



FY21 WORKING BUDGET MEMO

MAY 2020

San Francisco Bay Area
Rapid Transit District

Lateefah Simon, President, Board of Directors

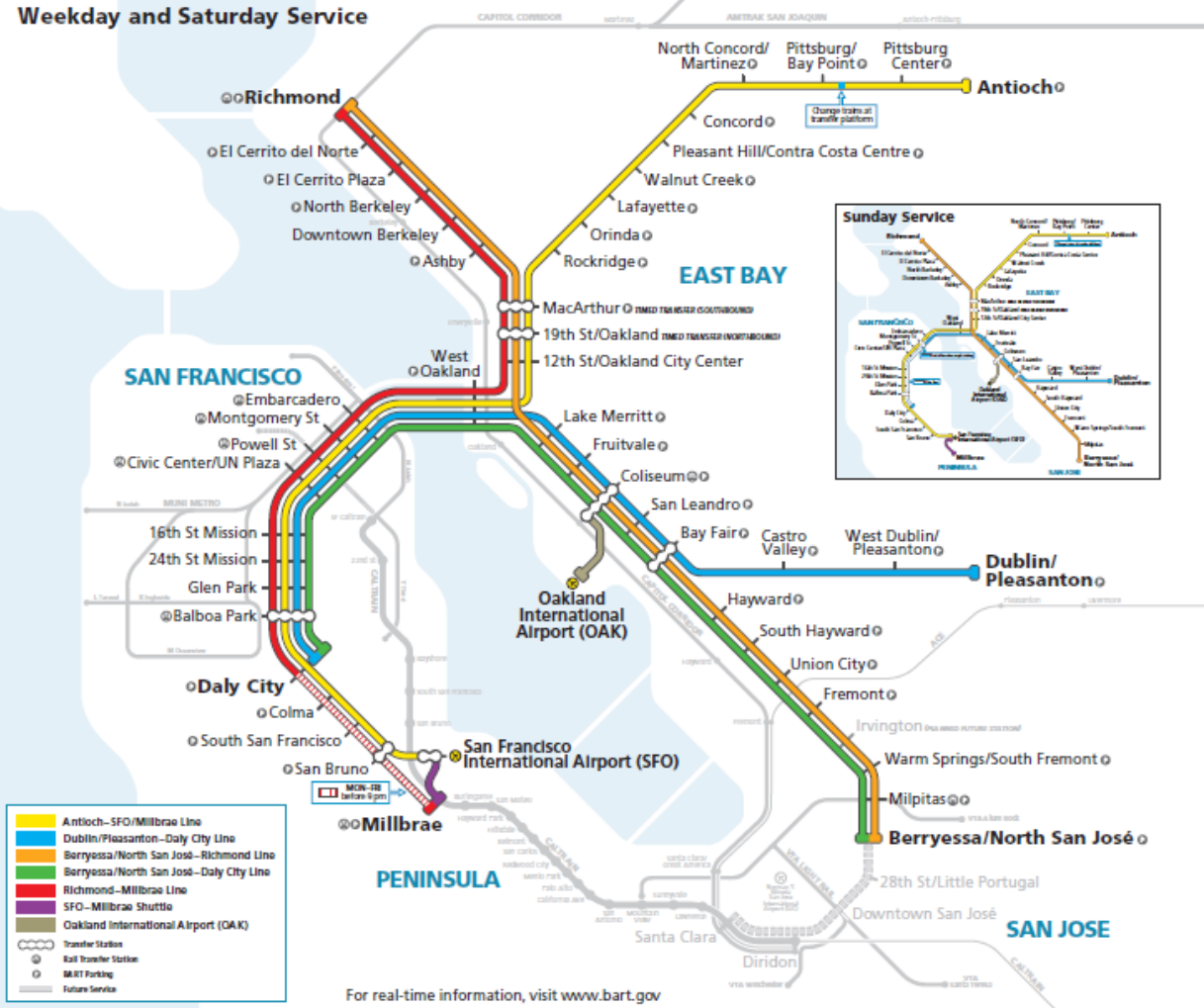
Robert Powers, General Manager



BART System Map



Weekday and Saturday Service



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: May 26, 2020

FROM: General Manager

SUBJECT: Fiscal Year 2021 Working Budget Discussion

The Fiscal Year 2021 (FY21) budget development process has been unlike any other at BART, as the COVID-19 pandemic has created unprecedented challenges and uncertainty for BART and transit systems across the world. Prior to COVID-19, staff was prepared to deliver a cost-cutting budget that prioritized efforts to rebuild off-peak ridership, enhance the customer experience, and deliver on priority capital projects. The uncertainty of this historic time has forced us to reimagine transit service and make budgeting decisions that consider the need to provide safe and reliable service while prioritizing the safety of our employees and riders and allow for social distancing.

The Bay Area and California have been at the forefront of the nation's response to this crisis. State and local elected leaders rose to the occasion in March to limit the spread of the coronavirus by issuing some of the first stay-at-home orders in the country. Those decisions along with the actions of millions of people in the Bay Area have helped to flatten the curve of infection to save lives and preserve our health care system. However, the impact on public transportation ridership has been dramatic. For BART that has meant a ridership decline of 94% to fewer than 25,000 trips per day, critically impacting BART's bottom line since fare revenues fund about 60% of operations.

Swift advocacy for emergency funding helped stabilize the budget and recover costs associated with increased cleaning and purchasing of personal protective equipment. The Bay Area Congressional Delegation, led by Speaker of the House Nancy Pelosi, helped to secure the historic \$2 trillion federal CARES Act relief package. In April, the Metropolitan Transportation Commission (MTC) approved providing BART with \$251.6 million (M) in federal CARES Act funding. The allocation is the first installment of the \$1.3 billion in support provided to Bay Area transit operators in response to the COVID-19 pandemic.

