

Attachment 1: BART FY27 Alternative Service Plan

1. Immediate Cost Reduction - January 2027

Intent: A strong but measured shift in District operations intended to immediately reduce monthly financial losses, and to provide an opportunity to evaluate the impact of service cuts, fare increases, and non-service budget reductions in order to assess the feasibility of additional reductions necessary to balance the budget in FY28. Initial Board approval of the Plan is needed now to enable staff to plan January 2027 implementation. Additional Board action in November and December 2026 provides final approval.

Service and Budget actions over 6 months:

- Target approximately \$54M in cost reductions by reducing train hours by an estimated 63% (3-line service, two trains per hour on each line, limited peak service, 9 PM close).
- Target approximately \$20M of additional revenue by increasing fares and parking fees 30%.
- Target approximately \$25M of savings from non-service budget reductions to fleet and non-fleet maintenance, police, cleaning, and administrative support functions.
- Revenue losses from such service reductions are estimated at \$39M.
- Continue baseline budget reductions of \$10M, deferrals of capital allocations (\$27M) and retiree medical contributions (\$19M).
- Target the use of one-time resources and additional financial deferrals, estimated at \$72M, to balance the FY27 budget.

After implementation, the District will assess ridership and revenue impacts and the performance of all District functions to determine if further reductions can be safely and legally implemented.

2. Budget Balancing (if feasible) - FY28 (July 1, 2027 - June 30, 2028)

Intent: Demonstrate the level of service and non-service cuts needed to balance the FY28 budget. Further evaluation, refinement, and Board action is required before implementation.

Service and Budget actions in FY28:

- Target approximately \$176M in annual cost reductions through a cumulative 70% reduction in service hours:
 - Maintain 3-line service, two trains per hour on each line, limited peak service, 9 PM close.
 - Close up to 15 stations and/or up to 25% of system track miles.
 - The BART Board will be responsible for all decisions on station or segment closures.
- Target \$58M in annual revenue by increasing fares and parking fees up to a cumulative 50%.
- Target annual operating expense savings of a cumulative \$133M from non-service budget reductions to fleet and non-fleet maintenance, police, cleaning, and administrative support functions.
- Revenue losses from such service reductions and asset closures are estimated at \$112M.
- Continue baseline spending reductions (\$20M) and target deferrals of capital allocations (approximately \$68M) and retiree medical contributions (approximately \$38M) as necessary to balance the FY28 budget.

After implementation, the District will assess ridership and revenue impacts and the performance of all District functions to determine if service can safely and legally continue.

3. Safety Contingency (when required)

Intent: Acknowledge that given the risk and uncertainty in BART's ability to develop a balanced budget, it may be necessary to stop revenue service.

Service and Budget actions:

- If it is determined BART cannot safely or legally operate with available resources, stop passenger service.
 - The BART Board will be responsible for all decisions on stopping passenger service
- Use District tax revenues to secure system assets and other ongoing obligations.
- Work to determine system's future.

Alternative Service Plan Supporting Actions

- After initial approval of the Plan by the Board, staff will continue to assess and identify the risks of service reductions, asset closures, non-service budget reductions, fare increases, financial deferrals, and the costs of loans vs. deferral of spending commitments and refine the Plan.
- To minimize impacts on riders and the public, the District will:
 - Assess opportunities for staffing and non-labor spending efficiency across all functions.
 - Consider opportunities to deploy existing operating staff to capital-funded work that benefits the BART system and the public, subject to compliance with all applicable laws and grant funding agreements.
 - Continue to advocate for additional public investment needed to maintain service levels and District operations.
- Retiree medical contribution deferrals will be made in accordance with Labor agreements and do not affect retiree benefit commitments.
- A Title VI Equity Analysis will be completed before implementation of the Alternative Service Plan in January 2027.
- The Board will review and adopt the Title VI Equity Analysis and the Revised FY27 Budget before service or budget reductions are made.
- The Board in its discretion may adopt changes to the Alternative Service Plan, including station, line, or segment closures. Any future station, line, or segment closures will:
 - Consider input from communities, including local officials
 - Consider net impact on District revenue
 - Balance District fiscal needs with impacts to communities
 - Comply with all requirements of applicable law
 - Will be at the sole discretion of the Board only
- Staff will provide expanded community outreach.