Enterprise Business Applicatio                               | System Support     | 1,000,000                   |
| PPMS Implementation                                          | System Support     | 642,516                     |
| PPCE Vehicle Purchase                                        | System Support     | 1,975,451                   |
| Root Cause Analysis                                          | System Support     | 246,228                     |
| Establishment of Database for Existing Utilities at Yards    | System Support     | 18,361                      |
| Local Hazard Mitigation Plan                                 | System Support     | 117,686                     |
| Program Management                                           | System Support     | 1,895,422                   |

| Project Name                                                        | CIP Category         | Adopted FY26 Capital Budget |
|---------------------------------------------------------------------|----------------------|-----------------------------|
| Richmond BART Corridor Transit                                      | System Support       | 3,223,030                   |
| El Cerrito Plaza TOD                                                | System Support       | 1,800,000                   |
| West Oakland Bike&Plaza improv                                      | System Support       | -                           |
| SFO ROWAY Closeout                                                  | System Support       | 100,000                     |
| North Berkeley TOD                                                  | System Support       | 260,459                     |
| WestOaklandEnvironmntRemediatn                                      | System Support       | 2,000,000                   |
| Paratransit Modernization P2                                        | System Support       | 900,000                     |
| BART Police Adm Relocation                                          | System Support       | 150,000                     |
| MET Building Improvements                                           | System Support       | 100,000                     |
| Replace Automatic Fare Collection Back-Office System                | System Support       | 1,826,816                   |
| Vegetation Management                                               | System Support       | 574,534                     |
| Facilities Door Replacement sw                                      | Track and Structures | 52,668                      |
| M90 Platform Lighting Support                                       | Track and Structures | 238,202                     |
| Parking Garage Slab Repairs II                                      | Track and Structures | 710,785                     |
| EmbarcaderoVentStructrAdaptatn                                      | Track and Structures | 121,178                     |
| Tail Track Extensions                                               | Track and Structures | 253,283                     |
| Track Programmatic Support for RR Bonds                             | Track and Structures | 5,785,384                   |
| Replace Rails, Ties, Fasteners on Y-Line -->Check name - it changed | Track and Structures | 394,084                     |
| Interlocking Replacement at K23, K25, and C15                       | Track and Structures | 28,487,755                  |
| Interlocking Replacement at A77                                     | Track and Structures | 96,908                      |
| Interlocking Replacement at A85                                     | Track and Structures | 1,795,242                   |
| Direct Fixation Pads Replacement Systemwide                         | Track and Structures | 981,689                     |
| Rail Relay Replacement in Core System                               | Track and Structures | 6,126,730                   |
| Frog Capital Maintenance                                            | Track and Structures | 548,224                     |
| Replacement of Switch Point Components in Yards                     | Track and Structures | 264,198                     |
| Procurement of Direct Fixation Fasteners                            | Track and Structures | 1,314,808                   |
| C Line Emergency Rail Replace                                       | Track and Structures | 96,496                      |
| Rail Destressing-ContraCostaCo                                      | Track and Structures | 2,121,196                   |
| Frog Capital Retrofit                                               | Track and Structures | 26,342                      |
| Switch Pt Replacement OCY&ORY                                       | Track and Structures | 23,889                      |
| Concr Floating Slab Assessment                                      | Track and Structures | 702,135                     |
| Interlocking Tie Replacement                                        | Track and Structures | 455,344                     |
| Track Joint Elimination                                             | Track and Structures | 658,303                     |
| Track Alignment Survey and Documentation Update                     | Track and Structures | 660,063                     |
| Preventative Maintenance Procedures Improvement                     | Track and Structures | 1,646,358                   |
| Fracture Critical Bridge Inspection and Repair                      | Track and Structures | 624,082                     |
| Water Mitigation W-Line Tunnel                                      | Track and Structures | 729,713                     |
| ROW Fencing Rehabilitation                                          | Track and Structures | 2,120,049                   |
| Tunnel and Structure Programmatic Support for RR Bonds              | Track and Structures | 6,370,788                   |
| Rehab Street Grates                                                 | Track and Structures | 3,507,661                   |
| Aerial Fall Protection                                              | Track and Structures | 23,085                      |
| Wayside Signage - Inspection and Inventory                          | Track and Structures | 383,142                     |
| Water Mitigation M-Line Tunnel                                      | Track and Structures | 1,241,635                   |
| Stabilize MW-12 Slope                                               | Track and Structures | 3,098,404                   |
| Slope Stabilization Systemwide                                      | Track and Structures | 996,493                     |

