



San Francisco Bay Area Rapid Transit District

FY27 Adopted Operating and Capital Budget

September 2026

MELISSA HERNANDEZ, PRESIDENT, BOARD OF DIRECTORS
ROBERT POWERS, GENERAL MANAGER



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morill

Executive Director

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1. Message From Leadership

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

We are pleased to present BART's Fiscal Year 2027 (FY27) Adopted Operating and Capital Budget.

FY27 is a pivotal year for BART. Six years after a pandemic upended BART's fare revenue dependent funding model, a proposed regional revenue measure in November 2026 will decide whether BART receives the operating funding necessary to maintain service. Such support would allow BART to continue its essential role in the Bay Area—moving hundreds of thousands of daily riders, supporting the regional economy, and helping meet our shared climate goals. Maintaining that role requires stable, long-term operating resources.

The FY27 Adopted Budget assumes the successful passage of the November revenue measure. With that assumption, we have structured this budget to preserve our current robust but right-sized service levels while maintaining the reliability and frequency our riders depend on. This requires maintaining ongoing expense reductions but also tapping several one-time sources and temporary deferrals of costs and capital commitments. Budgeting one-time funds and temporary cost deferrals are not best practices; however, this approach reflects our commitment to maintaining the robust transit service the Bay Area relies on.

At the same time, responsible financial planning requires us to acknowledge uncertainty. For that reason, this document also includes our Alternative Service Plan (ASP), which was approved by the BART Board of Directors on February 26. The ASP outlines service reductions, fare increases, operational changes, and deep cuts to our labor force that will be necessary to operate scaled back service if the revenue measure does not pass. There is no precedent for a major transit operator making cuts of this magnitude, and without knowing the impacts to ridership and system reliability, we do not know how long drastically reduced service levels could be maintained. The ASP is presented here for transparency and preparedness, but it is not the path we want to pursue.

Our focus remains where it has always been: delivering safe, clean, reliable, and high-quality transit service every day. Investments in the rider experience and system reliability are paying off. Riders are more satisfied, on time performance is up, and crime is down; this is the New BART. As we approach November 2026, our goal is to continue to demonstrate through our performance why BART remains such a vital asset to the Bay Area.

The FY27 Adopted Budget reflects both the challenges and the opportunities before us. With thoughtful planning and continued partnerships across the region, we are confident BART can and will remain a strong and dependable part of the Bay Area's future. I want to thank our riders, labor partners, Board of Directors, staff, and all other stakeholders for their continued engagement with and support for BART's mission.

Sincerely,



Robert M. Powers

General Manager

2. Executive Summary

Executive Summary

The budget outlook for FY27 is the most uncertain in BART's history in the lead up to a November 2026 regional transit revenue measure that will determine whether BART receives the operating revenues necessary to sustain current service. This measure is intended to replace the passenger revenues that have remained depressed since COVID-19 and the subsequent shift of large numbers of Bay Area workers to hybrid remote work.

Financial uncertainty required BART to plan for multiple outcomes as part of the budget development and adoption process. However, the FY27 Adopted Budget assumes passage of the revenue measure. Since those revenues will not begin flowing to BART until the last quarter of FY27 (April 2027), the budget includes a number of temporary actions—cuts, deferrals, loan funds, and other one-time sources—to enable continued service delivery for the first three quarters of the fiscal year. These actions are intended to bridge the gap between the exhaustion of pandemic-era emergency funding and the start of a long-term regional operating funding source.

If the revenue measure does not pass, the BART Board of Directors have adopted an Alternative Service Plan (ASP), which outlines the steps BART would take to align service and operations to match available resources. While the FY27 Adopted Budget does not assume the ASP will be implemented, prudent financial management requires planning for all potential outcomes.

In advance of the November revenue measure, BART's focus remains on delivering the high-quality rail service its riders expect and depend upon. Over the course of FY27, BART will continue to improve the rider experience and undertake planned capital reinvestment work.

Bridging the FY2 Funding Gap

Under normal circumstances, BART would not adopt a budget balanced by the measures outlined in this document, but FY27 presents a unique financial situation. BART's final allocation of the emergency funding that has sustained transit agencies during and after COVID-19 is expected to be exhausted in early FY27, while the proposed regional revenue measure—if approved by voters—would not begin generating revenue until April 2027. The result is that BART must operate under a structural deficit for most of FY27.

The FY27 structural deficit stood at \$375M in February 2026, well beyond what could be cut from the budget without service reductions. To close the FY27 deficit before an estimated \$7M in regional measure revenues begin to flow, staff worked with the BART Board of Directors to limit the effect on riders while maintaining service levels. These include:

- Stronger than expected ridership growth and close management of expenses in FY26 allowed for emergency assistance funds to be carried forward into FY27 (\$52M);
- Continuation of targeted ongoing deficit reductions totaling more than \$18M, including the elimination of 64 vacant positions across the organization;
- Moving to best practice accrual-based sales tax accounting to align revenue recognition (\$60M);
- Deferral of capital investments (\$52M); and
- \$89M in borrowing;

Staff recognize that some measures, especially borrowing, will increase BART's operating expenses over the coming decades, requiring funds that could otherwise be spent on service. Deferrals of capital investments will also have financial impacts and could affect long-term system reliability. If circumstances improve during the fiscal year—such as higher ridership or additional funding opportunities—staff will seek to reduce reliance on borrowing and deferrals to minimize impacts on future operating budgets. This policy direction is formalized in the adopted budget resolution, which calls for BART to direct positive financial results toward

reducing the amount borrowed. In all cases, BART will continue to focus on increasing revenues and reducing expense wherever possible.

Alternative Service Plan

If the regional revenue measure does not pass in November 2026, BART plans to amend the FY27 budget to reflect a substantially reduced level of available operating revenue. In that outcome, maintaining current service levels will not be possible.

Recognizing this possibility, the BART Board of Directors adopted an Alternative Service Plan (ASP) on February 26, 2026. The ASP outlines a phased approach to aligning service with available funding. Under the plan, reductions would occur in two phases, allowing BART to gradually adjust operations while preserving as much service as possible during the transition. In addition to service reductions, significant reductions would be required across the organization, including maintenance activities, public safety programs, and administrative functions, which would entail the eventual elimination of 1,170 budgeted positions. Section 10 describes these reductions by phase.

The ASP is not BART's FY27 operating budget. Rather, it is a contingency plan intended to provide transparency about which actions BART would take if the revenue measure fails. Because the plan is based on assumptions about future financial conditions, ridership levels, and available resources, many of its details remain uncertain and will continue to evolve. BART's focus remains on avoiding this outcome and maintaining the service levels the Bay Area has come to expect.

Delivering Safe, Clean, and Reliable Service Amid Financial Constraints

BART's priority continues to be delivering the safe, clean, and reliable service that the Bay Area relies on. The actions described throughout this document are focused on closing the FY27 budget deficit without affecting the customer experience or operational performance.

BART operates one of the most cost-effective heavy rail systems in the United States. This is despite operating in a high-cost region in an era of escalating cost pressures. Since FY20, emergency assistance funding from regional, state, and federal sources has allowed BART to maintain service levels. BART has extended this assistance with a combination of cost savings, efficiencies, and revenue development. Examples of these measures include temporary service reductions in 2020 and 2021, optimized train lengths, and the elimination of planned service expansions no longer supported by ridership demand post-COVID. BART has also kept employee wage growth below the Consumer Price Index, consolidated offices, and reduced non-labor expenditures across the board while mitigating long-term energy and traction power risks. On the revenue side, BART has continued its inflation-based fare increases, collected more fares with new fare gates, and added fare products such as Clipper BayPass. New revenue streams such as parking lot leasing have been added, while existing streams (notably Low Carbon Fuel Standard credits) have been expanded. A detailed summary of these measures is included as Attachment B.

Looking ahead, BART is participating in the Metropolitan Transportation Commission's (MTC) Financial Efficiency Review (FER) project, which seeks to leverage best practices and expertise of operators across the Bay Area to improve service quality, reduce costs, and increase revenues. Phase one of the project, which was completed in May 2026, highlighted the work BART and other operators have done to generate savings, while identifying several strategies to implement before phase two¹.

BART has been delivering robust service while making measurable improvements across the system. This has led to increased customer satisfaction, which stands at 89% as of March 2026, a 5% increase over the prior year. Crime across the system declined by 41% between 2024 and 2025, reflecting continued collaboration between BART Police, Station Agents, and community partners. Riders are also seeing improvements in and around stations. All 50 stations now have the Next Generation Fare Gates, which have deterred fare evasion

¹ MTC Financial Efficiency Review: <https://mtc.ca.gov/sites/default/files/documents/2026-07/PhaseOneFinancialEfficiencyReviewReportMay2026.pdf?cb=caefa292>

and reduced staff time spent cleaning up vandalism and graffiti. Wi-Fi service has been installed in nine stations (with more underway), 18 canopies along Market Street in San Francisco have been completed, and the long-standing “rain profile” speed restriction has been retired, allowing trains to safely operate at higher speeds during inclement weather. Together, these improvements reinforce BART’s commitment to delivering reliable service, growing ridership, and significantly improving the customer experience.

Rider Experience Improvements

Even during a challenging fiscal period, BART continues to invest in improvements that make the system easier and more enjoyable to use. In FY27, riders will see continued enhancements to digital tools, station environments, and fare payment systems.

A new version of the BART mobile application is under development and will include artificial intelligence (AI) features designed to provide riders with real-time and responsive information about trips and service conditions. Additional stations will receive Wi-Fi service, expanding connectivity throughout the system and improving access to real-time travel information.

BART will also continue to improve its new fare gates. Station “glow up” initiatives will further improve lighting, signage, cleanliness, and wayfinding across the system. In parallel, BART will continue the implementation of the Next Generation of Clipper (C2), the region’s integrated fare payment platform. C2 enables tap-and-ride access for tourists and infrequent riders, seamless and discounted transfers between transit operators, real-time account updates, and easier online management of fare accounts, helping create a more unified transit experience across the Bay Area.

BART will continue to connect with riders and attract more leisure trips through art, culture, and activations. BART has hosted speed dating, comedy shows, bird watching, an outdoor movie night, a prom, and an anime festival. Regional transit coordination among Bay Area operators will continue to be prioritized to work together as one network to increase ridership and better serve the region.

Ridership Outlook

Ridership recovery remains a key factor in BART’s financial outlook. While travel patterns across the Bay Area have changed since COVID-19, the long-term fundamentals supporting regional transit remain strong. Population growth, congestion on regional roadways, and climate goals all point toward the continued importance of high-capacity transit.

BART projects ridership to grow over the coming years as office vacancy rates decline and more workers return to in-person work schedules. Increasingly, riders are also using BART for purposes beyond the traditional weekday commute, including entertainment, tourism, and off-peak travel. These evolving patterns present opportunities for BART to expand its role as a regional mobility provider serving a wider range of trips and travel times.

Continued Capital Investment

BART’s FY27 capital budget continues to support the long-term reliability, safety, and modernization of the system. Investments will focus on core infrastructure, including traction power and train control systems to ensure the system remains safe and dependable for decades to come. Major state-of-good-repair projects will continue in FY27, addressing aging infrastructure that is essential to daily operations.

Capital funding will advance key initiatives, including completion of the Fleet of the Future rail car procurement, traction power system upgrades and expansion, and modernization of the train control system. BART will also initiate a new operational technology topology modernization solution that will replace BART’s legacy network communications infrastructure with a modern, standardized, and highly resilient network designed to support BART’s operational needs for the next 10 to 15 years. Investments will also support station improvements, including station lighting and safety upgrades, improvements in support of transit-oriented development, and accessibility enhancements, such as elevator modernization.

Capital investments will also support system resilience and advance the sustainability goals of BART, the region, and the state. Projects to improve energy efficiency, avoid greenhouse gas emissions, and strengthen infrastructure against climate impacts will help ensure BART remains a reliable transportation backbone for the region in the decades ahead.

Looking Ahead

FY27 is a year of both uncertainty and opportunity for BART and other Bay Area operators. The outcome of the November 2026 revenue measure will play a critical role in determining the scale and stability of transit service in the region for years to come. Until then, BART remains focused on delivering high-quality service to the communities it serves.

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 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.

Demographics

The BART District consists of three counties; Alameda, Contra Costa, and San Francisco, while serving the greater San Francisco Bay Area. The San Francisco Bay Area is the fifth-largest metropolitan area in the United States by population and home to nearly eight million people: about half live in the BART service area. The region spans 7,000 square miles, 101 cities—anchored by San Francisco, San José, and Oakland—and nine counties, including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.²

The Bay Area is a diverse region, identifying as 36% White, 28% Asian, 24% Hispanic or Latino of any race, 6% non-Hispanic Black or African American, 0.2% Native American or Alaska Native, and 0.6% Pacific Islander.³

Economy

The region's economy is bolstered by many industries including banking, technology, tourism, and manufacturing. The Bay Area also has the second-highest concentration of Fortune 500 companies after the New York metropolitan area.⁴ The area is also home to multiple public and private colleges and universities, including the University of California at Berkeley, Stanford University, San Francisco State University, San Jose State University, Santa Clara University, and the University of California at San Francisco.

Strong economic growth has created significant wealth but has also contributed to a persistent housing shortage, high cost of living, and income inequality. The Bay Area remains one of the nation's most affluent regions, with a median household income of \$137,000 in 2024⁵. The region's economy is largely driven by knowledge-based industries, with 43% of jobs concentrated in professional, business, education, and health-related services.

Since the end of COVID-19, the Bay Area has seen significant employment growth, heavily driven by investment in AI companies. Asking prices and rents, particularly in San Francisco, have increased, as has office leasing (though the downtown San Francisco core vacancy rate remains above 30%). Average freeway speeds in Q2 of 2026 dropped, indicating increased movement. These indicators point toward an accelerating economy, which affects BART directly in terms of the number of commuters, the demand for space near BART stations, and the sales and property tax revenues BART receives.⁶

The System

BART is a traction power, protected right-of-way commuter rail system that spans 131 miles of double track, 50 stations, and five counties: Alameda, Contra Costa, San Francisco, San Mateo, 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

² Metropolitan Transportation Commission: <https://mtc.ca.gov/about-mtc/what-mtc>

³ 2020 US Census: <https://census.bayareametro.gov/population>

⁴ Bay Area Council Economic Institute: <https://www.bayareaeconomy.org/files/pdf/BayAreaEconomicProfile2020.pdf>

⁵ MTC/Income: <https://vitalsigns.mtc.ca.gov/indicators/income>

⁶ MTC/ABAG Vital Signs: <https://vitalsigns.mtc.ca.gov/>

congestion and helps people spend less time traveling. When taking BART, passengers can expect more predictable transit speeds and travel times.

BART service lines run through urban and suburban landscapes, crossing the San Francisco Bay via an underwater passageway (the “Transbay Tube”), and connecting passengers to San Francisco International Airport, Oakland San Francisco Bay Airport, Caltrain, Capitol Corridor, and San Francisco Municipal Railway (Muni), Alameda-Contra Costa Transit (AC Transit), and numerous other transit operators across the Bay Area.

As an electrically powered rail system, BART uses third-rail electrification to power its trains. The agency’s electricity portfolio includes wholesale wind, solar, and hydroelectric resources, along with five onsite solar generation projects located throughout the system. An estimated 75% of BART’s power in calendar year 2025 was greenhouse gas free and more than 67% defined as eligible renewable energy under California state law.

BART continues to modernize its system to improve passenger experience. Since early 2024, the agency has operated exclusively with its new train cars following the retirement of its legacy fleet. The new cars provide quieter operation, improved climate control, enhanced accessibility features, and other upgrades that support a more comfortable and inclusive riding experience.

Figure 1: BART Station Map



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, rail lines, and even cable cars. BART trains often run parallel to congested highways, providing an alternative that is faster and less expensive than driving.

BART is an important link between local and regional transportation systems, helping people travel swiftly and easily. Nearly 90% of transit transfer trips involve a leg on BART. BART works closely with transit operators in the region to ensure seamless connectivity across transportation services. 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.⁷ 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 below. 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 except for closed sessions. More information about BART's Board of Directors, board meetings, and public comment opportunities can be found at www.bart.gov/board.

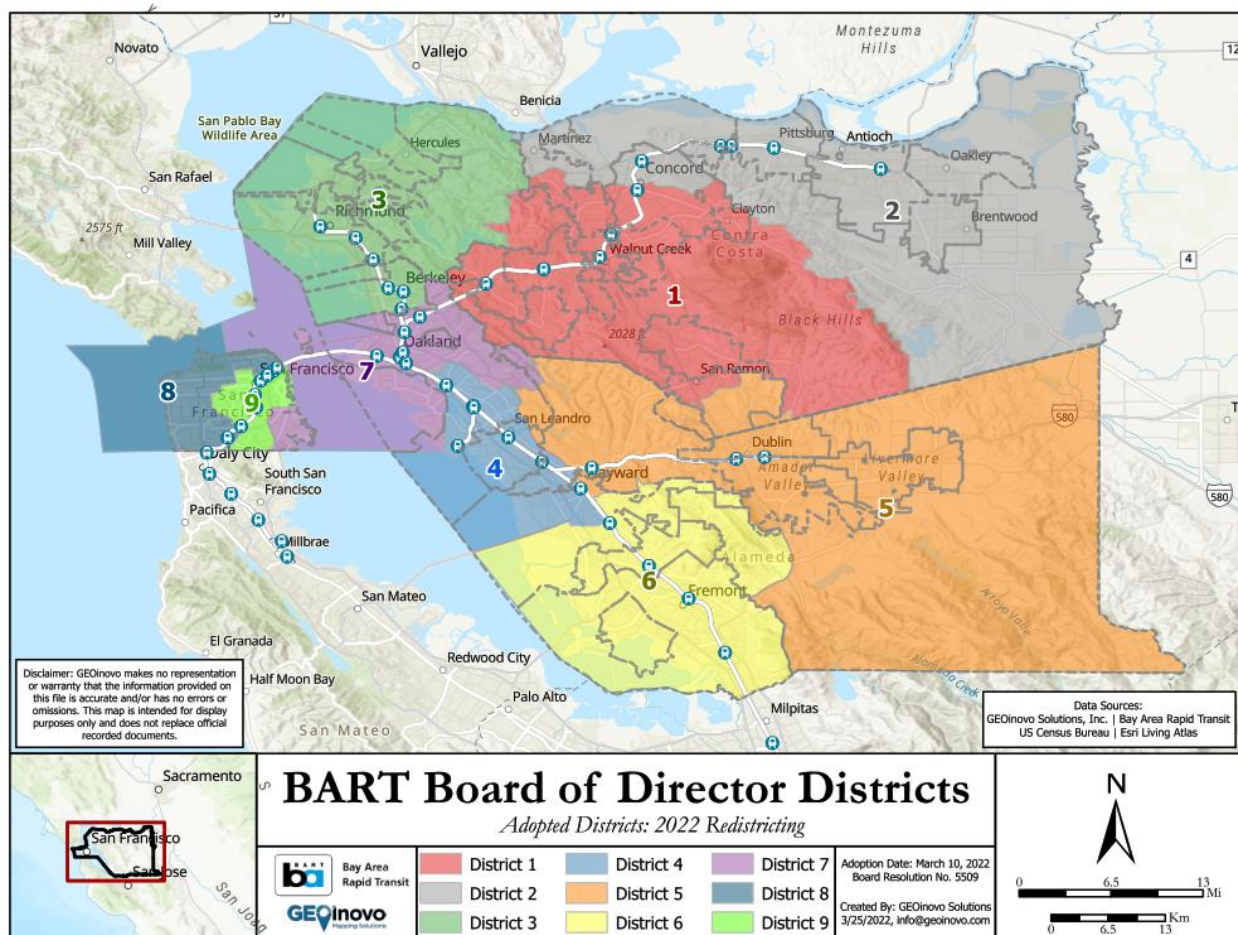
⁷ California Public Utilities Code Section 28500 et seq., "BART Act":

https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PUC&division=10.&title=&part=2.&chapter=&article=

Table 1: BART Board of Directors

Director	District	Term Expiration
Matthew Rinn	1	12/6/2028
Mark Foley	2	12/4/2026
Barnali Ghosh	3	12/6/2028
Robert Raburn	4	12/4/2026
Melissa Hernandez	5	12/6/2028
Elizabeth Ames	6	12/4/2026
Victor Flores	7	12/6/2028
Janice Li	8	12/4/2026
Edward Wright	9	12/6/2028

Figure 2: BART District Map



4. Overview of the Budget Development Process

Each year, BART makes decisions on how to allocate funds based on resource availability and the priorities of the organization as well as 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 made by Board Rules and Policies, BART's Strategic Plan Framework and Two-Year Action Plans while being constrained by a set of financial policies.⁸

BART is not required to, but strives to, balance its budget. In recent years, BART has adopted a two-year budget, which includes the current fiscal year (which was already budgeted in the previous year's budget) and a budget for the next fiscal year. Though a two-year budget is a helpful tool for supporting long-term strategic decision making, both FY26 and FY27 BART adopted one-year budgets due to continued financial uncertainties.

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 expenses (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 across multiple fiscal years, depending on the duration of the capital project. Budget data for both operating and capital funding sources, along with position data, are available on BART's website.

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 structure, approved by the BART Board on December 7, 2023, brings the two functions under one leader to improve coordination.

Fund Structure

BART's operating budget functions as a single general fund, supporting BART's day-to-day operations. The fund draws unrestricted revenue, including fares, parking, advertising, investment income, operating financial assistance, property taxes, and sales taxes. There are no internal service or enterprise funds. Revenue is not assigned to specific departments or organizational units; it supports the operation and maintenance of the train system, providing flexibility to allocate resources where they are most needed.

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

Financial Policies

BART has developed and regularly updates key financial policies that establish a framework for managing its money, investments, and debt. They include a Financial Stability Policy,⁹ Investment Policy,¹⁰ and Debt Policy.¹¹

BART's Financial Stability Policy establishes overarching goals for financial resilience: maintaining an adequate operating and capital financial base, improving productivity, managing fares and fees in line with service costs, and preserving BART's credit rating.

⁸ BART's Strategic Framework and Action Plans: <https://www.bart.gov/about/planning/strategic/action-plan>

⁹ Financial Stability Policy: <https://www.bart.gov/sites/default/files/docs/FINANCIAL%20STABILITY%20POLICY.pdf>

¹⁰ Investment Policy: https://www.bart.gov/sites/default/files/2026-05/BART%20District%20Investment%20Policy%202025---%20Approved%201.8.26_0.pdf

¹¹ Debt Policy: <https://www.bart.gov/sites/default/files/2025-03/Revised%20BART%20Debt%20Policy%20Approved%202024.08.15.pdf>

BART's Investment Policy governs the safety, liquidity, and yield of BART's reserve and cash not immediately required for operations.

