COVID-19 Financial Impacts

- **COVID-19 has created a fiscal crisis for BART**
  - Total revenue impact expected to be nearly $1B over three years:
    - We project that the pandemic and resulting economic recession will reduce BART’s revenue by approximately $975M.
    - Funding from the CARES Act bought us time, but will offset just 40% of the loss.
  - **Loss of passenger revenues:**
    - BART relies on passenger revenue (fares + parking) to cover 65% of operating costs.
    - Ridership fell by 94% in April 2020, and remains 88% below normal levels, resulting in an ongoing loss of $40M per month in passenger revenue.
  - **Sharp decrease in non-passenger revenues:**
    - Sales tax is BART’s second largest source of revenue, covering 28% of operating expense. Statewide taxable sales fell 27% from March-June resulting in an approximate loss of $6M per month in revenue to BART.
    - The economic downturn will reduce nearly every other BART revenue source.
  - **Added expenses:**
    - Expense such as additional disinfecting, signage and increased staffing to respond to the pandemic itself is budgeted at $44M FY21.
  - **Worsening pandemic in the Bay Area means long-lasting impacts:**
    - We expect lasting ridership and economic impacts due to the continued spread of COVID-19. Reported COVID-19 new daily cases in the BART service area grew 148% from the first week of April to July (312 to 775).

- **Additional federal support is critical to BART’s viability and to regional recovery**
  - **Deep service cuts:**
    - The fiscal emergency has forced deep service cuts: service is reduced to half of normal frequency on all lines and the system is now closing 3 hours early (9 PM vs midnight).
    - Without additional outside funding, service cuts could be permanent.
    - If the fiscal emergency triggers labor force reductions, service can’t rebound in time to serve the recovery: specialized workers such as rail car mechanics and train control technicians can take up to 18 months to hire and fully train.
  - **BART service remains essential during the pandemic; restoring service is critical for regional recovery:**
    - Of those riding BART during Shelter in Place, 59% of lack access to a car; 81% are people of color; and 35% have households incomes below $50K.
    - Transit operators serving parallel routes, including SF Muni, AC Transit, and WETA have also cut back service and are limiting per vehicle capacity.
    - Restoring BART is crucial for our region’s Bay Area’s economic recovery. Prior to COVID-19, 71% of BART trips were for work, and BART provides more than half of total peak capacity in the crucial Transbay corridor between the East Bay and San Francisco.
BART’s FY21 Budget was built based on two riderhip scenarios

- **Federal Cares Act provided to date helped keep the trains running and avoid layoffs**
  - To date, BART has been provided $377 million in CARES Act FTA funding. It is being used to balance the FY20 budget with the remainder going to support the FY21 budget.