| Project Name                                                                        | CIP Category         | Adopted FY26 Capital Budget |
|-------------------------------------------------------------------------------------|----------------------|-----------------------------|
| Cross Passage Doors and Hardware Upgrade                                            | Track and Structures | 262,000                     |
| Seal And Secure Substation Roofs                                                    | Track and Structures | 925,409                     |
| Aerial Catwalk Renewal                                                              | Track and Structures | 1,505,757                   |
| TBT Cross Passage Doors CONST                                                       | Track and Structures | 404,993                     |
| Slope Stabilization-M&L Lines                                                       | Track and Structures | 1,404,591                   |
| Non-Revenue Vehicle Equipment Procurement (Grinders, Geocar, and Wayside Equipment) | Track and Structures | 644,396                     |
| Non-Revenue Vehicle Procurement (Locomotives and Wayside Equipment)                 | Track and Structures | 6,233,291                   |
| Non-Revenue Vehicle Procurement (Ultrasonic Test Truck and Wayside Equipment)       | Track and Structures | 1,427,909                   |
| Non-Revenue Vehicle Procurement (Miscellaneous Tools and Wayside Equipment)         | Track and Structures | 1,414,640                   |
| NRVE Procurement                                                                    | Track and Structures | 997,643                     |
| M87 Spur Track Extension                                                            | Track and Structures | 930,432                     |
| Water Mitigation A and S-Line Tunnels                                               | Track and Structures | 787,539                     |
| BHT Fault Movement Mitigation                                                       | Track and Structures | 867,062                     |
| Post-Earthquake Inspection Program Improvement                                      | Track and Structures | 404,685                     |
| Assess and Repair Steel Bridges at A-Line                                           | Track and Structures | 346,053                     |
| TransBay Tube Dampers Overhaul                                                      | Track and Structures | 4,593                       |
| Concrete Tie Assessment                                                             | Track and Structures | 394,993                     |
| Design Quality Process Improvement                                                  | Track and Structures | 202,936                     |
| South Hayward Connector at RS&                                                      | Track and Structures | 211,193                     |
| Concord TPSS MPR SCADA Ph II                                                        | Traction Power       | 491,784                     |
| Running Rail Monitoring and Efficiency Improvements                                 | Traction Power       | 677,407                     |
| Retrofit Negative Grounding Devices System Wide                                     | Traction Power       | 362,411                     |
| Cast Coil Transformers Replacement                                                  | Traction Power       | 556,737                     |
| Traction Power Programmatic Support for RR Bonds                                    | Traction Power       | 4,362,383                   |
| 34.5 kV AC Cable Replacement A-Line                                                 | Traction Power       | 5,461,508                   |
| 34.5 kV AC Cable Replacement C-Line                                                 | Traction Power       | 4,248,317                   |
| 34.5 kV AC Cable Replacement K-Line                                                 | Traction Power       | 2,855,293                   |
| 34.5 kV AC Cable Replacement R-Line                                                 | Traction Power       | 284,219                     |
| Replacement of Traction Power Assets, Relays and Switchgear                         | Traction Power       | 117,771                     |
| Traction Power Substation Procurement                                               | Traction Power       | 33,913                      |
| Portable and Mobile High Voltage Traction Power Substations                         | Traction Power       | 2,539,547                   |
| Traction Power Substation Installation                                              | Traction Power       | 725,599                     |
| West Bay Traction Power Substations                                                 | Traction Power       | 1,560,642                   |
| East Bay Traction Power Substations                                                 | Traction Power       | 2,641,896                   |
| PG&E Power feed to MXP Gap Breaker                                                  | Traction Power       | 471,619                     |
| Traction Power Substations and Switching Station Replacements                       | Traction Power       | 2,196,592                   |
| Design and Replacement of DC Switchgear                                             | Traction Power       | 1,584,398                   |
| Replacement of CWC Traction Power Substation, Switching Station and Gap Breakers    | Traction Power       | 15,197,956                  |
| Replacement of MPS Traction Power Substation, Switching Station and Gap Breakers    | Traction Power       | 2,461,746                   |