BART's Debt Policy establishes the framework governing the capacity, structure, and issuance of District debt used to finance capital investments. BART issues two forms of debt, each governed by a distinct limiting mechanism. Sales tax revenue bonds are secured by BART's dedicated share of sales tax revenue in the three BART District counties. Rather than being subject to a fixed dollar limit, this debt is constrained by an Additional Bonds Test. Before issuing new debt, BART must demonstrate the projected pledged sales tax revenue will be at least 1.5 times its Maximum Annual Debt Service in any future year. BART's sales tax revenue bonds are rated AA by Fitch and AA+ by S&P Global Ratings, with associated debt service funded through the operating budget. BART may also issue general obligation bonds (GO bonds), subject to voter approval. GO bonds are secured by supplemental property tax assessments and BART's GO bonds are rated AAA by Fitch.

Reporting

Each year, BART completes an Annual Comprehensive Financial Report, which is audited by an independent auditor using Generally Accepted 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.¹²

Basis of Budgeting

BART budgets on an accrual basis, using a fiscal year that runs from July 1 through June 30. In accrual accounting, transactions are recorded at the time they occur even if the related cash is received or disbursed during another period. BART also uses accrual accounting for its audited financial statements, so both the budget and the audited financials follow the same basis. This approach complies with Generally Accepted Accounting Principles (GAAP).

Beginning in FY27, BART will recognize sales tax revenue on an accrual basis rather than a cash basis. This change will align recognition of sales tax revenue with BART's other major revenue sources and improve consistency in financial reporting.

Budget Development Process

The key processes of budget formulation and approval are governed by the BART Act. To adhere to these rules BART begins budget development in September and the budget is adopted in June. The annual budget cycle is divided into three major phases: the pro forma phase, the preliminary Budget phase, and the Adopted Budget phase. Each phase is outlined in the following sections.

Phase 1: Pro Forma Phase (September to December)

The Pro Forma phase is the first stage of the annual budget cycle. During this phase, executive leadership establishes organizational goals and priorities for the upcoming fiscal year. The Pro Forma Budget serves as a baseline budget for the fiscal year and frames and informs conversations with leaders as well as budget instructions to departments.

The Pro Forma Budget incorporates all known, anticipated, or planned changes, including projected increases, decrease, and other budget adjustments. It serves as the starting point for both internal budget development and external budget discussion.

Phase 2: Preliminary Budget Phase (January to March)

During the Preliminary Budget phase, Performance & Budget staff meet with departments to provide budget guidance, discuss anticipated operational needs, and identify any required budget reductions. Departments then prepare and submit budget requests in two categories: Adjustments – Funding changes needed to support existing, Board-approved services or programs or New Needs – Requests for

¹² These reports are publicly accessible at www.bart.gov/financials.

new services, programs, or resources that are not currently funded. At the same time, departments submit proposals for required budget reductions.

Performance & Budget staff review all departmental requests to ensure they comply with budget guidance, are technically accurate, and are financially sound. The requests are then compiled and submitted to the Chief Financial Officer for review and edits. The final submission is presented to the General Manager's Office for review. The General Manager evaluates the requests and determines which recommendations will be included in the proposed budget.

Following this review, the Performance & Budget Office prepares the Preliminary Budget, incorporating all approved adjustments, new initiatives, and organizational changes. The operating budget staff then informs the departments of the outcome of their requests and if applicable, the required budget reductions.

Under Board Rules, BART is required to release a Preliminary Budget Memorandum by March 31 of each calendar year.

Phase 3: Adopted Budget Phase (April to June)

The Adopted Budget phase begins in April and concludes with budget adoption in June. During this phase, BART leadership finalizes all budget information and prepares the proposed budget for Board consideration.

The proposed budget is presented to the Board of Directors through a series of public board meetings. These presentations summarize key budget components, including operating revenues, operating expenditures, capital investments, and other major financial initiatives. They also provide an opportunity for Board members to ask questions and receive additional information from BART leadership.

Public participation is encouraged throughout this process, allowing community members to provide input, raise concerns, and advocate for funding priorities that support improved transit services.

Before the budget is submitted for final approval, staff verify that all financial data and budget figures are complete and accurate. The Board of Directors is responsible for adopting the annual budget, which must be approved on or before June 30 each year.

Within 90 days of budget adoption, BART publishes the adopted budget and makes it available on its website.

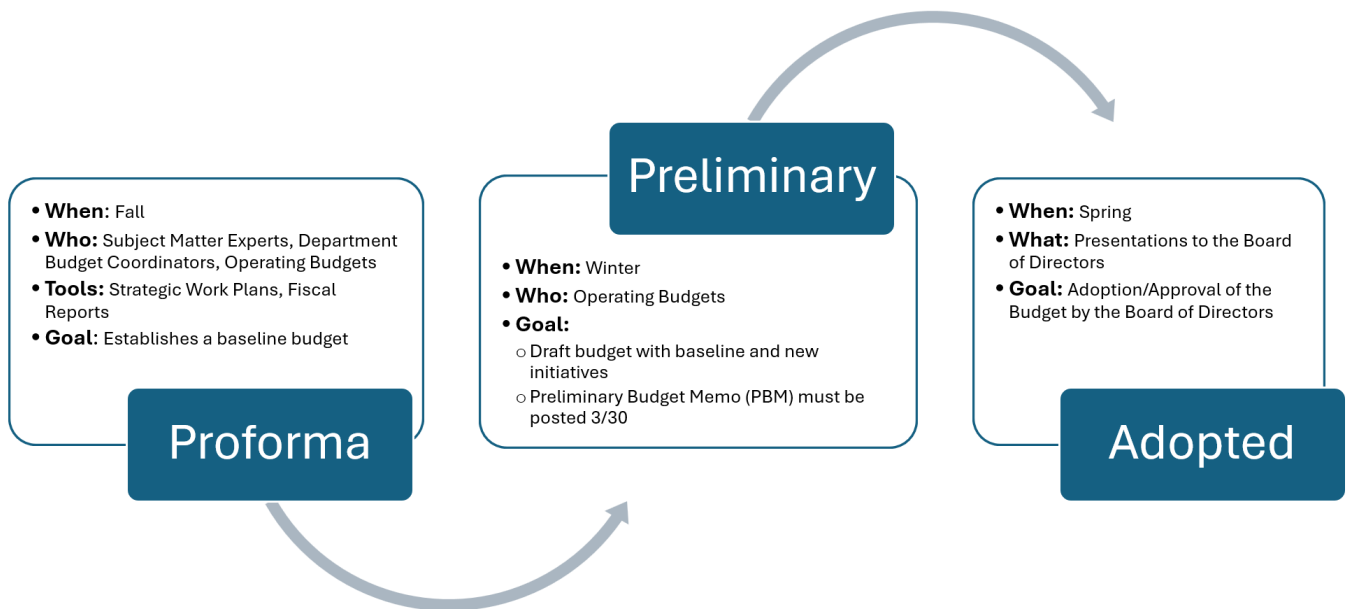
Once the budget has been adopted, any amendments that change the total authorized budget require approval by the Board of Directors.

Following budget adoption, departments may make administrative adjustments within their non-labor budgets by transferring funds between expenditure accounts—for example, reallocating funding from software licenses to professional services—provided the department's total budget authority does not increase.

Departments and Performance & Budget staff also calendarize non-labor budgets by allocating expenditures across each month of the fiscal year to reflect expected spending patterns, including seasonal fluctuations. This process improves cash flow planning, aligns revenues and expenditures across the course of the year, and facilitates more accurate comparisons between actual spending and budgeted amounts.

A download of the current year's operating budget can be found at www.bart.gov/financials.

Figure 3: BART Budget Process



5. Five Year Outlook

Table 2 shows BART's operating financial outlook for the years FY27 through FY31. Projected operating deficits (excluding emergency assistance and one-time interventions) for the years FY27 through FY31 total \$1.8B and average \$351M per year.

The Adopted FY27 Budget includes an additional \$74M of regional sales tax revenue, as well as the following emergency assistance and one-time interventions:

- \$52M of remaining SB 125 emergency assistance
- \$60M of sales tax accounting change to accrual, allowing BART to recognize sales tax revenue when it is generated, not when it is received
- \$89M in borrowing (TIFIA loan)

Prior to COVID-19, rail passenger revenue contributed the majority of funding for BART operations. In FY19, the last fiscal year before COVID-19, fare revenue and parking fees provided \$520.0M in revenue, or 68% of operating expense. These two sources are budgeted at \$331.1M in FY27, covering just a third 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 early FY27.

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.

Beginning in FY28, the first full year BART assumes regional sales tax revenues, a \$58M deficit is projected. At this time, staff does not plan to reduce service or impact the customer experience. To sustain service, a combination of new revenues, further expenditure reductions, and continued operational efficiencies efforts are needed; staff have begun this work in preparation for the FY28 budget process.

Table 2: Five Year Forecast by Sources and Uses (\$ Millions)

Sources and Uses	FY27 Budget	FY28 Forecast	FY29 Forecast	FY30 Forecast	FY31 Forecast
Sources					
Operating Revenues	348.2	368.8	383.7	403.0	422.2
Non-Operating Revenue	38.5	1.2	1.2	1.2	1.2
Financial Assistance	529.4	548.7	566.1	583.4	599.1
<i>Subtotal - Sources</i>	<i>916.1</i>	<i>918.7</i>	<i>951.1</i>	<i>987.6</i>	<i>1,022.5</i>
Uses					
Operating Expense	1,063.8	1,161.7	1,204.0	1,229.0	1,256.7
Debt Service and Allocations	127.3	122.6	120.1	134.4	134.3
<i>Subtotal - Uses</i>	<i>1,191.0</i>	<i>1,284.3</i>	<i>1,324.1</i>	<i>1,363.4</i>	<i>1,391.0</i>
Operating Result	(275.0)	(365.6)	(373.0)	(375.9)	(368.5)
Other Sources					
SB 125 Carryforward	52.4	0.0	0.0	0.0	0.0
Sales Tax Accrual Change	59.7	0.0	0.0	0.0	0.0
Borrowing (TIFIA)	88.5	0.0	0.0	0.0	0.0
Regional Sales Tax	74.4	307.5	317.8	328.4	339.4
<i>Subtotal - Other Sources</i>	<i>275.0</i>	<i>307.5</i>	<i>317.8</i>	<i>328.4</i>	<i>339.4</i>
Total Net Result	0.0	(58.1)	(55.1)	(47.4)	(29.2)

6. Ridership Outlook

BART ridership has experienced significant growth since the early days of COVID-19. Though that growth began to slow down in FY23, BART experienced a renewed surge in ridership growth in FY26, ending the year 13% higher than FY25. The FY27 Adopted Budget assumes this elevated growth continues but at a slightly slower 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 rail service plans to ensure that passengers' needs are met.

Methodology

The FY27 ridership forecast builds on the previous year's actuals. Throughout FY26, observed ridership on Midweek days (Tuesday through Thursday), continued to be 20% higher than Shoulder days (Monday and Friday), 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 one-time major events, such as Super Bowl LX, which will not be a recurring ridership generator. According to the City and County of San Francisco's Office of the Controller, office attendance rates have remained relatively stable since 2024.¹³ Return-to-office was not used as a major driver for BART 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. The forecast assumes that the rate of growth flattens, then begins to decrease throughout the budget period, acknowledging that these growth drivers have limited impact on overall ridership.

Finally, weekend ridership has seen significant increase, with many months seeing double-digit percentage growth over the last year. This growth is attributed to large events and general uptick in non-work trips, both of which are expected to continue but at a lower rate.

Result

Applying the above methodology results in an overall ridership forecast of 62.3M in FY27. Average weekday ridership on a monthly basis is forecast to range between 184,000 and 214,000. The monthly forecast is presented below along with historical context throughout COVID-19.

Table 3: Ridership by Fiscal Year

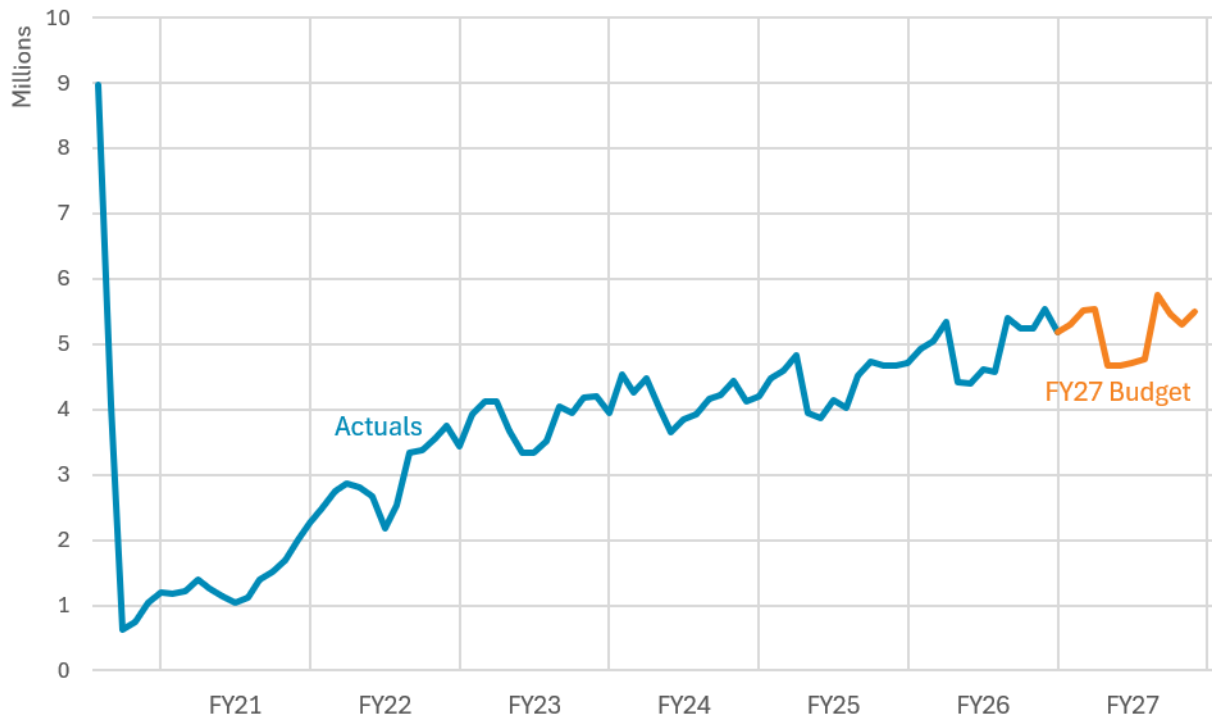
	Total (Millions)	Average Weekday (Thousands)	Average Saturday (Thousands)	Average Sunday (Thousands)
FY25 Actuals	52.7	172.0	99.8	74.6
FY26 Actuals	59.5	192.5	118.7	85.1
FY27 Budget	62.3	201.8	124.8	89.8

Table 4: Ridership, Year-Over-Year Growth

	Total	Average Weekday	Average Saturday	Average Sunday
FY26 Actuals	12.8%	11.9%	19.0%	14.2%
FY27 Budget	4.9%	4.8%	5.1%	5.5%

¹³ Status of the San Francisco Economy, Q1 2026, Slide 9: https://media.api.sfgov.gov/documents/Status_of_the_San_Francisco_Economy_2026Q1.pdf

Figure 4: System Ridership Actuals and FY27 Adopted Budget



Rail Service Plan

BART continues to operate with all lines on a base schedule of 20-minute headways (three trains per hour). This clock-based schedule offers predictability of departure times seven days a 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 on every day of the week. The more heavily used Yellow Line trains run at 10-minute headways on weekdays before 9 PM. BART has actively been adjusting train lengths to match demand. On July 20, 2026, BART began running longer trains on the Red, Yellow, Blue and Green lines during peak commute hours with some shorter trains running during non-peak hours and on the Orange Line. The August 10th schedule change targeted improvements to enhance reliability and reduce wait times for some riders. The schedule change created more even headways through the system core. The following table summarizes current service.

Table 5: Service Plan

Day of Week	Hours of Service	Frequency
Monday – Friday	5:00 AM–9:00 PM	Yellow Line: 10-minute headways (6 trains/hour)
		Orange, Yellow, Blue & Green Lines: 20-minute headways (3 trains/hour)
	9:00 PM–12:00 AM	Orange, Yellow & Blue Lines: 20-minute headways (3 trains/hour)
Saturday	6:00 AM–9:00 PM	All 5 lines: 20-minute headways (3 trains/hour)
	9:00 PM–12:00 AM	Orange, Yellow & Blue Lines: 20-minute headways (3 trains/hour)
Sunday	8:00 AM–9:00 PM	All 5 lines: 20-minute headways (3 trains/hour)
	9:00 PM–12:00 AM	Orange, Yellow & Blue Lines: 20-minute headways (3 trains/hour)

7. Adopted FY27 Sources and Uses

Table 6: FY25 Actual and FY26 and FY27 Adopted Budget Sources and Uses (\$ Millions)

	FY25 Actuals	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
				\$ Change	% Change
SOURCES					
Revenue					
Rail Passenger Revenue	243.3	259.1	308.0	48.9	19%
ADA Passenger Revenue	0.6	0.6	0.7	0.0	3%
Parking Revenue	18.1	19.9	22.4	2.5	12%
Other Operating Revenue	20.5	24.0	17.1	(6.9)	-29%
Non-Operating Revenue	39.8	21.4	38.5	17.1	80%
<i>Subtotal - Revenue</i>	<i>322.3</i>	<i>325.1</i>	<i>386.7</i>	<i>61.6</i>	<i>19%</i>
Financial Assistance					
Sales Tax Revenue	317.3	314.1	327.2	13.1	4%
Sales Tax Accrual Change	0.0	0.0	59.7	59.7	-
Regional Sales Tax Proceeds	0.0	0.0	74.4	74.4	-
Property Tax Revenue	66.6	68.0	70.4	2.4	4%
VTA Financial Assistance	46.1	35.9	45.7	9.8	27%
State Transit Assistance	36.8	45.8	38.5	(7.3)	-16%
Low Carbon Funding Programs	17.0	32.2	31.3	(0.9)	-3%
Local and Other Assistance	28.4	15.7	16.2	0.5	3%
SB 125 Carryforward from FY26	0.0	0.0	52.4	52.4	-
Borrowing (TIFIA)	0.0	0.0	88.5	88.5	-
<i>Subtotal - Financial Assistance</i>	<i>512.2</i>	<i>511.8</i>	<i>804.3</i>	<i>292.6</i>	<i>57%</i>
TOTAL SOURCES	834.6	836.9	1,191.0	354.2	42%
USES					
Operating Expense					
Labor and Benefits	802.0	763.3	803.7	40.3	5%
ADA Paratransit	22.4	26.3	27.8	1.5	6%
Purchased Transportation	7.7	8.5	8.9	0.4	4%
Traction Power	53.7	65.0	69.8	4.8	7%
Other Non-Labor	175.7	143.5	153.7	10.1	7%
<i>Subtotal - Operating Expense</i>	<i>1,061.5</i>	<i>1,006.7</i>	<i>1,063.8</i>	<i>57.1</i>	<i>6%</i>
Debt Service and Allocations					
Bond Debt Service	60.2	60.2	74.5	14.3	24%
Capital Reinvestment Allocation	29.1	43.8	16.0	(27.8)	-63%
Priority Capital Programs Allocation	0.0	0.0	0.0	0.0	-
Other Allocations	20.6	3.0	3.0	0.0	0%
RHBT Allocation	5.7	38.2	33.8	(4.4)	-12%
ORA - Pension Trust Inc	2.7	0.0	0.0	0.0	-
Reverse Allocations	(30.7)	0.0	0.0	0.0	-
<i>Subtotal - Debt Service and Allocations</i>	<i>87.5</i>	<i>145.2</i>	<i>127.3</i>	<i>(17.9)</i>	<i>-12%</i>
TOTAL USES	1,149.0	1,151.8	1,191.0	39.2	3%
Net Result Before Emergency Assistance	(314.4)	(315.0)	0.0	315.0	-100%
Emergency Assistance	314.4	315.0	0.0	(315.0)	-100%
NET RESULT	0.0	0.0	0.0	0.0	-

The FY27 Budget assumes passage of a potential November 2026 regional transit revenue measure, which would add more than \$300M in operating revenue annually; however, in FY27, if passed, this source would not begin flowing to BART until the fourth quarter of the fiscal year (April 2027). To balance the FY27 Budget, a number of actions were taken. Given the gap between the beginning of the fiscal year and when new revenues are assumed, these actions are primarily of a one-time nature.

Ongoing Revenue Increases

Potential November 2026 regional transit revenue measure revenues, if authorized by Bay Area voters, are projected to generate \$74.4M in revenue to BART in the fourth quarter of FY27. This ongoing revenue source would increase to \$307.5M in FY28. In addition, \$38.5M of investment income is projected in FY27, and decreases to \$1.2M in ongoing investment income in the out years. Though investment revenue income is expected to decrease in coming years as BART spends down cash, more active cash management will ensure higher returns on existing reserves and other cash managed by BART.

One-time Revenue Actions

Three actions allow BART to budget an additional \$200.6M in operating revenue in FY27 only.

First, moving BART's sales tax accounting method from a cash basis to an accrual basis will enable the one-time recognition of an estimated additional \$59.7M in sales tax revenue. This accounting change has the added benefit of aligning BART's accounting methodology across its various revenue sources.

Second, the budget assumes \$88.5M in borrowing through the federal TIFIA loan program. Staff and the BART Board evaluated a number of different borrowing options, and chose the TIFIA program because BART has already drawn down the funding, and the loan terms feature a longer repayment timeline, fixed interest rate, and no payments until FY29. In order to further reduce ongoing debt service costs, staff plan to draw borrowed funds later in the fiscal year, and reduce the total amount borrowed if revenues are stronger than anticipated or expenses are below budget.

Third, BART anticipates rolling more than \$52.4M of SB 125 emergency funds into FY27. These funds were previously budgeted to be fully expended by the end of FY26, but stronger than anticipated revenues and suppressed spending allowed BART to assume a carry forward from the prior year. The final amount will not be known until BART's year-end close process is finished. A larger carry forward will result in less borrowing, a smaller carry forward will only result in more borrowing if all other options are exhausted.

Ongoing Operating Expense Reductions

As part of budget development, all BART departments were asked identify additional ongoing expense reductions. In total, departments reduced expenses by \$18.2M, including \$10.9M in labor costs (primarily from the elimination of 64 vacant positions) and \$7.3M in non-labor (primarily through reductions professional and technical services). These savings were offset with increases in other expenses, including non-labor costs for elections, traction power, and Clipper fees as well as higher labor costs associated with health insurance rates, and increased pension and retiree health unfunded liabilities.

One-time Expense Reductions

BART is deferring \$52.1M in planned capital contributions in FY27. The Capital Reinvestment Allocation will be reduced to only the local match needed to leverage FTA State of Good Repair grant funding, while the Priority Capital Allocation will be deferred to FY28 through FY31, in alignment with project cash flow and delivery schedules.

BART plans to set aside planned contributions to the Retiree Health Benefits Trust (RHBT) in FY27 in a reserve. If the revenue measure does not pass, those funds will be available as an emergency funding source. BART plans to make the full contribution for FY27 after revenues begin to flow around April 2027.

All planned capital and RHBT contributions are assumed to resume as scheduled in FY28.