The FY21 Working Budget uses the federal emergency funding for its intended use to run service and avoid transit worker lay-offs. BART is working with the MTC on future installments of CARES funds while continuing to advocate for additional state and federal support. The hope is this aid will help BART to weather the worst of the pandemic but there is much more work to be done.

Putting Riders First

While the District will continue to face financial difficulties in the months and years ahead, BART will play a role in the region's recovery. We must approach our service and budget planning in a way that allows us to easily scale up when demand begins to grow again. We need to remain nimble and quickly adapt to the changing needs of riders looking for assurance that public transit is a safe commute option as stay-at-home orders are eased. We must also meet our obligation to transit dependent riders, seniors, people with disabilities, and low-income communities who rely on BART to get to work and for other essential travel needs. Finally, the FY21 Working Budget continues our commitment to implement our new Chief of Police's Vision for Safety and addressing rider concerns about quality of life issues.

Serving the Region in a Crisis, Planning for Uncertainty

It is not clear when the Bay Area's stay-at-home orders will be fully eased. The COVID-19 pandemic has already triggered a global economic slowdown that has begun a deep recession in California. A reduction in economic activity combined with the continued prioritization of social distancing and an increase in telecommuting could have a significant impact on BART's ridership and revenue for not just months, but years. BART funding sources such as fares as well as sales and gas taxes will all drop sharply. These projected revenue reductions could reach \$600M in just FY20 and FY21 alone. While the outlook beyond FY21 is even more uncertain, BART is preparing for a future in which operating revenue could be well below prior expectations for multiple years. Even as revenue has collapsed, responding to the pandemic has created new demands on resources. These resource constraints have driven the budget process, forcing difficult decisions around expenditure levels, with more difficult decisions to come. Despite these challenges, BART continues to move forward, most notably by expanding into a fifth Bay Area county with the inauguration of the Silicon Valley Berryessa Extension (SVBX) service on June 13th with two new stations and 10 miles of track.