| Project Name                                                      | CIP Category                     | Adopted FY26<br>Capital Budget |
|-------------------------------------------------------------------|----------------------------------|--------------------------------|
| System wide MPR and Rectifier Renovation                          | Traction Power                   | 1,400,482                      |
| Water Intrusion Mitigation in Train Control Rooms                 | Train Control and Communications | 2,804,022                      |
| Phased Radio Replacement                                          | Train Control and Communications | 531,383                        |
| Operations Second Core Network                                    | Train Control and Communications | 496,064                        |
| Wayside Coverboard Antenna Replacement                            | Train Control and Communications | 2,251,011                      |
| Non-Vital Relay Replacement                                       | Train Control and Communications | 1,477,125                      |
| Wayside Line Replacement Unit                                     | Train Control and Communications | 601,390                        |
| MUX Cable Replacement                                             | Train Control and Communications | 845,370                        |
| Transmission Loop Replacement                                     | Train Control and Communications | 694,586                        |
| Wayside MUX Box Reliability Improvement                           | Train Control and Communications | 1,146,022                      |
| Station Speed Encoding MUX Replacement                            | Train Control and Communications | 8,000                          |
| #10 Turnout Speed Reduction                                       | Train Control and Communications | 62,171                         |
| NET.COM State of Good Repair                                      | Train Control and Communications | 708,639                        |
| NET.COM Maintenance Support                                       | Train Control and Communications | 138,961                        |
| SORS Replacement & MUX Upgrade                                    | Train Control and Communications | 2,349,954                      |
| Bill Handling Unit Replacement                                    | Train Control and Communications | 1,845,240                      |
| CBTC Non-Participating                                            | Train Control and Communications | 257,250                        |
| CBTC RR Interlocks                                                | Train Control and Communications | 630,300                        |
| CBTC Hitachi Design Build                                         | Train Control and Communications | 118,395,058                    |
| CBTC Enabling Works 1                                             | Train Control and Communications | 11,766,435                     |
| CBTC Enabling Works 2                                             | Train Control and Communications | 12,583,931                     |
| CBTC VTA Phase 1                                                  | Train Control and Communications | 411,968                        |
| CBTC Deployment                                                   | Train Control and Communications | 32,278,977                     |
| SCADA - Replace PLC5 Equipment and Update Systems<br>Architecture | Train Control and Communications | 2,014,854                      |
| BARTNET/Control Systems Hardening                                 | Train Control and Communications | 1,902,339                      |

| Term                                             | Definition                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Arbitration</b>                               | The hearing and determining of a dispute or the settling of differences between parties by a person or persons chosen or agreed to by them.                                                                                                                                                                                                                                        |
| <b>Audit</b>                                     | An official examination and verification of accounts and records.                                                                                                                                                                                                                                                                                                                  |
| <b>BART System</b>                               | An electrically powered rapid transit commuter rail system serving the residents of the San Francisco Bay Area.                                                                                                                                                                                                                                                                    |
| <b>CalPERS</b>                                   | The California Public Employees' Retirement System is an agency in the state of California which manages the pension and health benefits for BART employees.                                                                                                                                                                                                                       |
| <b>Caltrain</b>                                  | Caltrain is a commuter railroad operating between San Francisco and San José, with limited service to Gilroy. Caltrain is owned and operated by the Peninsula Corridor Joint Powers Board, which is made up of representatives from the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara Valley Transportation Authority. <sup>13</sup> |
| <b>Capital Asset</b>                             | An asset with a useful life of more than one year that is capitalized in accordance with GAAP with a value greater than \$5,000.                                                                                                                                                                                                                                                   |
| <b>Capitol Corridor</b>                          | An intercity passenger train system that provides service in Placer, Sacramento, Yolo, Solano, Contra Costa, Alameda, San Francisco and Santa Clara counties managed through the Capitol Corridor Joint Powers Authority (CCJPA) which BART is a member of and provides day-to-day management support. <sup>14</sup>                                                               |
| <b>Clipper</b>                                   | Clipper® is the Bay Area's all-in-one transit-fare payment card. MTC operates Clipper in partnership with the region's 20-plus different transit agencies. <sup>15</sup>                                                                                                                                                                                                           |
| <b>Commercial Communications Revenue Program</b> | License agreements which work to expand BART's commercial fiber and wireless telecommunications revenue footprint.                                                                                                                                                                                                                                                                 |
| <b>Communication-Based Train Control (CBTC)</b>  | A railway signaling system that makes use of the telecommunications between the train and track equipment for traffic management and infrastructure control. <sup>16</sup>                                                                                                                                                                                                         |
| <b>District</b>                                  | The three counties which make up BART's special-purpose district; Alameda, Contra Costa and San Francisco.                                                                                                                                                                                                                                                                         |
| <b>Enterprise Fund</b>                           | The fund structure utilized by BART to report financial activities.                                                                                                                                                                                                                                                                                                                |
| <b>Fare Evasion</b>                              | The act of circumventing barriers, fare gates or tailgating to avoid payment on a transit system.                                                                                                                                                                                                                                                                                  |
| <b>Fare Policy</b>                               | The collective policies which make up BART's fare structure.                                                                                                                                                                                                                                                                                                                       |

