San Francisco Bay Area Rapid Transit District

Board Workshop

2026

Welcome

Board Workshop Agenda

Topic	Duration
2026: A Defining Year for BART (15 min presentation, 45 min discussion) • Intro remarks • Importance of BART to the region • FY27 budget strategy and timeline lookahead	60 min
Break	5 min
Connect Bay Area Measure Fails FY27 Budget (45 min presentation, 90 min discussion) • Budget framework and phasing approach • Service reductions and non-service budget actions	135 min
Lunch (Multi-purpose Room)	60 min
Grow Ridership and Build Confidence (30 min presentation, 60 min discussion) • Focus on financial stability: efficiencies and cost savings • The New BART has arrived: focus on the customer	90 min
Next steps on the Alternative Service Framework (10 min presentation, 20 min discussion)	30 min
Public Comment and Adjournment	15 min

2026: A Defining Year for BART

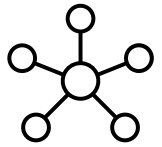
Board Workshop

February 12, 2026

Importance of BART to the Region

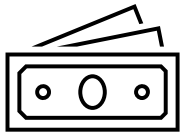
BART is Integral to the Region

- **Critical Regional Connectivity:** BART connects communities to jobs and destinations efficiently and is core to the region's seamless transit network



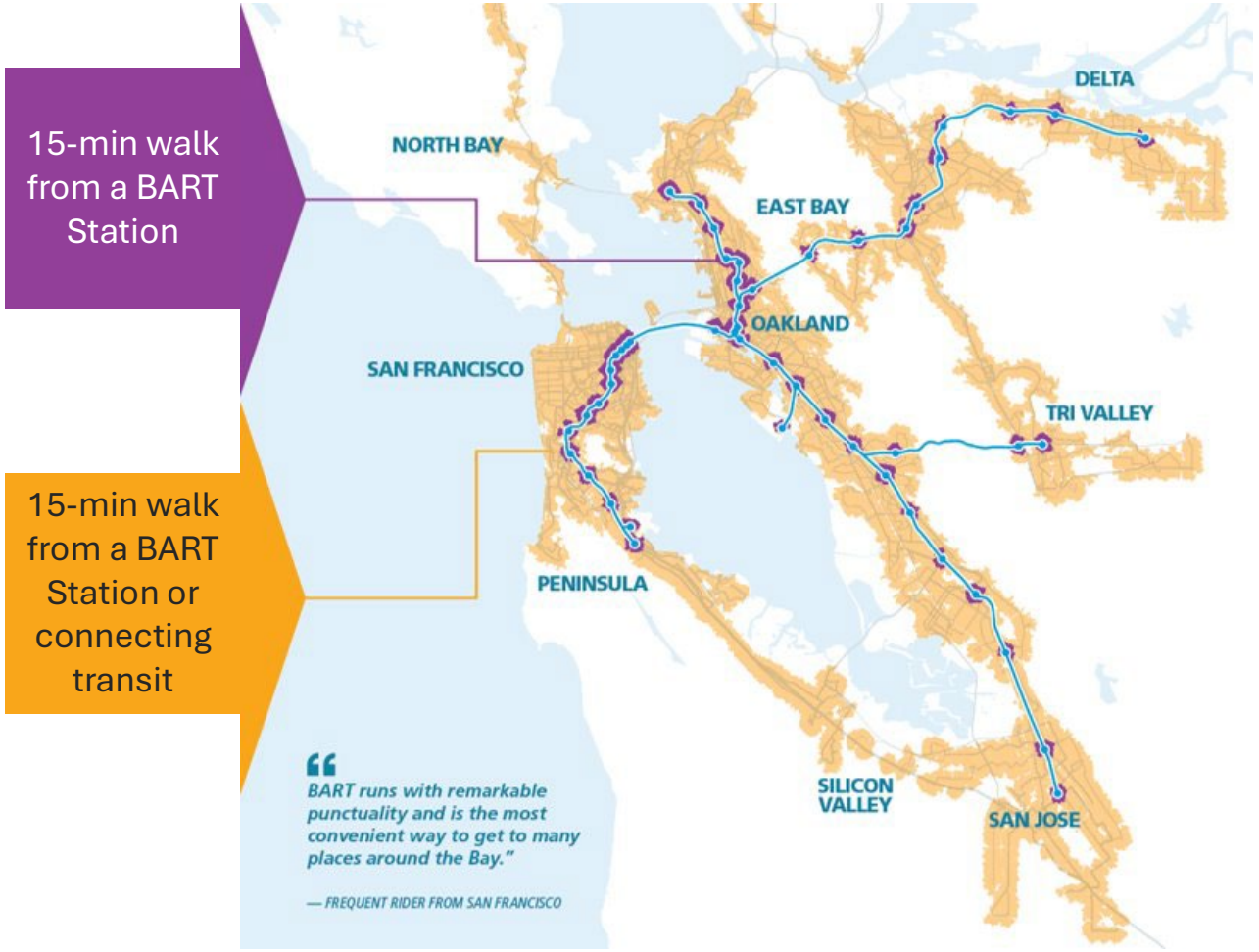
- **Keeps Cars Off the Road and Protects Our Environment:** Without BART, increased traffic congestion threatens sustainability, quality of life and climate goals

- **Grows the Regional Economy:** BART station areas generate substantial revenues for local government and businesses



BART Connects the Bay Area to Jobs and People

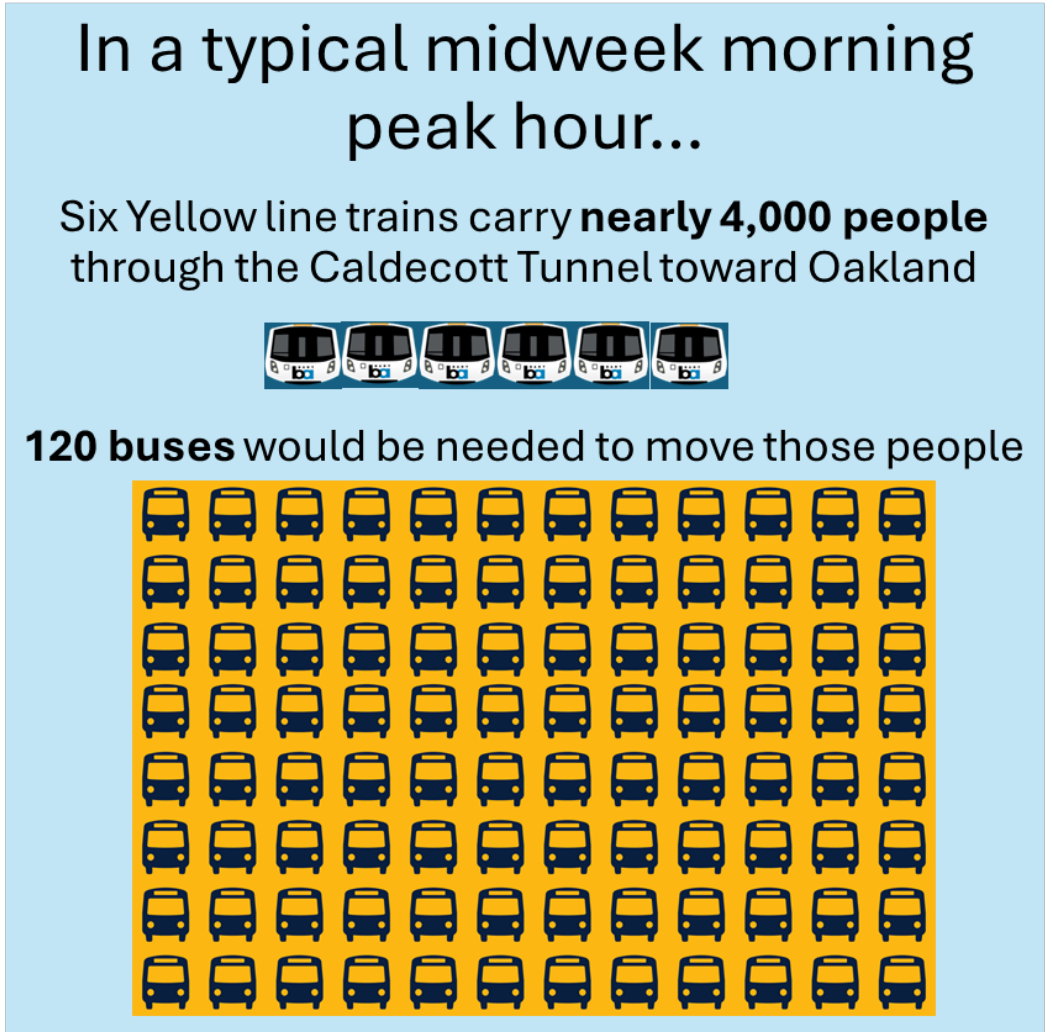
- Within a 15-min walk of BART:
  - 800k jobs
  - 670k residents
- Within a 15-min walk of BART or connecting transit:
  - 2/3 of regional jobs
  - 61% of regional residents
- BART underpins the regional transit network:
  - 87% of transfers include a leg on BART
  - 300+ unique connecting routes



Source: BART's 2024 Role in the Region Study – 15-minute walk analysis used American Community Survey 5-Year Estimates (2017-2021) and US Census Longitudinal Employer-Household Dynamics (LEHD) 2020 data. Transit network analysis based on March 2024 MTC Clipper data and regional transit routes.

BART Serves Corridors with No Transit Alternatives

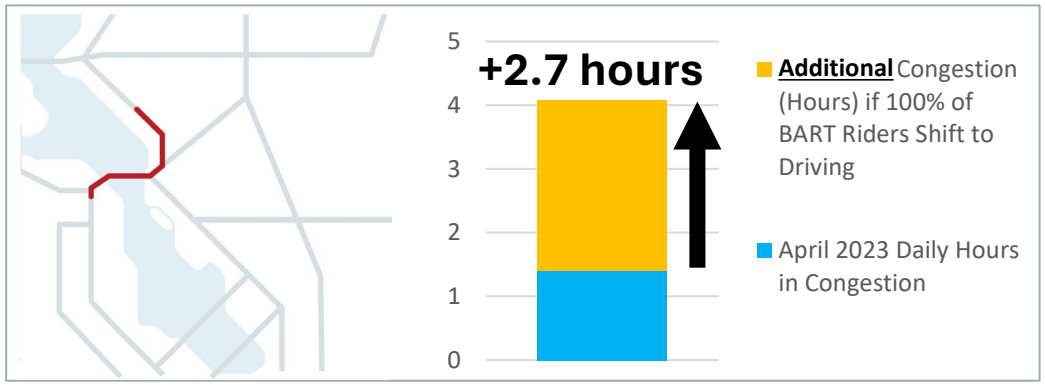
- BART is the **only transit service** between the inner Bay Area and points east of the Caldecott Tunnel and Castro Valley
- Replacing BART with buses would subject riders to congestion, crashes, weather, and other road delays, reducing reliability
- To match BART's speed, buses would require dedicated lane and signals on highways and local roads



Source: Average October 2025 Wednesday's 7:30am-8:30am westbound passenger load between Rockridge and Orinda. Assumed (1) comparable bus service would use motor coach with 67 seats per existing regional services that operate on highways; and (2) a bus would require twice the run time vs. BART to maintain the same headway based on County Connection express service vs. BART run time between Walnut Creek and Antioch.

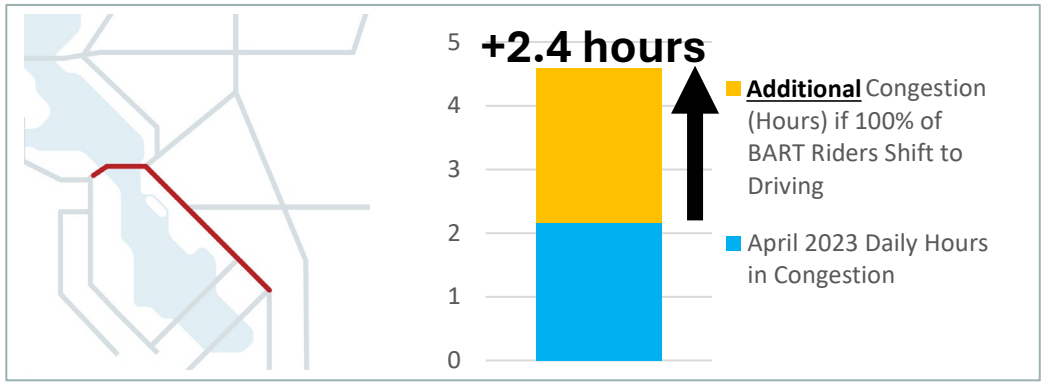
BART Saves the Region in Time and Money

Driving to/from El Cerrito and Downtown SF



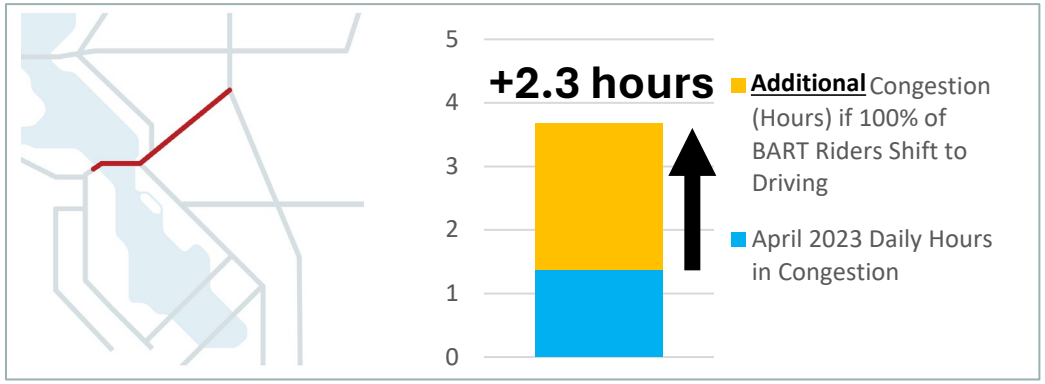
Daily congestion increase equates to $12,900 annually lost per person

Driving to/from Fremont and Downtown SF



Daily congestion increase equates to $11,700 annually lost per person

Driving to/from Walnut Creek and Downtown SF



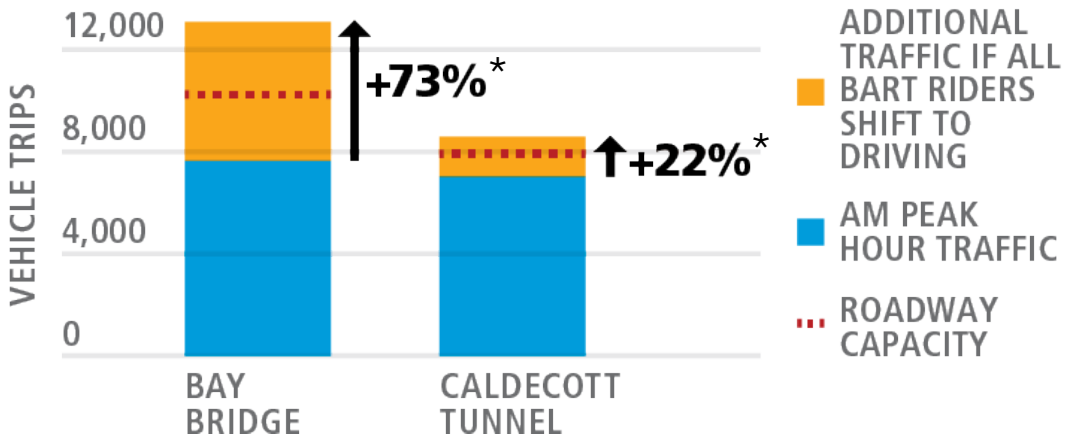
Daily congestion increase equates to $11,100 annually lost per person

Source:

- Daily congestion increase from BART's 2024 Role in the Region Study and is based on typical 2023 Wednesday AM peak hour congestion increase if 100% of riders shifted to driving multiplied by two (assumed bi-directional congestion increase is the same).
- Annual cost calculation: Bureau of Labor Statistics SF Bay Area 2024 Average Hourly Wage ($48.15); Value of time factor for unpaid commute trips in 2023 based on Victoria Transport Policy Institute's Research (50%); and four roundtrips weekly, 50 weeks annually.