8. Total Sources

Table 7 summarizes the total sources for the FY27 Adopted Budget. The total sources for the FY26 Adopted Budget are included as a point of reference. Each line item is described in further detail in the subsequent sections.

Table 7: Total Sources (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Revenue				
Rail Passenger Revenue	259.1	308.0	48.9	19%
ADA Passenger Revenue	0.6	0.7	0.0	3%
Parking Revenue	19.9	22.4	2.5	12%
Other Operating Revenue	24.0	17.1	(6.9)	-29%
Non-Operating Revenue	21.4	38.5	17.1	80%
<i>Subtotal - Revenue</i>	<i>325.1</i>	<i>386.7</i>	<i>61.6</i>	<i>19%</i>
Financial Assistance				
Sales Tax Revenue	314.1	327.2	13.1	4%
Sales Tax Accrual Change	0.0	59.7	59.7	-
Regional Sales Tax Proceeds	0.0	74.4	74.4	-
Property Tax Revenue	68.0	70.4	2.4	4%
VTA Financial Assistance	35.9	45.7	9.8	27%
State Transit Assistance	45.8	38.5	(7.3)	-16%
Low Carbon Funding Programs	32.2	31.3	(0.9)	-3%
Local and Other Assistance	15.7	16.2	0.5	3%
SB 125 Carry forward from FY26	0.0	52.4	52.4	-
Borrowing (TIFIA)	0.0	88.5	88.5	-
<i>Subtotal - Financial Assistance</i>	<i>511.8</i>	<i>804.3</i>	<i>292.6</i>	<i>57%</i>
Emergency Assistance	315.0	0.0	(315.0)	-100%
TOTAL SOURCES	1,151.8	1,191.0	39.2	3%

Total Sources Summary

Sources include Operating Revenue, Non-Operating Revenue, Financial Assistance, and Carry Forward and Borrowing. Within each source of funding, revenue is further broken down into several line items. In FY27, Total Sources is projected to be \$1.19B, including \$140.9M of carry forward and borrowing.

This summary highlights the FY27 revenue projections and significant changes in operating sources. A more general picture of revenue in the context of BART's financial future can be found in the Executive Summary.

Revenue Remains Steady

Revenue includes the following sources: rail passenger revenue, ADA passenger revenue, parking revenue, other operating revenue, and non-operating revenue. The largest source of Operating Revenue is rail passenger fares, which are projected to increase year over year in the FY27 Adopted Budget. While ridership revenue appears stable, it is important to recognize the profound and enduring effect COVID-19 has had on BART ridership and fare revenue overall. Both revenue and ridership have seen 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 rail service in the long term.

Financial Assistance Revenue Remains Steady

Financial Assistance includes BART District tax revenue, financial support from the State of California, and revenue received from several transportation measures passed by voters. The largest single source of Financial Assistance comes from Assembly Bill (AB) 1107, which is projected to increase by \$13.1M or 4.2% from the FY26 budget.

Also of note is State Transit Assistance (STA) funding which is distributed to agencies by a formula based on prior-year agency revenue. While the underlying revenue had been frozen since 2020 to mitigate impacts and volatility due to COVID-19, this provision expired at the end of FY26, reducing BART's share of statewide STA funding. BART's FY27 STA revenues are expected to be \$7.3M or 15.9% below the FY26 budget.

Exhausting Remaining Emergency Assistance

The final Operating Source is Emergency Assistance, which consists of one-time emergency funding from federal, state, and regional sources. BART uses this funding to cover operating costs that ongoing revenues cannot support. Since March 2020, emergency assistance has filled the financial gap created by COVID-19 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 early FY27.

8.1. Fare 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 FY27 rail and ADA passenger revenue budget of \$308.7M is \$48.9M, or 19% higher than the FY26 budget. Fare Revenue in FY26 was higher than initially budgeted; in FY27 it is based upon and is consistent with the ridership forecast discussed in Section 6, Ridership Outlook.

The fare revenue forecast includes the following fare program assumptions:

Clipper START: the budget assumes the continuation of Clipper START, a regional discount program which provides a 50% discount to qualifying low-income riders. MTC has provided funding to cover half of the Clipper START discount through FY26. In May 2025, MTC approved a resolution to transition the program from a pilot program to an ongoing fare product.

Clipper BayPass: this program pilots a regional all-agency institutional pass that provides riders with unlimited access to all bus, rail, and ferry services on Clipper, except for Muni cable cars. As outlined in the Bay Area Transit Fare Policy Vision Statement, Phase 1 of the pilot began in 2022 at four educational institutions and twelve affordable housing properties. Phase 2, which began in 2024, adds 80,000 additional passholders with a focus on employers. The program is cost-neutral to BART as operators are fully reimbursed for trips taken.

MTC's No-Cost and Reduced-Cost Interagency Transfer Pilot Program: this pilot, an important element of the region's Transit Transformation Action Plan and Fare Policy Vision Statement, 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 is responsible for the first \$0.50 of the discount, and MTC provides reimbursement for the remainder, using regional funds. The BART share of the discount is projected to reduce fare revenue by \$1.9M in FY27.

Parking Revenue

The FY27 parking revenue budget of \$22.4M is \$2.4M, or 12%, higher than the FY26 budget. Per BART Board policy, parking rates were adjusted within a defined range to manage demand on July 1, 2026 and beginning on January 1, 2025, each time transit fares are adjusted for inflation, the floor and ceiling of the

allowed parking price range are adjusted by the same percentage up to a cap. Daily fee rates were increased at Glen Park, Rockridge, Walnut Creek, and West Oakland stations. Single/multi-day reserved parking rates increased at Rockridge, San Bruno, and Walnut Creek Stations. Finally, reserved parking rates decreased at Castro Valley and Union City Stations.

Parking revenue in FY27 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 FY27 other operating revenue budget of \$17.1M is \$6.9M, or 29%, lower than the FY26 budget, due to a decrease in commercial communications revenue program. BART generates operating revenue from a variety of non-passenger sources. Table 6 summarizes other operating revenue, with more detail following the table.

Table 8: Other Operating Revenue (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Commercial Communications Revenue Program	13.8	7.1	(6.6)	-48%
Advertising	2.4	2.4	0.0	0%
Transit Oriented Development and Lease Revenue	4.6	3.9	(0.7)	-14%
Other Revenue	3.3	3.7	0.4	12%
TOTAL OTHER OPERATING REVENUE	24.0	17.1	(6.9)	-29%

Commercial Communications Revenue Program (CCRP) generates revenue through commercial fiber and wireless telecommunications. It includes BART's Digital Railway Project with Boldyn Networks (formerly Mobilitie Services, LLC), which seeks to increase fiber optic and wireless revenue over time. The budgeted revenue decrease in FY27 reflects the exclusion of one-time revenues that were expected in FY26 and includes adjustments on how revenues are accrued over the term of the contract.

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

Transit Oriented Development and Lease Revenue consist of a variety of development projects on BART land. Revenue from Transit Oriented Development (TOD) is budgeted at \$2.2M in FY27 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 FY27. BART also receives building and ground lease revenue from leasing vacant parcels and office space in the Joseph P. Bort MetroCenter (MET) building.

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

Non-Operating Revenue

Non-operating revenue consists of investment income, passive income that BART generates through low-risk investment vehicles. Investment income is budgeted at \$38.5M for FY27. This includes \$25M of income from traditional investments, as well as \$13.5M of interest revenue earned from a state loan authorized by AB 117 in February 2026, which will be used to service the additional debt on the loan.

8.2. Tax and Financial Assistance

Sales Tax Revenue

The FY27 sales tax revenue budget of \$327.2M is \$13.1M, or 4.22%, higher than the FY26 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 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 \$105M 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 FY26 were higher than initially budgeted and are assumed to grow modestly in FY27.

Sales tax revenues have historically been recorded on a cash accounting basis, where revenues are recognized only after BART receives cash payments. This creates a two-month lag between when sales tax revenues are earned, and when they are recognized. In FY27, BART will transition to an accrual accounting method, where revenues will be recognized when it is earned in alignment with peer industry and accounting standards. This transition will allow BART to recognize a one-time sum of \$59.7M.

The FY27 budget also includes revenues from the Connect Bay Area sales tax. This sales tax will be considered by voters in the November 2026 general election in Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara counties – all counties in which BART provides rail service. The ballot measure proposes to raise the sales tax by 0.5% in each county except San Francisco, where the increase will be 1%. The measure is projected to generate \$330M annually to sustain and improve BART service. The FY27 budget assumes the measure will pass in November 2026, and that sales tax revenue generation will begin by April 2027, generating \$74M to fund BART in FY27.

Property Tax Revenue

FY27 property tax revenue reflects continued growth in assessed property values under Proposition 13.

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 1 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 FY27 VTA financial assistance revenue budget of \$45.7M is \$9.8M, or 27.2%, higher than the FY26 budget. This increase is due largely to a change in forecast methodology expected to reduce budget-to-actual variance, as actual VTA financial assistance has been substantially above budget over the past several years.

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 pursuant to the terms of the O&M agreement to provide extension service. Actual cost results for each fiscal year will be used to calculate the final payment from VTA following fiscal year close.

State Transit Assistance

FY27 State Transit Assistance (STA) revenue is budgeted at \$38.5M, a \$7.3M, or 15.9%, decrease from FY26, primarily due to the expiration of the Legislature's provision to freeze qualifying revenues for the program.

BART receives funding through appropriations of 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.

Included in the FY27 STA budget is \$6.2M from the STA State of Good Repair program.

Low Carbon Funding Programs

FY27 Low Carbon Funding revenue decreased by \$0.9M, or 2.9% from FY26.

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 \$7M of LCTOP funding in FY27 which will be programmed for BART to Antioch operations. Recent policy changes to the Greenhouse Gas Reduction Fund are expected to substantially reduce funding for LCTOP. The precise magnitude or timing of this impact, or whether policymakers will backfill LCTOP revenues with another source are not yet clear.

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 \$24.3M of LCFS revenues for FY27, or \$2.6M higher than the FY26 budget.

Local and Other Financial Assistance

The FY27 local and other financial assistance revenue budget of \$16.2M is \$0.5M, or 3%, higher than the FY26 budget. Table 9 summarizes other financial assistance sources.

Table 9: Other Financial Assistance (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change		Notes
			\$ Change	% Change	
Alameda County Measure BB	7.6	7.5	(0.0)	-1%	For paratransit and transit operations in Alameda County
San Mateo County Measure A	2.3	2.4	0.1	2%	For SFO Extension operations
MTC Regional Measure 3	2.1	2.1	0.0	0%	For BART's Independent Office of the Inspector General
MTC Clipper START	2.3	2.7	0.5	21%	Subsidy to offset Clipper START discount
Caltrain Millbrae Station Use	1.1	1.1	0.0	2%	For station use, operations, and maintenance agreement
Contra Costa County Measure J	0.2	0.2	0.0	3%	For paratransit operations in Contra Costa County
Other Sources	0.2	0.2	0.0	1%	Various smaller sources
TOTAL OTHER FINANCIAL ASSISTANCE	15.7	16.2	0.5	3%	

8.3. Emergency Assistance Carryforward and Borrowing

The FY27 emergency assistance revenue budget of \$52.4M exhausts the remaining balance of SB 125 funds.

Since the start of the COVID-19, US transit agencies have received emergency funding through three acts of Congress.

1. The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law in March 2020, provided \$25.0B to transit operators nationwide.
2. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), signed in December 2020, provided an additional \$14.0B in transit funding.
3. The American Rescue Plan Act (ARPA), signed March 2021, included \$30.5B in federal funding to support the nation's public transportation systems.

In total, BART has been allocated \$1.6B from these emergency funding bills: \$377.1M from the CARES Act in 2020, \$378.1M from CRRSAA in 2021, an initial allocation of \$582.3M from the American Rescue Plan in the second half of 2021, and an additional tranche of \$270.8M awarded to BART through a competitive grant process in March 2022.

In November 2023, MTC approved an emergency transit operations plan which combines state (via SB 125) and regional funding to help support transit operations. BART has been allocated \$352.0M of this funding, \$299.6M of which is projected to be used in FY26; the final \$52.4M is budgeted in FY27.

BART also has two major sources of borrowed funds available. BART has secured and drawn down a \$395M loan via the federal Transportation Infrastructure Finance and Innovation Act (TIFIA), of which \$88.5M is budgeted as a revenue source in the FY27 budget. In February 2026, Governor Gavin Newsom signed state AB 117, authorizing a \$590M loan for Bay Area transit agencies, including \$285M for BART. Though the budget assumed interest income and debt service costs generated by these funds, they are not assumed in the budget and will be held in reserve should the revenue measure fail. Borrowing is not a sustainable funding solution and is used to balance the FY27 budget only because no other sources were available.

9. Total Uses

BART's Operating Uses are separated into two categories: 1) Operating Expenses and 2) Debt Service and Allocations. Operating Expenses include costs associated with the day-to-day operations and maintenance of BART ("running the railroad"). Debt Service and 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: Uses (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Operating Expense				
Labor and Benefits	763.3	803.7	40.3	5%
ADA Paratransit	26.3	27.8	1.5	6%
Purchased Transportation	8.5	8.9	0.4	4%
Traction Power	65.0	69.8	4.8	7%
Other Non-Labor	143.5	153.7	10.1	7%
<i>Subtotal - Operating Expense</i>	<i>1,006.7</i>	<i>1,063.8</i>	<i>57.1</i>	<i>6%</i>
Debt Service and Allocations				
Bond Debt Service	60.2	74.5	14.3	24%
Capital Reinvestment Allocation	43.8	16.0	(27.8)	-63%
Priority Capital Programs Allocation	0.0	0.0	0.0	-
Other Allocations	3.0	3.0	0.0	0%
RHBT Allocation	38.2	33.8	(4.4)	-12%
<i>Subtotal - Debt Service and Allocations</i>	<i>145.2</i>	<i>127.3</i>	<i>(17.9)</i>	<i>-12%</i>
TOTAL USES	1,151.8	1,191.0	39.2	3%

BART's total budgeted operating costs for FY27 are \$1.19B, \$39.2M more than FY26. This increase is due to an increase of \$40.3M in Labor and Benefits and \$16.8M in Non-Labor. These increases are offset by a \$17.9M decrease in Debt Service and Allocations. This decrease came from removing all baseline capital reinvestment allocations except for \$16.0M of local match funds.

Operating Expense

Most of the Operating Expense budget goes towards Labor and Benefits, covering employee salaries, benefits, and retirement. Labor and Benefits costs increased 5% from FY26 and is mainly due to increases in wages, medical insurance rates, and CalPERS Unfunded Liability pension contributions.

Non-Labor expenses increased by \$16.8M in FY27. The increase is mostly attributed to Clipper 2.0, paratransit service, funding for the maintenance of the new BPD Headquarters, a shift of OCIO's capital allocation from the Debt Service and Allocations budget to Operating Expense, and scheduled elections for the BART Board of Directors in Districts 2, 4, 6, and 8. These increases were offset by \$7.3M of ongoing department reductions as part of the FY27 targeted department cuts.

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 increase due to increased demand for service and higher labor costs.

Traction Power's budget increase in FY27 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 and Allocations Changes

The Debt Service and 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. BART's debt service in FY27 does not include repayments from the operating budget for the TIFIA proceeds that are being used to fund the budget; this is because under the loan terms, repayments do not begin until FY29. However, the budget does include debt service for a state loan authorized by AB 117 in February 2026; this cost was not included in the Preliminary Budget. Unlike the TIFIA loan, the state loan requires repayments beginning in FY27. Currently, staff do not plan to use the proceeds to cover operating costs (TIFIA proceeds are budgeted instead). In the event the revenue measure succeeds, this loan will be repaid in full. As BART plans to hold the money over the course of FY27, most of the debt service is expected to be offset by interest earnings (discussed in the Non-Operating Revenue section above).

Based on project delivery schedules and later-than-anticipated project cash flow, BART has deferred allocations to Priority Capital Programs to reduce expenses in FY26 and FY27. Capital reinvestment allocations were reduced to only include \$16M of local match funds in the FY27 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 and Benefits

BART's workforce consists of operating and capital positions. BART's total budgeted full-time equivalent positions (FTE) decreased by 64 FTEs, to 4,536 FTE in FY27. Of this, 3,698 FTEs are funded by the Operating Budget, which is a 1.7% decrease from FY26. The majority of this reduction is due to the FY27 \$20M target reduction request from BART's General Manager to all BART executive offices.

The total number of FTE positions authorized in the FY27 Adopted Budget is summarized below, with changes in headcount from FY26 detailed below and in Table 11. From FY26 to FY27 the number of budgeted positions decreased by 64 FTEs.

A breakdown of position changes in the FY27 budget is as follows:

- Mid-year position additions in Transportation and for miscellaneous non-service needs (4 FTEs)
- Technical adjustments to align part-time operating positions converted to full-time positions and capital to operating conversions (1 FTEs)
- Vacant position reduction (67 FTEs); the majority (64 FTEs) were abolished as part of the FY27 \$20M target reduction, while the remainder were eliminated to offset other new position costs.

Table 11: FY26 to FY27 FTE Summary

	Operating	Capital/Reimbursable	Total FTEs
FY26 Budget	3,760.1	839.6	4,599.7
Mid-Year Addition	4.0	0.0	4.0
Technical Adjustments	(1.5)	0.5	(1.0)
Reduction	(65.1)	(2.0)	(67.1)
Total Adjustments	(62.6)	(1.5)	(64.1)
FY27 Budget	3,697.5	838.1	4,535.7

Table 12 provides a three-year summary of budgeted positions by Executive Office. The decrease in budgeted FTEs within the Office of Infrastructure Delivery (OID) is primarily the result of two organizational restructurings. In FY26, a team of 13 employees were transferred from OID to the Office of the Chief Information Office (OCIO), and the Infrastructure and Engineering department within OID was moved to Operations. For a fully itemized distribution of FTE positions and associate position funding by department, please see Attachment D.

Table 12: FY25 to FY27 Total Budget FTEs, by Executive Office

	FY25 Budget	FY26 Budget	FY27 Budget
01 - Office of the General Manager	53.0	54.0	54.0
02 - Office of the General Counsel	19.0	19.0	18.0
04 - Office of the District Secretary	7.0	7.0	7.0
05 - Office of Administration	176.6	182.6	184.6
06 - Office of External Affairs	52.2	49.5	47.8
07 - Police	407.0	409.0	409.0
08 - Operations	3,242.3	3,242.6	3,352.8
DRU 0802 - Maintenance	1,182.5	1,178.5	1,151.5
DRU 0803 - Rolling Stock & Shops	873.8	866.8	855.9
DRU 0805 - Transportation	1,135.0	1,144.4	1,132.4
All Other (DRUs 0103, 0801, 0804, 1030)	51.0	53.0	213.0
10 - Office of Infrastructure Delivery	372.0	357.0	174.0
12 - Office of the Chief Information Officer	63.0	60.0	71.0
14 - Capitol Corridor	25.0	26.0	25.5
17 - Office of the Independent Police Auditor	5.0	5.0	5.0
19 - Office of the Inspector General	5.0	6.0	6.0
20 - Office of Planning & Development	54.0	43.0	42.0
21 - Office of the CFO	146.0	139.0	139.0
TOTAL	4,627.1	4,599.8	4,535.7

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 FY27 is \$991.9M. After reimbursements of \$188.3M in FY27 are taken out, the Operating Labor Budget totals \$803.7M in FY27.

Table 13: Labor Expenditures (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Gross Labor				
Wages	542.0	563.7	21.7	4%
Overtime	79.7	84.3	4.7	6%
CalPERS Pension and Other Retirement	159.1	169.7	10.6	7%
Active Employee Medical	92.5	108.1	15.6	17%
Retiree Medical	0.0	9.3	9.3	-
Workers' Compensation	24.6	26.0	1.3	5%
Other Labor & Benefits	31.0	30.9	(0.1)	0%
<i>Subtotal - Gross Labor</i>	<i>928.8</i>	<i>991.9</i>	<i>63.1</i>	<i>7%</i>
Reimbursements				
Capital Reimbursement	(93.2)	(107.0)	(13.8)	15%
Capital Fringe	(51.9)	(59.9)	(8.0)	15%
Capital Overtime	(20.4)	(21.4)	(1.0)	5%
<i>Subtotal - Reimbursements</i>	<i>(165.5)</i>	<i>(188.3)</i>	<i>(22.8)</i>	<i>14%¹⁴</i>
TOTAL NET LABOR	763.3	803.7	40.3	5%

Wages

FY27 gross wages are budgeted at \$563.7M. This is \$21.7M, or 4% increase from the prior year. The increase is primarily driven by contracted wage increases, revised sick leave budgeting under GASB 101, and labor savings associated with positions abolished through the District-wide FY27 target reduction.

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 FY27, it is assumed that 5% of operating positions and 16% of capital positions will be vacant at any given time. The capital vacancy assumptions decreased by 2% from FY26 and reflect actual vacancy rates at BART.

A majority of BART staff are represented by labor unions, and collective bargaining agreements (CBAs) between BART and its labor partners set wage increases that occur year over year. The FY27 Adopted Budget reflects wage increases that were agreed upon in the summer of 2024 and are in effect until the end of FY27. 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

¹⁴ Reimbursement growth is reflected as a positive rate.

negotiation. For instance, in FY27, staff represented by AFSCME, ATU, and SEIU received a 2% wage increase in July and another in January.

Overtime

The FY27 gross overtime budget is \$84.3M, which is \$4.7M, or 6%, higher than the FY26 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 FY27 CalPERS pension budget is \$169.7M, which is \$10.6M, or 7%, higher than the FY26 budget. The increase in pension costs in FY27 is primarily due to BART's contribution to the unfunded liability to meet CalPERS retirement fund obligations.

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 BART employees.

Pension valuation data as of June 30, 2024 (published July 2025) was used to generate pension costs in the FY27 Adopted Budget. As of that date, BART's funded ratio is 75.4% for the Miscellaneous Plan.

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 include 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 expected future 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 FY27, BART is required to contribute 9.5% and 24.3% of payroll for the normal cost for the Miscellaneous and Safety plans respectively.

CalPERS Pension: Employee Contribution

Employees subject to PEPRA 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					
		FY26 Budget (%)		FY27 Budget (%)	
		Misc.	Safety	Misc.	Safety
Employer Rate	Classic	9.6	25.3	9.5	24.3
	PEPRA	9.6	25.3	9.5	24.3
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

Unfunded Actuarial Liability (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 this flat fixed payment towards the UAL for both the Miscellaneous and Safety plans.

Table 15: BART CalPERS Contributions (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Employer Share				
Classic	21.8	20.8	(1.0)	-5%
PEPRA	38.1	40.5	2.4	6%
EPMC	2.0	1.9	(0.1)	-4%
Employee Cost Share	(5.3)	(5.2)	0.1	-2%
UAL	88.7	97.2	8.6	10%
Total BART CalPERS Contributions	145.3	155.1	9.9	7%

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 FY27. 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 \$6.6M in FY27.