Budget Cuts

Prior to the COVID-19 pandemic, staff had identified approximately \$17M in budget cuts and redirection of resources to address projected budget shortfalls. The FY21 budget of \$915M is nominally \$32M lower than in FY20 but includes significant increases in expense due to SVBX and COVID-19 expenditures. Staff cut \$150M in planned expenditures to balance the FY21 budget. Reductions were made by inactivating vacant positions, reducing non-labor expenses, and scaling back operating allocations, which primarily fund capital projects. As we learn more about ridership, the economy, and public health guidance over the course of FY21, additional cuts may be necessary. We expect an extremely constrained financial outlook for many years.

Continuing System Reinvestment

Before the pandemic took hold, there were more rebuilding projects happening in the BART system than at any point in the District's history. There was a total of 135 projects underway across BART's 48 stations and 122 route miles of track. The reduction in service hours in response to COVID-19 created an opportunity to accelerate several critical rebuilding projects. A priority was placed on projects based on how critical they are to the core mission of providing reliable train service. The additional wrench time is boosting productivity dramatically and will allow for completion of many projects ahead of schedule.

Despite the difficult choices made around this budget, we believe it provides the service levels and safety provisions necessary to meet the needs of our riders and the Bay Area as a whole.



Robert Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

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1. OVERVIEW

The Fiscal Year 2021 (FY21) Working Budget faces extraordinary new challenges due to the COVID-19 pandemic, in addition to the continuing challenges BART faced in FY20: declining ridership and fare revenue, aging infrastructure and increased operating expenses, while BART continues major structural system reinvestments and Quality of Life improvements. The FY21 Working Budget supports BART's commitment to deliver safe, reliable, clean, quality transit service with limited financial resources. Key features of the FY21 budget include:

- Addressing the COVID-19 impact: keeping customers and employees safe; adapting service levels and expenses
- Utilizing emergency funding sources
- Continuing capital investment
- Addressing Quality of Life on BART

In the face of these added challenges, staff have worked to balance the needs of riders, employees, and BART's financial stability – both near and long term. This budget supports comprehensive plans to optimize operations, prioritize funding needs and direct resources to only the most critical aspects of operations as outlined in the sections below.

1.1. COVID-19 PANDEMIC

The COVID-19 pandemic threatens both lives and livelihoods in the Bay Area. To date, the region has responded to the imperative to save lives by imposing shelter-in-place orders that have 'flattened the curve.' The pandemic and the response to it have, however, put pressure on livelihoods and exacerbated existing inequities. Job loss has been particularly acute in households that were in precarious economic situations prior to COVID-19. Further, and particularly relevant for BART, essential workers still need to travel – and in many cases have no option other than public transit.

Within the scope of the BART system, the precipitous drop in ridership has been the most impactful in BART's history. Prior to the pandemic, the system had an average of about 405,000 weekday riders. Over the weeks since the shelter-in-place order, the system has averaged about 25,000 weekday riders. This represents a ~94% decrease in ridership – compared with a ~6% drop at the deepest trough of the Great Recession.

The precipitous decline in ridership and economic activity puts additional pressure and injects extraordinary uncertainty into the coming year. BART anticipates a decline in fare revenue and nearly all other revenue sources. Further, staff is budgeting for additional COVID-19-related costs. It is not clear when ridership will return and if ridership will reach pre-COVID levels.

At the same time, BART has a crucial role in supporting the economic recovery in the Bay Area. Before COVID-19, more than 2/3 of our riders were commuters, including essential workers. Continuing to provide safe and reliable service to our passengers is more important than ever.

We therefore are taking a series of steps to adapt. These include:

- **Continually updating BART's scenario-planning outlook.** BART has developed a scenario-planning outlook with a range of outcomes. BART will continually refresh underlying indicators that could signal a given outcome. Indicators include the Bay Area benchmarks for re-opening

(cases, hospitals, testing, tracing, and personal protective equipment (PPE)), the development of therapeutics and vaccines, state and county economic forecasts, surveys of passenger confidence, and work-from-home behavior. This is further described in the Ridership section.