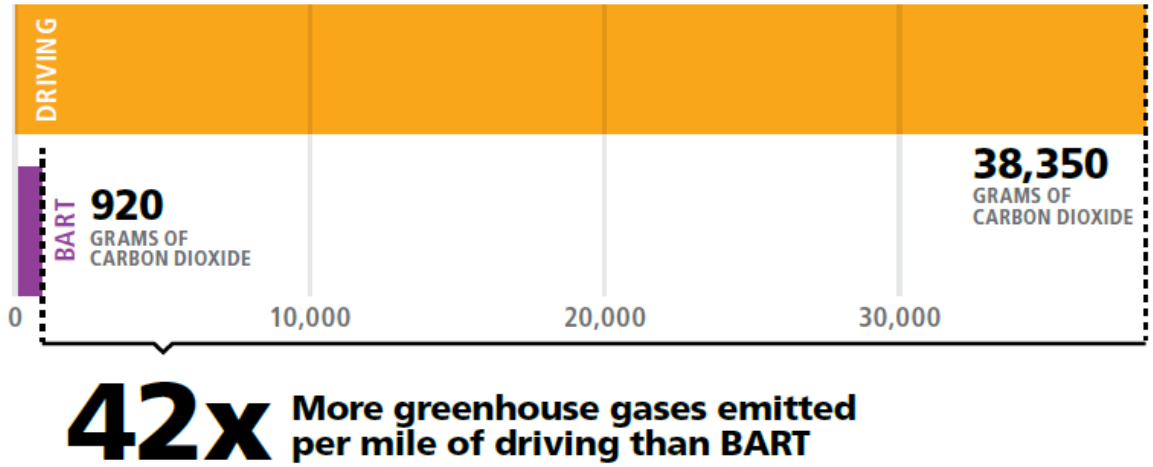
BART Eases Bottlenecks and Cuts Emissions

Traffic Without BART



*Increase would require **3 additional highway lanes** on the Bay Bridge and **1 additional lane** in the Caldecott Tunnel

Vehicle Emissions per Person per Roundtrip: Pittsburg/Bay Point to SFO

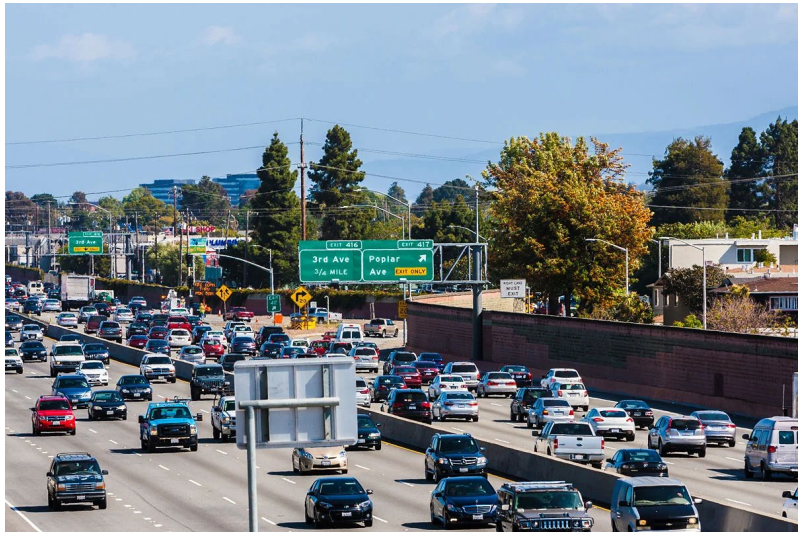


42x **More greenhouse gases emitted per mile of driving than BART**

Source: Traffic without BART - additional volume calculated based on average weekday westbound AM peak hour BART ridership through the Transbay Tube and the Yellow Line near the Caldecott Tunnel, assuming 100% vehicle mode shift and a 1.52 vehicle occupancy (NHTS, 2022). Vehicle emissions estimated based on 397 g/mi of CO_2 equivalent (EPA, 2022) and BART emissions estimated based on 0.021 CO_2 eq (lb/passenger-mile) (BART, 2023). One-way trip distance between SFO and Pittsburg Bay Point is 48.3 miles.

BART Capacity Would be Costly to Match

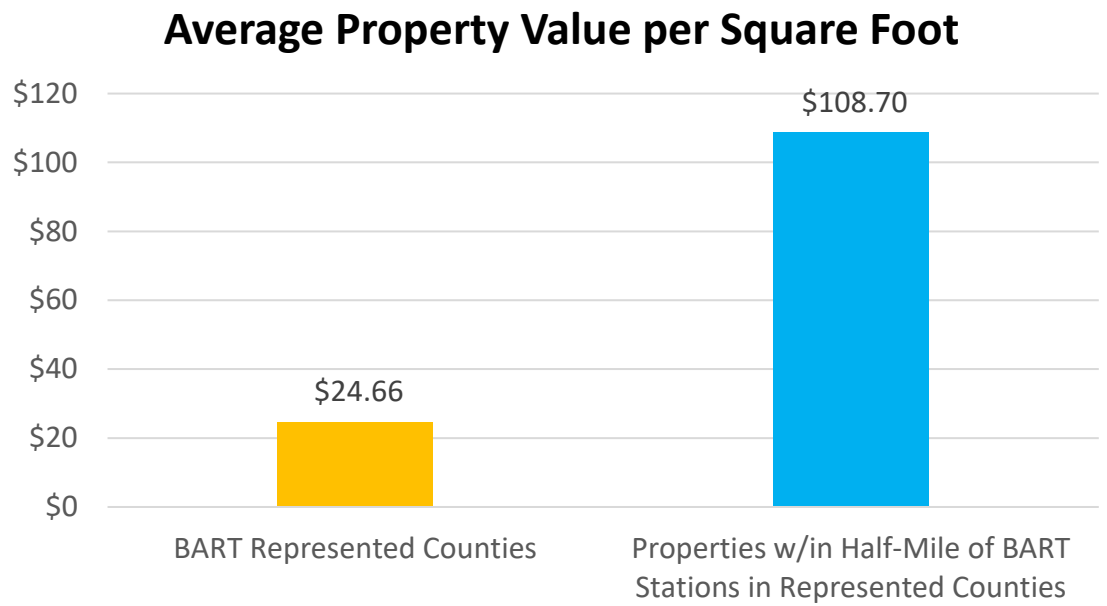
- **An additional highway lane** would be needed if all morning peak hour BART riders from San Mateo County shift to driving
- A lane would cost the region **$460M+ per mile**, not to mention the lack of space to widen US-101



Source: Morning peak hour riders is based on mid-week October 2025 (~2,600 riders). Analysis assumes 1.52 person per automobile (NHTS, 2022) and freeway capacity of 2,000 vehicle/hour/lane (Highway Capacity Manual, 2014). Highway lane cost based on lane addition in a major urbanized area (FHWA, 2012) escalated to 2024 $ based on the National Highway Construction Cost Index (FHWA, 2024). Photo Credit: San Mateo Daily Journal.

BART Stations Areas Drive Local Tax Revenues

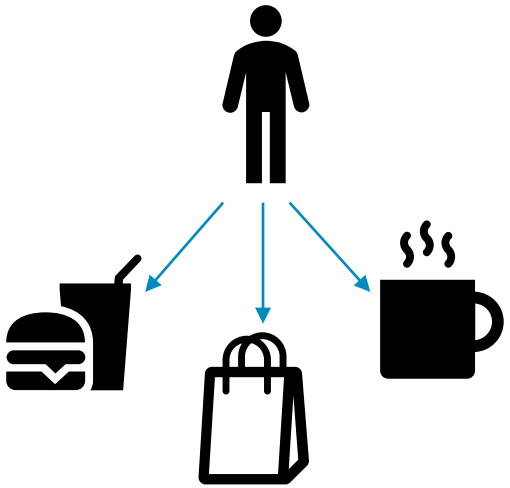
- Average property value within half mile of BART Station is **more than four times** than the average property value in BART represented counties
- These station areas had $300B of assessed property value in 2024 and generated $3+ billion in property tax revenue for local governments



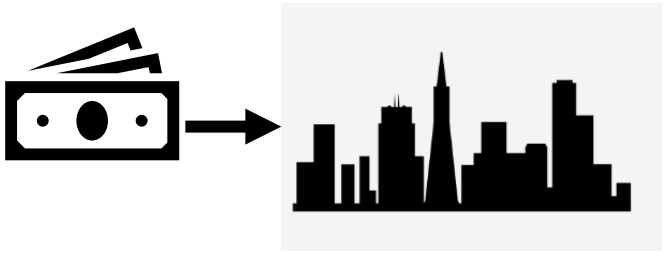
Source: Analysis is based on 2024 County Assessors' Data and excludes properties that are not taxable (e.g., publicly owned land). Station Area property tax revenue is based on CA's 1% general property tax levy, and does not include additional special taxes, assessments, and debt payment rates that voters in many jurisdictions have approved.

BART Fuels the Bay Area's Local Businesses

A Bay Area worker spends on average $34 daily around work



In **Downtown SF**, BART commuters spend an average of **$850,000 daily** in local businesses



Source: Based on Nicholas Bloom's Work From Home Study (2021) asking respondents their weekly spending near their employer's business premises in 2019. Morning is defined as September 2025 station exits between 6-10AM at Embarcadero, Montgomery, Powell, and Civic Center (~35,000); this analysis applied a factor (% of weekday riders exiting these stations going to workplace) of 68% to these exits based on BART's 2025 Station Profile Survey.

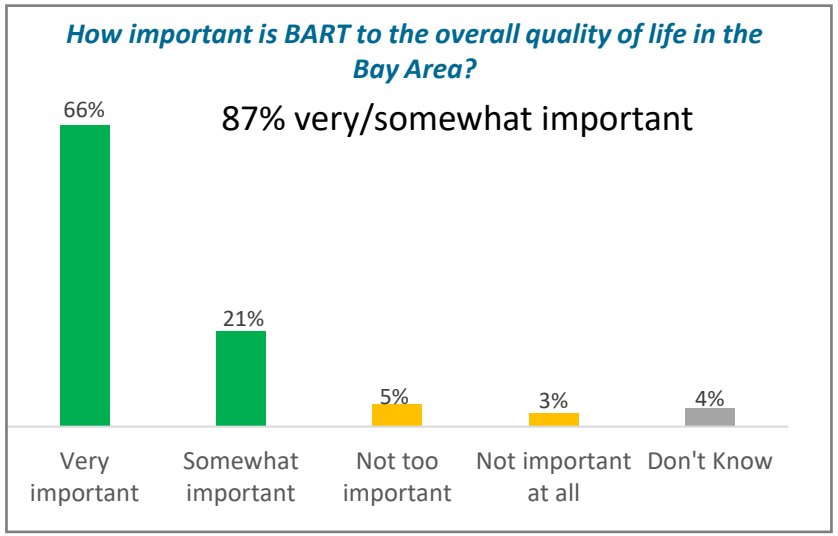
Resident Survey: Overview

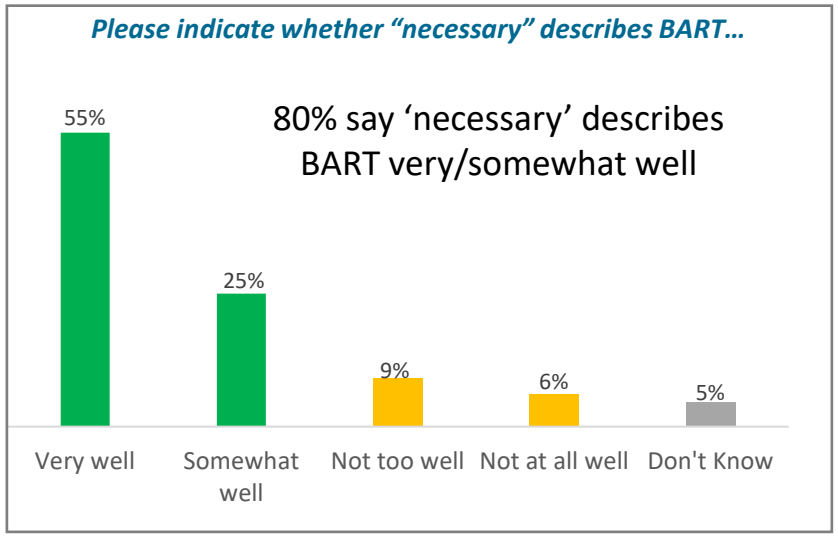
- Resident survey conducted in January with the following objectives:
  - Provide snapshot of ridership in the five-county service area
  - Better understand non-rider sentiment in order to grow ridership

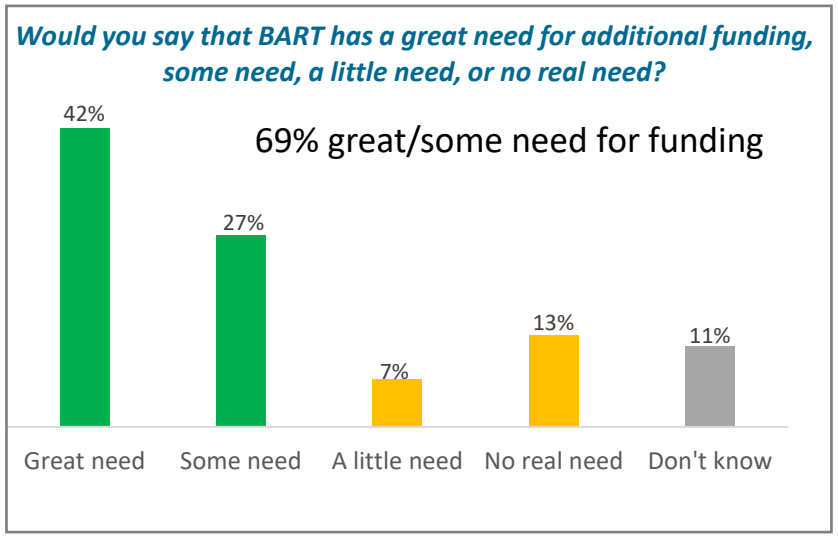
- Sample designed to be representative of adults in the five-county area
  - Conducted via multiple modes (online via email, text, or mail invitation, and by phone)
  - Sample size: 1,397
  - Not a voter poll or a rider survey
    - 33% regular riders (at least once/month); 67% non-riders (less than once/month or never)

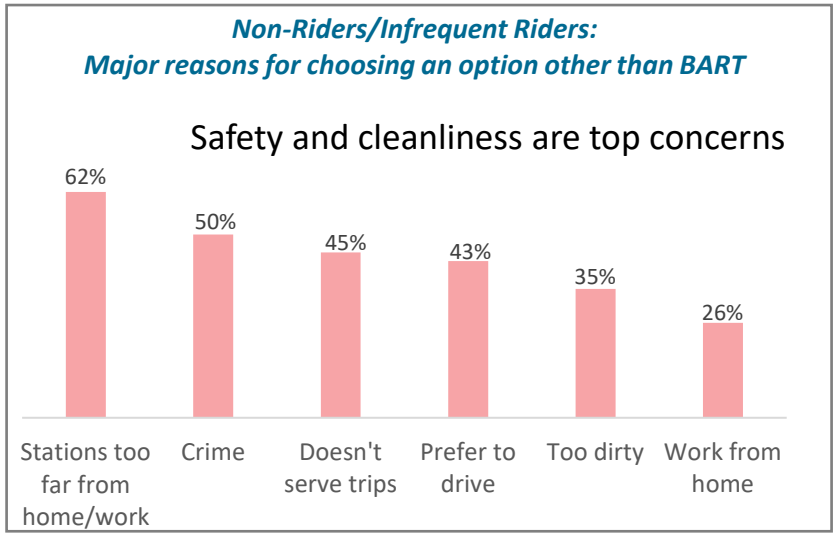
- Presentation of results to be scheduled for future Board meeting in March
  - Detailed analysis as well as plan for how results will be used

Resident Survey: Key Themes for Growing Ridership







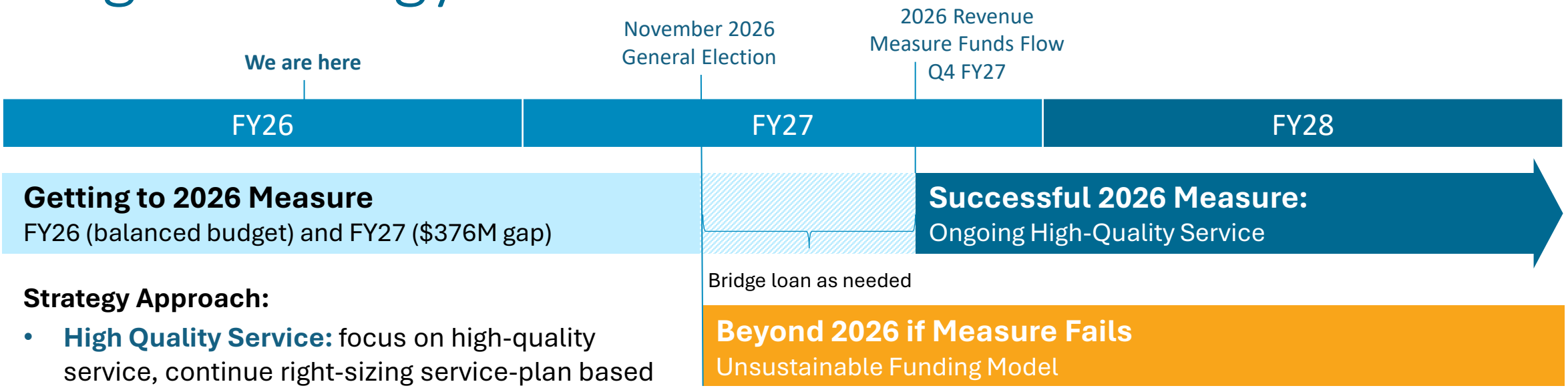


Messaging about benefits of BART likely to resonate with 5-county residents:

- Ensuring people without a car can get around
- Reducing traffic
- Ensuring seniors, youth and people with disabilities can get around
- Ensuring low-income people can get around