<sup>13</sup> Caltrain Fast Facts, [caltrain.com/Assets/Public+Affairs/Fact+Sheets/TA+Fact+Sheet+FY2017.pdf](http://caltrain.com/Assets/Public+Affairs/Fact+Sheets/TA+Fact+Sheet+FY2017.pdf).

<sup>14</sup> "CCJPA Service, Capitol Corridor Services." Capitol Corridor, [capitolcorridor.org/ccjpa-service/](http://capitolcorridor.org/ccjpa-service/).

<sup>15</sup> "Your All-In-One Transit Card: Operate + Coordinate: Our Work." Metropolitan Transportation Commission, [mtc.ca.gov/our-work/operate-coordinate/traveler-services/your-all-one-transit-card](http://mtc.ca.gov/our-work/operate-coordinate/traveler-services/your-all-one-transit-card).

<sup>16</sup> Communications-Based Train Control (CBTC) |, [railsystem.net/communications-based-train-control-cbtc/](http://railsystem.net/communications-based-train-control-cbtc/).

| Term                                          | Definition                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial Stability Policy</b>             | BART's financial policy which aims to manage finances for both the short and long term. Goals include maintaining adequate reserves, the highest possible credit rating, establishing a fare structure to maintain revenues and align with operating costs while ensuring the delivery of safe, quality and efficient service to meet demand. |
| <b>Fiscal Year</b>                            | BART's fiscal year begins on July 1st of each year and concludes on June 30th of the following calendar year.                                                                                                                                                                                                                                 |
| <b>Fleet of the Future (FOTF)</b>             | BART's new rail cars developed by Bombardier which began to enter service in 2018.                                                                                                                                                                                                                                                            |
| <b>Full-Time Equivalent (FTE)</b>             | Employee hours reflected in the form of individual, full-time employees.                                                                                                                                                                                                                                                                      |
| <b>Fund</b>                                   | A sum of money and/or resources designated for a specific objective.                                                                                                                                                                                                                                                                          |
| <b>General Obligation Bonds</b>               | A municipal bond backed by the issuing state or local government.                                                                                                                                                                                                                                                                             |
| <b>Hayward Maintenance Complex</b>            | A new maintenance and repair facility being constructed to support BART operations of both the legacy rail cars and the Fleet of the Future.                                                                                                                                                                                                  |
| <b>Headways</b>                               | The time interval or distance between two vehicles, as automobiles, ships, or railroad or subway cars, traveling in the same direction over the same route. <sup>17</sup>                                                                                                                                                                     |
| <b>Low Carbon Fuel Standard Program</b>       | A California policy which allows low and zero carbon fuel producers and transportation providers to generate credits and requires high carbon-intensity fuel providers (primarily oil refineries) to purchase credits while they work to reduce their carbon content.                                                                         |
| <b>Measure RR</b>                             | Measure RR, a San Francisco Bay Area Rapid Transit District bond measure which authorizes BART to issue and sell bonds of up to \$3.5B in general obligation (GO) bonds.                                                                                                                                                                      |
| <b>Metropolitan Transportation Commission</b> | MTC is the transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. <sup>18</sup>                                                                                                                                                                                                               |
| <b>Next Generation Fare Gates</b>             | Newly designed fare gates to improve reliability and maintainability, while reducing fare evasion and enhancing security.                                                                                                                                                                                                                     |
| <b>Operating Reserve</b>                      | A fund balance set aside for use when unexpected losses or expenses occur.                                                                                                                                                                                                                                                                    |
| <b>Pension Reform</b>                         | Known in California as the Public Employees' Pension Reform Act (PEPRA) which places compensation limits on members in addition to other stipulations, effectively creating a two-tier retirement system made up of Classic (legacy employees) and PEPRA employees, hired on or after the specified date in the legislation. <sup>19</sup>    |
| <b>Preliminary Budget</b>                     | A budget submitted for review to the BART Board of Directors prior to final adoption.                                                                                                                                                                                                                                                         |
| <b>Pro forma Budget</b>                       | The baseline budget which presents estimated revenues and expenditures prior to other significant changes being finalized.                                                                                                                                                                                                                    |
| <b>Proposition 13</b>                         | An amendment to the Constitution of California that provides guidelines for assessment and taxation of real property.                                                                                                                                                                                                                         |