- **Budgeting for a range of COVID-19 operating measures.** BART believes it is critical for public transit systems to put in place interventions that increase passenger confidence and safeguard customers and staff. This is further described in the Quality of Life section.
- **Providing a rail service plan that enables physical distancing where possible.** The California “COVID-19 Industry Guidance: Public Transit and Intercity Passenger Rail” and CDC Guidelines for Re-Opening include physical distancing as a key prevention practice. BART has provided a rail service plan that is designed to enable this where possible. This is further described in the Rail Service Plan section.

1.2. EMERGENCY FUNDING SOURCES

On March 27th, 2020, the president signed into law the Coronavirus Aid, Relief, and Economic Security Act (The CARES Act), which provides \$2 trillion across a host of domestic funding and relief programs to support efforts to respond to and prepare for recovery from the COVID-19 pandemic. The bill appropriates \$25 billion in supplemental Federal Transit Administration (FTA) Urbanized Area Formula (Section 5307) and Rural Area Formula (Section 5311) program fund apportionments to support transit agency responses to the pandemic.

Through these apportionments, approximately \$1.3 billion in funding is being provided to the Bay Area. This funding addresses operating losses as a result of the pandemic, including reduced funding sources and increased costs. It may be used for operating expenses related to COVID-19, including reimbursement for operating costs and lost revenue, the purchase of personal protective equipment, and paying the administrative leave of operations personnel due to reductions in service. Additionally, such funding is eligible for up to a 100% federal share (compared to a typical 50% maximum federal share for operating assistance and 80% for capital projects).

The Metropolitan Transportation Commission (MTC) is responsible for programming the region’s FTA Section 5307 program funds and for working with Caltrans for programming of regional Section 5311 program funds. On April 22, 2020, MTC’s Commission approved staff’s recommendation to program approximately \$780M or 61% of the supplemental funding and to allow operators to access funding as soon as possible. The remainder of the funding will be programmed in future months as further transit revenue impacts become clearer. The formula used to determine the allocation of future tranches has yet to be determined and it may not be the same formula used for the first tranche. This uncertainty creates risks in determining the level of potential funding to BART that can be assumed in the FY21 budget.

1.3. CAPITAL INVESTMENT

Opportunities to Accelerate System Reinvestment

BART is continuing its capital investment program in FY21, focusing on key projects such as rail car replacement and fleet expansion, the Core Capacity Program (CCP), Measure RR projects, a New Transbay Rail Crossing, next generation fare gates, and the planned move to a new headquarters located at 2150 Webster Street in downtown Oakland. Despite the challenges presented by COVID-19, these projects are primarily funded by secured, restricted funding sources, allowing them to move forward on schedule.

As BART reduced service levels beginning in March, staff started to take advantage of increased system downtime to accelerate system reinvestment projects. For example, before BART moved the end of service to 9 pm, workers were replacing 100 feet of running rail a night. With the earlier closing time they

are now replacing 500 feet of rail per night. The earlier closing time has also allowed for downtown San Francisco electrical cable replacement work to start at 7 pm on some weeknights. For every six weeks BART single tracks beginning at 7 pm, six months of Sunday single tracking are eliminated. This accelerated work ensures that when riders return to the system, it will be in better shape than when they last used it. Station modernization, escalator replacement, and construction of canopies at the entrances of downtown San Francisco stations continue to be funded and work is progressing during FY21. As service levels change in response to ridership levels, staff will continue to strategically accelerate work wherever possible.

New Rail Cars

BART is replacing its aging legacy rail car fleet and expanding from 669 to 775 new rail cars through its initial contract with Bombardier. As part of the CCP, BART intends to purchase 306 additional rail cars and may, in the future, expand the fleet up to 1,200 rail cars upon implementation of the Silicon Valley Rapid Transit Project, Phase 2, to meet increasing travel demand through the Transbay Corridor.

This new fleet will improve reliability, decrease maintenance costs, relieve crowding, improve the customer experience, and help meet growing demand associated with regional population growth and system expansions. Production of rail cars will continue to ramp up in FY21, and final delivery of the last of the 775 rail cars is scheduled for 2023.