FY27 Budget Strategy and Look Ahead

Budget Strategy Timeline



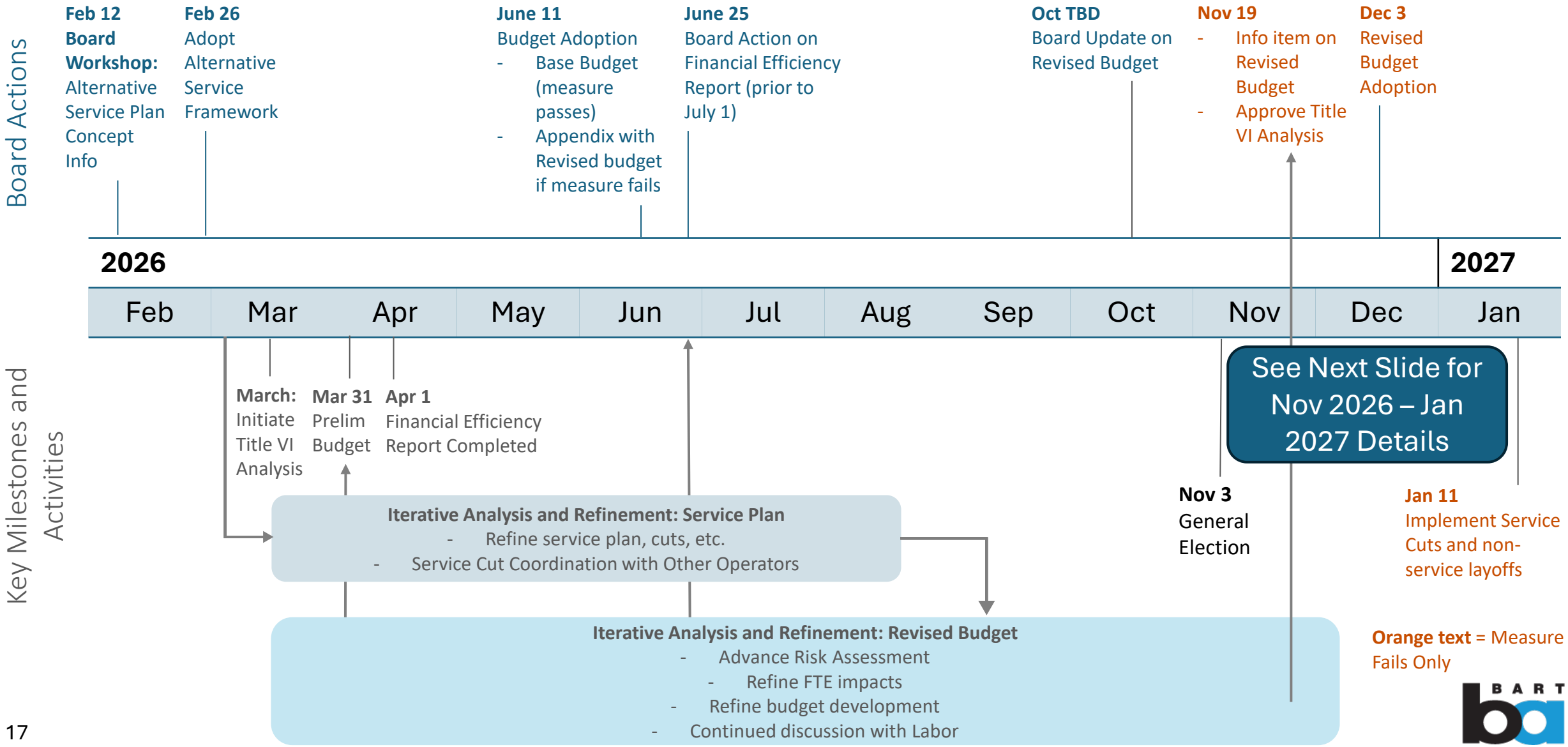
Strategy Approach:

- **High Quality Service:** focus on high-quality service, continue right-sizing service-plan based on ridership trends
- **Bridge the Funding Gap:** efficiencies and prudent cuts, one-time actions, limited use of cost deferrals and borrowing
- **Advocacy, Communication and Education:** advocate for additional funding from funding partners, ongoing public communication and education on impacts of service cuts

Strategy Approach:

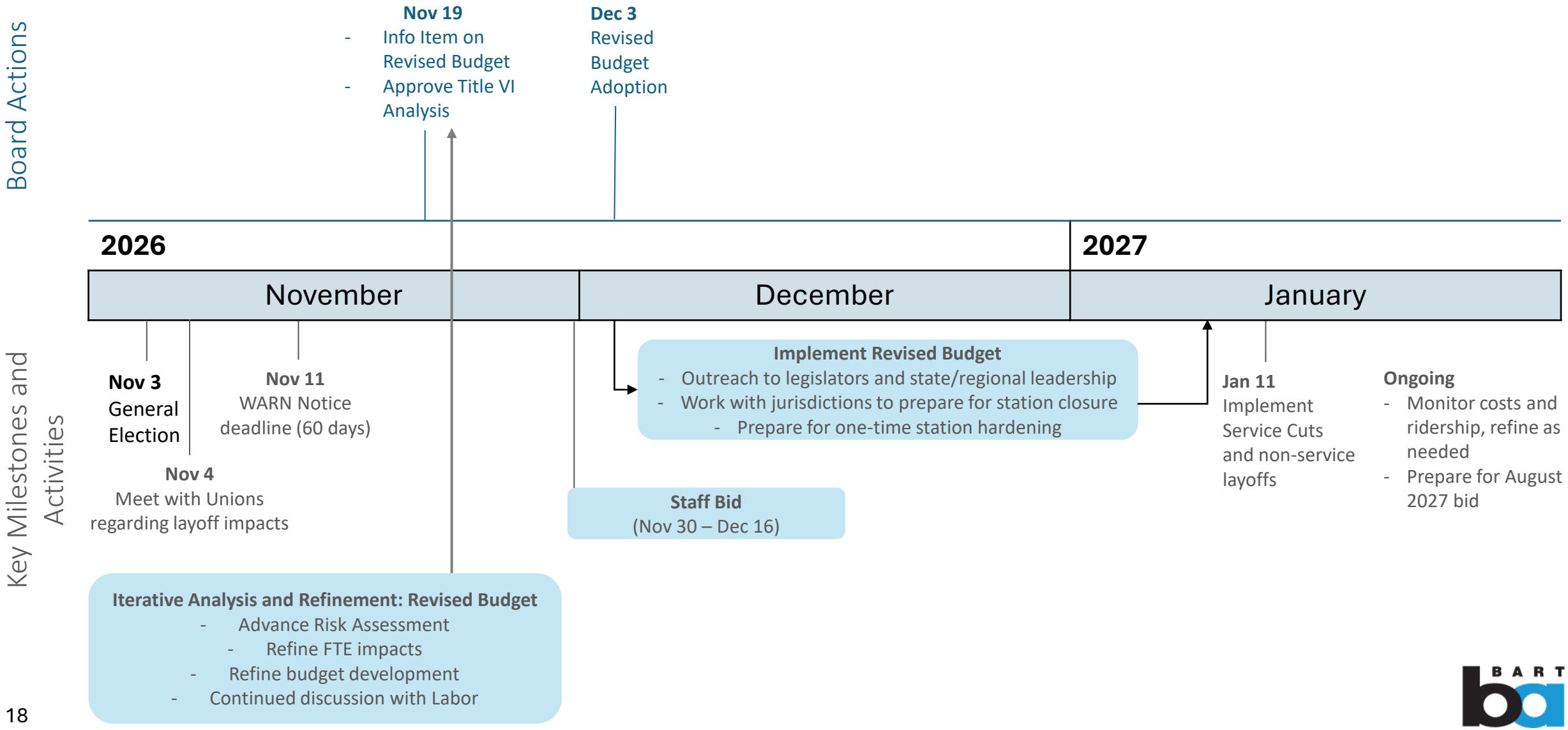
- **Deep Cuts:** implement major service cuts and workforce reductions (e.g., close stations, reduce frequency and hours), resulting in reduced ridership/fare revenue and worse customer experience
- **Implement Emergency Financial Measures:** additional fares and parking fee increases, defer more current obligations (resulting in increased future costs)
- **Advocacy, Communication and Education:** continue to engage, advocate, educate the public, and explore funding options

FY27 Key Activities and Actions



FY27 “Measure Fails” Key Activities and Actions

Nov 2026-Jan 2027



Discussion

Connect Bay Area Measure Fails FY27 Strategy

Board Workshop

February 12, 2026

Overview

- Context
- “Measure Fails” Alternative Service and Budget Framework
  - Service Plan
  - Non-Service Budget Actions
  - Summary of Impacts and Risks
- Proposed for Future Board Action: Alternative Service Framework

Context

FY27 Base Financial Outlook – Measure Succeeds

5-Year Operating Financial Outlook – FY27

($M)	FY27	FY28	FY29	FY30	FY31
Regular Sources	859	890	919	951	983
Regular Uses	1,235	1,271	1,300	1,341	1,367
Net Result	**(376)**	**(381)**	**(381)**	**(390)**	**(384)**
Regional Measure Proceeds	74	308	318	328	339
Net Result with Regional Measure	**(302)**	**(73)**	**(63)**	**(61)**	**(45)**

This table shows 5-year outlook in a “Measure Succeeds” scenario – as presented in November 2025

FY27 Base Budget Balancing Actions – Measure Succeeds

Budget Balancing Actions – FY27 Measure Succeeds Scenario

Incremental Budget Actions (in Million of Dollars)			
	FY27: 1st Half	FY27: 2nd Half	FY27: Total
Spending Reductions	10	10	20
Capital Allocation Deferral	27	27	53
Defer Retiree Medical Contributions	19	19	38
Total Incremental Change to Uses	**56**	**56**	**111**
Loan	39	58	97
Sales Tax Accrual	53		53
FY25/FY26 Retiree Medical Contribution Deferrals	40		40
Regional Revenue Measure		74	74
Total Incremental Change to Sources	**132**	**132**	**265**
Total Net Result - Measure Succeeds	**188**	**188**	**376**

This table shows our FY27 budget-balancing strategy in a “Measure Succeeds” scenario – as presented in November 2025

FY27 Base Budget Table – Measure Fails

Budget Balancing Actions – FY27 Measure Fails Scenario

Incremental Budget Actions (in Million of Dollars)			
	FY27: 1st Half	FY27: 2nd Half	FY27: Total
Spending Reductions	10	10	20
Capital Allocation Deferral	27	27	53
Defer Retiree Medical Contributions	19	19	38
Total Incremental Change to Uses	**56**	**56**	**111**
Loan	39	~~58~~	39
Sales Tax Accrual	53		53
FY25/FY26 Retiree Medical Contribution Deferrals	40		40
Regional Revenue Measure		~~74~~	
Total Incremental Change to Sources	**132**		**132**
Total Net Result - Measure Fails	**188**	**56**	**244**

Funds reduced $132M

- In a "Measure Fails" scenario, we will need **$132M** in *additional* solutions over 6 months (Jan-June 2027)
- This presentation describes possibilities (and tradeoffs) of service, non-service, and revenue solutions to meet the target
- It also discusses how budget balancing efforts might continue into the next full fiscal year (FY28)

BART's Cost and Revenue Structure

Since 2020, staff analysis has shown that BART cannot resolve its structural deficit through service cuts alone

- FY27 baseline budget structure
  - ~$1.2B operating budget, ~$370M+ structural deficit *(30%)*
  - Rail has high fixed costs and low marginal savings
  - >$400M of revenues are service-dependent

- Implications of this structure (under current assumptions)
  - No service scenario closes the full budget gap
  - At deeper service reductions, revenue losses may equal or exceed cost savings

“Measure Fails” Alternative Service and Budget Framework

FY27 “Measure Fails” Budget Principles

Minimize risk	Protect life safety as top priority Ensure safety of property and infrastructure
Impacts to customers and operations	Impacts lowest number of stakeholders negatively Minimizes negative impacts to protected populations
Compliance with laws and policies	Local, state, and federal regulations Labor laws, collective bargaining agreements (CBAs) and loan agreements
Maintain future rebuilding capacity	Preserve ability to restore staffing and infrastructure quickly and effectively

Plan Development Process

Service Plan

Iterative Process to Optimize Service Plan

Optimize Service Reduction Plan
- Headways
- Evening service
- Peak service
- Weekend service
- Lines of service/ Segment closures
- Station closures

Service Based Cost/ Workforce Reduction
- Total cost savings
- Ridership Impacts
- Net cost savings

Non-Service Budget Actions

- Additional cuts across all departments
- Impacts to programs/ functions
- Fare increase
- Financial deferrals

Analysis also assumes current work rules, benefits, and wages per CBAs, valid through June 2027

“Measure Fails” Budget Phasing Strategy

Phase 1 - In January 2027:

- 63% train hours cut and 10 station closures (**20% of stations**)
- 30% fare increase
- Target $30M of (half-year) reductions in fleet/non-fleet maintenance, police, and system support
- Balance remainder of FY27 with one-time resources and financial deferrals
- Assess: ridership/revenue impacts; performance of system support; impacts/risks of asset closures; and determine if Phase 2 can be safely implemented

Phase 2 - If feasible, in FY28 (July 2027 service change):

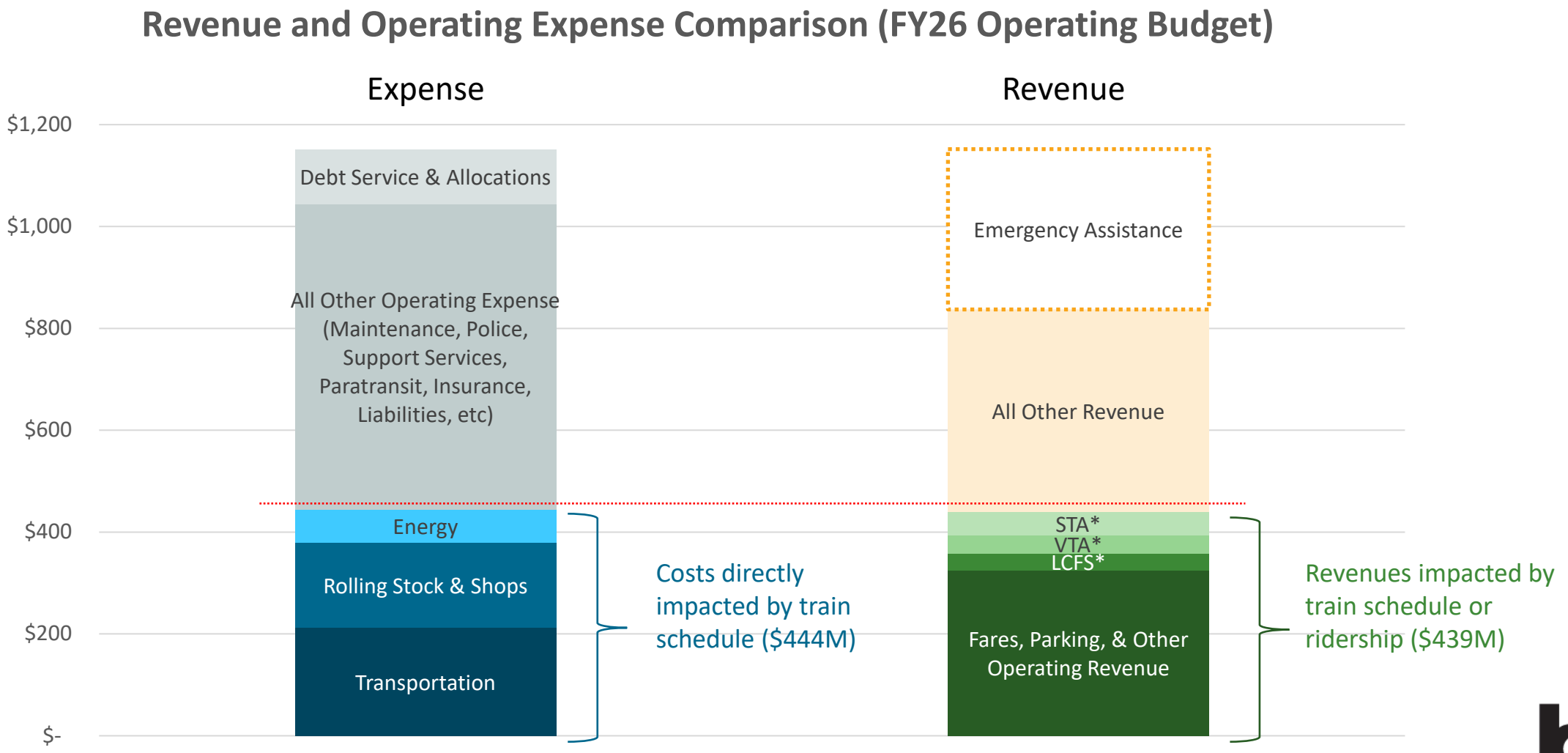
- Cumulative 70% train hours cut, 15 station closures (**30% of stations**), and segment closures (32 miles or **25% of system length**)
- Cumulative 50% fare increase
- Target over $130M of cumulative budget reductions in fleet/non-fleet maintenance, cleaning, police, and system support
- Defer remaining capital allocations
- Based on observed conditions of closed system segments, study options and tradeoffs for stopping train service

Phase 3 - When required:

- If determined BART can’t safely or legally operate with available resources, stop passenger service
- Use existing District tax revenues to secure system assets
- Work to determine system’s future