Active Employee Medical

The FY27 active employee medical budget increase is due to higher employee benefit costs. The single largest benefit cost increase is for employee medical insurance. 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 FY27. In return, BART is expected to achieve at least \$5.7 million in medical insurance savings, resulting in an estimated net savings of \$4 million.

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 FY27, the scheduled monthly "base" employee contribution is \$139.52 for AFSCME, ATU, SEIU, and Non-Rep, and \$193.93 for BPOA and BPMA employees.

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.

BART began deferring Retiree Health Benefit Trust contributions in late FY25. In FY26, BART elected to redirect retiree medical contributions into a flexible reserve account. This is a deferral permitted under the recent Memorandum of Understanding (MOU) with labor partners, which allows BART to pause contributions for retiree medical costs. This change provides flexibility during fiscal uncertainty and enables BART to redirect funding toward deficit reduction in FY27 and beyond. In FY27, the full RHBT contribution is \$43.0M. BART has budgeted \$9.3M (the capital portion of the cost) to pay to the trust and \$33.7M (the operating portion) will be allocated to the RHBT reserve account.

Workers' Compensation

The FY27 workers' compensation budget is \$26.0M, which is \$1.3M or 5% higher than the FY26 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 FY27 Other Labor and Benefits budget is slightly lower than the FY26 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 allowances.

Capital and Reimbursable Wages, Fringe, and Overtime

The FY27 reimbursements budget is \$188.3M, which is \$22.8M, or 14% higher than the FY26 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 and administration, and Operating Budget allocations.

Staff closely monitor capital and other reimbursements over the course of the fiscal year and adjust 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 labor and benefits. 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 FY27 is \$260.1M, a increase of \$16.8M over the FY26 Adopted Budget. The budget increase in FY27 is primarily a result of cost increases associated with the Next Generation Clipper, BART Board election costs, ADA Paratransit, and increasing electric rates in Traction Power.

Table 16 : Non-Labor Expenditures (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Clipper, Ticket Sales and Bank Fees	7.3	15.1	7.7	105%
Insurance	9.8	11.2	1.4	14%
Material & Supplies	47.3	44.7	(2.6)	-5%
Professional & Technical Fees	48.3	50.9	2.5	5%
Repairs & Maintenance	13.4	13.5	0.1	1%
Rent	3.9	4.0	0.1	2%
Traction Power	65.0	69.8	4.8	7%
ADA Paratransit	26.3	27.8	1.5	6%
Purchased Transportation	8.5	8.9	0.4	4%
Utilities	8.6	8.1	(0.5)	-6%
Other Miscellaneous	4.9	6.3	1.4	29%
TOTAL NON-LABOR	243.4	260.1	16.8	7%

Clipper, Ticket Sales, and Bank Fees

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

The FY27 budget increase is due to the running of parallel systems during the extended changeover period to the Next Generation of Clipper payment system. Additionally, higher than expected credit card fees and vendor fees have increased the budget going forward.

Insurance

This Non-Labor category covers the cost of insurance premiums for various products BART has purchased. These premiums 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 and Supplies

This Non-Labor category primarily includes costs or inventory withdrawals, and purchases required for the maintenance of rail cars and stations. Some of these 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 FY27 Adopted Budget, the Materials and Supplies budget decreased by \$2.6M from the FY26 Adopted Budget due to lower inventory needs in Rolling Stock and Shops and lower Diesel Fuel expenses for the BART-to-Antioch extension.

Professional and 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 and Maintenance

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

Rent

This Non-Labor category includes funds for administrative building leases, and other related costs.

Utilities

Funding included in this category are for station power electrical energy, and non-traction energy. It also includes garbage collection, natural gas, water, sewer, telephones, and other utilities. The FY27 Utilities budget was reduced to reflect expected savings from continued optimization of BART's employee cellular program. This optimization includes alignment of active services with operational needs, and evaluation of lower-cost service options.

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 Board of Directors elections, which are held every other year. Since FY26 was not an election year, costs increased in FY27.

Traction Power

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

In FY27, BART's annual electric power costs align with BART's current rail service plan. BART's FY27 electric power budget increase is driven primarily by projected increases in energy supply costs and higher distribution and delivery rates communicated to BART by energy suppliers. Additionally, at the beginning of FY27, BART began running several 10-car trains during peak commute hours that will incrementally increase electric power costs.

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. While these rates are governed by a regulated rate-setting process, BART has no ability to change them.

ADA Paratransit

The Americans with Disabilities Act (ADA) 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 FY27 Adopted Budget includes an increase based upon cost increases experienced in FY26 and communication from Paratransit suppliers that rates will be higher in FY27 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).

9.3. Debt Service and Allocation

Table 17: Debt Service and Allocations (\$ Millions)

	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
			\$ Change	% Change
Debt Service	60.2	74.5	14.3	24%
Capital Reinvestment	43.8	16.0	(27.8)	-63%
Other Allocations	3.0	3.0	0.0	0%
Priority Capital Projects/Programs	0.0	0.0	0.0	-
RHBT Allocation	38.2	33.8	(4.4)	-12%
TOTAL DEBT SERVICE and ALLOCATIONS	145.2	127.3	(17.9)	-12%

Debt Service

FY27 debt service increases primarily because BART begins servicing a state loan authorized by AB117 in February 2026.

BART issues bonds backed by its dedicated sales tax revenues primarily to finance large-scale infrastructure capital projects and rebuild its aging core transit system. Repayment of sales tax revenue bond obligations is included in BART's Operating budget because sales tax revenue is recognized within the Operating Fund. 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 the remaining sales tax revenue to BART. The debt service budget in the General Fund for FY27 covers the amount needed to service outstanding Sales Tax Revenue Bonds Series 2016A,

2017A, 2019A, 2019B, and 2025A with an outstanding principal balance of \$506.1M as of July 1, 2026. Please see attachment K for the principal and interest debt schedule.

Outside the Operating Budget and as authorized by Measure AA and Measure RR, BART also services general obligation bond debt with property taxes imposed on property owners in the three counties that make up the BART District. Payments on this debt are made through BART's Debt Service Fund.

Allocations

The FY27 allocations budget decrease is primarily due to zeroing out capital reinvestments except for local match for federal grants.

Each fiscal year BART allocates operating funds to capital projects and other programs that support basic operations, state of good repair, fiscal stability, and priority initiatives. These allocations fund cost that are not eligible for external funding and provide local matching funds that help BART leverage outside funding. Allocations help to reduce future costs by reducing future liabilities in the present, whether for capital needs or retirement obligations.

The FY27 Adopted Budget continues deferrals to planned allocations. Historically, BART has adjusted its operating allocation funding amounts based on revenues; BART has increased allocations in higher-revenue years and reduced them in lower-revenue years to help balance the budget. Given their dollar size and relative flexibility compared to labor and non-labor costs, allocations constitute the single largest lever BART has to reduce expenditures.

Capital Reinvestment Allocation provides local matching funds for federal grants and funds and 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 zeroed out in FY27 except for \$16.0M in local match for federal grants.

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 BART's long-term ability to provide reliable service. Since FY25, planned allocations 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 is needed.

Other Allocations includes \$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 also included to offset amounts booked as Other Revenue or Financial Assistance for the Pleasant Hill/Contra Costa Centre and MacArthur stations. And finally, \$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 BART; these savings will be used to repay the loan, which is scheduled to 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 FY27 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 FY27 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 an 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. The operating budget share of funds deposited into this reserve over the course of FY26 and FY27 will be deposited into the trust as originally intended when regional revenue measure funds begin to flow.

10. Alternative Service Plan

Introduction

In addition to the balanced operating budget presented in this Adopted Operating Budget, the BART Board directed staff to develop a balanced operating budget that could be implemented should a planned November 2026 revenue measure not pass. Staff prepared the plan below, and on February 26, 2026, the Board initially approved the FY27 Alternative Service Plan (ASP). The ASP identifies service and non-service reductions as well as fare and parking rate increases that BART could implement, starting in January 2027 and continuing into FY28, if the Measure fails at the November 2026 ballot and if no other operating revenue source is identified.

Approval of the ASP allows staff to continue to refine and analyze options and allows the Board and staff to discuss publicly any potential implications of the ASP and receive feedback from the public. The Board retains full discretion to modify the ASP. The specific actions and dollar amounts included below are subject to change as it's further refined and optimized. However, if the ASP is implemented, staff project that in order to achieve the savings required in the second phase described below, 1,170 positions (vacant and filled) would be cut from the budget.

FY27 Alternative Service Plan

As initially approved by the BART Board on February 26, 2026

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 to assess the feasibility of additional reductions necessary to balance the budget in FY28. The initial Board approval of the Plan was needed 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 \$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 \$20M of additional revenue by increasing fares and parking fees 30%.
- Target \$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.
- Continuing 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, BART will assess ridership and revenue impacts and the performance of all District functions to determine whether 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 are required before implementation.

Service and Budget actions in FY28:

- Target \$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 is responsible for 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 (\$68M) and retiree medical contributions (\$38M) as necessary to balance the FY28 budget.

After implementation, BART will assess ridership and revenue impacts and the performance of all District functions to determine whether 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 that BART cannot safely or legally operate with available resources, stop passenger service.
- The BART Board is responsible for decisions on stopping passenger service.
- Use District tax revenues to secure system assets and other ongoing obligations.
- Work to determine the system's future.

4. **Alternative Service Plan (ASP) 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, BART will:
 - Assess opportunities for staffing and non-labor spending efficiencies across all functions.
 - Consider opportunities to deploy existing operating-funded 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.
 - 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 ASP, 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.

11. FY27 Capital Budget

The FY27 Adopted Capital Budget anticipates a maximum investment of \$828M 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 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 any facility, unit of rolling stock, parcel of land, unit of equipment, element of infrastructure, or intellectual property (including software) with a value of \$5,000 or more, a useful life of more than one year, and that is capitalized in accordance with Generally Accepted Accounting Principles (GAAP). Capital assets also include additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to existing capital assets that materially increase their value, useful life, or functionality, excluding ordinary repairs and maintenance.

Adopted Capital Sources and Uses

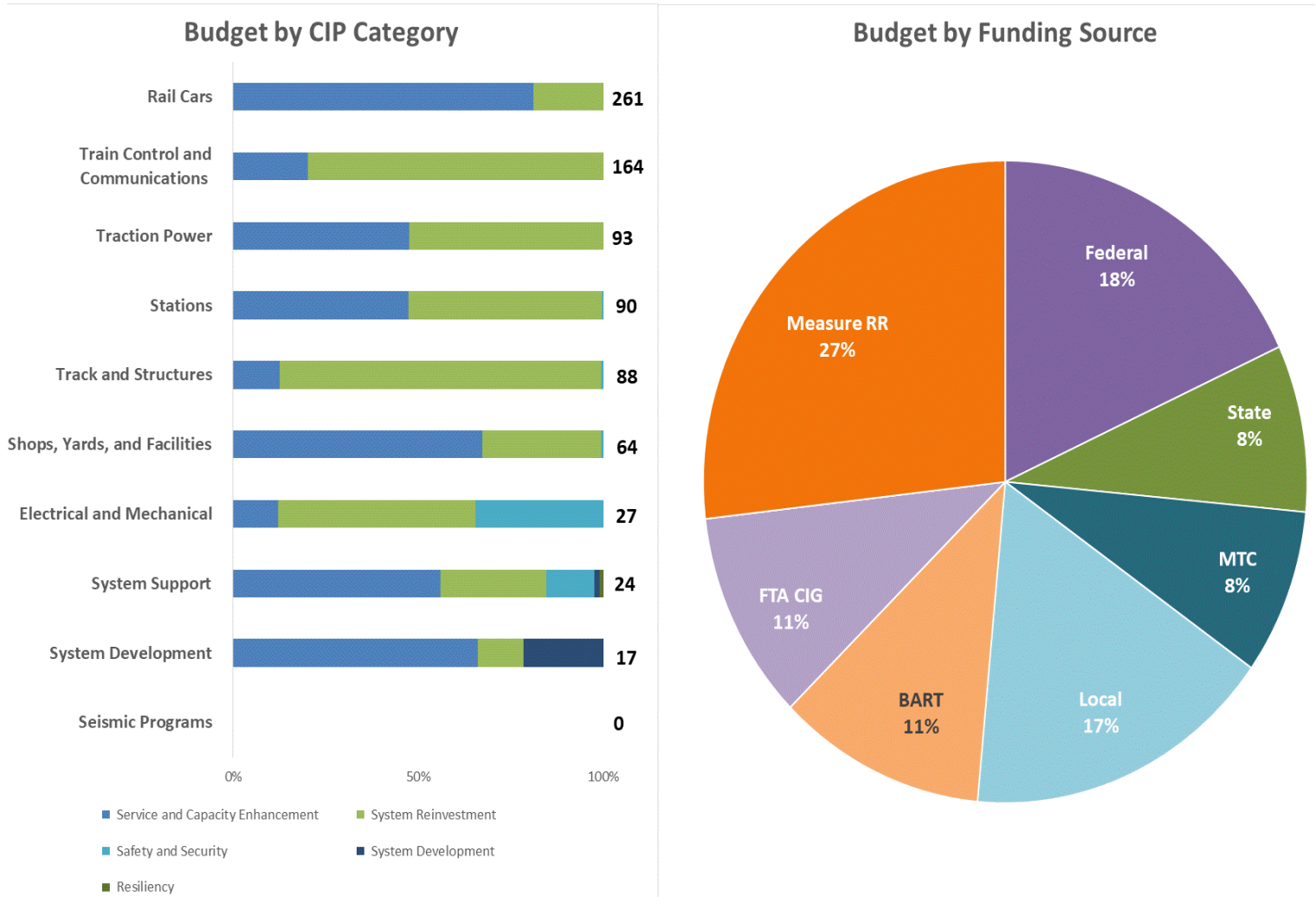
The FY27 Adopted Capital Budget directs \$828M across five Capital Investment Plan (CIP) Purposes: System Reinvestment, Service and Capacity Enhancement, Resiliency, System Development, and Safety and Security. The following charts also summarize planned work by CIP Category, which generally reflects 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 and Capacity Enhancement – investments to enhance the rider experience, support more frequent service, and add system redundancy to improve reliability. In FY27, BART will initiate a Network Modernization project, which will deliver a backbone network capable of 99.999% availability by modernizing the backbone architecture that supports BART's operational systems, including communications, supervisory control systems, station infrastructure, and field equipment distributed across the entire District. BART will also continue to advance its Train Control Modernization Program, the cornerstone of its Core Capacity Program, continuing with wayside installation for a modern communications-based train control system and continuing with vehicle integration design and pilot. BART's significant investment in traction power infrastructure, a key investment priority in BART's Measure RR System Renewal Program, will also progress – replacing cables, renewing existing substations, and commencing construction of new substations in the East Bay, which will provide more redundant power to the BART system and improve reliability. In addition, BART will continue its efforts to strengthen its already highly successful Next Generation Fare Gates and install more effective barriers to further deter fare evasion. These capital investments will support BART's operating budget by improving system reliability, lowering ongoing maintenance and fare-evasion-related costs, and increasing fare revenue through higher ridership and improved fare collection.

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 FY27 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 and the Federal Transit Administration’s Capital Investment Grant, total nearly 37% of the Adopted Capital Budget funding. See Attachment G for the FY27 Adopted Capital Budget by project, or www.bart.gov/financials.

Figure 5: FY27 Adopted Capital Sources and Uses



12.Attachments

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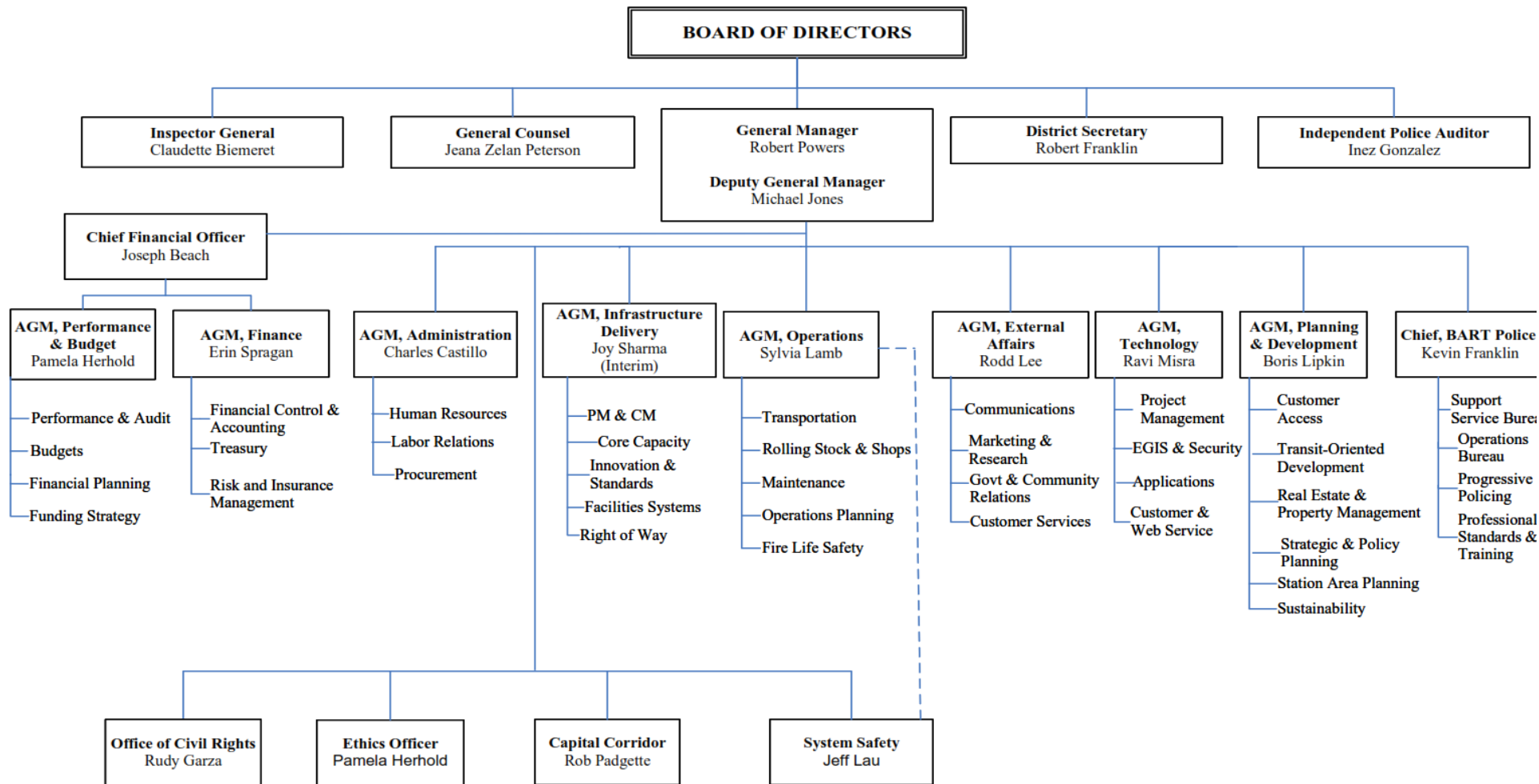
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**SAN FRANCISCO BAY AREA RAPID TRANSIT
ORGANIZATION CHART**



TOTAL HEADCOUNT	
Operating	3,697.6
Capital	793.1
Reimbursable	45.0

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 the CFO, 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, Diversity, Equity, Inclusion and Social Justice strategy, 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 the Chief Information Officer: The Assistant General Manager of 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: EGIS & Security, Applications, Customer Services & Web Services, and Project Management.

Office of the General Counsel¹⁵: 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.

¹⁵Board Appointed Position

- Litigation: Defend BART's interests in matters handled in-house 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.
- Human Resources: Provide accurate and timely legal advice on all Human Resources matters including compliance with 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 Chief Financial Officer: 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 BART 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, including 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, request 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: 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 General¹⁶: The Office of the Inspector General provides independent oversight of District programs and operations to ensure that BART 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 BART 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 IG's 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.

¹⁶ Appointed by California Governor

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 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 include the following departments: Transportation, Rolling Stock & Shops, Maintenance, Infrastructure Engineering, Fire Life Safety and Operations Planning.

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, Communications-Based Train Control (CBTC), Innovation & Resiliency, Project Management/Construction Management (PM/CM), Project Management Office (PMO)/Project Controls, Quality & Standards and BART Silicon Valley Extension.

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, Station Area Planning, Strategic 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 directions 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 full-time management staff, including marketing and communications, transportation, engineering, mechanical, planning and programming, and budget and service performance.