<sup>17</sup> "Headway." Dictionary.com, Dictionary.com, [dictionary.com/browse/headway](https://www.dictionary.com/browse/headway).

<sup>18</sup> "MTC Homepage." Metropolitan Transportation Commission, [mtc.ca.gov/](https://mtc.ca.gov/).

<sup>19</sup> "Public Employees' Pension Reform Act." CalPERS, [calpers.ca.gov/page/about/laws-legislation-regulations/public-employees-pension-reform-act](https://calpers.ca.gov/page/about/laws-legislation-regulations/public-employees-pension-reform-act).

| Term                                                         | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regional Measure 3 (RM3)</b>                              | A ballot measure to finance a comprehensive suite of highway and transit improvements through an increase to tolls on the region's seven state-owned toll bridges. <sup>20</sup>                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Rolling Stock</b>                                         | Locomotives, carriages, wagons, or other wheeled vehicles used on a railroad.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Sales Tax Revenue Bonds</b>                               | A municipal bond backed by the revenue from sales tax.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>San Francisco Municipal Transportation Agency (SFMTA)</b> | The SFMTA is a department of the City and County of San Francisco responsible for the management of all ground transportation in the city. The SFMTA has oversight over the Municipal Railway (Muni) public transit, as well as bicycling, paratransit, parking, traffic, walking, and taxis. <sup>21</sup>                                                                                                                                                                                                                                                                       |
| <b>Short Range Transit Plan/Capital Improvement Program</b>  | The Short Range Transit Plan/Capital Improvement Program (SRTP/CIP) provides an overview of BART's long-term operating and capital financial outlook, and as such is a guiding document for staff and policymakers. It helps inform BART's yearly budget process and assesses system performance.                                                                                                                                                                                                                                                                                 |
| <b>Silicon Valley Berryessa Extension, Phase I</b>           | A planned 10-mile extension of the BART System into Santa Clara County continuing from the Warm Springs Station in Southern Fremont and continuing into the Berryessa district of San José.                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>State of Good Repair</b>                                  | Senate Bill (SB) 1, The Road Repair and Accountability Act of 2017 authorizing funding for public transit agencies.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>State Transit Assistance</b>                              | Funding received from passage of Senate Bill (SB) 1, The Road Repair and Accountability Act of 2017. Also known as the State of Good Repair program.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Train Control Modernization</b>                           | Removing aging train control equipment from the BART System and upgrading to a new CBTC system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Transbay Corridor Core Capacity Project (STCCCP)</b>      | TCCCP will allow BART to operate up to 30 ten-car trains per hour (300 cars) in each direction on the existing Transbay Tube, maximizing throughput in the most heavily used part of the system. The project includes four elements: 306 additional rail cars to provide the additional trains needed, a new Communications-Based Train Control system that will allow closer headways, a new rail car storage yard at the Hayward Maintenance Complex (Phase 2), and additional traction power substations to provide the additional power needed for the more frequent service. |
| <b>Transbay Tube/Transbay Corridor</b>                       | A 3.6-mile underwater rail tunnel which carries BART's four Transbay lines under San Francisco Bay between the cities of San Francisco, CA and Oakland, CA.                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Transit Oriented Development</b>                          | The creation of compact, walkable, pedestrian-oriented, mixed-use communities centered around high-quality train systems. <sup>22</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                           |

<sup>20</sup> "Regional Measure 3: Fund + Invest: Our Work." Metropolitan Transportation Commission, [mtc.ca.gov/our-work/fund-invest/toll-funded-investments/regional-measure-3](https://mtc.ca.gov/our-work/fund-invest/toll-funded-investments/regional-measure-3).