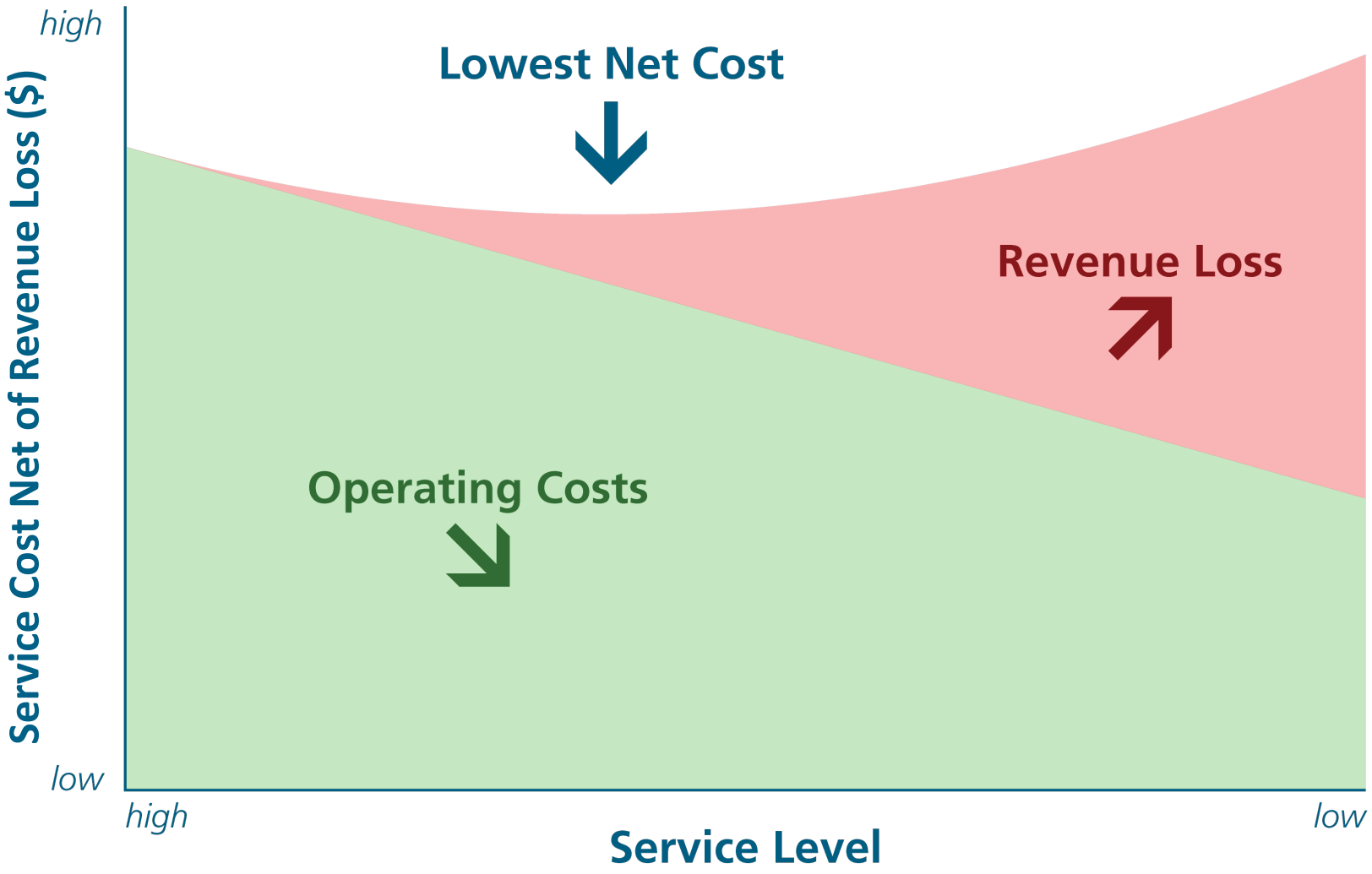
Service Plan

Revenue and Expense Categories Impacted by Train Schedule



*Revenues from State Transit Assistance (STA), Santa Clara Valley Transportation Authority (VTA), and Low Carbon Fuel Standard (LCFS) program

Minimum Service Is Not Fiscally Optimal for BART



Because $440M of projected revenues are service-dependent:

- Potential cost savings are largely offset by farebox revenue losses
- Deep service cuts reduce revenue faster than they reduce costs
- Even a financially optimized service plan leaves a large deficit

Ridership and Fare Revenue Impact Estimates

	1. Do I still want to use BART?	2. Can I fit on the train?	3. Is there service when I want to ride?
Analysis	Demand Reduction	Over-Capacity Unserved Demand	Hours of Service
Variables	• Train frequency • Transfers • Time-of-Day • Fare increase • Station closures	• Number of lines • Train frequency • Train length • Car capacity • Peak passenger loads	• Morning Start of Service • Evening End of Service • Weekend Closure

- For each train schedule, each line and direction of service was assessed for ridership impacts
- Assumed -0.3 elasticity of demand with respect to service frequency
  - *Transit Cooperative Research Program (TCRP) recommends 0.3, although literature offers range of 0.3 – 0.6 (very limited real-world experience)*
- Ridership estimates have **high impact** and **low certainty**

Current Train Schedule

Train service lines up with demand

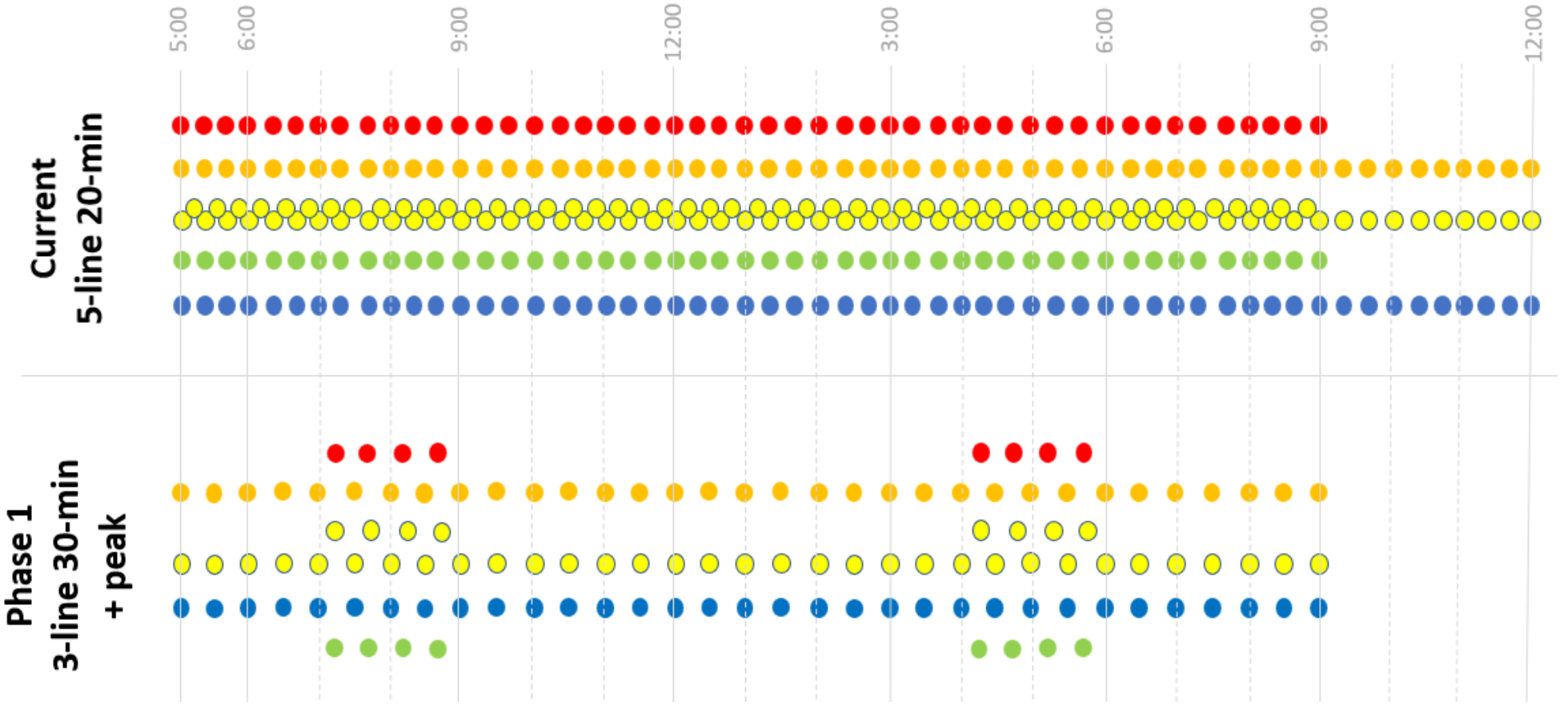
Lines	5	**Every day**
Headways	20	**10 min headways on Yellow line weekdays**
Peak Service (AM toward SF, PM toward end of line)	No	**Not required**
Evening Service	Yes	**Until midnight**
Weekend Service	Yes	**6-12 AM Sat 8-12 AM Sun**

Train Schedule Factors Considered

18 train schedules were tested, varying across 5 operating factors:

Lines	~~5~~	3			**Cutting to 3-line service = net savings**
Headways	~~20~~	30	~~40~~	~~60~~	**30-min headways = balance of savings and revenue**
Peak Service (AM toward SF, PM toward end of line)	~~No~~	Yes			**Fare revenue > Operating cost**
Evening Service (After 9pm)	~~Yes~~	No			**Operating cost > Fare revenue**
Weekend Service	Yes	~~No~~			**Fare revenue > Operating cost**

Train Dispatches by Line – Existing vs Proposed



665

Train dispatches/weekday

-66%

228

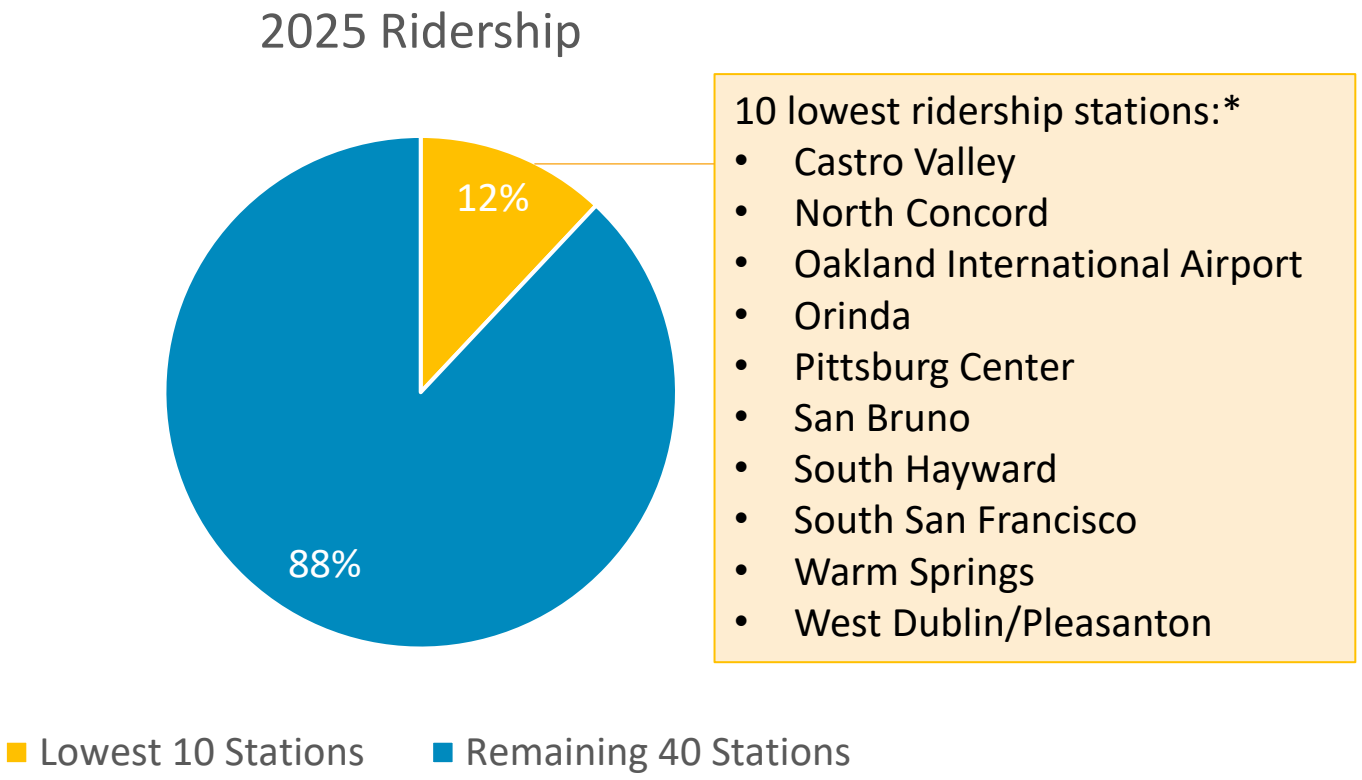
Train dispatches/weekday

Phase 1 plan is shown for weekdays only. Weekends will have no peak service and 8:00 AM opening time.

Station Closures Considered

Station closures must also balance cost savings with revenue impacts

- Ridership-based decision:
  - Underlies service mission
  - Drives revenue
  - Minimizes impacted riders
  - Transparent
- 10 lowest ridership stations recommended for closure:
  - Operating cost saving greater than fare revenue reduction
  - Impacts 12% of ridership



*Milpitas, while in the lowest 10, is proposed to remain operational due to terms of BART/VTA agreements.

Phase 1 - January 2027: Service Frequencies and Station Closures

63% reduction in train hours

Reduced base schedule

- 3-line base schedule each with 2 trains/hour
- 240% more transfers
  (Percentage of trips requiring a transfer increases from 7% to 22%)

Test retaining peak service:

- Peak Green/Red/Yellow trains operate in peak hours/direction only

No evening service

- Close 9 PM (7 days)
- Open 8 AM (Saturday and Sunday)

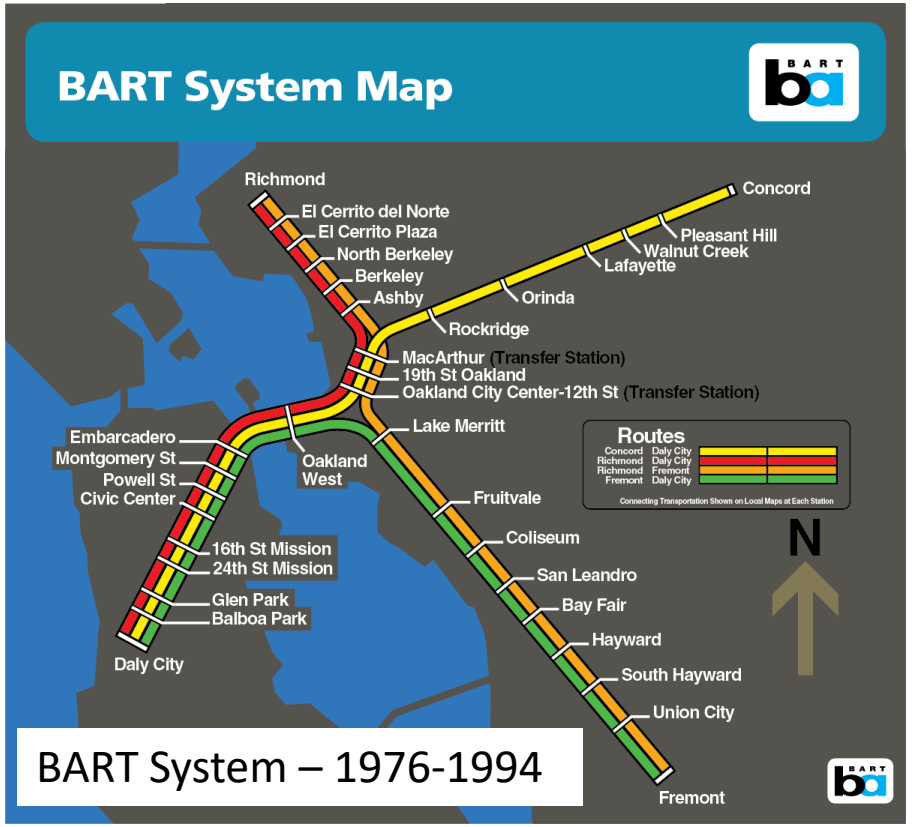
Close 10 lowest ridership stations:

Castro Valley, North Concord, Oakland International Airport, Orinda, Pittsburg Center, San Bruno, South Hayward, South San Francisco, Warm Springs, and West Dublin/Pleasanton

Operating Basis for a Smaller BART Network

After schedule and station closures, segment closures were evaluated for additional net savings

- Segment closures may reduce net costs by reducing both train hours and asset maintenance requirements
- If segments are closed, remaining service must terminate at locations designed for all-day turnback operations
- Original system termini enable efficient service because they include:
  - Terminal zones / Foreworker booths
  - Crew facilities
  - Train control capabilities
- Segment closures remain largely untested and would require careful risk mitigation



BART System – 1976-1994

Phase 2 – July 2027: Segment Closure Scenario

Contingent on Phase 1 implementation:

70% reduction in train hours
25% reduction in system miles

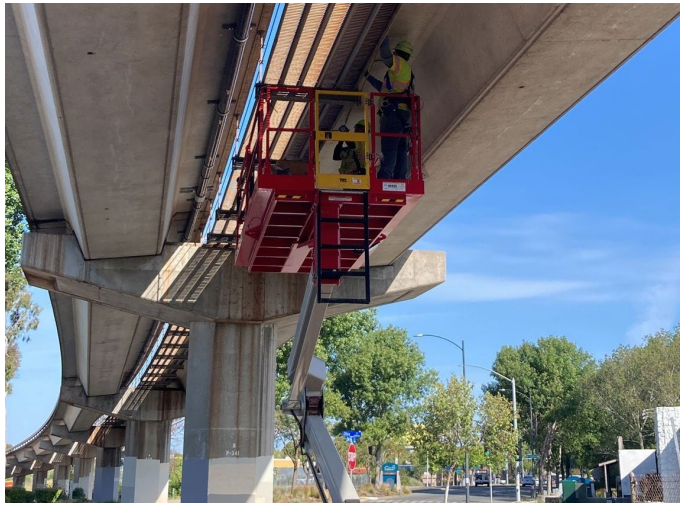
Segment closures: Stop service on most system segments opened after 1976

- Yellow line service ends at Concord
- Orange line service ends at Bay Fair
- Blue line discontinued
- Most stations south of Daly City closed, direct service to SFO continues for revenue retention
- Service continues to Milpitas and Berryessa due to terms of BART/VTA agreements

- Segment closures ***may*** reduce net costs, but risks to infrastructure must be mitigated
- Will take time to implement

