April 21, 2020

The Honorable Scott Haggerty, Chair
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2006

Dear Chair Haggerty,

We write today in support of the MTC staff recommendation to program approximately $780 million in federal CARES Act funding for eligible transit operator expenses. These critical lifeline funds will bring some relief to Bay Area transit operators of all sizes and modes during these unprecedented times and we, at BART, are deeply grateful for MTC’s advocacy on behalf of the region.

In the proposed Phase 1 funding cycle, BART will receive approximately $251 million based on an initial set of distribution principles and funding framework. Due to the stay-at-home order, BART has experienced a 94% loss in ridership and fare revenue losses exceed $9 million each week. With a farebox recovery ratio that typically exceeds 60%, BART’s operating budget has suffered a significant and immediate loss. Other key revenue sources, such as sales tax, are also expected to see significant declines.

BART supports MTC’s initial allocation and funding distribution framework as it provides for our immediate and quantifiable losses and allows for flexibility to address uncertain fund sources in the future. The Phase 1 funding will help stabilize BART’s FY20 budget, which now has a projected shortfall of over $170 million and provide much needed assistance for our FY21 budget, in which our current projections show a shortfall ranging from $300 to $500 million.

As the pandemic emerged in March, BART swiftly responded with data-driven decisions that allowed for reliable and stable service while also cutting operating costs. We reduced service hours and moved to 30-minute headways Monday-Friday, while running long trains to ensure social distancing is achievable at all times. Other cost cutting measures included implementing a hiring freeze, eliminating operating overtime and shifting operating positions to capital-funded work. Additional deep budget reductions will be needed in FY21.

Despite these fiscal and operational challenges, BART continues to provide safe and reliable service for thousands of essential employees including healthcare providers, first responders, grocery clerks, utility workers, and those in critical government functions. All 48 stations remain open to ensure transit dependent individuals have access to service. Prior to the COVID-19 pandemic the demographics of BART’s riders mirrored that of the region at 65% minority and 20% low-income.
When shelter-in-place orders are lifted, the Bay Area’s economic recovery will be tied in part to BART’s ability to carry workers from their homes to their jobs. We must remain well-positioned to easily scale up service to meet demand. BART’s four-county (soon to be five-county) service area connects to nearly every Bay Area transit operator, providing a valuable and unreplaceable transit link between housing, urban hubs and job centers. Prior to the shelter-at-home orders, BART carried over 54% of all passenger miles on public transit in the region and a recent UCLA study found that BART transbay trips accounted for over 40% of the region’s ridership growth.

Viable public transit is also essential if we’re going to continue to make progress toward our greenhouse gas reduction and clean air goals, while creating a more equitable society that provides mobility options for seniors, working-class and lower-income families. BART and our local partners are also working to address the housing crisis with a goal of 35 percent of all units being affordable, and so far, 900 homes have been produced.

BART understands there are several factors for MTC to consider as it undertakes future funding distributions. The District remains committed to providing best-in-class equity and environmental justice programs and leveraging these programs to benefit the region both during the pandemic and during the social and economic recovery phase.

BART would also like to thank MTC for their swift action to convene regional transit operators after passage of the CARES Act. We would like to acknowledge the leadership of Therese McMillan, MTC’s Executive Director, during this process. The challenges facing transit operators are immense, and we applaud MTC for doing an extraordinary job of fostering consensus and cooperation throughout this process. We look forward to working closely with MTC and our transit partners over the coming months to assure the long-term sustainability of public transit upon which millions in the Bay Area rely.

Sincerely,

Lateefah Simon
President

Bob Powers
General Manager

cc: MTC Commissioners
Therese McMillan, Executive Director