<sup>21</sup> Belov, Charles. "About the SFMTA." SFMTA, San Francisco Municipal Transportation Agency, 7 June 2019, [sfmta.com/about-sfmta](https://sfmta.com/about-sfmta).

<sup>22</sup> Transit Oriented Development, [tod.org/](https://tod.org/).

Attachment I: FY26 Acronyms

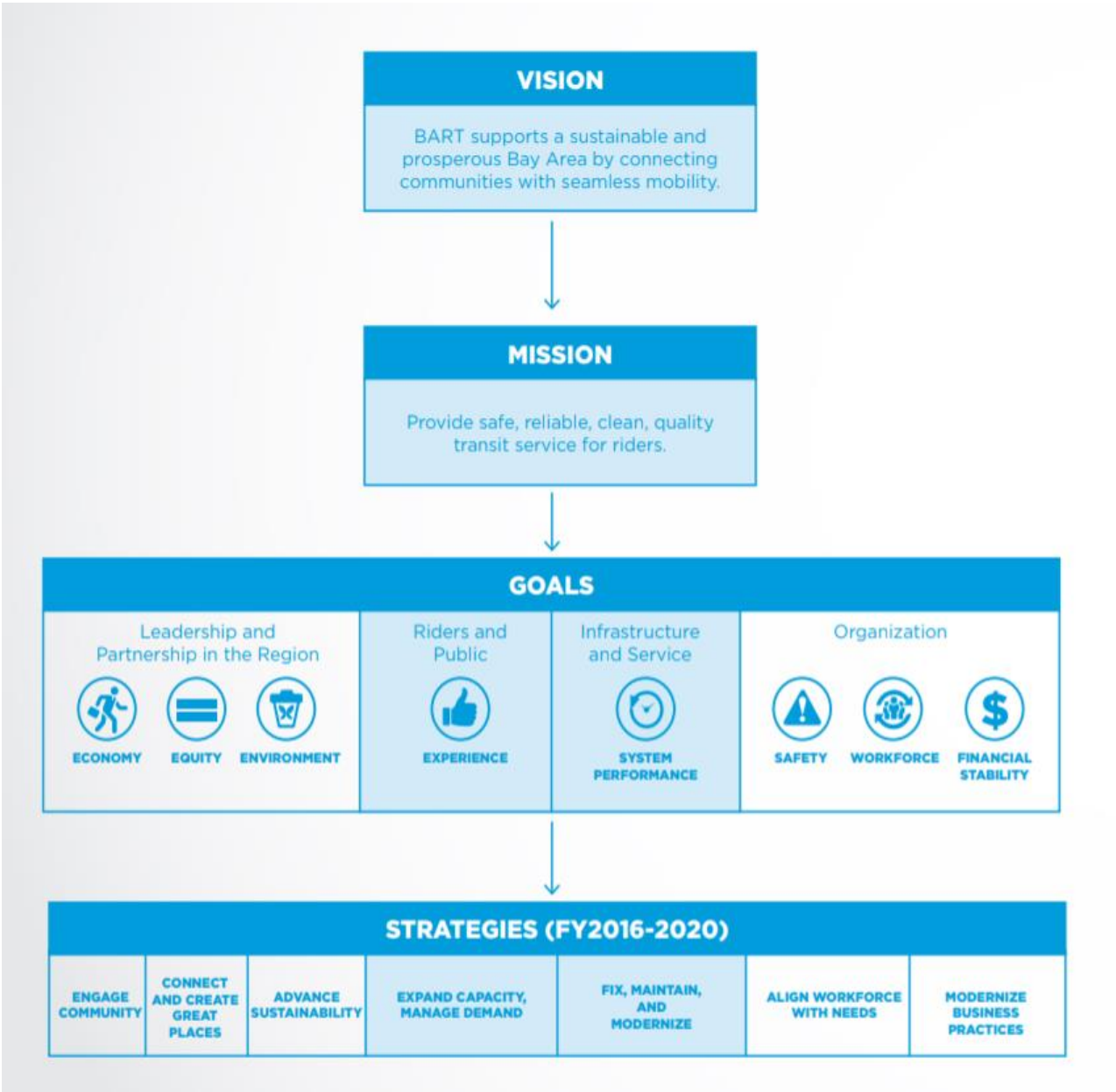
| Acronym/Term      | Definition                                                   |
|-------------------|--------------------------------------------------------------|
| <b>ADA</b>        | Americans with Disabilities Act                              |
| <b>ADC</b>        | Actuarially Determined Contributions                         |
| <b>AFSCME</b>     | American Federation of State, County and Municipal Employees |
| <b>ATU</b>        | Amalgamated Transit Union                                    |
| <b>BART</b>       | Bay Area Rapid Transit District                              |
| <b>BPCRB</b>      | BART Police Citizen Review Board                             |
| <b>BPD</b>        | BART Police Department                                       |
| <b>BPMA</b>       | BART Police Managers' Association                            |
| <b>BPOA</b>       | BART Police Officers' Association                            |
| <b>CALEA</b>      | Commission on Accreditation for Law Enforcement Agencies     |
| <b>CARB</b>       | California Air Resources Board                               |
| <b>CARP</b>       | Capital Asset Replacement Program                            |
| <b>CBTC</b>       | Communication-Based Train Control                            |
| <b>CCJPA</b>      | Capital Corridor Joint Powers Authority                      |
| <b>CCRP</b>       | Commercial Communications Revenue Program                    |
| <b>CDC</b>        | Centers for Disease Control                                  |
| <b>COVID-19</b>   | Coronavirus Disease 2019                                     |
| <b>CPUC</b>       | California Public Utilities Commission                       |
| <b>CUPA</b>       | Certified Unified Program Agencies                           |
| <b>EGIS</b>       | Enterprise Geographic Information System                     |
| <b>EPA</b>        | Environment Protection Agency                                |
| <b>FEMA</b>       | Federal Emergency Management Agency                          |
| <b>FTA</b>        | Federal Transit Administration                               |
| <b>FTE</b>        | Full-Time Equivalent                                         |
| <b>FY</b>         | Fiscal Year                                                  |
| <b>GAAP</b>       | Generally Accepted Accounting Principles                     |
| <b>IG</b>         | Inspector General                                            |
| <b>IPA</b>        | Independent Police Auditor                                   |
| <b>LCFS</b>       | Low Carbon Fuel Standard                                     |
| <b>LCTOP</b>      | Low Carbon Transit Operations Program                        |
| <b>Measure RR</b> | BART Safety, Reliability, and Traffic Relief Program         |
| <b>MET</b>        | Joseph P. Bort MetroCenter Building                          |
| <b>MPPP</b>       | Money Purchase Pension Plan                                  |
| <b>MTC</b>        | Metropolitan Transportation Commission                       |
| <b>NTSB</b>       | National Transportation Safety Board                         |
| <b>O&amp;M</b>    | Operating and Maintenance                                    |
| <b>OAK</b>        | Oakland International Airport                                |
| <b>OCIO</b>       | Office of the Chief Information Officer                      |
| <b>OGC</b>        | Office of the General Counsel                                |
| <b>OGM</b>        | Office of the General Manager                                |
| <b>OID</b>        | Office of Infrastructure Delivery                            |
| <b>P&amp;D</b>    | Planning and Development                                     |

