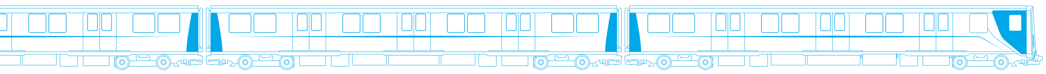
BART funding overview

PAST, PRESENT, AND FUTURE



While millions of riders have returned to BART, they are riding less frequently. The Bay Area has the highest work-from-home rates in the nation and slowest downtown recoveries. It has significantly impacted our budget.

In addition to receiving emergency funding during the pandemic, BART has acted to right-size service and its workforce, control labor costs, trim non-labor spending, and deliver major projects under budget. These measures have saved hundreds of millions of dollars while preserving essential service for the region.

BART is cutting costs*

Labor Savings

- Eliminated 672 vacant positions in FY20
- A strategic hiring freeze on 56 positions (FY25 and FY26), saving $7.8M annually and impacting all levels, including management
- Renegotiated with unions to reduce near-term retiree healthcare costs
- Executive management salary freeze in FY21
- Negotiated a 0% wage increase in FY22

Efficiencies

- Run shorter trains to save $8M per year in energy costs
- 5% reduction in non-labor budgets across all departments in FY26
- Reduced peak-period service
- Locked in low electricity costs though long-term contracts
- Saved $400M in new rail car acquisition with tight project controls, using in-house engineers, and speeding up delivery

Increase Revenue

- Installed new fare gates to reduce fare evasion, generating $10M in new revenue per year
- Inflation-based fare increases accounting for $35M per year and demand-based parking price increases
- Offer new fare products, such as Clipper BayPass, generating $7M per year

*List not inclusive of all savings

Cutting service still leaves a deficit

Rail has high fixed costs and low marginal costs. BART would have to cut service 65% to 85% to save 20% to 40%. Cutting service and scaling back on cleanliness and safety efforts could result in lower ridership, further reducing revenue. BART's FY27 budget balancing plan is not sustainable for the long term. Without new funding, BART may not be able to sustain even reduced service for more than one or two years.

BART's funding model before the pandemic

BART depended on fares to run service more than almost any other transit agency in the world.

BART's operating ratio*

FY26 forecast	32%
FY25	30%
FY24	29%
FY23	26%
FY22	21%
FY21	12%
Pre-COVID	71%

*Percentage of costs paid by passenger fares, parking revenue, advertising, and other sources

BART is facing a deficit

BART is now running service using emergency funds that will run out in 2026. BART balanced the FY26 budget with $35M in ongoing cuts and cost controls. In the FY27 budget, BART will institute cost savings and deferrals of $108M to maintain current service levels and produce a balanced budget. Ongoing structural deficits ranging from $375M to over $400M per year begin in FY27.

Pursuing new funding and loans

In 2025 the Legislature enacted Senate Bill 63, supported by BART, authorizing a new transportation funding measure for placement on the November 2026 ballot. If approved by voters, the measure would provide BART operations an estimated $310M annually beginning in FY28. BART is also pursuing federal and state loan money to cover the cost of running service until the proceeds from a successful measure are available for use.

Embracing independent oversight

- BART is the only transit system in the Bay Area with an Office of the Inspector General to provide independent oversight of BART's use of revenue.
- A 2025 audit by the Federal Transit Administration found BART is meeting standards in nearly two dozen categories, including financial management.
- BART is participating in the Financial Efficiency Review required in SB 63.

Planning for two financial scenarios

The BART Board of Directors will plan for both a "funding measure succeeds" and a "funding measure fails" scenario. If the measure succeeds, once funds become available, BART will be able to run normal service with efficiencies implemented. To develop the "funding measure fails" plan, the board will review potential cuts in February 2026 and adopt an alternative service framework with staff reductions.

Options under consideration*:

- 30- to 60-minute train frequency
- 9pm closure
- 10 stations closed
- Line shutdowns resulting in a three-line network
- No weekend service
- 30%–50% fare and parking increase
- 1,000 layoffs

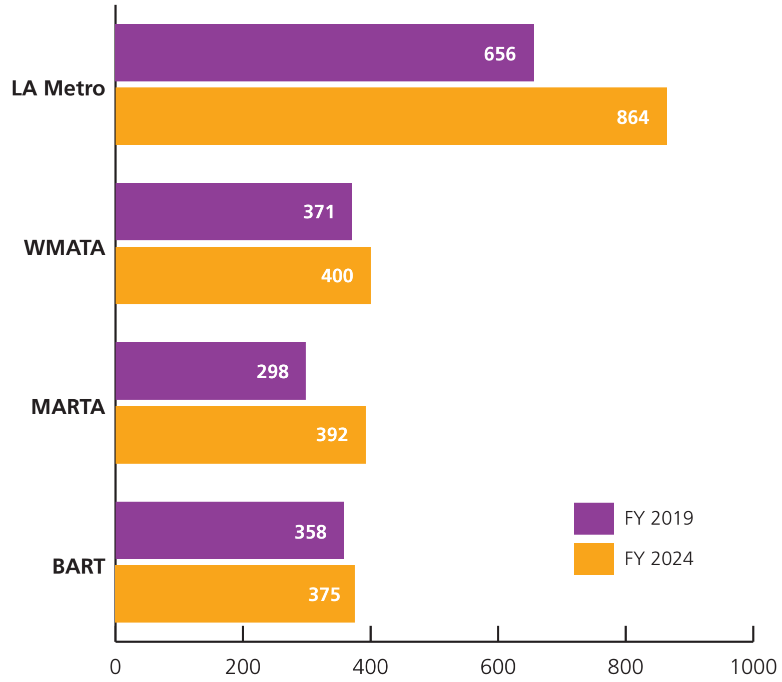
* Once the board adopts a "funding measure fails" framework, the details will be shared with the public and stakeholders.

Cost-efficient heavy rail system

BART is one of the most cost-efficient heavy rail systems in the United States. With an operating cost of $375 per vehicle revenue hour (FY24), BART ranks 7th out of 16 U.S. heavy rail operators. BART's costs are lower than its two closest structural peers: Washington D.C.'s Metrorail ($400 per hour) and Atlanta's MARTA ($392 per hour). Both systems were built in the 1970s and share BART's hybrid urban/commuter operating model. The few U.S. operators with significantly lower costs are primarily legacy systems built in the early 20th century (such as NYC and Chicago), which operate dense city subways rather than longer-haul regional rail.

Despite operating in a high-cost region, BART's operating expenses have grown at a rate lower than inflation since 2019, even while opening the extension to Berryessa/North San José.

Operating Expense per Vehicle Revenue Hour, CPI Adjusted (Constant $FY24)



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