Attachment C: 3-Year Consolidated Financial Schedule

Capital Reinvestment Allocation	FY25 Actuals	FY26 Budget	FY27 Budget	FY26 to FY27 Change	
				(\$)	(%)
Rail Passenger Revenue	243.3	259.1	308.0	48.9	19%
ADA Passenger Revenue	0.6	0.6	0.7	0.0	3%
Parking Revenue	18.1	19.9	22.4	2.5	12%
Other Operating Revenue	20.5	24.0	17.1	(6.9)	-29%
Non Operating Revenue	39.8	21.4	38.5	17.1	80%
<i>Subtotal - Revenue</i>	322.3	325.1	386.7	61.6	19%
Sales Tax Revenue	317.3	314.1	327.2	13.1	4%
Sales Tax Accrual Change	0.0	0.0	59.7	59.7	-
Regional Sales Tax Proceeds	0.0	0.0	74.4	74.4	-
Property Tax Revenue	66.6	68.0	70.4	2.4	4%
VTA Financial Assistance	46.1	35.9	45.7	9.8	27%
State Transit Assistance	36.8	45.8	38.5	(7.3)	-16%
Low Carbon Funding Programs	17.0	32.2	31.3	(0.9)	-3%
Local & Other Assistance	28.4	15.7	16.2	0.5	3%
SB 125 Carry forward from FY26	0.0	0.0	52.4	52.4	-
Borrowing (TIFIA)	0.0	0.0	88.5	88.5	-
<i>Subtotal - Financial Assistance</i>	<i>512.2</i>	<i>511.8</i>	<i>804.3</i>	<i>292.6</i>	57%
TOTAL SOURCES	834.6	836.9	1,191.0	354.2	42%
Labor & Benefits	802.0	763.3	803.7	40.3	5%
ADA Paratransit	22.4	26.3	27.8	1.5	6%
Purchased Transportation	7.7	8.5	8.9	0.4	4%
Traction Power	53.7	65.0	69.8	4.8	7%
Other Non-Labor	175.7	143.5	153.7	10.1	7%
<i>Subtotal - Operating Expense</i>	<i>1,061.5</i>	<i>1,006.7</i>	<i>1,063.8</i>	<i>57.1</i>	6%
Bond Debt Service	60.2	60.2	74.5	14.3	24%
Capital Reinvestment Allocation	29.1	43.8	16.0	(27.8)	-63%
Priority Capital Programs Allocation	0.0	0.0	0.0	0.0	-
Other Allocations	20.6	3.0	3.0	0.0	0%
RHBT Allocation	5.7	38.2	33.8	(4.4)	-12%
ORA - Pension Trust Inc	2.7	0.0	0.0	0.0	-
Reverse Allocations	(30.7)	0.0	0.0	0.0	-
<i>Subtotal - Debt Service & Allocations</i>	<i>87.5</i>	<i>145.2</i>	<i>127.3</i>	<i>(17.9)</i>	-12%
TOTAL USES	1,149.0	1,151.8	1,191.0	39.2	3%
Net Result Before Emergency Assistance	(314.4)	(315.0)	0.0	315.0	-100%
Emergency Assistance	314.4	315.0	0.0	(315.0)	-100%
NET RESULT	0.0	0.0	0.0	0.0	-

Attachment D: Position Summary

Department	FY25 Adopted		FY26 Adopted		FY27 Adopted	
	Operating	Capital/ Reimbursable	Operating	Capital/ Reimbursable	Operating	Capital/ Reimbursable
TOTAL ALL DEPARTMENTS	3,770.2	856.9	3,760.1	839.6	3,697.6	838.1
General Manager	36.0	17.0	36.0	18.0	36.0	18.0
Administration	6.0	-	5.0	-	5.0	-
Civil Rights	15.0	13.0	15.0	13.0	15.0	13.0
System Safety	15.0	4.0	16.0	5.0	16.0	5.0
General Counsel	19.0	-	19.0	-	18.0	-
District Secretary	7.0	-	7.0	-	7.0	-
Administration	162.6	14.0	168.6	14.0	166.6	18.0
Administration	2.0	-	2.0	-	1.0	-
Human Resources	49.6	1.0	56.6	1.0	56.6	1.0
Procurement	101.0	13.0	99.0	13.0	98.0	17.0
Labor Relations	10.0	-	11.0	-	11.0	-
External Affairs	47.4	4.8	45.0	4.5	43.3	4.5
Administration	2.8	0.3	2.0	-	2.0	-
Communications	9.5	1.5	9.5	1.5	9.5	1.5
Customer Services	11.0	2.0	11.0	2.0	10.5	2.0
Government & Community Relations	9.0	-	9.0	-	9.0	-
Marketing and Research	15.1	1.0	13.5	1.0	12.3	1.0
Police	407.0	-	409.0	-	409.0	-
Operations	2,790.7	451.6	2,788.0	454.6	2,753.7	599.1
Fire Life Safety	18.0	-	18.0	1.0	18.0	1.0
Administration	2.0	10.0	2.5	9.5	2.0	-
Maintenance	857.5	325.0	851.0	327.5	823.0	328.5
Operations Planning	17.0	4.0	18.0	4.0	17.0	4.0
Rolling Stock & Shops	769.8	104.0	762.8	104.0	751.9	104.0
Transportation	1,126.4	8.6	1,135.8	8.6	1,123.8	8.6
Infrastructure Engineering					18.0	153.0
Office of Infrastructure Delivery	61.7	310.3	60.7	296.3	40.2	133.8

Department	FY25 Adopted		FY26 Adopted		FY27 Adopted	
	Operating	Capital/ Reimbursable	Operating	Capital/ Reimbursable	Operating	Capital/ Reimbursable
Administration	36.1	45.9	37.2	50.8	38.2	46.8
Delivery	2.5	92.5	3.5	81.5	2.0	87.0
Infrastructure	23.1	171.9	20.0	164.0		
Chief Information Officer	60.5	2.5	57.5	2.5	56.5	14.5
Capitol Corridor	-	25.0	-	26.0	-	25.5
Independent Police Auditor	5.0	-	5.0	-	5.0	-
Inspector General	5.0	-	6.0	-	6.0	-
Planning & Development	38.8	15.2	35.8	7.2	34.8	7.2
Administration	1.0	-	1.0	-	1.0	-
Customer Access	8.5	0.5	7.5	0.5	7.5	0.5
Real Estate & Property Development	8.8	3.2	9.8	2.2	8.8	2.2
Station Area Planning	4.0	2.0	4.0	2.0	4.0	2.0
Strategic & Policy Planning	3.5	1.5	3.5	1.5	3.5	1.5
Sustainability	4.0	1.0	3.0	1.0	3.0	1.0
Transit Oriented Development	9.0	-	7.0	-	7.0	-
Office of CFO	129.5	16.5	122.5	16.5	121.5	17.5
Office of CFO			2.0	-	2.0	-
Controller-Treasurer	93.0	8.0				
Administration	2.0	-	1.0	-	1.0	-
Assistant Controller	37.0	8.0	37.0	8.0	37.0	8.0
Assistant Treasurer	50.0	-	45.0	-	44.0	-
Insurance	4.0	-	4.0	-	4.0	-
Performance & Budget	36.5	8.5				
Administration	2.0	-	1.0	-	1.0	-
Budget	13.0	2.0	13.0	2.0	13.0	2.0
Financial Planning	5.0	3.0	4.0	3.0	4.0	4.0
Funding Strategy	9.5	1.5	8.5	1.5	8.5	1.5
Performance & Audit	7.0	2.0	7.0	2.0	7.0	2.0



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/1/2026		6/4/2026		
BOARD INITIATED ITEM: Yes				
Originator/Prepared by: Katherine Alagar Dept: Operating Budgets	General Counsel	Chief Financial Officer	District Secretary	BARC
DocuSigned by: <i>Katherine Alagar</i> 687EB8AE6E87469... Signature/Date: 6/3/2026	DocuSigned by: <i>Amelia Sandoval</i> 2528C067C44147D... 6/3/2026 []	Signed by: <i>Joseph Beach</i> 7D9A7C6E7348456... 6/3/2026 []	DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 6/4/2026 []	DocuSigned by: <i>Pamela Herd</i> 3BB24D65B8724F5... 6/3/2026 []

Resolution to Adopt the FY27 Budget

PURPOSE:

Authorize adoption of the Fiscal Year 2027 (FY27) Annual Budget Resolution (Budget Resolution).

DISCUSSION:

Approval by the Board of Directors is required for the FY27 operating and capital budgets. The proposed combined operating and capital budget is \$2.0 billion (B) in FY27.

The proposed FY27 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 2026. Additional information can be found at bart.gov/financials.

In FY27, BART will adopt a one-year operating and capital budget; Staff plans to return to two-year budgeting when BART's financial outlook has stabilized.

FY27 Operating Budget

The FY27 operating budget is \$1.2B and continues to be highly constrained by reduced operating revenues associated with lower ridership. It assumes the passage of a regional revenue measure in November 2026 and should not be confused with BART's Alternative Service Plan (ASP), a contingency planning document initially approved by the Board of Directors in February 2026.

To address a \$375M structural operating deficit, staff employed a combination of ongoing revenue increases, ongoing expense reductions, a deferral of operating funds to support capital work, and a sales

tax basis accounting change. The budget also assumes regional sales tax measure revenues beginning around April 1, 2027, a carry forward of SB 125 funding from FY26, and borrowing.

Operating Revenue in FY27 is budgeted at \$386.7M, an increase of \$43.8M from the FY27 Preliminary Budget ("Prelim") and includes:

- \$308.7M of Rail Passenger Revenue, which increased by \$8.3M from Prelim. Sustained FY26 ridership increases justify the higher ridership income assumptions in FY27.
- An increase of \$35.5M in investment income from Prelim. The increase comes from higher projections of investment income on BART's cash balances and includes State loan interest income.
- ADA Passenger Revenue, Parking Revenue, and other operating revenue total \$40.2M with no changes from Prelim.

Financial assistance is budgeted at \$663.5M in FY27, this includes:

- \$327.2M of Sales Tax proceeds and \$59.7M of one-time sales tax accrual changes. This is an overall increase of \$2.6M from Prelim.
- Regional sales tax measure revenues of \$74.4M, assumed to begin around April 2027.
- VTA Financial Assistance of \$45.7M, a slight decrease of \$0.5M from Prelim.
- No changes since Prelim in Property Tax Proceeds \$70.4M, State Transit Assistance
- \$38.5M, Low Carbon Funding Programs \$31.3M, and local and regional assistance \$16.2M.

The proposed operating budget authorizes FY27 expenditures of \$1.2B while funding 3,697.6 operating and 838.1 capital and reimbursable full-time equivalent positions (FTEs) in FY27.

The Labor Budget includes:

- Previously negotiated wage increases of 2% on July 1, 2026, and 2% on January 1, 2027, for AFSCME, ATU, SEIU, non-represented, and BPOA/BPMA employees.
- Elimination of funding for 63 vacant operating positions.
- Reduction of \$33.8M in retiree medical contributions, transferred to allocations.
- An operating position vacancy rate assumption of 5% and a capital position vacancy rate assumption of 15.5%.

The Non-Labor Budget of \$260.1M is an increase of \$16.8M in FY27 and includes:

- An increase of \$1.5M in Paratransit in FY27 from increased contracts and labor costs.
- Power cost increase of \$4.8M in FY27, due to increased energy supply costs and distribution/delivery rates.
- An increase of \$6M in Clipper 2 fees.
- An increase of \$2.1M in election costs estimates.
- An increase in Professional and Technical Services from a shift of \$4.4M of capital allocations to the non-labor budget.

Debt Service and Allocations total \$127.3M in FY27, and includes:

- Revenue Bond Debt Service Allocation of \$74.5M, includes \$14.3M of State loan debt service (partially offset by State loan interest income).
- The deferral of retiree medical contributions by transferring \$33.8M from the labor budget to an operating reserve account to provide increased flexibility for future year operating funding.
- Deferring allocations to the Priority Capital Program and the baseline capital.

FY27 Capital Budget

The FY27 Capital Budget includes \$828M in planned investment in BART's capital assets. The majority of planned investments are in System Reinvestment and Service and Capacity Enhancement. The largest investments are in the Core Capacity Program, including Communications-based Train Control (CBTC)

and Rail Car Procurement Phase 2. There is also significant investment in the new BART Police Headquarters and the San Francisco Escalator replacement. The remaining capital budget invests predominantly in Traction Power, Track & Structures, and Stations projects.

Capital funding sources include regional, local, and BART sources (Capital Allocations, BART Measure RR, Regional Measure 3, county contributions) as well as Federal and State grants (SB 1 program funding, FTA Capital Investment Grant, Federal Formula Funds).

FY27 Budget Resolution

Staff recommends approval of the attached Resolution to adopt the FY27 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, 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 FY27, the budget suspends operating budget commitments for the Low Carbon Fuel Standard Policy, adopted on July 27, 2017, which allocates revenues directed toward sustainability-related projects, the Pension Funding Policy, adopted on March 28, 2019, which sets aside funds to pay down pension liability in future years, and the BART District Art in Transit Policy (revised) adopted June, 28, 2018 which allocates operating funds toward public art into the transit system. The budget also defers priority capital allocations for FY27.

The Budget Resolution includes one new clause intended to ensure sound fiscal stewardship of BART's extremely constrained resources by directing the General Manager to apply all unused SB 125 funds from FY26 toward reducing BART's reliance on borrowing and deferrals in FY27.

FISCAL IMPACT:

The proposed FY27 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 FY27.

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 2027, July 1, 2026 to June 30, 2027.

Attachment F: FY26 Fund Balance

	Fiscal Year 2026		
	General Fund	Capital and Debt Service Fund	Total
Beginning Balance	\$ 9,681,420,070	\$ (571,675,404)	\$ 9,109,744,666
Prior Period Adjustment - GASB 101 Compensated Absences	-	-	-
Adjusted Beginning Balance	9,681,420,070	(571,675,404)	9,109,744,666
Sources of Funds			
Passenger Fares	288,531,021		288,531,021
Other Operating Income	47,539,312		47,539,312
Sales Tax Revenue	325,935,215		325,935,215
Property Taxes	67,321,703	176,925,111 1	244,246,814
Investment Income	38,858,718	36,698,486	75,557,204
Financial Assistance	456,861,698	509,157,306 2	966,019,003
Total Sources of Funds	1,225,047,666	722,780,903	1,947,828,570
Uses of Funds			
Operating Expenses Excluding Depreciation	(1,034,840,107)		(1,034,840,107)
Depreciation	(365,983,873)		(365,983,873)
Planning & Studies Expense		(13,248,407)	(13,248,407)
Donated Assets		(6,040,485)	(6,040,485)
Interest and Debt Service Expense	(1,857,551)	(134,430,173)	(136,287,724)
Debt Issuance Expense		(3,077,983)	(3,077,983)
Debt Service Allocations	(53,164,075)	53,164,075	-
Capital Allocation and Transfers	(3,729,805) 3	3,729,805	-
Transfer of Completed and Capitalized Fixed Assets	566,800,374 4	(566,800,374)	-
Transfer of Expenses Paid by Capital Fund - GASB 87	2,831,180 5	(2,831,180)	-
Transfer of Expenses Paid by Capital Fund - GASB 96	551,627 6	(551,627)	-
Transfer of Materials Inventory from Capital Projects	21,726,733	(21,726,733)	-
Total Uses of Funds	(867,665,497)	(691,813,082)	(1,559,478,579)
End Balance	\$ 10,038,802,239	\$ (540,707,583)	\$ 9,498,094,657

- 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: FY27 Capital Budget

Project Name	CIP Category	Adopted FY27 Capital Budget
Tunnel LED Lighting Phase 2	Electrical and Mechanical	\$1,252,368
Tunnel LED Lighting Phase 3	Electrical and Mechanical	\$42,254
M&E Line Rail EQP	Electrical and Mechanical	\$1,212,018
Tunnel LED Lighting Upgrade	Electrical and Mechanical	\$1,348,000
Tunnel LED Lighting Phase 5	Electrical and Mechanical	\$93,643
Mobile Gen for Emer Powr Enhnc	Electrical and Mechanical	\$475,123
Stn Emergency Lighting Ph 3	Electrical and Mechanical	\$679,572
District-wide Lighting Program	Electrical and Mechanical	\$3,987,678
Stations, Emergency Lighting	Electrical and Mechanical	\$761,514
Station Fire Alarm Replce Ph 4	Electrical and Mechanical	\$1,399,205
Fire Alarm Replacement Ph 3	Electrical and Mechanical	\$4,873,236
Train Control Rm UPS System	Electrical and Mechanical	\$253,013
Berkeley Hills Emrgcy Vent Sys	Electrical and Mechanical	\$2,145,969
Negative Return Systm Replcmnt	Electrical and Mechanical	\$850,417
Battery Repl for TC Rooms Pt 2	Electrical and Mechanical	\$411,870
Batt Repl Train Cntrl Phase 1A	Electrical and Mechanical	\$536,165
TBT CP Upgrade/Repl Equipment	Electrical and Mechanical	\$1,219,922
TBT CP Survey and Assessment	Electrical and Mechanical	\$66,721
EMERG GENERATOR-FOR TBT	Electrical and Mechanical	\$141,201
SFTS TRANSFORMER/BUS UPGRADE	Electrical and Mechanical	\$510,220
MP-3000 W-Line Vent - Phase1	Electrical and Mechanical	\$315,783
UPS W-Line Tunnel Emerg Light	Electrical and Mechanical	\$846,907
Emergent R/R Mech Comp/Equip	Electrical and Mechanical	\$1,542
Emergent R/R-Critical Elec Cmp	Electrical and Mechanical	\$254,103
Third Rail Improvement Gen 2	Electrical and Mechanical	\$1,020,306
BHT Power Distrib. Dsgn Assesme	Electrical and Mechanical	\$561,460
Energy Resiliency Studies&Desi	Electrical and Mechanical	\$1,432,981
Retrofit Undercar Deluge Sys	Electrical and Mechanical	\$276,929
SFTS Cathodic Assessment	Electrical and Mechanical	\$116,186
775 CAR ACQUISITION PLANNING	Rail Cars	\$5,359,747
Rail Car Procurement	Rail Cars	\$48,393,695
New Car Warranty-Reimbursable	Rail Cars	\$3,514,156
New Car Phase II procurement	Rail Cars	\$200,415,325
Rail Car Ph 2 soft costs	Rail Cars	\$2,988,038
New Car Phase 2 Warranty-Reimb	Rail Cars	\$652,516
BART Police Headquarters BPDHQ	Shops, Yards, and Facilities	\$36,701,616
Fall ProtectionBuildngRooftops	Shops, Yards, and Facilities	\$180,875
Switch Mach Repl Speed Fraters	Shops, Yards, and Facilities	\$786,061

Project Name	CIP Category	Adopted FY27 Capital Budget
HMC Vehicle Overhaul & Heavy R	Shops, Yards, and Facilities	\$9,446
HMC East Storage Yard	Shops, Yards, and Facilities	\$4,636,154
Buildin g Renov to Enh Fire Saf	Shops, Yards, and Facilities	\$1,190,636
DC & Hywd Yard Towers Renov	Shops, Yards, and Facilities	\$352,123
Replace Equip/Cabling-Yards	Shops, Yards, and Facilities	\$1,003,895
REPLACE SEWAGE PUMPS	Shops, Yards, and Facilities	\$845,008
REPLACE BACKFLOW PREVENTERS	Shops, Yards, and Facilities	\$36,110
FIRE SERVICES YARDS_OHY	Shops, Yards, and Facilities	\$10,379
Turntable Rep Concord Yard	Shops, Yards, and Facilities	\$172,786
LMA OCC HVAC RENOVATION	Shops, Yards, and Facilities	\$4,168,809
CONTROL TOWER HVAC (OCY, ORY)	Shops, Yards, and Facilities	\$453,382
Richmond Yard Track Rehabilita	Shops, Yards, and Facilities	\$548,447
Update Book 36 and 400	Shops, Yards, and Facilities	\$333,047
AerialGuideway SoundWall Rehab	Shops, Yards, and Facilities	\$1,173,427
SVBX Bioretention Restoration	Shops, Yards, and Facilities	\$110,072
REROOF FACILITIES BLDG SWD	Shops, Yards, and Facilities	\$9,943,986
Non-Revenue Vehicles Part II	Shops, Yards, and Facilities	\$100,000
WTM Hydraulic Upgrades ORY, OD	Shops, Yards, and Facilities	\$902,214
PA System Improvement	Stations	\$73,265
New UPS Sys - LMA Building	Stations	\$6,904,088
PrgrmStopID(PSID)CradleUpgrade	Stations	\$338,726
UC Intermodal Stn Phase 2A	Stations	\$607,065
POWELL STREET ELEVATOR	Stations	\$120,863
Elev/Escal Remote Monitoring	Stations	\$6,871
Accessibility Improvement Prog	Stations	\$2,165,097
Parking Program Modernization	Stations	\$50,000
MacArthur Plaza Renovation	Stations	\$15,446
Back Office Server/Disaster Re	Stations	\$19,934
TVM/AFM SCADA Replacement	Stations	\$249,751
Safe Routes to BART Grant Prog	Stations	\$6,440,000
Fremont Stn Access Improv	Stations	\$100,000
Dublin/Pleas Stn Access Improv	Stations	\$2,346,365
N Berkeley Stn Access Improv	Stations	\$60,000
Bicycle Stair Channels Phase 1	Stations	\$90,000
MacArthur Stn Access Improv	Stations	\$2,052,151
Pitts BayPt Mobility Improv	Stations	\$577,854
Parking Pricing Software	Stations	\$300,000
Station Wayfinding & Signage	Stations	\$25,000
Wayfinding Improve Phase IV	Stations	\$8,377,075

Project Name	CIP Category	Adopted FY27 Capital Budget
GTFS Pathways and Wayfinding	Stations	\$589,515
Bike Parking Stations	Stations	\$252,500
East Bay Greenway Segment II	Stations	\$20,000
Bicycle Preferred TravelPathP1	Stations	\$207,000
EMB Elev Capacity & Redundancy	Stations	\$6,111,773
Realtime Service Notices	Stations	\$404,610
Next-Gen Fare Gate Improvement	Stations	\$3,944,204
Sight Impaired Navigation Sys	Stations	\$203,750
PA System Improvements	Stations	\$3,166,469
Europay Mastercard Visa	Stations	\$37,468
Upgrade Fire Suppression Sys	Stations	\$2,331,518
16th St & BayFair Elev Mod	Stations	\$1,257,608
Landscape & Stormwater SWD	Stations	\$69,496
ConcordStat LEDemerg Light&UPS	Stations	\$1,109,029
BerkelySTN_Entrance&PlazaImpro	Stations	\$296,390
El Cerrito Del Norte Gateway	Stations	\$369,579
Embarcadero Platform Elevator	Stations	\$356,008
San Mateo Stations Revitalizat	Stations	\$57,011
Electric Vehicles&ChargingStat	Stations	\$525,000
Canopy/Escalators Replacement	Stations	\$670,957
San Francisco Escalator Repl	Stations	\$20,108,066
Elevator Renovation - Coliseum	Stations	\$4,457,393
Pitts/BP Elevator Renovation	Stations	\$3,167,065
M-Line Elev Renovation-5 stns	Stations	\$2,308,547
DT Berkeley Elev Modernization	Stations	\$1,329,920
N.Berk:Elev46-Machine Rm Equip	Stations	\$1,287
Elev/Esc Machine Rm-MS4 Compli	Stations	\$648,238
AC Transit RestRms at Stations	Stations	\$3,083
Payment Terminal Replacement	Stations	\$811,035
Access Facility Reconfigure	Stations	\$350,000
Signage & Mapping Improvement	Stations	\$166,812
Art - Station Modernization	Stations	\$475,000
Pavement at 16th Street Plaza	Stations	\$17,172
DSS Modernization Project	Stations	\$870,244
Regional Mapping & Wayfinding	Stations	\$213,000
StationHarden-NextGen FareGAt	Stations	\$2,217,847
SVRT StnAgt Booth Doors:S40&50	Stations	\$50,567
ROW AQUISITIONWSX	System Development	\$1,021,237
LINE, TRACK, STA/SYS DES/BLD	System Development	\$53,967

Project Name	CIP Category	Adopted FY27 Capital Budget
SVBX Design Support and Const	System Development	\$50,000
SVBX Seismic Assessments	System Development	\$538,346
Valley Link	System Development	\$115,383
Facilities HVAC Equip Rep Ph.2	System Development	\$1,611,020
Silicon Valley Phase 2 Ex FY26	System Development	\$1,860,000
SVRT - S40 & S50 Radio Upgrade	System Development	\$350,000
SVRT RIDS Upgrade	System Development	\$123,431
Renewal and Upgrade OCC	System Development	\$11,130,968
Negative Return Mapping	System Support	\$184,732
Route Restoration	System Support	\$50,000
FTA Core Capacity (Measure RR)	System Support	\$1,280,088
Digital Transformation at OCC	System Support	\$1,093,942
Richmond BART Corridor Transit	System Support	\$168,347
SFO ROWAY Closeout	System Support	\$309,333
PPMS Implementation	System Support	\$783,822
Incident Energy Analysis	System Support	\$1,312,890
Paratransit Modernization P2	System Support	\$500,000
BART Police Adm Relocation	System Support	\$36,147
Police Equip & Vehicles TSGP	System Support	\$100,000
PPCE Vehicle Purchase	System Support	\$700,000
Police & Admin Network Upgrade	System Support	\$425,000
CCTA MOBILITY ON DEMAND AGREEM	System Support	\$985,000
MIS Emerging Technology	System Support	\$800,000
Replace AFC back-office system	System Support	\$1,050,390
MET Building Improvements	System Support	\$31,147
2150 Webster	System Support	\$462,589
Database of Utilities at Yard	System Support	\$40,773
Met G Generator Replacememt	System Support	\$6,570,930
Root Cause Analysis	System Support	\$1,524,075
BART TOD Survey & Modeling	System Support	\$790,500
Network Infrastructure Refresh	System Support	\$1,500,000
Enterprise Business Applicatio	System Support	\$1,500,000
TREASURY CAPITAL PROJECTS	System Support	\$327,017
Shake Alert-Earthquake Updates	System Support	\$218,929
Local Hazard Mitigation Plan	System Support	\$8,947
Grants Management Solution	System Support	\$604,000
Vegetation Management	System Support	\$146,968
BFS Updates	System Support	\$112,458
Renewal of Tunnels & Structures	Track and Structures	\$5,246,123