| Acronym/Term    | Definition                                       |
|-----------------|--------------------------------------------------|
| <b>PEPRA</b>    | California Public Employees' Pension Reform Act  |
| <b>PM/CM</b>    | Project Management/Construction Management       |
| <b>PTASP</b>    | Public Transportation Agency Safety Plan         |
| <b>SB</b>       | Senate Bill                                      |
| <b>SEIU</b>     | Service Employees International Union            |
| <b>SFMTA</b>    | San Francisco Municipal Transportation Agency    |
| <b>SFO</b>      | San Francisco International Airport              |
| <b>SRTP/CIP</b> | Short Range Transit Plan/Capital Investment Plan |
| <b>STA</b>      | State Transit Assistance                         |
| <b>TDA</b>      | Transportation Development Act                   |
| <b>TOD</b>      | Transit Oriented Development                     |
| <b>TSAC</b>     | Transit Security Advisory Committee              |
| <b>VTA</b>      | Santa Clara Valley Transportation Authority      |

1. Strategic Plan Framework

Each year the annual operating budget is aligned with BART’S Strategic Plan Framework, the most recent iteration of which was adopted by the Board of Directors in 2015. This section outlines the agency’s vision, mission, goals, and short-term strategies to achieve these goals. An overview of the framework, our goal areas and key performance measures is provided below.