Segment Closures Introduce New Maintenance, Security, and Liability Risks

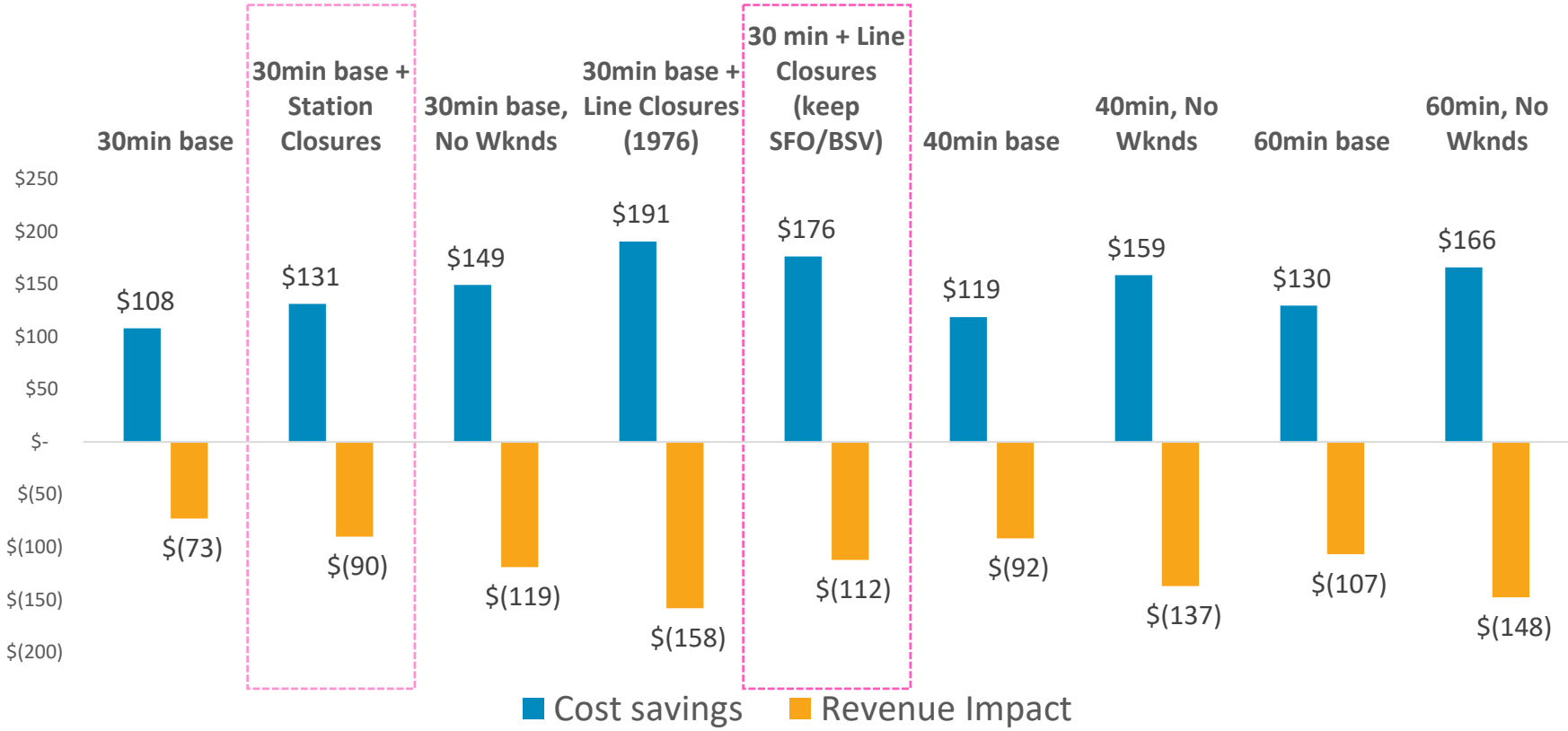
- Inactive infrastructure would require ongoing security and targeted maintenance to prevent vandalism, trespass, and unsafe conditions
- If resources are insufficient, inactive District assets could become safety hazards or public nuisances affecting surrounding communities
- Staff is not aware of any historical precedents for sustained metro rail segment closure at this scale
- New risk assessment and operating protocols would be required



Service Scenario Net Savings Comparison

- 18 train schedules were tested for cost/revenue impacts (a subset of scenarios are shown below); station and segment closures were separately evaluated and overlaid
- Proposed Phase 2 plan is based on the max *net* savings scenario
- Proposed Phase 1 service plan has lower savings, but lower risk to implement by January 2027

		"Phase 1"			*"Phase 2"*				
$M Net Savings	**$35**	**$41**	**$30**	**$33**	**$64**	**$27**	**$21**	**$23**	**$18**



Proposed Service Plan Summary

Cumulative Phases 1 and 2 reduction in train hours: **70%**

Train Schedule

- **Reduced base schedule**
  - 3-line base schedule (triples required passenger transfers)
  - 2 trains per hour on each line
- **Peak service:**
  - Peak hours/direction for revenue retention
- **No evening service/ Shorter hours**
  - 9 PM close on weekdays
  - 8 AM Saturday opening

Station and Segment Closures

- **Phase 1 - January 2027: Close 10 lowest ridership stations**
  - Oakland Airport service suspended
- **Phase 2 (If feasible) - July 2027: Stop service on 32 miles of the system (25%)**
  - Yellow line service ends at Concord
  - Orange line service ends at Bay Fair
  - Blue line discontinued
  - All stations south of Daly City closed (direct service to SFO continues)
  - Service continues to Berryessa due to terms of BART/VTA agreements
- **Phase 3 (When necessary) – Stop train service**

Non-Service Budget Actions

Non-Service Budget Balancing Actions

	Phase 2 Savings
Revenues and Deferrals	
Fare & Parking Fee Increase (30% Phase 1, Cumulative 50% Phase 2)	$58M
Financial Deferrals	$106M
Expense Cuts	
Police Cuts	$19M
Deferred Maintenance & Reduced Cleaning	$35M
System Support Cuts	$80M
Total Impact of Non-Service Budget Actions	**$297M**

- Savings shown are full-year estimates for Phase 2
- Phase 1 cuts are lower savings but lower risk and impact
- Police and Maintenance have some cost savings from service plan; non-service cuts shown are in addition to service plan reductions

Each of these budget actions introduce **additional risks and impacts**

Non-Service Strategies: Fare and Parking Fee Increase

Non-Service Budget Balancing Actions	Phase 2 Savings
Fare and Parking Fee Increase (30% in Phase 1, Cumulative 50% in Phase 2)	$58M

Raise Fares and Parking Rates

- Fares and parking fees increase **30%** in Phase 1 (Jan 2027)
  - We assume -0.35 elasticity of ridership with respect to fares
  - Estimated to reduce ridership demand by approximately 11% but still generate a revenue increase of $19M in Q3/Q4 FY27

- Fares and parking fees increase to a cumulative **50%** in Phase 2 (July 2027)
  - Estimated to reduce ridership demand by approximately 18% but still generate a revenue increase of $58M in FY28

Non-Service Strategies: Financial Deferrals

Non-Service Budget Balancing Actions	Phase 2 Savings
Financial Deferrals	$106M

Defer Retiree Medical Contributions

- Contributions to BART's Retiree Health Benefits Trust would continue to be suspended to preserve cash in FY28, for an annual savings of **$38M**
- However, this deferral increases the long-term cost of liabilities by approximately $2.25 for each $1 saved in FY28

Defer Capital Allocations

- In Phase 1, continue to defer priority capital allocations (Core Capacity), for an annual operating budget relief of $53M
- In Phase 2, we would defer more capital allocations up to a cumulative total of **$68M** This deferral would have impacts on the capital program and infrastructure maintenance

Non-Service Strategies: Police Cuts

Non-Service Budget Balancing Actions	Phase 2 Savings
Police Cuts	$19M

Total Police reduction: 30%
$14M from **shorter service hours** *(service-driven; reflected in service plan)*
$19M from **non-service police budget actions** *(incremental organizational cuts)*

Example Functions

- Police operations
- Support services
- Professional standards and training
- Progressive policing and community engagement
- Accreditation

Example Performance Areas Impacted

- Police response times
- Crime rates
- Uniformed presence on trains
- Fare evasion
- Passenger safety incidents
- Crisis intervention
- Police staffing and hiring pipeline
- Customer on-time
- Customer complaints

Non-Service Strategies: Deferred Maintenance and Reduced Cleaning

Non-Service Budget Balancing Actions	Phase 2 Savings
Deferred Maintenance and Cleaning Cuts	$35M

Total Maintenance and Rolling Stock reduction: 25%
$49M from **infrastructure closures & service cuts** *(service-driven; reflected in service plan)*
$35M from **non-service budget actions** *(incremental cuts & deferrals)*

Example Functions

- Vehicle cleaning
- Primary shops and inspection
- Secondary repair shops
- Vehicle electronic repair
- Vehicle engineering
- Quality assurance

Example Performance Areas Impacted

- Asset performance and reliability
  - Fleet reliability
  - Fleet delays
  - Wayside delays
- Service reliability
  - Customers on-time
  - On-time performance
  - Timed transfer success rate

Deferred Maintenance and Reduced Cleaning continued on next page

Non-Service Strategies: Deferred Maintenance and Reduced Cleaning (Continued)

Example Functions

- Station cleaning
- Maintenance of:
  - Traction power
  - Track/structures/wayside
  - Facilities/buildings
  - Electrical/mechanical
  - Elevator/escalators
  - Train control
  - Non-revenue vehicles
  - Fare collection equipment
  - Communications systems
  - Grounds
- Technical training
- Reliability engineering
- Track allocation

Example Performance Areas Impacted

- Passenger safety incidents:
  - Station
  - In-vehicle
- Employee safety
- Station access and equipment availability (e.g., elevators, escalators, fare gates)
- Customer satisfaction (e.g., environment inside stations, environment outside stations, customer complaints)

Non-Service Strategies: System Support Cuts

Non-Service Budget Balancing Actions	Phase 2 Savings
System Support Cuts	$80M

Total System Support Reduction: 40%

Example Functions

- Chief Financial Officer
  - Budgets and Financial Planning
  - Grants and Funding Strategy
  - Performance and Audit
  - Controller and Treasury
  - Risk and Insurance Management
- Civil Rights
- Administration
  - Procurement
  - Human Resources
  - Labor Relations
- Technology
  - Project Management
  - Security and EGIS Applications
  - Customer and Web Service
- Board Appointed Officers
  - General Counsel
  - Inspector General
  - Independent Police Auditor
  - District Secretary

Example Performance Areas Impacted

- Payroll processing
- Cybersecurity and system reliability
- Revenue protection and fraud prevention
- Regulatory and legal compliance
- Audit findings and financial controls
- Grant eligibility and funding management
- Labor Relations and Workforce stability
- Staffing, skill and institutional capacity
- Information access, transparency and public accountability

System Support Cuts continued on next page

Non-Service Strategies: System Support Cuts (Continued)

Example Functions

- Infrastructure Delivery
  - Project Management
  - Facilities
  - Systems
  - Right of Way
- External Affairs
  - Communications
  - Marketing and Research
  - Government/Community Relations
  - Customer Services
- Planning and Development
  - Customer Access
  - Real Estate and Transit-Oriented Development
  - Strategic and Station Area Planning
  - Sustainability and Power Procurement
- Quality of Life Programs
- Ops Planning and Support

Example Performance Areas Impacted

- Accessibility and regulatory compliance
- Project and program delivery
- Ridership and revenue development
- Customer access and information
- Public trust, transparency and accountability
- Interagency and community coordination
- Policy and plan implementation capacity
- Customer complaints

Summary of Impacts and Risks

Target Budget Cut and Workforce Impacts by Function (Phase 2)

Executive Office / Department	Total Eligible Budget ($M)	Target Phase 2 Reduction ($M)	Target Budget Reduction (%), Service and Non-Service	Operating Full Time Equivalents (FTEs)	Operating FTE Reduction
Operations	**550**	**162**	**29%**	**2,788**	**829**
Maintenance	173	34	20%	849	170
Rolling Stock and Shops	158	47	30%	765	229
Transportation	211	78	37%	1,136	419
Other Operations	9	4	40%	38	11
Police	**109**	**33**	**30%**	**414**	**124**
Support Functions	**174**	**70**	**40%**	**541**	**216**
General Manager	12	*5*	40%	20	*8*
Administration	39	*16*	40%	169	*67*
External Affairs	11	*5*	40%	45	*18*
Office of Infrastructure Delivery	14	*6*	40%	61	*24*
Office of the CIO	34	*14*	40%	58	*23*
Planning and Development	18	*7*	40%	36	*14*
Office of the Chief Financial Officer	35	*14*	40%	123	*49*
Board Appointed Officers	10	*4*	40%	31	*12*
Total	**$833**	**$264**	**31%**	**3,743**	**1,170**

- Target Phase 2 service- and non-service reductions by Executive Office
- Target reductions require further risk and feasibility assessment
- Exclusions: paratransit, workers comp, liabilities, traction power, Board elections, and liability insurance

Estimated Position Impacts by Bargaining Unit (Phase 2)

Bargaining Unit	Total Operating Positions	% Reduction	Change in Budgeted Operating Positions
AFSCME	309	34%	106
ATU	1,043	37%	384
SEIU	1,651	26%	437
BPOA/BPMA	410	30%	123
Non-Represented	329	36%	120
Total	**3,743**	**31%**	**1,170**

Budget Framework Includes Risk & Uncertainty

This proposal is the most rigorous estimate to date of maximum net savings from service reductions, but it **does not demonstrate a sustainable or low-risk balanced budget**

Important questions remain around revenue, safety, asset protection, recovery timelines, and risk management

Known
Service cuts alone cannot close BART's deficit
Non-service cuts at the scale required to balance the operating budget are untested
Some necessary balancing actions are deferrals or use of one-time funds, not permanent cost reductions

Not Known
Magnitude and timing of ridership and revenue impacts
Critical function risk for maintenance, police, and system support
Feasibility and stability of proposed infrastructure closures

What will Determine the Feasibility of Phase 2?

Potential Points of Failure for Phase 2

Ridership/revenue shortfall
If ridership/revenue impacts are significantly worse than forecast, even the deepest spending cuts won't balance the budget

Failure of required function (Anticipated or actual)
If proposed cuts result in failure of legally, operationally, or safety required function (i.e., payroll, track inspections, cybersecurity), scale back the proposed cut

Line segment shutdown risks and costs exceed expected cost savings
If risk analysis determines that line segment closures do not help achieve stable balance, scale back on proposed closures

Resulting Triggers for Phase 3

Sustained negative cash flow/insolvency
If we know we won't be able to meet our financial obligations, we can't legally take on new obligations

Unsafe conditions and/or out of legal or regulatory compliance
If real-world conditions are unsafe, or we can't remain in compliance with laws or regulations (i.e., PUC inspection requirements), we can't operate rail service

Phase 3 – Stop Passenger Service

If it is determined that BART can't be safely or legally operated with the available resources, stop train service

- Use tax revenues to secure system assets
- Work to determine system's future
- Significant legal and operational questions remain to be studies

Proposed for Future Board Action: Alternative Service Framework

Proposed Alternative Service Framework for Board Action

Phase 1 - In January 2027:

- 63% train hours cut and 10 station closures (**20% of stations**)
- 30% fare increase
- Target $30M of (half-year) reductions in fleet/non-fleet maintenance, police, and system support
- Balance remainder of FY27 with one-time resources and financial deferrals
- Assess: ridership/revenue impacts; performance of system support; impacts/risks of asset closures; and determine if Phase 2 can be safely implemented

Phase 2 - If feasible, in FY28 (July 2027 service change):

- Cumulative 70% train hours cut, 15 station closures (**30% of stations**), and segment closures (32 miles or **25% of system length**)
- Cumulative 50% fare increase
- Target over $130M of cumulative budget reductions in fleet/non-fleet maintenance, cleaning, police, and system support
- Defer remaining capital allocations
- Based on observed conditions of closed system segments, study options and tradeoffs for stopping train service

Phase 3 - When required:

- If determined BART can't safely or legally operate with available resources, stop passenger service
- Use existing District tax revenues to secure system assets
- Work to determine system's future

Discussion

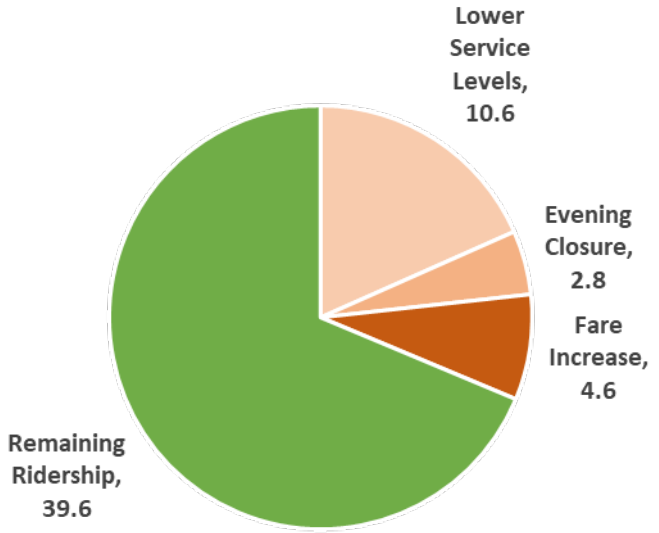
Estimated Cumulative Ridership Impacts

In Millions	Phase 1 (January 2027)	Phase 2 (July 2027)
Baseline Ridership (Annual)	57.6	59.5
Total Ridership Reduction	-17.9 (-31%)	-23.5 (-39%)
Remaining Ridership	**39.6**	**36.0**