Project Name	CIP Category	Adopted FY27 Capital Budget
Concrete Tie Assessment	Track and Structures	\$551,123
Suppt for State of Good Repair	Track and Structures	\$2,005,168
Steel Bridge Inspections	Track and Structures	\$661,934
Tunnel Waterproof M Line	Track and Structures	\$1,847,398
Slope Stabilization MW-12	Track and Structures	\$12,563,738
Slope Stabilizations SWD	Track and Structures	\$3,119,246
Renew Catwalks	Track and Structures	\$1,180,937
Fences Systemwide	Track and Structures	\$92,899
Wayside Regulatory Signage	Track and Structures	\$136,412
Parking Garage Slab Repairs II	Track and Structures	\$582,035
Rails,Ties,FastenersPh3measRR	Track and Structures	\$4,895,371
WYMSRailTieFrogDFPadSwPtItrloc	Track and Structures	\$945,355
KLine Interlocks K23, K25, C15	Track and Structures	\$2,388,907
A77 Interlocking Replacement	Track and Structures	\$3,022
A85 Interlocking replacement	Track and Structures	\$8,947,523
Direct Fixation Pads	Track and Structures	\$1,548,571
Rail Relay	Track and Structures	\$7,708,920
Frog Capital Maintenance	Track and Structures	\$457,741
Switch Replacement	Track and Structures	\$2,147
Procure Direct Fixation DF Pads	Track and Structures	\$55,139
Rail Destressing-ContraCostaCo	Track and Structures	\$3,679,156
Track Alignment Survey	Track and Structures	\$375,968
Tunnel Waterproof W Line	Track and Structures	\$907,371
ROW FENCING REPLACEMENT	Track and Structures	\$2,141,989
Cross Passage Doors&Hardware	Track and Structures	\$521,532
Substation Roofs	Track and Structures	\$1,032,668
TBT Cross Passage Doors CONST	Track and Structures	\$658,198
Slope Stabilization-M&L Lines	Track and Structures	\$2,200,359
WAYSIDE EQUIPMENT FY06	Track and Structures	\$1,636,224
FY 2018 NRVE Procurement	Track and Structures	\$5,575,721
Tunnel Waterproof A & S Lines	Track and Structures	\$1,100,312
SWD Review and Update SOGR	Track and Structures	\$385,302
Washington Ave Steel Bridge	Track and Structures	\$307,309
TRANSBAY TUBE DAMPERS OVERHAUL	Track and Structures	\$160,498
Design Quality Mgmt Program	Track and Structures	\$74,203
BHT Fault Movement Mitigation	Track and Structures	\$944,082
Switch Pt Replacement-All Yrds	Track and Structures	\$816,763
Concr Floating Slab Assessment	Track and Structures	\$923,661
Interlocking Tie Replacement	Track and Structures	\$881,393

Project Name	CIP Category	Adopted FY27 Capital Budget
M90 Platform Lighting Support	Track and Structures	\$1,069,522
Rehab St Grates & Vent Shafts	Track and Structures	\$2,964,473
Parking Garage Slab Repairs	Track and Structures	\$205,000
Frog Capital Retrofit	Track and Structures	\$783,569
Track Joint Elimination	Track and Structures	\$393,574
Procurement of NRV (FY19)	Track and Structures	\$331,313
NRVE	Track and Structures	\$1,036,894
NRVE Procurement	Track and Structures	\$2,022,319
TCCP EB TPSS Procu & Install	Traction Power	\$34,420,074
Concord TPSS MPR SCADA Ph II	Traction Power	\$919,384
Retrofit NGD Systemwide	Traction Power	\$693,226
34.5 KV AC Cable Replacement	Traction Power	\$2,634,932
A-Line 34.5kV AC Cable Replace	Traction Power	\$2,139,194
C-Line 34.5kV AC Cable Replace	Traction Power	\$2,756,820
K-Line 34.5kV AC Cable Replace	Traction Power	\$19,365,618
R-Line 34.kV AC Cable Replace	Traction Power	\$1,049,628
TRAC/POWER Portable Substation	Traction Power	\$178,625
Substn Replace/Install Grp II	Traction Power	\$108,444
Substation for Core Capacity	Traction Power	\$769,782
TP-Switch Stations & Gap Break	Traction Power	\$1,063,645
DC Switchgear-ASH/CZA/RCP	Traction Power	\$3,341,895
CWC Traction Power Substation	Traction Power	\$16,592,625
MPR Install & Rectifier Rehab	Traction Power	\$1,712,353
Monitoring & Efficiency Impv	Traction Power	\$1,418,728
Procurement of Spare Transform	Traction Power	\$938,819
Emergent R/R Components&Equip	Traction Power	\$2,716,042
Replacement of Traction Power	Traction Power	\$424,751
Wayside MUX Box Reliability Im	Train Control and Communications	\$643,438
BARTNET/CONTROL SYS HARDENING	Train Control and Communications	\$845,086
Fiber Backbone Cable Repl	Train Control and Communications	\$423,706
SOG & Emergent TCE & Comms	Train Control and Communications	\$1,494,575
OPSCENTRAL 2nd CoreNetworkInst	Train Control and Communications	\$649,582
Wayside Coverboard Ant. Rplc	Train Control and Communications	\$1,021,799
Wayside MUX BQ2 Circuit Boards	Train Control and Communications	\$615,806
MUX Cable Replacement Cable	Train Control and Communications	\$1,435,061
TX / RX Loop Replacement	Train Control and Communications	\$769,073
SORS Replacement & MUX Upgrade	Train Control and Communications	\$996,163
DaVinCi Network Deployment	Train Control and Communications	\$933,223
Optical Fiber Termination	Train Control and Communications	\$740,769

Project Name	CIP Category	Adopted FY27 Capital Budget
BHU Replacement - Phase 1	Train Control and Communications	\$1,657,860
CBTC M&E RR Interlocks	Train Control and Communications	\$429,314
CBTC Hitachi D-B (49GH-110)	Train Control and Communications	\$77,200,083
CBTC Enabling Works (49GH-135)	Train Control and Communications	\$2,633,303
CBTC Enabling Works (49GH-130)	Train Control and Communications	\$9,203,876
CBTC Deployment	Train Control and Communications	\$45,424,015
SCADA-REPLACE PLC5 EQUIP	Train Control and Communications	\$2,540,091
W/Y Line Non-Vital ATO Replace	Train Control and Communications	\$8,432,013
Operational Technology Topolog	Train Control and Communications	\$3,016,999
Water Intrusion Train Control	Train Control and Communications	\$2,956,976

Term	Definition
Audit	An official examination and verification of accounts and records.
BART Act	San Francisco Bay Area Rapid Transit District Act of 1957 (California Public Utilities Code Section 28500 et seq.), which established BART as a special district. Under this act, the BART Board of Directors serves as the official legislative body responsible for setting all district policies, rules, and governance
BART System	An electrically powered rapid transit commuter rail system serving the residents of the San Francisco Bay Area.
CalPERS	The California Public Employees' Retirement System is an agency in the state of California that manages the pension and health benefits for BART employees.
Caltrain	Caltrain is a commuter railroad operating along San Francisco Peninsula, through the South Bay to San José and 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. ¹⁷
Capital Asset	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.
Capitol Corridor	An intercity passenger train system that provides service to 18 stations in 8 Northern California counties: 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. ¹⁸
Clipper	Clipper® is the Bay Area's all-in-one transit-fare payment system. MTC operates Clipper in partnership with the region's 20-plus different transit agencies. ¹⁹
Commercial Communications Revenue Program	License agreements that work to expand BART's commercial fiber and wireless telecommunications revenue footprint.
Communication-Based Train Control (CBTC)	A railway signaling system that makes use of the telecommunications between the train and track equipment for traffic management and infrastructure control. ²⁰
District	The three counties that make up BART's special-purpose district: Alameda, Contra Costa, and San Francisco.
Enterprise Fund	The fund structure utilized by BART to report financial activities.
Financial Stability Policy	BART's financial policy that 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.

¹⁷ Caltrain: <https://www.caltrain.com/about-caltrain>

¹⁸ CCJPA Service: <https://www.capitolcorridor.org/ccjpa-service/>

¹⁹ Clipper Card: <https://www.clippercard.com/>

²⁰ BART/CBTC: <https://www.bart.gov/about/projects/traincontrol>

Term	Definition
Fiscal Year	BART's fiscal year begins on July 1st of each year and concludes on June 30th of the following calendar year.
Fleet of the Future (FOTF)	BART's current rail cars, developed by Bombardier, which began to enter service in 2018.
Full-Time Equivalent (FTE)	Employee hours reflected in the form of individual, full-time employees.
Fund	A sum of money and/or resources designated for a specific objective.
Fund Balance	Net cumulative difference between assets and liabilities, serving as a measure of available financial resources and fiscal health for operating and capital budgets.
General Obligation (GO) Bonds	A municipal bond backed by the issuing state or local government.
Hayward Maintenance Complex	A new maintenance and repair facility being constructed to support BART operations.
Headways	The time interval or distance between two trains, traveling in the same direction over the same route. ²¹
Low Carbon Fuel Standard (LCFS) Program	A California policy that 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.
Measure RR	San Francisco Bay Area Rapid Transit District bond measure which authorizes BART to issue and sell voter approved bonds of up to \$3.5B in general obligation (GO) bonds.
Metropolitan Transportation Commission (MTC)	MTC is the transportation planning, financing, and coordinating agency for the nine-county San Francisco Bay Area. ²²
Net Positions	Total budgeted Operating, Capital, and Reimbursable positions.
Next Generation Fare Gates (NGFG)	Newly designed fare gates to improve reliability and maintainability, while reducing fare evasion and enhancing security.
Operating Reserve	A fund balance set aside for use when unexpected losses or expenses occur.
Pension Reform	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. ²³
Preliminary Budget	A budget submitted for review to the BART Board of Directors prior to final adoption.
Pro forma Budget	The baseline budget which presents estimated revenues and expenditures prior to other significant changes being finalized.
Proposition 13	An amendment to the Constitution of California that provides guidelines for the assessment and taxation of real property.

²¹ Headway: Dictionary.com, <https://www.dictionary.com/browse/headway>

²² Metropolitan Transportation Commission: <https://mtc.ca.gov/>

²³ CalPERS, *Public Employees' Pension Reform Act*, <https://www.calpers.ca.gov/about/laws-legislation-regulations/public-employees-pension-reform-act>

Term	Definition
Purchased Transportation	Transportation service purchased by a public entity from another transit agency.
Regional Measure 3 (RM3)	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. ²⁴
Ridership	In public transportation, ridership refers to the number of people using a transit service.
Rolling Stock	Locomotives, carriages, wagons, or other wheeled vehicles used on a railroad.
Sales Tax Revenue Bonds	A municipal bond backed by the revenue from sales tax.
San Francisco Municipal Transportation Agency (SFMTA)	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. ²⁵
Short Range Transit Plan/Capital Improvement Program	The Short-Range Transit Plan/Capital Improvement Program (SRTCP/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 budget process and assesses system performance.
Silicon Valley Berryessa Extension (SVBX)	The 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.
State of Good Repair	Senate Bill (SB) 1, The Road Repair and Accountability Act of 2017, authorizes funding for public transit agencies.
State Transit Assistance (STA)	STA is a state program that provides funding for local and regional public transportation operations and capital projects. Funding is received from the passage of Senate Bill (SB) 1, The Road Repair and Accountability Act of 2017. The public transit portion of this funding is collected from a statewide diesel fuel tax.
ARPA	The American Rescue Plan Act provided billions in emergency relief for public transit system following its passage on March 11, 2021.
The CARES Act	The Coronavirus Aid, Relief, and Economic Security Act, which the president signed on March 27, 2020, provides \$2 trillion across a host of domestic funding and relief programs to support efforts to respond to and prepare for recovery from COVID-19.
CRRSAA	The Coronavirus Response and Relief Supplemental Appropriation Act, which was signed in December 2020, provided \$14 billion for public transit.
TIFIA Loan	Federal loan through the Department of Transportation via the Transportation Infrastructure Finance and Innovation Act program.
Traction Power Network	An electricity grid for the supply of electrified rail networks.
Train Control Modernization	Removing aging train control equipment from the BART System and upgrading to a new CBTC system.

²⁴ Metropolitan Transportation Commission, *Regional Measure 3: Fund + Invest: Our Work*, <https://mtc.ca.gov/funding/regional-funding/regional-measure-3>

²⁵ San Francisco Municipal Transportation Agency, *About the SFMTA*, <https://www.sfmta.com/about-sfmta>

Term	Definition
Transbay Tube/Transbay Corridor	A 3.6-mile underwater rail tunnel that carries BART's four Transbay lines under San Francisco Bay between the cities of San Francisco, CA and Oakland, CA.
Transit-Oriented Development (TOD)	Well-designed, mix-use, higher-density development adjacent to frequent transit. It helps communities and transit agencies increase sustainable transit ridership, revitalize communities, enhance regional quality of life, and strengthen economic competitiveness. ²⁶

²⁶ BART, Transit Oriented Development, <https://www.bart.gov/about/business/tod>

Attachment I: Acronyms

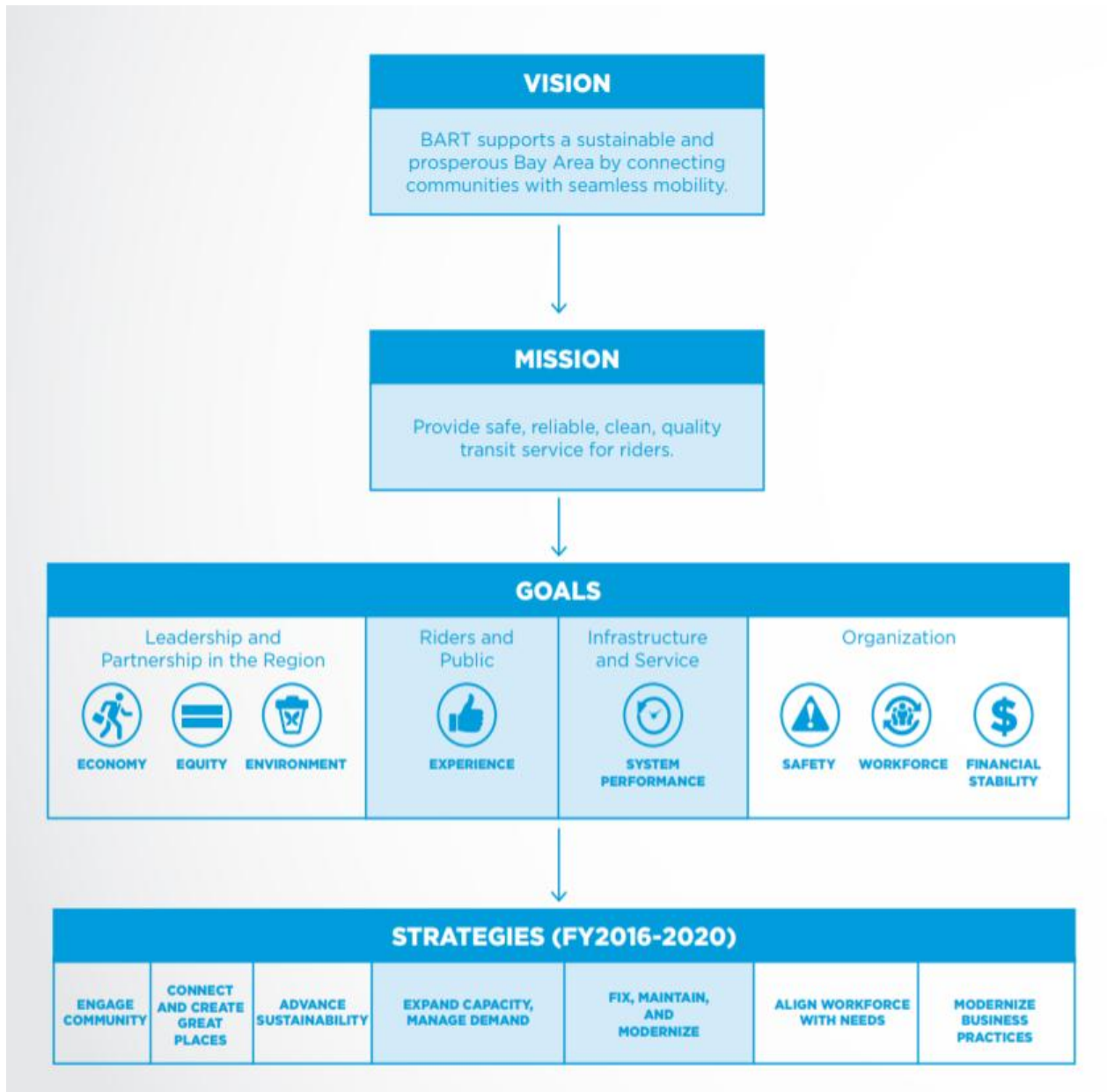
Acronym/Term	Definition
AB	Additional Bond Test
AC TRANSIT	Alameda-Contra Costa Transit
ADA	Americans with Disabilities Act
ADC	Actuarially Determined Contributions
AFSCME	American Federation of State, County and Municipal Employees
AI	Artificial Intelligence
ARPA	American Rescue Plan Act
ASP	Alternative Service Plan
ATU	Amalgamated Transit Union
BART	Bay Area Rapid Transit
BPCRB	BART Police Citizen Review Board
BPD	BART Police Department
BPMA	BART Police Managers' Association
BPOA	BART Police Officers' Association
C2	Next Generation Clipper
CALPERS	California Public Employee Retirement System
CARB	California Air Resources Board
CARES	Coronavirus Aid, Relief, and Economic Security Act
CARP	Capital Asset Replacement Program
CBA	Collective Bargaining Agreements
CBTC	Communications-Based Train Control
CCJPA	Capital Corridor Joint Powers Authority
CCRP	Commercial Communications Revenue Program
CDC	Center for Disease Control
CFO	Chief Financial Officer
CIP	Capital Investment Plan
CRRSAA	Coronavirus Response and Relief Supplemental Appropriation Act
CPUC	California Public Utilities Commission
CUPA	Certified Unified Program Agencies
EDD	Executive Decision Document
EPA	Environment Protection Agency
EPMC	Employer Paid Member Contribution
FER	Financial Efficiency Review
FTA	Federal Transit Administration
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GO BOND	General Obligation Bond
IG	Inspector General
IPA	Independent Police Auditor
LCFS	Low Carbon Fuel Standard
LCTOP	Low Carbon Transit Operations Program
MADS	Maximum Annual Debt Service
MEASURE AA	BART Seismic Safety Improvements

Acronym/Term	Definition
MET	Joseph P. Bort MetroCenter Building
MPPP	Money Purchase Pension Plan
MTC	Metropolitan Transportation Commission
MUNI	San Francisco Municipal Railway
NTSB	National Transportation Safety Board
O&M	Operating and Maintenance
OAK	Oakland International Airport
OAC	Oakland Airport Connector
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OGC	Office of the General Counsel
OGM	Office of the General Manager
OID	Office of Infrastructure Delivery
P&D	Planning and Development
PG&E	Pacific Gas & Electric Company
PEPRA	California Public Employees' Pension Reform Act
PMO	Project Management Office
PTASP	BART Public Transportation Agency Safety Plan
RHBT	Retiree Health Benefit Trust
SB	Senate Bill
SEIU	Service Employees International Union
SFMTA	San Francisco Municipal Transportation Agency
SFO	San Francisco International Airport
STA	State Transit Assistance
TIFIA	Transportation Infrastructure Finance and Innovation Act
TOD	Transit Oriented Development
TSAC	Transit Security Advisory Committee
UAL	Unfunded Actuarial Liability

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.

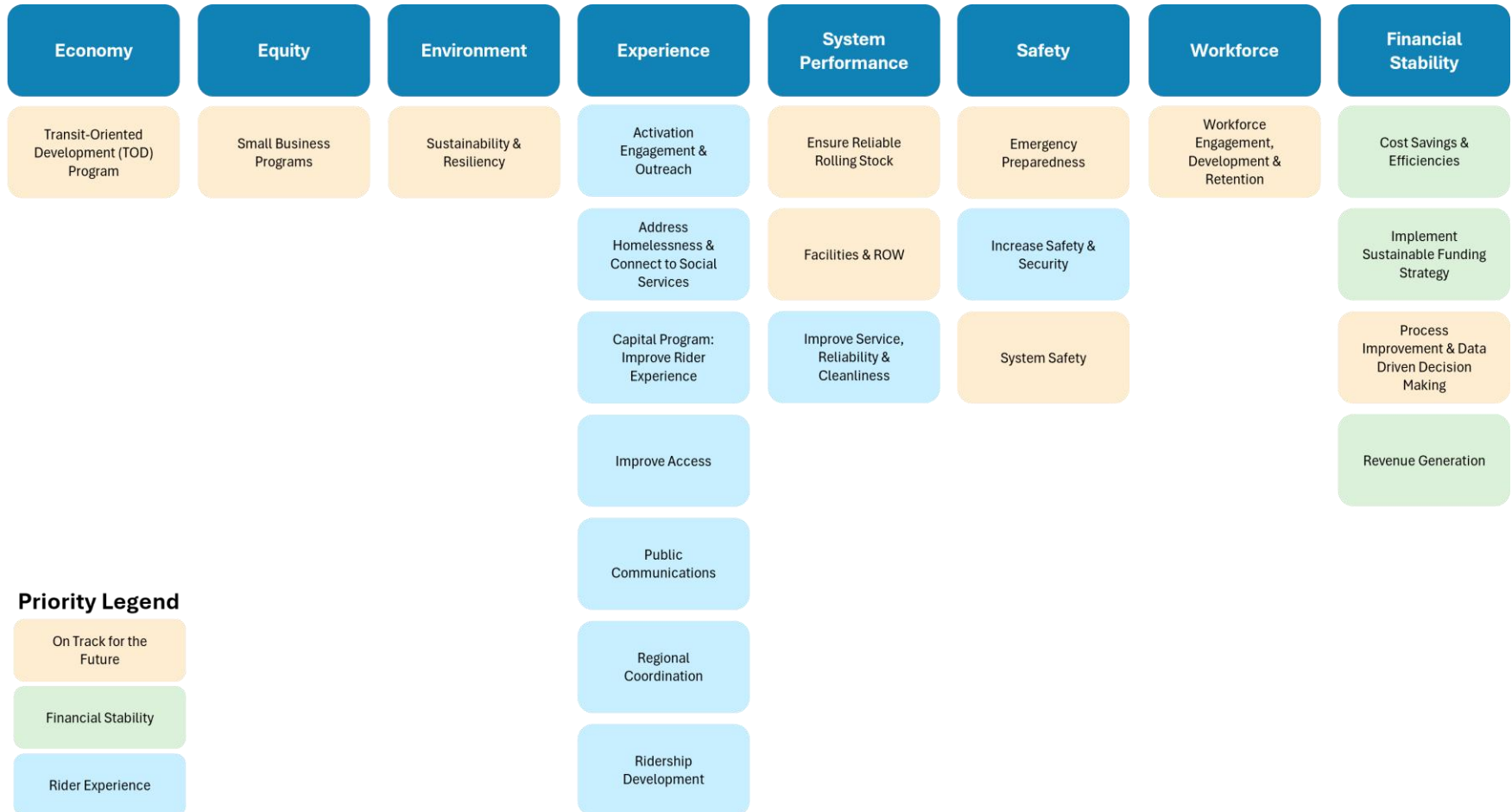
Priorities, Strategies & Work Plan Activities

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, Rider Experience, and On Track for the Future. Each priority is supported by a series of initiatives and activities with associated milestones.