Figure 6: Strategic Plan Framework



## Goal Areas

The eight strategic plan goal areas are as follows:

### *Leadership & Partnership in the Region*

1. Economy: Contribute to the region's global competitiveness and create economic opportunities.
2. Equity: Provide equitable delivery of transit service, policies, and programs.
3. Environment: Advance regional sustainability and public health outcomes.

### *Riders & Public*

4. Experience: Engage the public and provide a quality customer experience.

### *Infrastructure & Service*

5. System Performance: Optimize and maintain system performance to provide reliable, safe, cost-effective, and customer-focused service.

### *Organization*

6. Safety: Evolve to a premier safety culture for our workers, riders, and the public.
7. Workforce: Invest in our current and future employees' development, wellness, and diversity.
8. Financial Stability: Ensure BART's revenues and investments support a sustainable and resilient system.

## Priorities, Strategies & Work Plan Activities

The COVID-19 pandemic that began March 2020 and subsequent acceleration of remote work trends have changed travel patterns such that BART continues to face reduced ridership and funding uncertainty. In this context, BART has developed Two-Year Action Plans that identify key initiatives focused on three priority areas:

- **Financial Stability:** Establishing financial stability is central to the District's near and long-term success and underpins the District's ability to deliver on all initiatives. This work includes implementing a sustainable funding strategy identifying cost savings and efficiencies and generating additional revenue.
- **Rider Experience:** Central to BART's vision, mission, and ridership growth is to deliver an excellent customer experience, which also builds confidence in BART and helps grow ridership. This work includes initiatives to improve service, reliability and cleanliness, increase safety and security, deliver a capital program that improves the rider experience, activation, engagement and outreach, public communications, addressing homelessness and connecting to social services, improving access. Ridership development and regional coordination.
- **On Track for the Future:** Continue to run a world class organization by developing a strong and stable workforce and advancing process improvement and data driven decision making. Continue to advance core programs such as transit-oriented development, facility and ROW improvements, safety and emergency preparedness, ensuring rail car reliability, support of small businesses, and sustainability.

Activities and milestones in the Two-Year Action Plan activities support the three priority areas in addition to continuing progress on the Strategic Plan Framework goals. The Plans, summarized below by priority area, focus on a limited number of key activities that define BART's strategic work in the near-term, and are available at

<https://www.bart.gov/about/planning/strategic/action-plan>.<sup>23</sup>

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<sup>23</sup> As independent oversight offices, the Office of the Inspector General and the Office of the Independent Police Auditor develop workplans independently from implementation of the strategic plan and current District priorities and therefore are not included within the Two-Year Action Plans.

## 2. Strategic Plan Goal Areas & Performance Indicators

BART tracks multiple indicators to gauge progress towards the strategic plan goal areas. These performance indicators can be found on our website:

- **System Performance:** BART tracks a number of performance indicators including service reliability, passenger environment indicators, train cleanliness, customer complaints, crime, and more. These indicators are published quarterly. Our Quarterly Performance Reports can be found here: <https://www.bart.gov/about/reports>
- **Customer Experience:** An independent research firm surveys BART customers every two years to gauge customer satisfaction, and BART uses the results to focus resources on areas that most need improvement. The [2024 BART Customer Satisfaction Study](#) report (.pdf) is based on 4,687 questionnaires completed by BART customers while riding on randomly selected BART cars during all hours of operation on weekdays and weekends in fall 2024.
- **Financial Stability:** Quarterly Financial Reports track BART's overall financial wellbeing and performance. These reports in addition to more on BART's financials can be found here: <https://www.bart.gov/about/financials>

In addition, progress on FY24-25 Action Plan initiatives and activities can be found on the 2-Year Action Plan webpage: <https://www.bart.gov/about/planning/strategic/action-plan>.