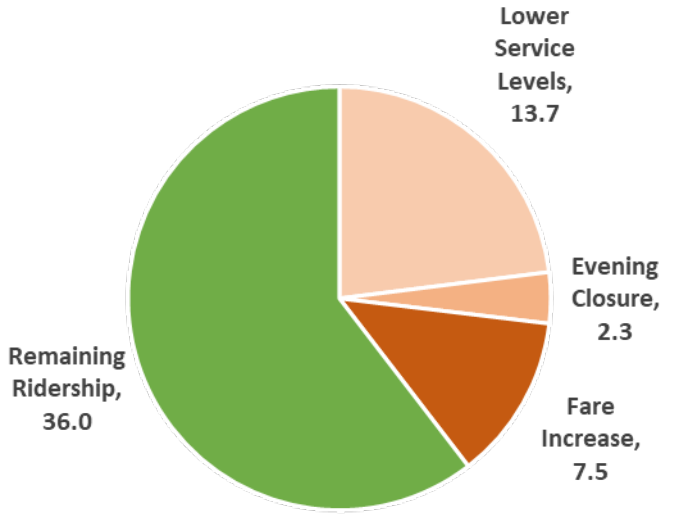
Ridership estimates have:

- **High impact**
- **Low certainty**

Phase 1 Ridership (In Millions)



Phase 2 Ridership (In Millions)



FY27 “Measure Fails” Budget Framework

- Q1/Q2:
  - Maintain quality service
  - Balance with reserves and deferrals
- Q3/Q4 (Phase in budget measures):
  - Implement Phase 1 plan: 63% service cut (3 lines /2 trains per hour base schedule, 9 PM close) and close 10 stations
  - 30% fare increase
  - Half implementation of support, police, and maintenance cuts
  - Observe ridership and functional outcomes - adjust plan as needed
  - Use one-time money as needed to bridge to FY28

Incremental Changes to Budget (In Million of Dollars)			
	FY27: 1st Half	FY27: 2nd Half	FY27: Total
BUDGET ACTIONS			
Baseline Spending Reductions	10	10	20
Capital Allocation Deferral	27	27	53
Defer Retiree Medical Contributions	19	19	38
Service Reductions	-	66	66
Non-Service Reductions	-	30	30
Total Incremental Change to Uses	**56**	**152**	**207**
Loan	39	-	39
Sales Tax Accrual	53	-	53
Fare Revenue Impacts Due to Service Reductions	-	(33)	(33)
Non-Fare Revenue Impacts Due to Service Reductions	-	(12)	(12)
Fare & Parking Increase	-	19	19
FY25/FY26 Retiree Medical Deferrals	40	-	40
One-Time Reserves/Deferrals	-	*62*	*62*
Total Incremental Change to Sources	**132**	**37**	**169**
Total Net Result - Measure Fails	**188**	**188**	**376**

Example Full-Year Budget Framework

- Table illustrates “Phase 2” plan using FY28 costs and revenues
- **It is not known at this time whether it would be feasible to operate at this resource level for a full year** (subject to further study)

Implement Phase 2 Plan:

- Cumulative 70% service cut, 15 station closures, and segment closures (32 miles, 25%)
- Cumulative 50% fare increase
- Cumulative budget cuts: fleet and non-fleet maintenance: 25%; police: 30%; system support: 40%
- Defer all capital allocations
- Observe conditions of closed system segments

Study options and tradeoffs for stopping passenger service

Incremental Changes to Budget (In Million of Dollars)	***Balanced Budget (FY28)***
	Annualized
BUDGET ACTIONS	
Baseline Spending Reductions	20
Capital Allocation Deferral	68
Defer Retiree Medical Contributions	38
Service Reductions	176
Non-Service Reductions	133
Total Incremental Change to Uses	**436**
Loan	-
Sales Tax Accrual	-
Fare Revenue Impacts Due to Service Reductions	(81)
Non-Fare Revenue Impacts Due to Service Reductions	(31)
Fare & Parking Increase	58
FY25/FY26 Retiree Medical Deferrals	-
Total Incremental Change to Sources	**(55)**
Total Net Result - Measure Fails	**381**

Grow Ridership and Build Confidence

Board Workshop

February 12, 2026

Delivering in FY26 for Success in FY27

FY26: Focused on Success

Financial Stability

- Planning for multiple futures
- Ongoing efficiencies and cost saving efforts

Focus on the Customer:

- Retain high customer satisfaction
- Continue Clean and Safe
- BART App updates and Wi-Fi improvements
- Next Generation Fare Gates
- Station and infrastructure improvements
- Clipper 2

FY27: Planning for Multiple Futures

Nov 2026 General Election

Measure Passes: Base Budget

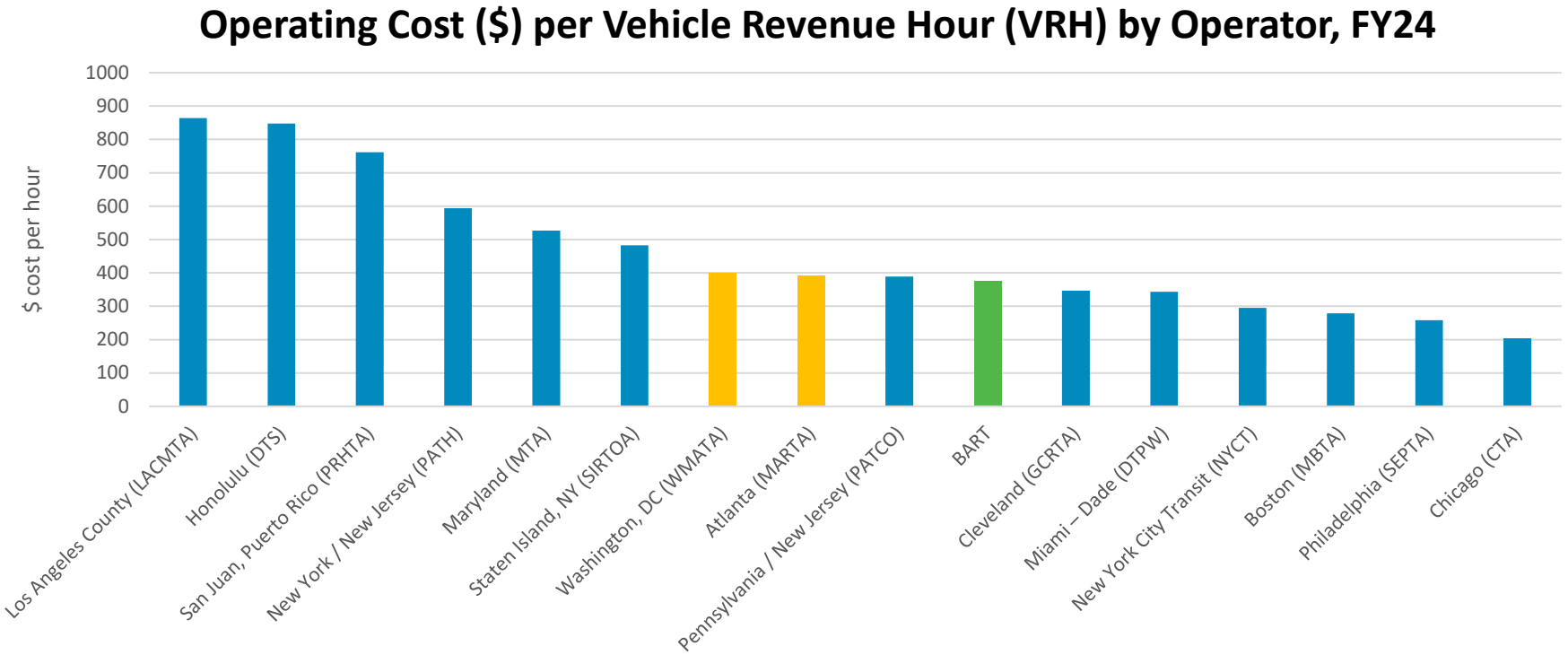
Continue to Deliver High Quality Transit and Ensure Financial Stability

Measures Fails: Alternative Budget

$300M+ in budget cuts and deferrals

Focus on Financial Stability

BART Service is Efficient Compared to Other Operators



- BART's costs are lower than its two closest structural peers (WMATA and MARTA) while operating in a high-cost region
- Operators with lower costs primarily operate dense city subways rather than longer-haul regional or commuter rail

Source: National Transit Database; Bureau of Labor Statistics, CPI Index for All Urban Consumers (US City Average)

BART Has Been Reducing Expense and Increasing Revenues

Cumulative deficit reductions between FY20 and FY25

- **Service Right-Sizing ($265M)**
  - Reduced service during COVID (2020 and 2021)
  - Shorter trains reduce power and maintenance costs
- **Workforce and Structural Right-Sizing ($170M)**
  - District Retirement Incentive Program (DRIP)
  - Strategic hiring freeze
  - Elimination of long vacant positions post-COVID
  - Indefinite deferral of planned staffing increases
  - Negotiated less than inflation employee wage increases
- **Operational Efficiencies ($459M)**
  - Rail cars delivered below budgeted cost
  - LED lighting installation in BART parking garages
  - Reduced payments to other operators
  - Improved capital reimbursement recoveries
- **Operating Revenue Development ($103M)**
  - Sustained inflation-based fare increases
  - Additional revenue from Next Generation Fare Gates
  - New fare products (e.g., Clipper BayPass)
  - Leasing excess capacity at BART parking lots
- **Additional Funding Secured Through Advocacy ($272M)**
  - Secured additional American Rescue Plan Act (ARPA) allocation
  - Increased Low Carbon Fuel Standard (LCFS) credit allocations
  - Successful joint advocacy against electric transmission and distribution rate increases

New Revenue Will Not Eliminate Deficits

- Continued focus on cost growth containment required for several years
  - FY27 operating budget deficit reduced by $20M after direction by General Manager and Board President
- Staff supporting SB 63 Financial Efficiency Measures study
  - Will incorporate relevant findings and recommendations into future budgets
- Future operating budget-funded capital commitments to projects underway are at risk
  - Capital allocation suspensions may need to be extended

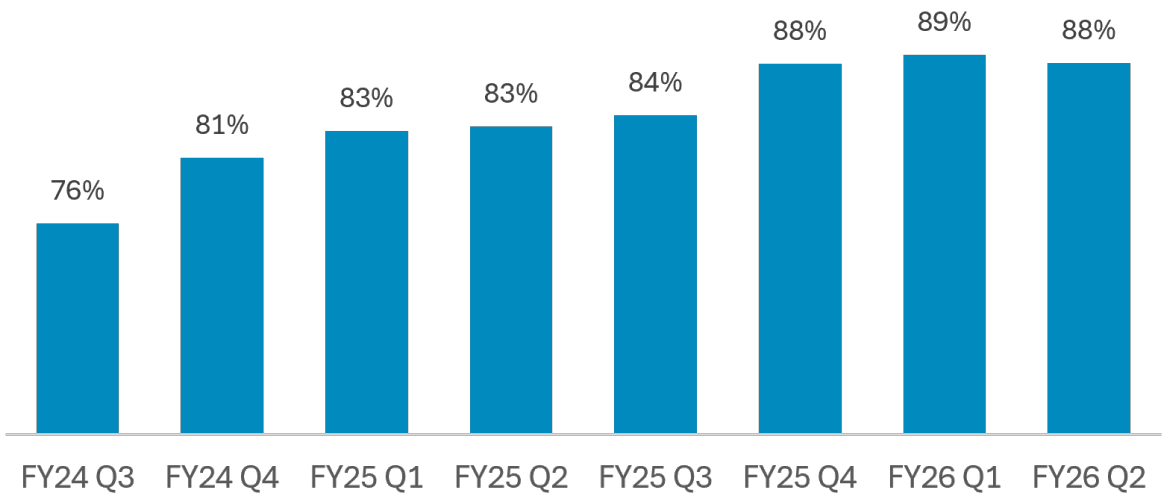
Focus on the Customer

Customer Satisfaction Continues to be High

Customer satisfaction trends reflect improvements made to rider experience

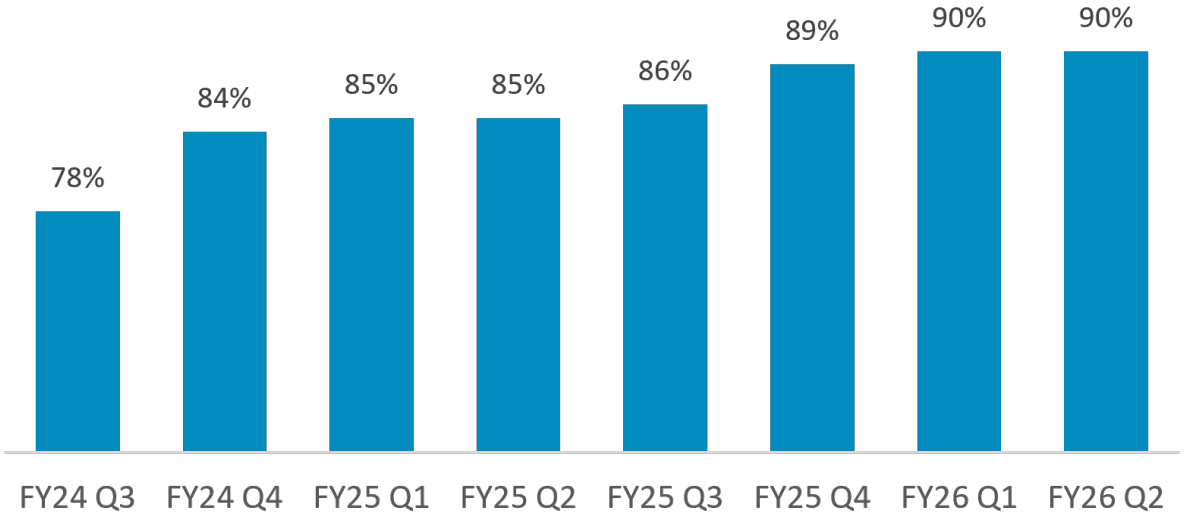
Overall Customer Satisfaction

Overall, how satisfied are you with the services provided by BART?



On-Train Experience

Your experience with the BART train you are on right now:



Source: BART Passenger Experience Survey – satisfaction rating is percentage of riders who selected very satisfied or somewhat satisfied

BART's Net Promoter Score is Trending Up

How's Net Promoter Score (NPS) calculated?

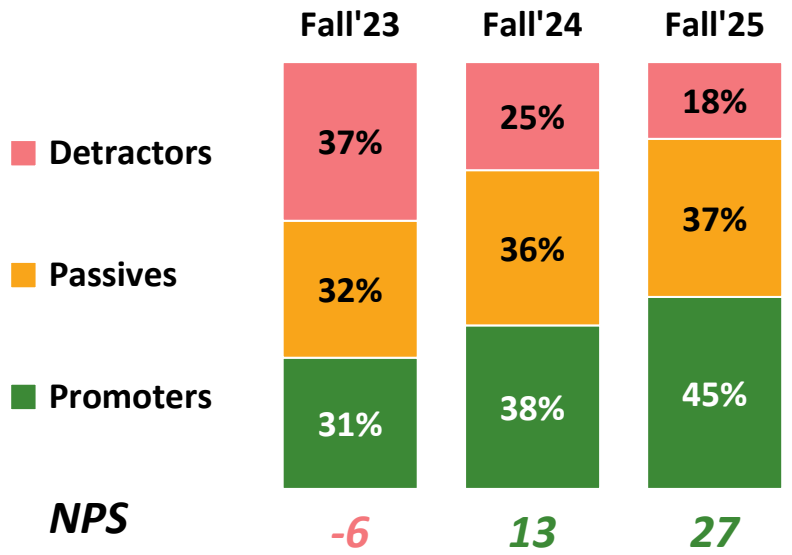
- Respondents are asked to rate the likelihood to recommend BART to a friend or colleague on a 11-point scale
- 0-6 ratings are termed "Detractors" and 9-10 are "Promoters"
- NPS, a measure of rider loyalty, is the difference between Promoters and Detractors

How likely are you to recommend BART to a friend or colleague?