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. Figure 7 below shows how the priority areas and initiatives align with the Strategic Plan Framework goals. The Plans, summarized below by priority area for FY26 and FY27, focus on a limited number of key activities that define BART's strategic work in the near-term, and in general assume the regional funding measure passes or external funding is identified. The FY26-27 Two-Year Action Plans, including status for FY26 milestones, are available at <https://www.bart.gov/about/planning/strategic/action-plan>.²⁷

²⁷ 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.

Figure 7: Two-Year Action Plans – Alignment with BART Strategic Plan Framework Goals



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. This priority is supported by the following initiatives:

- 1) *Implement Sustainable Funding Strategy.* This is a critical task for the District, comprised of a multiprong approach, including:
 - a. Establish Sustainable Operating Financial Plan: this includes developing FY27 budget scenarios reflecting potential revenue measure outcome, identifying ongoing operating efficiencies and expense reductions, approving FY27 budget, supporting discussions on transit funding needs to mitigate the fiscal cliff, advocating for adequate BART funding in the regional measure, and initiating a fare policy update.
 - b. Evaluate financing strategies to address operating and capital needs.
 - c. Lead education campaigns related to “The New BART”, the fiscal cliff and BART’s regional impact: this includes leading regional measure education, launching an economic impact storytelling effort, and launching an educational campaign-related website, social media, and stories.
 - d. Prepare to Negotiate and Administer Union Contracts: this includes preparing for union negotiations. The outcome of the Collective Bargaining Agreements will have a direct impact on BART’s overall financial outlook.
 - e. Pursue Regional, State, and Federal Funding: BART continues to advocate for legislative action and funding that aligns with BART's goals and objectives as well as for funding to enable ongoing service to our riders. This includes participating in the federal surface transportation reauthorization efforts to support BART priority projects and state of good repair needs, adopting a Federal and State legislative advocacy program, and engaging in the annual State budget process to maintain or grow transit funding. FY26 and FY27 actions include: engaging in the development of enabling legislation for the regional revenue measure, engaging state legislature on the passage of a trailer bill for State transit loan, and engage in national and statewide transit operator coalitions to advocate for new funding programs to drive job creation, innovation, and economic growth.
- 2) *Cost Savings and Efficiencies:* these activities include improving absence and leave programs to reduce absenteeism, introducing automation to streamline payroll and scheduling process, and leveraging technology to manage staffing and to assess system conditions. Ongoing activities include accelerating financial close, decreasing or closing out unused purchased orders, improving the coordination between benefits and leave management, increasing fare revenue via proof of payment enforcement, implementing process improvements, monitoring and implementation of Inspector General and Internal Audit’s recommendations, and reviewing, prioritizing, and implementing cost control measures.
- 3) *Revenue Generation:* Continue to look for opportunities to advance revenue generating projects to supplement primary revenue sources, including licensing fiber through the Digital Railway program, marketing and merchandising, and continuing to implement demand and inflation-based parking pricing.

Rider Experience:

Central to BART's vision, mission, and ridership growth is to deliver an excellent customer experience, which also builds confidence in BART. 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. This priority is supported by the following initiatives:

- 1) *Improve Service, Reliability, and Cleanliness.* BART continues to optimize the schedule to ensure ridership is well served. In addition, BART continues to prioritize efforts to ensure reliability and improve systemwide cleanliness through external fleet cleaning, evaluating and adjusting the scrub crew schedule, and removing obsolete materials and equipment out of stations.
- 2) *Increase Safety and Security.* BART continues to review and optimize BART Police Department (BPD) deployment strategy for system visibility. In FY26 and FY27, actions include: improving customer awareness of BPD contacts, supporting BPD recruitment through communications and marketing outreach, leveraging data for ongoing safety and security improvements, and completing concept design for the 16th Street Mission Station BART Plazas Renovation. BPD also continues to optimize and maintain department performance standards in alignment with CALEA and Peace Officer Standards and training.
- 3) *Capital Program to Improve Rider Experience.* These activities address recurring customer concerns to improve the rider experience and support ridership recovery. Ongoing actions include implementing District lighting improvement and performing station glow ups. In FY 26 and FY27, activities include: complete Next Generation Faregates (NGFG) installation, complete delivery of additional 354 new E rail cars, restore power to substations, advance digital railway, complete new canopies at Downtown San Francisco stations, begin replacing 34.5KkV cables on the K Line, pilot an effort to improve the visual quality of construction staging, and develop a universal design and funding/implementation to replace the Destination Sign System. BART also continues to advance the Communication Based Train Control (CBTC) project which will improve capacity and reliability in the future.
- 4) *Activation, Engagement & Outreach:* BART continues to build community relationship through art and cultural engagement, activate stations and trains through a series of public events, engage the BART Board through the annual Board Workshop, engage directly with youth and senior clipper card users, and further expand partnerships with community and county agencies to address community wide challenges. In FY26 and FY27, actions include: partner with World Cup and Superbowl host committees to ensure high-quality service and engagement, expand the short story campaign, increase BPD's social media presence including strategic content on BPD's new Instagram account, expand our rider guides as a part of our youth engagement strategy, grow our digital engagement, and implement the customer satisfaction survey. BART staff will hold new and original concepts of public events making top executives and leadership accessible to the public (e.g., General Manager Walking Tour and Tool Time with the Deputy General Manager).
- 5) *Public Communications:* Actions include NGFG publicity, storytelling effort highlighting our infrastructure updates, features of the New BART, and BART Connects series of rider profiles, deployment of new ethnic media strategies, and brand standards education and enforcement.
- 6) *Address Homelessness and Connect to Social Services Rider Concerns:* BART continues to manage encampments via strong partnerships with counties and cities, and pursue state and regional funding to address homelessness and offset use of operating funds. An action in this initiative is an update of the Homeless Action Plan.
- 7) *Ridership Development:* BART continues to leverage BARTable's marketing partnerships to grow ridership and implement quarterly advertising campaigns to highlight District initiatives.
- 8) *Improve Access:* BART continues to improve how riders access and interface with our service such as rolling out Mobility as a Service (MaaS) improvements, completing the BART App Redesign, continuing

to work with MTC, Clipper and Cubic on completion of Clipper 2 systemwide, improving customer payment back-end functionality for expanded payment options, improving multimodal station access and passenger real time information, improving station navigation by installing bus bay numbering and station access signage, improving paratransit and accessibility, and implementing the GTFS Pathways pilot.

- 9) *Regional Coordination:* BART continues a range of efforts to improve regional coordination to improve rider experience and grow ridership, including collaborating with regional transit partners to sync up schedules and communicate these improvements, and supporting Regional Network Management Work Plan and Transit Transportation Action Plan Implementation. In FY 26 and FY 27, actions also include implementing free and reduced cost transfers to all Clipper users, expanding BayPass customer base, and supporting MTC in developing and piloting regional mapping and wayfinding standards.

On Track for the Future: BART will continue to run a world class organization by developing a strong and stable workforce and advancing process improvement and data driven decision making. BART will also 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. This priority is supported by the following initiatives:

- 1) *Workforce Engagement, Development and Retention:* Successfully implementing priority initiatives depends on ensuring we have the right staff to deliver. BART continues to advance Equal Employment Opportunity Program (EEO) Initiatives, overhaul training for our Fleet of the Future (FOTF), engage our workforce through the semiannual employee townhall and expanded digital monitors across BART facilities, work to fully staff our Operations Control Center train controllers, enhance recruiting efforts, develop a robust succession planning strategy, and continue to educate and promote mental health resources for employees. In FY 26 and 27, actions include: implement training to build capacity for supervisors, engineering and maintenance staff, initiate peer to peer assault support group for operations staff, improve operations training documentation and manuals, implement a comprehensive workforce development program, develop and launch a formal employee appreciation program, and conduct an employee satisfaction survey. Additionally, actions include developing a recruiting and staffing plan and updating comprehensive training plan for BPD.
- 2) *Emergency Preparedness:* continues to coordinate on emergency response coordination, test and maintain station sprinklers, and engage with regional and local partners on safety preparation and response. In FY 26 and FY27, actions include: develop and implement an Emergency Operations Center (EOC) activation plan, establish a plan for comprehensive emergency response training, drills and procedures, implement transportation protocol Incident Command System (ICS) training and transition to Office of the State Fire Marshall (OSFM) facility inspections.
- 3) *System Safety:* Key ongoing actions include implementation of the Safety Management System, and state and federal regulatory compliance. In FY 26 and FY27, this initiative also includes enhancing fencing security and potential service impact locations.
- 4) *Ensure Reliable Rolling Stock:* BART continues to implement Fleet of the Future D/E vehicle system overhaul and maintain E Line diesel multiple units. In FY26 and FY27, actions also include implementing Bench Test Equipment (BTE).
- 5) *Facilities and Right of Way:* BART continues to improve staff facilities such as completion of OCC modernization and BPD headquarters, and continue planning and seeking funding for an El Cerrito del Norte police substation. Additionally, this initiative includes completing the California Middle Mile Fiber Project.

- 6) *Process Improvement and Data Driven Decision Making*: BART continues to automate our accounting reconciliation processes, expand our data analytics to inform decision making, improve our digital records, documentation, contract, and service agreement management system, improve our materials and services acquisition, update our administrative practices and procedures, develop an AI policy, infrastructure improvements, potential pilot application, and streamlined administrative and HR functions. Additionally, this initiative includes completing the Chief Financial Officer Business Plan strategies, completing the 2-Year Action Plans for FY26 and FY27, and establishing metrics dashboard for procurement agreements.
- 7) *Small Business Programs*: key actions include implementing Key Performance Indicators (KPIs) focused on BART's small business programs, supporting small businesses by monitoring small business contract participation and changing regulatory landscape, completing a Disparity Study, and engaging small businesses through outreach events and networking meetings.
- 8) *Sustainability and Resiliency*: Essential to BART's sustainability goals, the District continues to advance critical efforts related to minimizing the District's environmental footprint. Key actions include updating the Sustainability Action Plan, starting construction for customer EV charging, and renegotiating the District's contract with PG&E.
- 9) *TOD Program*: BART's robust TOD Program will continue its efforts to attract new riders, address the housing and climate crises, and lower the cost of living in the Bay Area. In FY26 and FY27, this initiative includes advancing TOD projects at multiple stations: El Cerrito Plaza, Hayward, Lake Merritt, and North Berkeley. Additionally, key actions include completing the A Line Job Attractions Study, developing a TOD asset management dashboard, updating TOD ridership and financial models.

Strategic Plan Goal Areas & Performance Indicators

BART tracks multiple indicators to gauge progress towards the strategic plan goal areas. Below we present a snapshot of BART's performance in four of these goal areas over the last 10 years.

Spotlight Trend on System Performance: On-Time Performance

BART measures train and customer on-time performance during peak hours and average weekdays. To be considered "on-time," a customer or train must complete their trip within five minutes of published schedules. Additionally, trains must not experience significant service disruptions—such as a run-through, cancellation, or offload—to be counted as on-time. Factors that contributed to on-time performance during FY25 included several infrastructure related events which had medium-term impacts on performance. Following the resolution of these issues, our on-time performance increased significantly in June of FY25 and continued throughout FY26. Additional factors that contributed to the increased on-time performance during FY26 included:

1. **Reduced Speed Restrictions**: The replacement of aging infrastructure and adjustments to how our trains handle hot or rainy weather significantly reduced the number of speed restrictions.
2. **Car Availability & Efficiency**: BART has transitioned its fleet from its original legacy cars to the new Fleet of the Future cars. This transition to newer and more efficient train cars, along with our maintenance team's approach to continuous improvement, resulted in the achievement of all quarterly goals related to both train car availability and reliability in FY26.
3. **Substation Improvements**: In FY25 the loss of one of our major substations resulted in reduced power in the core system, which meant that train speeds were reduced. The repair of this substation allowed for restoration of power and higher speeds in the system in FY26.

Because of these and other factors, customer on-time performance increased in FY26 to 94.0%.

Table 18: System Performance

Indicator		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Provide Reliable Service											
SP1	Daily customer on-time performance	89.2%	92.4%	92.7%	93.1%	94.9%	89.5%	84.7%	90.3%	88.2%	94.0%
Provide Reliable Station Equipment											
SP2	Station elevators in service	98.6%	98.3%	98.7%	98.8%	98.6%	99.0%	98.8%	99.2%	99.1%	98.8%
SP3	Street escalators in service	87.6%	88.7%	92.0%	94.7%	93.3%	96.8%	95.4%	95.6%	95.0%	96.1%
SP4	Platform escalators in service	96.0%	95.7%	97.0%	96.6%	96.3%	98.2%	97.3%	97.7%	97.3%	97.0%

Additional information can be found in our Quarterly Performance Reports, which can be found here: <https://www.bart.gov/about/reports>.

Spotlight Trend on Rider and Customer Experience: Customer Satisfaction

Comparing the most recent Customer Satisfaction Survey data from 2024 against the last pre-pandemic survey data in 2018, key metrics have trended up. Overall satisfaction rose from 56% to 73%, and customer ratings of station and train cleanliness increased significantly.

BART has continued to prioritize improving the customer experience, with a focus on addressing the underlying satisfaction concerns expressed in these surveys. Major efforts have included new rail cars and numerous projects to rebuild BART to improve reliability and improve service. Other efforts to improve customer satisfaction have included increased train and station cleaning, BART Police Department deployment strategies to increase visibility in the system, new fare gates to reduce fare evasion, enhancing customer communications and wayfinding, modernizing parking payment options, reopening previously closed underground restrooms, improving station lighting, adding platform elevator fare gates to improve access, rolling out new art and culture touchpoints at stations, and better coordination with partner transit services.

BART's next Customer Satisfaction Survey will be conducted in fall of 2026, with results available in early 2027.

Table 19: Rider and Customer Experience

Indicator		CY17	CY18	CY19	CY20 ²⁸	CY21	CY22	CY23	CY24	CY 25	CY26 ²⁹
Increase customer satisfaction³⁰											
EX1	% of customers who are satisfied		56%		72%		67%		73%		tbd
Provide clean stations and trains³¹											
EX2	Avg. customer rating for station cleanliness		3.57		4.28		3.85		4.16		tbd
EX3	Avg. customer rating for train interior cleanliness		3.65		4.20		3.97		4.54		tbd

Additional information on the 2024 Customer Satisfaction Survey can be found here:

https://www.bart.gov/sites/default/files/2025-05/CS2024_Report_050225.pdf

Spotlight Trend on Safety: Crimes Against Persons

Over the past year the BART Police Department (BPD) has continued to refine its deployment strategy in order to improve system visibility and continued to implement progressive and equitable policing practices. The BPD is using a patrol deployment strategy to increase the presence of sworn and unarmed civilian uniformed personnel within the system. This deployment ensures BART Police personnel are riding trains more and walking station areas, increasing their visibility, and keeping riders safe by doubling down on presence. Additionally, the department is using community policing strategies, including the resources of the Progressive Policing Bureau, to respond to criminal activity.

Since BPD started deploying more patrol officers and safety staff to ride trains, we have seen an impact, and our riders are telling us they notice the difference. In FY26 Quarter 4, the percentage of riders who reported seeing BPD on their trip reached a positive high of nearly 20%. The last couple of quarters were the first in BART's history where the percentage of riders who reported seeing BPD exceeded the department's official goal of 12%. BPD continues to be highly visible in the system and with the help of our robust network of surveillance cameras, has had notable success in identifying and prosecuting those persons who are responsible for crimes in the system.

In prior years, a factor in crimes against persons is the robbery of cell phones and other electronic devices, which is defined by the National Incident-Based Reporting System (NIBRS) as a violent crime. Electronic device robbery remains a concern in modern society, and public transit systems continue to be attractive targets for thieves. Within the BART system, that trend was evident in the concentration of electronic thefts occurring at high-density, commuter-rich stations. As observed in past years, a significant number of riders use smartphones while traveling on BART. To maintain a higher level of safety, we continue to educate our riders on measures they can take to reduce the risk of electronic device theft. With heightened awareness, targeted education efforts, and the implementation of new fare gate technology, electronic robbery is experiencing a decline.

²⁸ Due to the different context in which the 2020 survey was conducted, as well as other factors (changes in ridership – both in terms of number of riders and demographic composition), it is not advisable to directly track satisfaction-related questions and attribute ratings against other years.

²⁹ BART's 2026 survey will be conducted in September - October of 2026, and results will be available in early 2027.

³⁰ Source: BART Bi-Annual Customer Satisfaction Survey. Includes % of customers who are very and somewhat satisfied with BART overall.

³¹ Source: BART Bi-Annual Customer Satisfaction Survey. Based on 1-7 rating, where 7 is best.

As we've increased safety efforts in recent years, crimes against persons have gone down to 4.9 per million riders in FY26. BART will continue to prioritize improving safety through continued system visibility, strengthened relationships with communities, and remaining open to new approaches to safety while ensuring every rider feels welcome. Embracing that concept and the value of reform shows our dedication to make BPD the most progressive police department in the country.

Table 20: Safety

Indicator		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Reduce Crimes											
SA1	Crimes against persons on the BART system per million riders	2.7	3.5	4.4	5.1	17.9	7.6	8.8	11.4	7.9	4.9
Ensure Patron Safety											
SA2	Safety incidents per million patrons	2.31	1.85	2.06	1.8	1.88	1.68	2.1	1.50	1.75	1.62
Ensure Employee Safety											
SA3	Employee injuries	10.8	10.8	10.8	11.5	7.94	12.34	12.97	12.79	13.04	9.61

Additional information can be found in our Quarterly Performance Reports, which can be found here: <https://www.bart.gov/about/reports>.

Spotlight Trend on Financial Stability: Percent Operating Costs Covered by Fares

Before the COVID-19 pandemic, approximately 2/3 of BART's operating costs were covered by fares and other passenger revenues. Though this figure was in the top tier of US transit agencies, it was slowly declining as costs increased more quickly than passenger growth as BART faced constraints around ridership capacity during peak commute periods. This trend was accelerated by the massive ridership decrease caused by the COVID-19 pandemic, with the figure falling as low as 8% during FY21. Looking ahead, because ridership is not projected to return to pre-pandemic levels in the near-term, passenger revenue will not cover such a high share of the District's operating costs. In FY26, BART saw ridership grow 13% higher than FY25, with staff projecting continued elevated growth in FY27. Despite lower ridership, most costs of operating and maintaining the BART system are fixed, as the District must maintain its right of way, stations, and rolling stock; these costs only change marginally with service levels. For example, station agents must be present at stations if they are open, regardless of how many trains operate or passengers utilize the station. The result of lower passenger revenue and mostly fixed operating costs can be seen in the dramatic increase in the Operating Cost per Passenger Mile, which increased from \$0.43 in FY19 to \$1.13 in FY26.

This dynamic highlights BART's need to secure additional operating revenues. Given the limited ridership growth projections, new funding sources and prudent expenditure reductions are needed to bridge the difference between the cost of operating the system and the combination of passenger fares and BART's other traditional sources of revenue.

The District continues to grapple with the fundamental shift to its revenue structure that began with the COVID-19 pandemic by continuing to adapt to the changed environment.

Table 21: Financial Stability

Indicator		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26 ³²	FY27
Increase efficiency											
FS1-A	Operating cost per passenger mile	\$0.42	\$0.43	\$0.61	\$3.06	\$1.50	\$1.28	\$1.31	\$1.27	\$1.13	\$1.10
FS1-B	% Change from previous year	10%	3%	42%	402%	-51%	-15%	3%	-3%	-11%	-3%
Stabilize operating revenues											
FS2	% Operating costs covered by fares	67%	64%	44%	8%	17%	21%	22%	23%	28%	29%
Fund post-employment benefits											
FS3	Unfunded pension liability (\$ Millions)	\$515	\$693	\$682	\$789	\$833	\$931	\$675	\$1,049	\$1,081	\$1,030
FS4	Unfunded retiree medical liability (\$ Millions)	\$111	\$300	\$304	\$282	\$263	\$193	\$131	\$228	\$212	\$210

Additional information, such as Quarterly Financial Reports, can be found here:

<https://www.bart.gov/about/financials>.

³² FY26 metrics for FS1-A, FS1-B, and FS2 are as of May close.

Attachment K: Debt Schedule

DEBT SERVICE

Debt service account includes payment related to BART's Sales Tax revenue bonds, TIFIA loan and AB117 State loan, details of which are presented below:

Sales Tax Revenue Bonds

2016 Series A Sales Tax Revenue Refunding Bonds (the 2016A Refunding Bonds): In August 2016, BART issued 2016 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of \$83,800,000 and a premium of \$11,855,000 to provide sufficient funds, along with other District funds, to (1) refund \$94,450,000 principal amount of the 2006A Refunding Bonds, and (2) to fund costs of issuance associated with the 2016A Refunding Bonds. The 2016A Refunding Bonds are special obligations payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by BART in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2026, the 2016A Refunding Bonds consist of \$53,710,000 serial bonds with interest rates ranging from 2.125% to 5%, with various maturity dates from July 1, 2024, to July 1, 2036.

2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds (the 2017A Refunding Bonds and 2017B Refunding Bonds): In December 2017, BART issued 2017 Series A Sales Tax Revenue Refunding Bonds with a principal amount of \$118,260,000 and 2017 Series B Sales Tax Revenue Refunding Bonds with a principal amount of \$67,245,000 to provide sufficient funds, along with other District funds, to (1) refund all of the outstanding principal balance amounting to \$115,095,000 of the BART's 2010 Sales Tax Refunding Bonds, refund a portion of the outstanding principal balance amounting to \$26,820,000 of the 2012 Series A Sales Tax Refunding Bonds, and refund a portion of outstanding principal balance amounting to \$86,025,000 of the 2012 Series B Sales Tax Revenue Bonds and 2) fund costs of issuance associated with the 2017 Series A and 2017 Series B Refunding Bonds. The 2017A Refunding Bonds and 2017B Refunding Bonds are special obligations payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by BART in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2024, the remaining outstanding balance of the 2017B Refunding Bonds were fully paid. On June 30, 2026, the 2017A Refunding Bonds consist of \$ 71,385,000 serial bonds with interest rates ranging from 3% to 5%, with various maturity dates from July 1, 2025, to July 1, 2034.

2019 Series A Sales Tax Revenue Bonds (the 2019A Bonds): In October 2019, BART issued 2019 Series A Sales Tax Revenue Bonds with a principal amount of \$223,020,000 to provide sufficient funds (1) to fund the acquisition, renovation, improvement and equipping of facilities which will serve as BART's new headquarters; (2) to provide capitalized interest through July 1, 2021; and (3) to fund costs of issuance associated with the 2019A Bonds. The 2019A Bonds are special obligations, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by BART in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2026, the total outstanding 2019A Bonds amounts to \$223,020,000, consisting of \$113,485,000 serial bonds with interest rates ranging from 4% to 5%, with various maturity dates from July 1, 2029 to July 1, 2039 and term bonds with an interest rate of 3% in the amount of \$109,535,000 due on July 1, 2044, with mandatory redemptions at various dates beginning July 1, 2040 through July 1, 2044.

2019 Series B Sales Tax Revenue Refunding Green Bonds (the 2019B Refunding Bonds): In October 2019, BART issued 2019 Series B Sales Tax Revenue Green Bonds with a principal amount of \$80,290,000 to provide sufficient funds to (1) refund \$72,335,000 of the 2012A Bonds; and (2) fund costs of issuance

associated with the 2019B Refunding Bonds. The 2019B Refunding Bonds are special obligations payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by BART in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2026, the 2019B Refunding Bonds consist of \$62,090,000 serial bonds with interest rates ranging from 2.208% to 3.098%, with various maturity dates from July 1, 2024 to July 1, 2036.

2025 Series A Sales Tax Revenue Refunding Bonds (the 2025A Refunding Bonds): On September 11, 2025, BART issued the 2025 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of \$73,440,000 and a premium of \$6,754,000 to provide sufficient funds to (1) refund \$82,940,000 principal amount of BART's remaining outstanding 2015A refunding bonds. The Refunded Bonds were issued to refund prior Bonds that financed or refinanced BART's capital improvements including but not limited to extensions of BART facilities to the San Francisco International Airport and the West Dublin Pleasanton Station. The 2025A Refunding Bonds are special obligations payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2026, the 2025 Refunding Bonds consist of \$65,065,000 serial bonds with interest rate of 5% with various maturity dates from July 1, 2026 to July 1, 2034.

Sales tax revenue bonds principal and interest payment schedules are presented below (in thousand dollars):

Year ending June 30:	2016A Sales Tax Revenue Refunding Bonds		2017A Sales Tax Revenue Refunding Bonds		2019A Sales Tax Revenue Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	\$ 4,630	\$ 1,744	\$ 13,665	\$ 3,309	\$ -	\$ 7,999
2028	4,825	1,559	14,250	2,625	-	7,999
2029	5,020	1,366	7,215	1,913	-	7,999
2030	5,125	1,266	7,465	1,552	3,210	7,838
2031	5,235	1,157	7,715	1,179	3,310	7,673
2032 - 2036	28,875	3,188	21,075	1,418	32,890	35,101
2037 - 2041	-	-	-	-	94,705	20,452
2042- 2046	-	-	-	-	88,905	4,099
	<u>\$ 53,710</u>	<u>\$ 10,280</u>	<u>\$ 71,385</u>	<u>\$ 11,996</u>	<u>\$ 223,020</u>	<u>\$ 99,160</u>
Year ending June 30:	2019B Sales Tax Revenue Refunding Bonds		2025 Sales Tax Revenue Refunding Bonds		Total Sales Tax Revenue Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	\$ 5,115	\$ 1,738	\$ 18,760	\$ 3,253	\$ 42,170	\$ 18,043
2028	5,375	1,611	19,695	2,315	44,145	16,109
2029	6,240	1,475	3,925	1,331	22,400	14,084
2030	6,575	1,314	4,115	1,134	26,490	13,104
2031	6,905	1,140	4,315	929	27,480	12,078
2032 - 2036	31,880	2,750	14,255	1,448	128,975	43,905
2037 - 2041	-	-	-	-	94,705	20,452
2042- 2046	-	-	-	-	88,905	4,099
	<u>\$ 62,090</u>	<u>\$ 10,028</u>	<u>\$ 65,065</u>	<u>\$ 10,410</u>	<u>\$ 475,270</u>	<u>\$ 141,874</u>

TIFIA Loan

In October 2024, BART entered into a loan agreement with the US Department of Transportation for a Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan for a principal amount not to exceed \$544,643,000. BART obtained this financing through a direct borrowing arrangement. The TIFIA program allowed BART to finance up to 49% of the costs of the New Rail Car Vehicle Project and permitted the issuance of a loan for reimbursement of funds already spent on the project.

In connection with the receipt of the TIFIA loan, BART executed the Junior Master Indenture, dated as of October 1, 2024 (the "Junior Master Indenture"), with U.S. Bank Trust Company, National Association, as trustee, creating a new junior tier of debt obligations payable from Sales Tax Revenues. Concurrently with the execution and delivery of the Junior Master Indenture, BART entered into the Sixth Supplemental Indenture, dated as of October 1, 2024, between BART and the Trustee, which amended the Indenture to accommodate the creation of the new junior lien. Moreover, BART issued on the newly created junior lien its Sales Tax Junior Revenue Bonds, 2024-A TIFIA Series and its Sales Tax Junior Revenue Bonds, 2024-B TIFIA Series in the aggregate maximum principal amount of \$544,643,000 (together, the "Junior Bonds") to evidence its obligation to repay the TIFIA Loan. The Junior Bonds are secured with a lien upon Sales Tax Revenues on a basis that is subordinate and junior to the lien securing all other existing Bonds. In January 2025, BART drew \$150,000,000 on the TIFIA Loan to fund capital projects. Subsequently, on November 2025, the second tranche of \$394,643,000 was received. Capitalized interest is added to the outstanding loan balance every six months, resulting in a current outstanding loan balance as of June 30, 2026 of \$567,008,000. The TIFIA loan is payable in 30 years with interest capitalizable for the first eight years. Interest rate is set at 4.56% per annum.

Debt payment schedule for the TIFIA loan is presented below (in thousand dollars):

Year Ending June 30:	Accretion			Payment	
	Amount Drawn	Capitalized Interest	Total Principal	Principal	Interest
2025	\$ 150,000	\$ 3,391	\$ 153,391	\$ -	\$ -
2026	394,643	18,973	413,615	-	-
2027	-	26,151	26,151	-	-
2028	-	27,356	27,356	-	10,292
2029	-	14,264	14,264	-	20,754
2030	-	-	-	18,774	111,544
2031-2035	-	-	-	59,027	135,549
2036-2040	-	-	-	90,909	118,599
2041-2045	-	-	-	114,915	95,677
2046-2050	-	-	-	145,260	66,669
2051-2055	-	-	-	152,612	30,013
2056-2060	-	-	-	53,282	6,291
	<u>\$ 544,643</u>	<u>\$ 90,135</u>	<u>\$ 634,778</u>	<u>\$ 634,779</u>	<u>\$ 595,388</u>

AB117 State Loan

In February 19, 2026, the Governor of the State of California signed Assembly Bill 117 ("AB 117"), authorizing the California State Transportation Agency ("CalSTA") to provide up to \$590,000,000 in loan proceeds to MTC for loans to specified Bay Area transit operators, including BART. The legislation was enacted to provide temporary operating assistance to Bay Area transit agencies and to help maintain existing public transit service levels while longer-term funding solutions are pursued.

Pursuant to AB 117, BART is eligible to borrow up to \$285,000,000 for eligible public transit operating purposes. Loan proceeds may be used for eligible operating costs, including costs necessary to avoid or mitigate reductions in transit service and to maintain or restore existing service levels. Loan proceeds may not be used for capital construction or other capital expenditures.

The funding was made available on June 30, 2026. The loan bears interest at the Surplus Money Investment Fund ("SMIF") rate maintained by the State of California's Pooled Money Investment Account and administered by the State Controller's Office. The loan has a ten-year term, with quarterly interest-only payments required during the first two years, and interest and principal due on years 3 through year 10 of the life of the loan.

As of June 30, 2026, BART received \$142,500,000 of loan proceeds and recognized the full \$285,000,000 AB 117 loan liability. The remaining \$142,500,000 is held by MTC and, pursuant to the loan agreement, is scheduled to be disbursed to the District in January 2027. Interest earned on the funds held by MTC accrues to the benefit of BART.

As security for the loan, BART has pledged and assigned to MTC, as lender, the STA Revenue-Based Funds allocable to BART that would otherwise be administered by MTC.

Debt payment schedule for the AB117 State loan is presented below (in thousand dollars):

AB117 State Loan			
<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2027	\$ -	\$ 9,992	\$ 9,992
2028	-	10,845	10,845
2029	28,500	10,477	38,977
2030	28,500	9,950	38,450
2031	28,500	9,409	37,909
2032-2036	142,500	38,930	181,430
2037-2038	57,000	11,769	68,769
	<u>\$ 285,000</u>	<u>\$ 101,372</u>	<u>\$ 386,372</u>

*Estimated SMIF rate used is constant for the ten year amortization period

Debt Ratings

Ratings for the various debt instruments are presented below:

Rating Agency	Sales Tax Revenue Bonds	TIFIA Loan
Standard and Poor's Global Ratings (S&P)	AA+	
Fitch ratings	AA	AA-
Kroll Bond Rating Agency, LLC (KBRA)	AA+	AA

Summary of BART Financial Efficiency Data

The following summary was submitted to the Metropolitan Transportation Commission (MTC) as part of the regional Financial Efficiency Review (FER) on December 12, 2025.

Phase One of the final report is accessible via MTC here: <https://mtc.ca.gov/digital-library/5136536-bay-area-financial-efficiency-review>

Executive Summary

BART is one of the most cost-efficient heavy rail systems in the United States. Despite operating in a high-cost region and facing extraordinary cost pressures during and after the COVID-19 pandemic, BART has held real operating costs per service hour nearly flat since 2019.

Since 2020, 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.

At the same time, BART has pursued revenue growth through fare and fee policy discipline, new fare gates, regional fare programs, parking initiatives, while securing significant federal and state funding.

BART's Cost Efficiency in Context

Despite operating in one of the nation's most expensive markets, BART remains cost efficient. With an operating cost of \$375 per vehicle revenue hour (FY24), BART ranks 7th out of 16 U.S. heavy rail operators, even with its BEA regional price parity about 10% higher than these peers.

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.

Cost Pressures

BART has faced extraordinary cost pressures since the beginning of the COVID-19 pandemic in 2020.

- **System and Fleet Expansion:** System expansion investments planned before the pandemic came online during this period. BART opened a two-station, ten-mile extension to Berryessa in 2021, increasing the total size of the system by 10%. Concurrently, BART accepted delivery of hundreds of new rail cars as part of the Fleet of the Future project, increasing the total fleet size by nearly 40%. All this new infrastructure requires ongoing maintenance and operational funding.
- **Social and Safety Challenges:** The Bay Area's growing housing and affordability crisis has led to a larger number of unhoused individuals seeking shelter in public spaces. Furthermore, some of the cities BART serves have experienced surges in crime. The resulting social and public safety challenges have required investment in public safety initiatives.
- **Labor and Compensation:** Strong wage growth in the broader regional labor market, coupled with a statewide shortage of qualified police officers, has put significant upward pressure on employee wages. Average weekly wage growth in the San Francisco Metropolitan Statistical Area (MSA) has increased 40% since the beginning of 2019. Meanwhile, the cost of health care

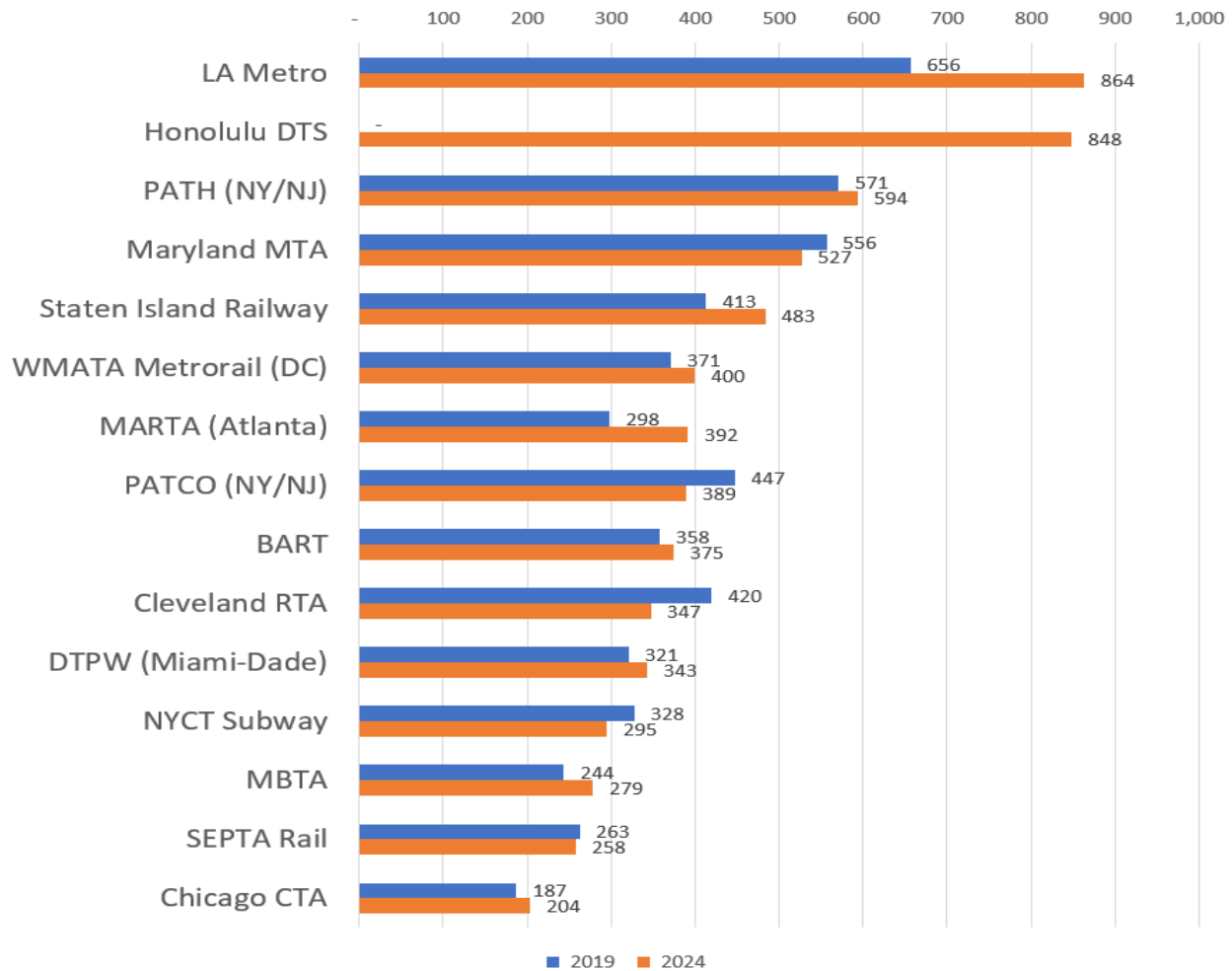
benefits continues to accelerate faster than the general rate of inflation, putting sustained pressure on employee benefit costs.



U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, Average Weekly Wages for Employees in Total Covered Establishments in San Francisco-Oakland-Fremont, CA (MSA) [ENUC418640010], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ENUC418640010>, December 12, 2025.

Despite these cost pressures, BART has successfully held the line on expenses. On an inflation-adjusted basis, BART's cost per vehicle revenue hour has increased just 4.7% since 2019. Over the same period, its closest structural peers—DC Metrorail and Atlanta's MARTA—saw their inflation-adjusted cost per service hour increase by 7.8% and 31.4%, respectively.

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



National Transit Database, Operating Expense per Vehicle Revenue Hour, retrieved December 10, 2025. Adjusted to constant-year FY24 dollars using monthly CPI-U data retrieved from U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, CPIAUCSL, retrieved December 12, 2025.

Cost Efficiency Measures

The materials in this submittal document the steps BART has taken to hold the line on costs and manage liabilities despite extraordinary financial pressures.

1. Service Right-Sizing

Actions taken to adjust service levels, matching expenses to reduced ridership while preserving essential operations and workforce stability.

- *Pandemic Service Reduction (FY20/FY21):* When ridership dropped sharply in early 2020, BART quickly implemented a 40% service reduction. This yielded one-time savings of approximately \$25M in FY20 and nearly \$100M in FY21 while preserving BART's core workforce. A large share of the savings was achieved by shifting workers to capital-funded state-of-good repair projects, which could be accelerated due to reduced service hours.
- *Elimination of Planned Service Expansion:* A significant service expansion, which would have increased BART's off-peak frequency, had been planned for FY23. This planned increase was eliminated, saving approximately \$30M per year.
- *Optimized Train Lengths:* Following the acute pandemic period (where longer trains provided social distancing), BART, beginning in 2024, implemented shorter trains to reduce power and maintenance wear-and-tear without cutting frequency, achieving an annualized savings of approximately \$8M.

2. Workforce and Structural Right-Sizing

Permanent reductions and structural changes made to the organization's long-term cost base.

- *Workforce Reduction:* BART right-sized its workforce by eliminating 672 vacant capital and operating positions in May 2020. This was followed by a strategic hiring freeze on 45 positions in FY25.
- *Labor Cost Control:* BART negotiated a 0% wage increase for most employees in FY22 (avoiding a forecast 2% growth) and eliminated a planned 76 FTE expansion of the Police Department over five years.
- *Office Building Consolidation:* BART purchased its headquarters building (BHQ) to eliminate the expensive long-term leasing costs of the larger Lakeside office building. BART reduced its headquarters footprint by 33%.
- *Non-Labor Budget Cuts:* BART cut its budget for sustainability projects, saving an average of \$5M/year through FY24, with an estimated \$12M/year beginning in FY26. A 5% reduction in non-labor budgets throughout BART was implemented in FY26.

3. Operational Efficiencies and Contract Management

Efforts to reduce the unit cost of operation through effective management and oversight.

- *Rail Car Project Savings:* BART delivered Phase 1 of its Rail Car Fleet Replacement project for \$395M below budget by negotiating favorable contract terms and exercising effective oversight. These capital savings reduced the need to transfer funds from the BART operating budget.
- *Energy Savings:* BART secured long-term fixed-rate power contracts, successfully advocated against PG&E transmission increases, and installed LED lighting in parking garages.
- *Contract Rationalization:* BART eliminated some legacy transfer payments in FY22 (SFMTA/AC Transit) and is planning a reduction of subsidies for certain feeder bus operations in FY27.
- *Increased Recoveries of Capital Funding for BART Overhead Costs:* Improved accounting practices are offsetting operating expense by approximately \$3M in FY26 and beyond.

4. Cash Flow and Liability Management

Financial actions taken to preserve liquidity for core transit service. While these measures are necessary to protect service in the present fiscal emergency, they will create significant pressure on District resources in future years.

- **Debt Management:** BART executed a debt service refunding in August 2025 to lower interest costs by \$6.5M in FY26.
- **Retiree Medical Liability and Pension Prepayments:** To prioritize immediate cash flow, BART adjusted the amortization of retiree medical liabilities and deferred pre-payments, preserving over \$50M per year of operating cash flow in FY26 and FY27. This action is expected to increase costs in FY28 and beyond by approximately \$8M annually. BART has or plans to defer \$60M in planned pension liability prepayments through FY27.
- **Capital Commitment Deferrals:** Through FY27, BART has or plans to defer \$197M in planned contributions to capital commitments. These funds have been deferred to better match project delivery schedules.

Operating Revenue Development

For most of its history, BART relied on fares and other operating revenue to cover the majority of its operating costs. When ridership dropped sharply in FY20, BART's operating revenue fell from \$550M in FY19 to under \$100M in FY20. Though ridership is recovering, revenue remains approximately \$340M below pre-pandemic levels in FY26. This gap is the primary driver of BART's current fiscal deficit. While key drivers of ridership recovery remain outside agency control, BART has taken several critical steps to maximize operating revenue recovery.

Direct Revenue Increases

Actions taken to increase collected fares, access revenue streams, and monetize assets.

- **Maintaining Inflation-Based Fare Increases:** Since 2004, BART has maintained a policy of increasing fares every two years by slightly less than the rate of inflation. Despite pressure to pause increases during the pandemic, the elected BART Board maintained this fiscal discipline. Two separate fare increase actions account for \$35M in annual fare revenue, with additional revenue expected from planned increases and a new policy of indexing parking prices to inflation (beginning in FY26).
- **Installing Next-Generation Faregates:** To combat fare evasion, BART installed a new custom faregate system system-wide, completing the project in 2025. We conservatively estimate the new faregates are driving an increase of 3% in paid ridership, generating \$8M per year in new revenue.
- **Implementing Clipper BayPass:** In partnership with MTC and other operators, BART developed and is now implementing Clipper BayPass, the region's first all-agency institutional fare program. By driving higher ridership, Clipper BayPass is generating approximately \$7M per year in added revenue for BART in FY26.
- **Leasing Underutilized Parking Lots:** Since FY21, BART has generated approximately \$1M per year by leasing underutilized parking lots to other transportation operators and partners.

Additional Financial Assistance Secured Through Advocacy

- Successes in securing non-fare public funding to bridge the budget gap.

- *ARPA Funding Beyond Initial Allocation:* In FY22, BART successfully competed for the final round of American Rescue Plan (ARP) funding. BART secured \$271M in additional ARP funding, the largest grant awarded to any single operator in this final round, which provided BART with almost a full year of extended fiscal runway.
- *Increased Low Carbon Fuel Standard (LCFS) Revenues:* BART played a leading role in advocating for revisions to the LCFS credit market rules. Due to resulting rule changes, we forecast an additional \$16M per year in LCFS credit revenue beginning in FY26.

Additional efficiencies and measures have been taken since BART's FER documentation was submitted in December 2025, and are summarized below. These additional actions were taken to balance the FY27 budget, and are included for reference here. They are discussed in more detail throughout the Adopted Budget Memo.

- *State loan:* BART, along with other Bay Area transit providers, secured access to a low-interest operating loan during the second half of FY26 from the State (authorized by AB 117) to provide service continuity after the exhaustion of emergency assistance funds.
- *Additional ongoing deficit reductions:* Identification of \$18M in new revenues and cost reductions, including the elimination of 64 vacant positions across the organization.
- *Sales tax accounting approach:* Adoption of best practice accrual-based sales tax accounting will allow alignment of revenue recognition across all sources, including an additional \$60M in revenue recognition in FY27.
- *Capital deferrals:* BART deferred an additional \$52M in planned capital investments in FY27.