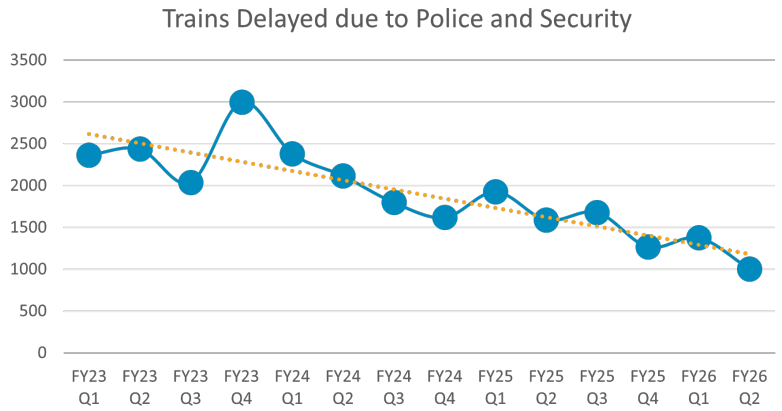
DETRACTORS							PASSIVES		PROMOTERS	
0	1	2	3	4	5	6	7	8	9	10

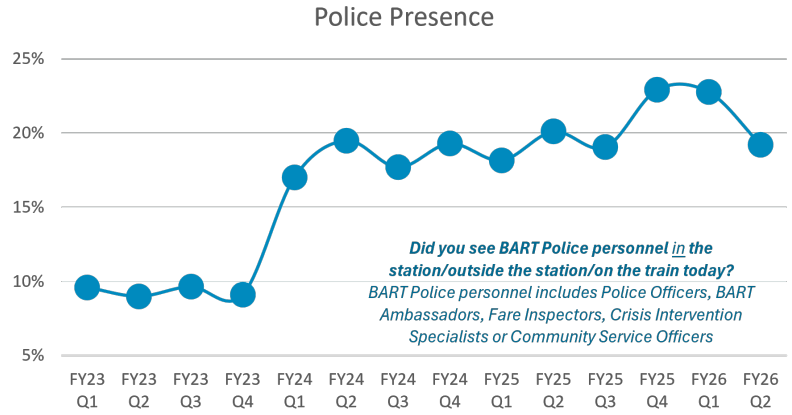
Net Promoter Score
(% Promoters - % Detractors)

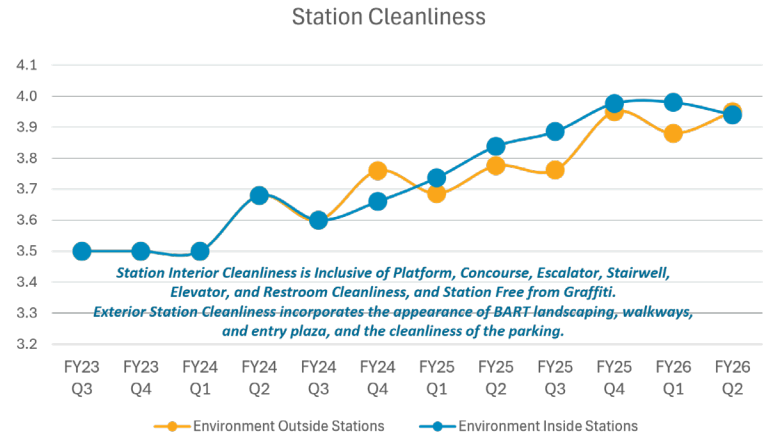
Best possible score: **+100**
Lowest possible score: **-100**

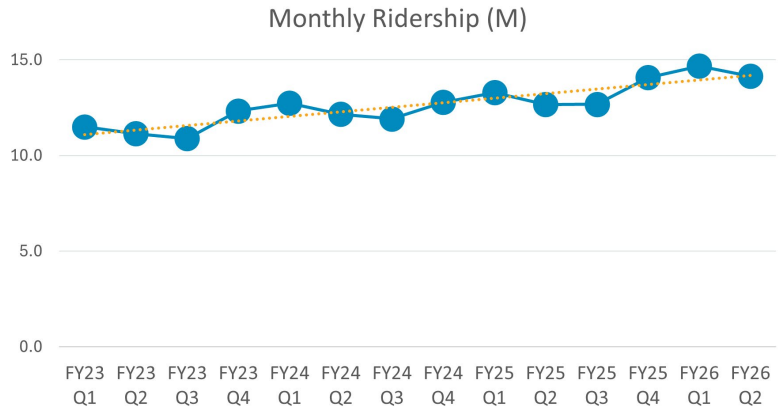


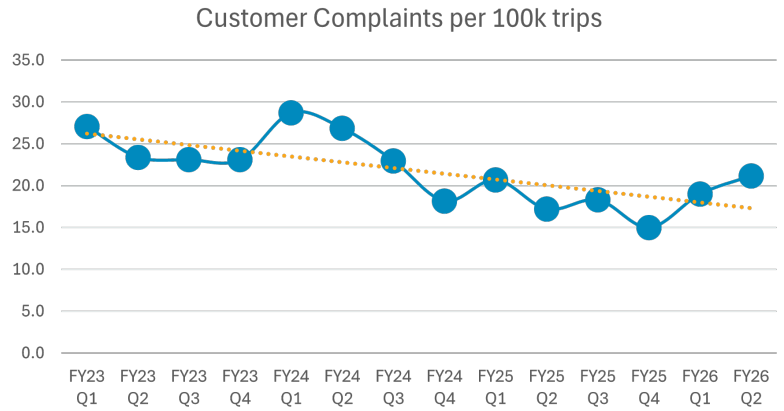
Safe, Clean, and Reliable

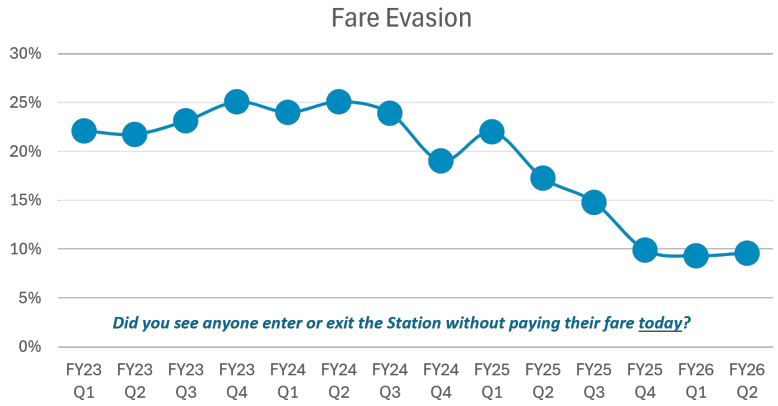




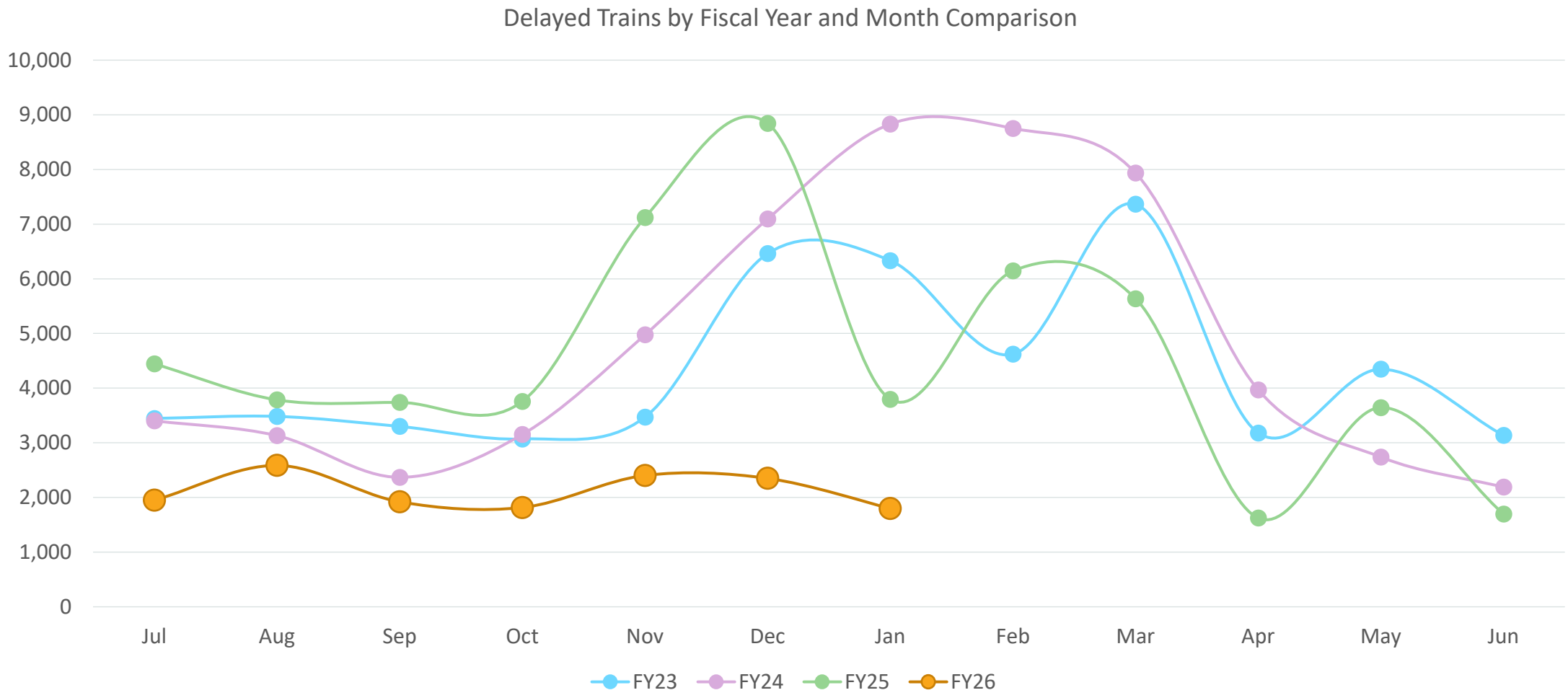






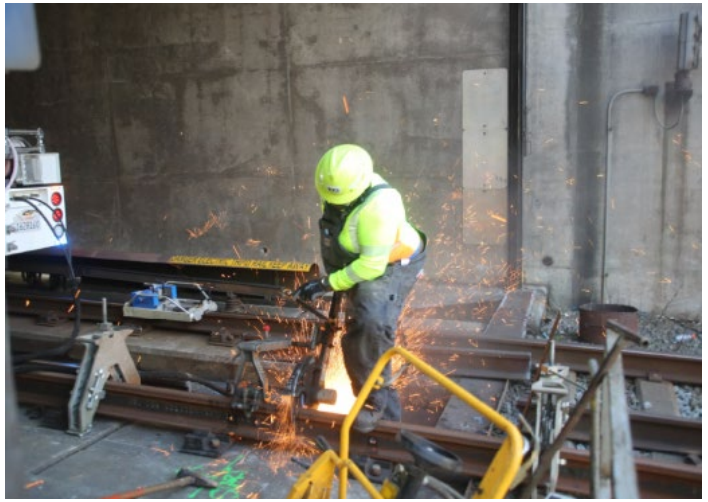


Reliability Trends and Successes



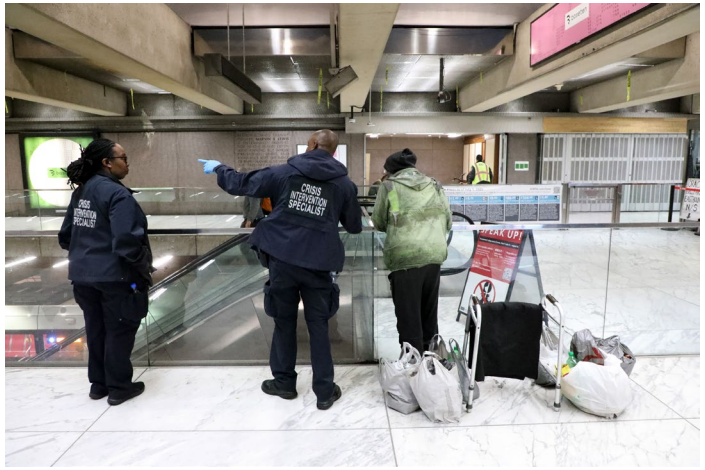
Operations in 2026 – Build on Successes

- Continue to drive on-time performance increase
- Deliver world-class service for World Cup
- Sustain momentum on infrastructure implementation
  - Communication-based Train Control (CBTC) construction in West Bay and transbay tube
  - A85 (between Union City and Fremont) interlocking rebuild
  - Measure RR work (e.g., traction power, lighting)
- Uplift morale and promote retention



Safety and Security: Emphasis on Visibility and Presence

- Presence on trains and in stations via high visibility deployment strategies
  - Non-sworn support: Transit Ambassadors, Crisis Intervention Specialists (CIS), Fare Inspection Officers and Community Service Officers
  - Zone Commanders develop strategies to address localized issues and concerns voiced by our riders
  - Teams strategically placed at stations to focus on identified safety issues
  - Collaboration with allied agencies to address crime and quality of life issues

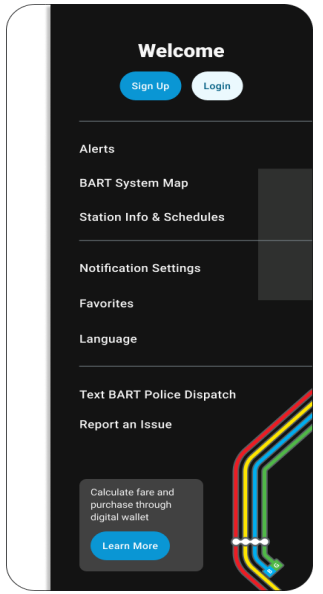


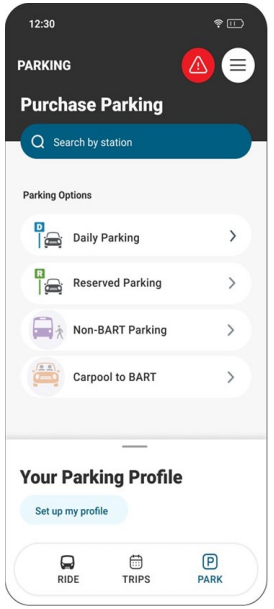
Safety and Security: Successes in 2025

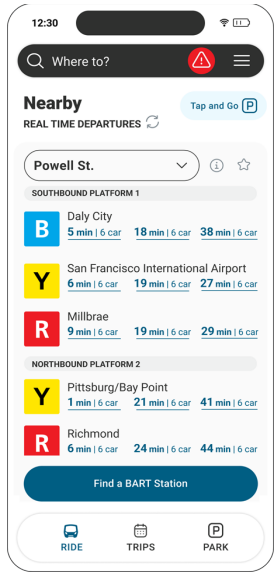
- Our focus on safety is making a difference – overall crime rate plummeted 41% in 2025 compared to the previous year
  - 31% decline in violent crime and 43% drop in property crime
  - Fare Gates act as a deterrent against unwanted behavior
  - Response time is among the fastest for any regional law enforcement agency: Tier 1 emergency response in December was under five minutes

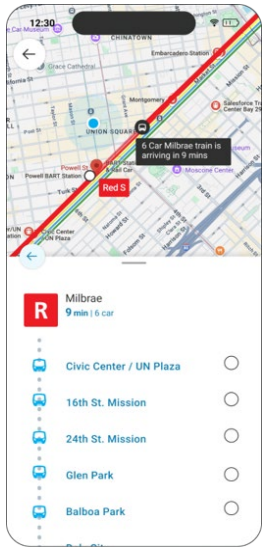
Upcoming BART App Updates in 2026

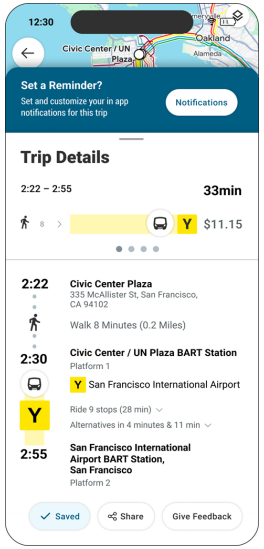
- **Completed updates**
  - Added "Report an Issue" function
  - Improved parking payment features
  - Added line color icons consistent with web and map
- **Updates to come**
  - Modernized look and train tracker map feature
  - User experience improvements
  - Reduce the number of clicks to get the info you want
  - In-app notification when train reaches destination
  - Improving the readability of trip instructions and accessibility improvements
  - AI chat bot offering voice enabled or text customer support answering questions

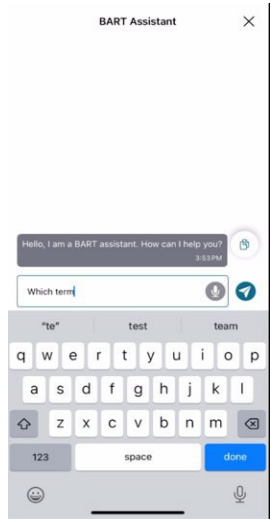












Station Wi-Fi is Here

Benefits of station wi-fi:

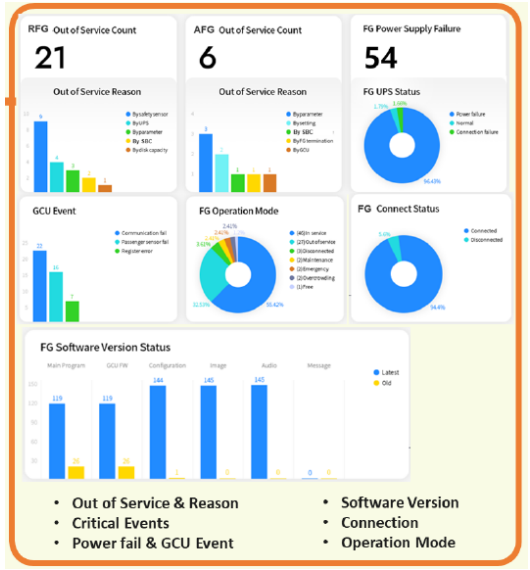
- Riders have reliable wi-fi that does not rely on data plans
- Riders can access digital fare payments and emergency communications
- Riders maintain connectivity on cell network during high density events
- International visitors can communicate without US roaming plan
- Uninterrupted connectivity for medical/health monitoring devices

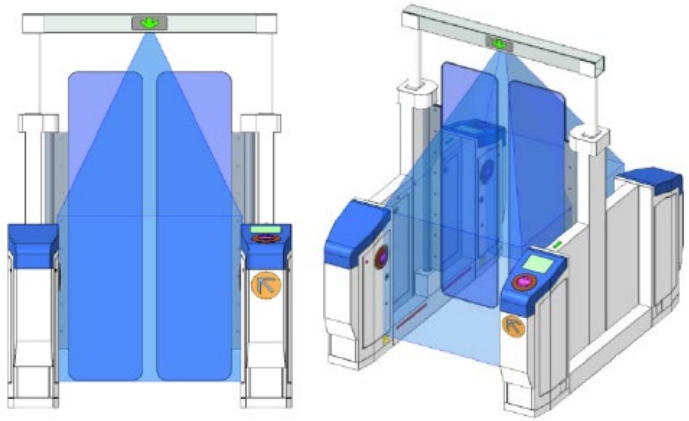
Market Street Canopies Project

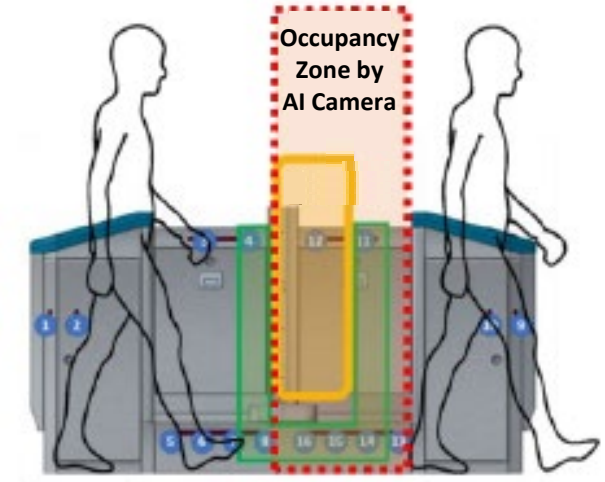
- Substantial completion of 18 entrance canopies serving the four downtown Market Street BART/Muni stations
- Canopies provide weather protection required by Code for installation of new escalators
- Safety and security enhancements include roll-up grille to close off entrance at street level
- Canopies feature glass walls and low-profile roof for transparency, and bas-relief art embedded in the ceiling

Next Gen Fare Gates: Upcoming Improvements

- Fare gates Dashboard
- Enhanced AI sensor usage
- Occupant Detection Zone
- Enhanced Fare gate Response Time
- Elevators – Civic Center & Bay Fair
- Additional Hardening

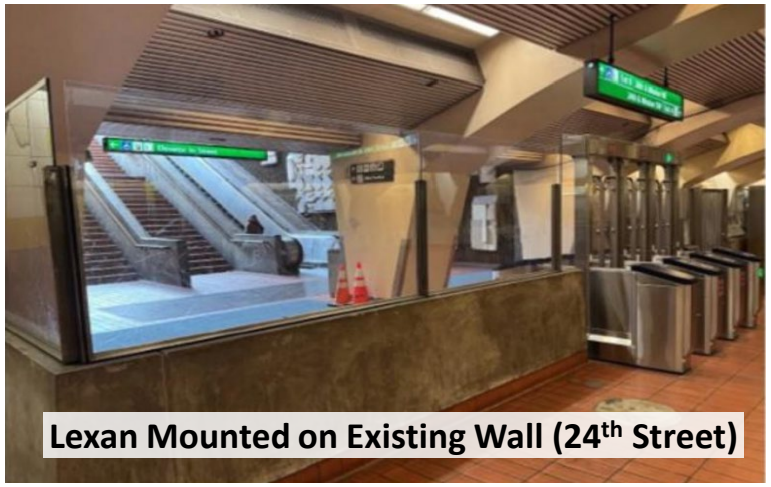


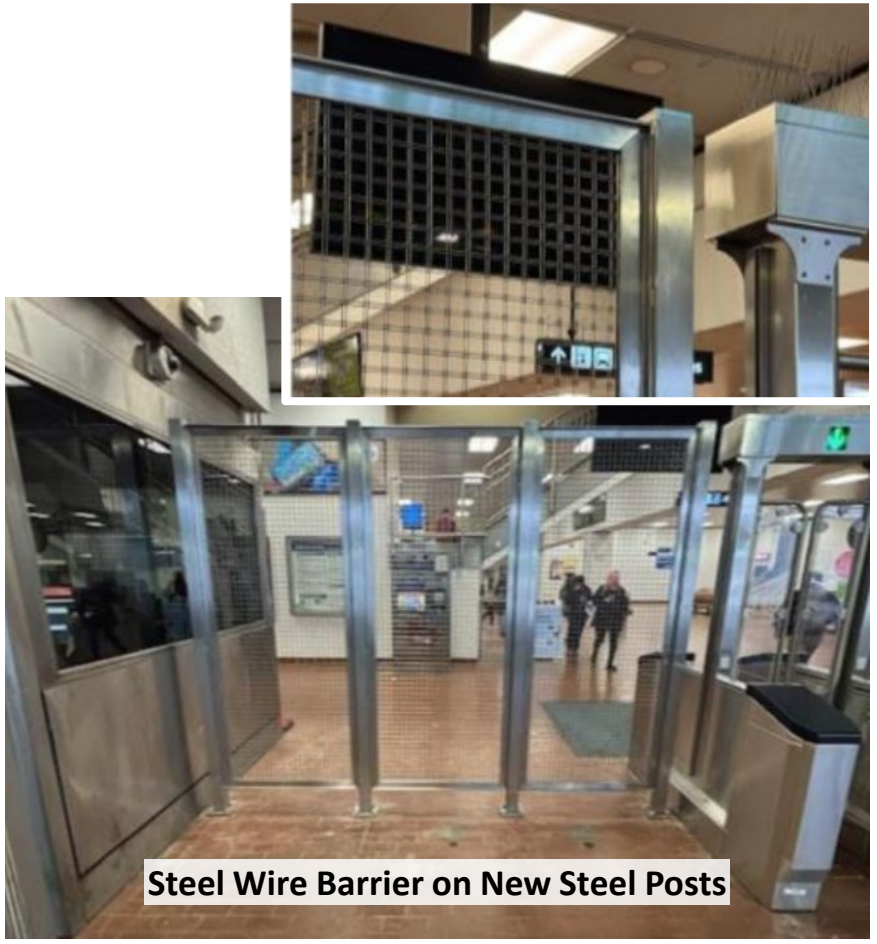


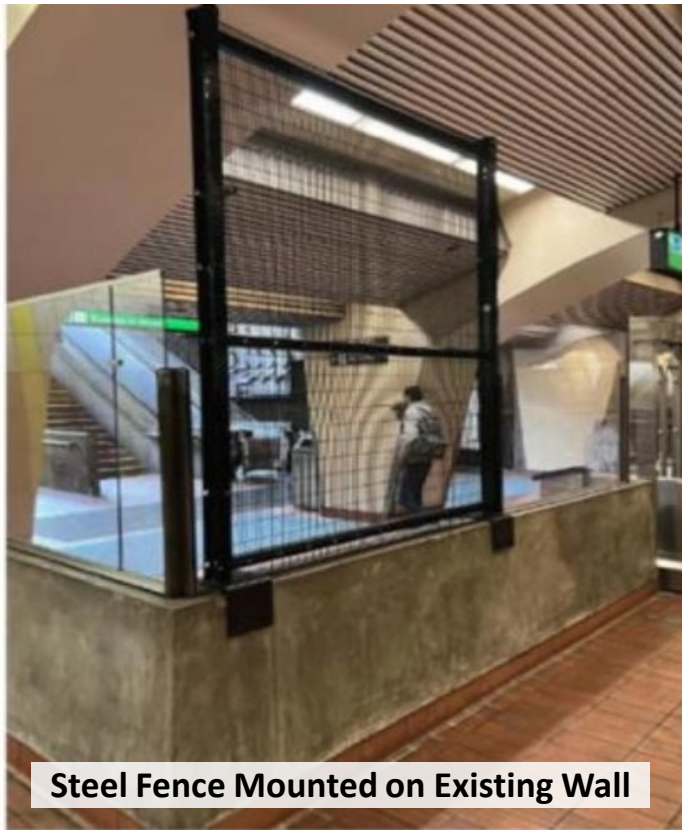


Next Gen Fare Gates: Additional Hardening

Lexan Barrier on New Steel Posts (San Bruno)


Lexan Mounted on Existing Wall (24th Street)

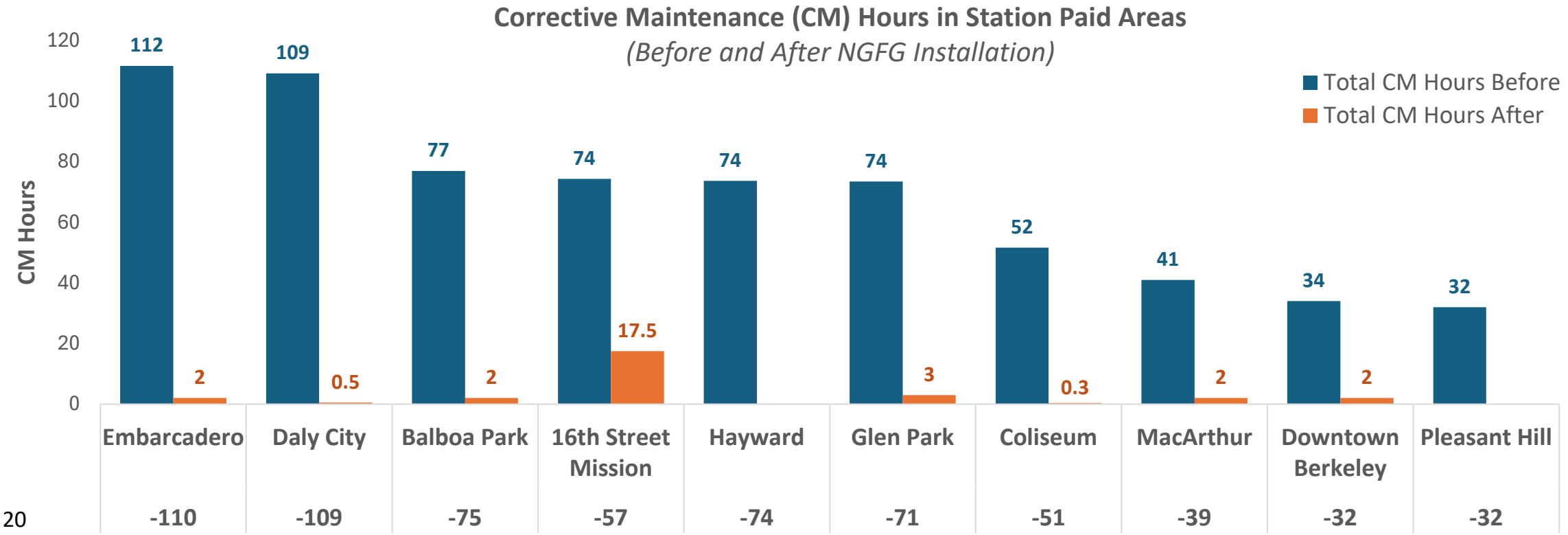

Steel Wire Barrier on New Steel Posts


Steel Fence Mounted on Existing Wall

Next Gen Fare Gate Successes

Hours spent on patron related Corrective Maintenance (CM) within the paid area of stations reduced significantly after NextGen Fare Gate (NGFG) installations

Systemwide Improvement: 961-hour reduction in 6 months post installation



Station Glow-Ups

- **LED Lighting:** Upgrades & Lighting Improvements
- **Station Interiors:** Deep Cleaning, Debris and Clutter Removals, Including Old/Unused Equipment
- **Station Exteriors:** Pavement, Bus Shelters, Roof, Gutter, Drain Repairs and Cleaning
- **Bird Control:** Falcon Force & Flock Free System
- **Next stations:** Colma, South San Francisco, San Bruno, Millbrae


High-Ceiling Surface Cleaning


Roof Upgrades


Safety Netting Replacement


Clean Artwork

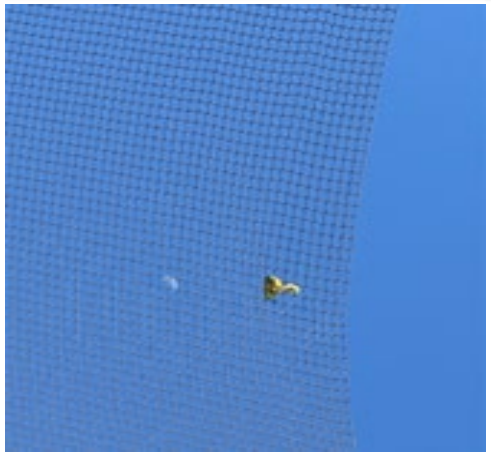

Bus Shelter Removal


Specialized Deep Cleaning


High Wipe Light Fixtures

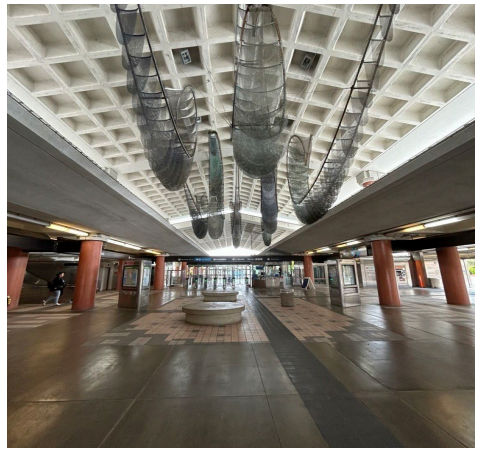
Station Glow-Ups - Examples

Before | After



San Bruno: Removed Debris From Safety Net

Before | After

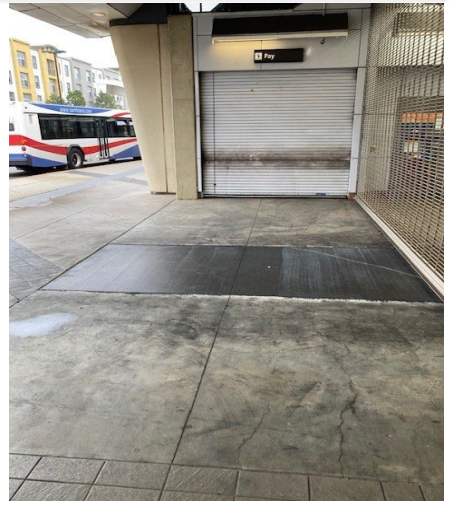


Colma: Removed Damaged Hanging Artwork

Before | After

Millbrae: Removed Obsolete Magazine Stand

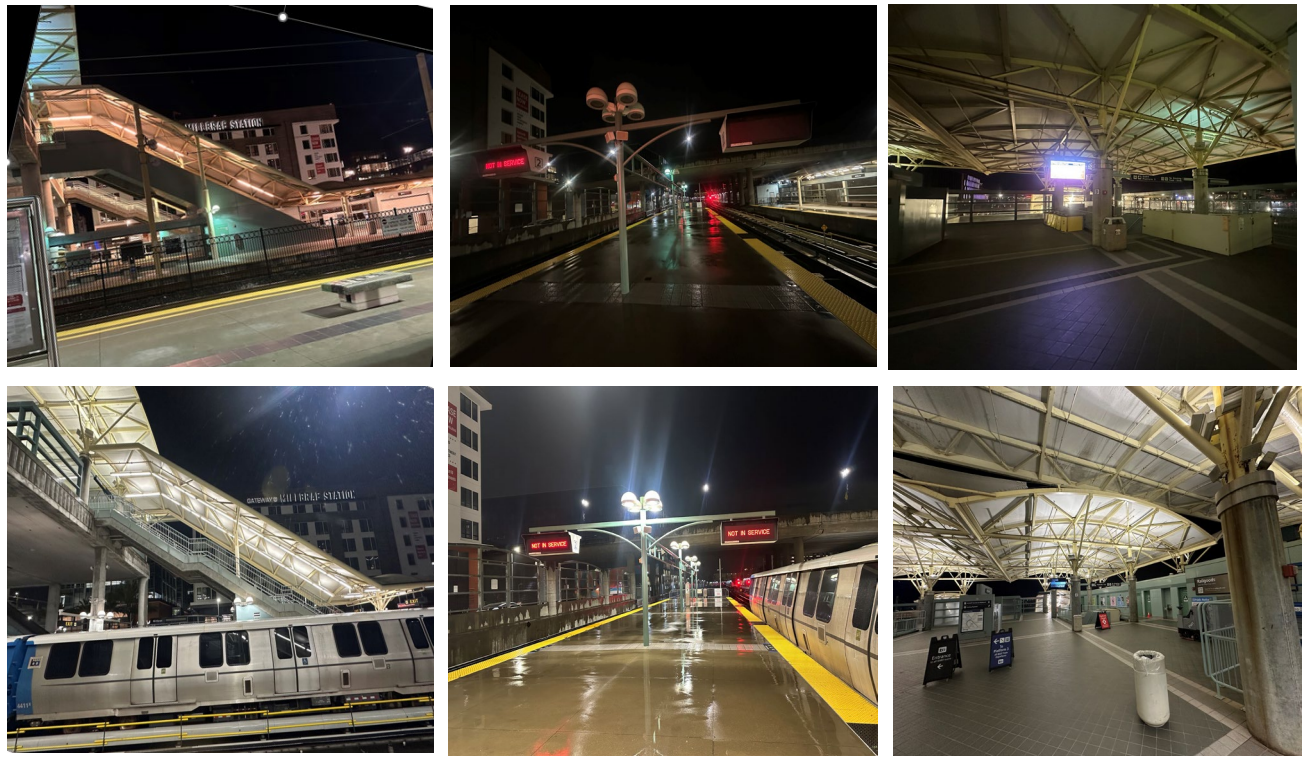
Before | After



South San Francisco: Repaved Uneven Concrete Pavement

Station and Infrastructure Improvements

Recently Completed LED Upgrades at Millbrae Station



Clipper 2: Progress and Upcoming Improvements

- **Clipper 2** (C2) launched on December 10 for all regional Clipper operators
- **Rider benefits:** Tap and Ride, free and discounted transfers between operators, instant access to Clipper funds, and easier online account management

- Since December 10, nearly 50% of regionwide C2 (including Tap and Ride) trips have been on BART
- C2 trips (including Tap and Ride) on BART are growing - currently around 30% of all BART trips

Riders and agencies have been impacted by technical challenges with the December rollout:

- Migrating existing accounts to C2, card vending machines at BART and Muni, fare inspection devices, and long customer service wait times
- Cubic is committed to resolving these issues and we're looking forward to improving the customer experience

Discussion