Core Capacity Program (CCP)

The CCP is a system wide undertaking to increase frequency and capacity in the Transbay Corridor during peak service, and includes the following elements:

- **Train Control Modernization Program (TCMP):** Install communication-based train control (CBTC) system wide to enable higher frequency service
- **Rail Cars:** Purchase 306 additional rail cars to provide more frequent and longer trains
- **Hayward Maintenance Complex (HMC) Phase 2:** Construct a new east-side storage yard for up to 250 rail cars and install new traction power substation at the Hayward Maintenance Complex to support the expanded fleet
- **Traction Power Substations (TPSS):** Install five new substation facilities to provide the additional power needed to support increased service levels

A critical initial segment of the CCP, referred to as the Transbay Corridor Core Capacity Project (TCCCP), is in the final stages of securing a \$1.169B grant through the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) Program. The Core Capacity Program will also be funded through state, regional and local sources.

The goal of the Core Capacity Program is to reduce the level of crowding between the East Bay and San Francisco and allow for continued ridership growth. When the project is implemented, BART will be able to increase its throughput from a current maximum of 23 ten-car trains to 30 ten-car trains per hour (TPH) in the peak direction through the Transbay Corridor.

BART Safety, Reliability, and Traffic Relief Program (Measure RR)

In November 2016, BART District voters approved Measure RR. The measure authorizes the sale of \$3.5 billion in general obligation bonds to fund high priority capital projects. Ninety percent of Measure RR funding will go toward projects to repair and replace critical safety infrastructure, including renewing track; renewing power cables and substations; repairing tunnels and structures; renewing mechanical

systems; and replacing train control and vital communication systems. Ten percent of Measure RR funding will support projects to renew stations, expand safe access to stations and relieve crowding.

Measure RR-funded projects will continue in FY21, focusing on rail replacement; traction power cable and substation replacement; downtown San Francisco escalator replacements; and station access improvements.

New Transbay Rail Crossing

BART and Capitol Corridor are co-leading early planning efforts on the New Transbay Rail Crossing Program, which includes a suite of projects across the 21-county Northern California megaregion that will transform the megaregion's rail network. One of the main projects is a new San Francisco Bay rail crossing between Oakland and the East Bay that will double BART's capacity for transbay service. The project will also create a direct regional rail link that connects the East Bay, Central Valley, and Sacramento with the San Francisco Peninsula.

The New Transbay Rail Crossing Program is the most transformative project in Northern California. It is a once-in-a-lifetime opportunity that will benefit many generations to come. The Program will improve quality of life, protect the environment, and support economic vitality and competitiveness. Among many benefits, the Program will:

- Promote equity and prosperity by bridging the gap between affordable housing and high-quality jobs
- Improve traveler experience by enabling fast, frequent, reliable, and comfortable transit service
- Improve air quality by creating an integrated transit network that provides an attractive and viable alternative to driving, thereby reducing greenhouse gas emissions and reliance on fossil fuels
- Connect transit hubs and enable one-seat train rides between many Northern California locations, such as Sacramento and San Francisco, Berkeley and Palo Alto, and Stockton and San Francisco International Airport
- Meet growing travel demand as Northern California's population continues to increase

Staff will be performing a market analysis and evaluating future demand for rail trips to determine how a new transbay rail crossing can best serve the region. Important considerations will include evaluating the benefits to the public, the economic costs and benefits, the financial viability, and what it will take to deliver and operate the project.

The engagement effort will run through the timeline of the project and will involve the numerous stakeholders of the Northern California megaregion, with a strong focus on equity. FY21 efforts will include advertising and awarding contracts for Engagement, Technical Support for Project Development, and Environmental Review services.

Next Generation Fare Gates

In the Fall of 2019, BART initiated design for Next Generation Fare Gates. The objective for the new design is to improve reliability and maintainability of the fare gates, while also reducing fare evasion and enhancing security. BART is currently working on a funding plan to advance the procurement and installation of the new fare gates once design is complete.

Silicon Valley Berryessa Extension (SVBX)

The two-station, 10-mile extension into Santa Clara County connects to the Warm Springs/South Fremont Station in southern Alameda County. Passenger service will begin on June 13, and the FY21 Working Budget assumes a full year of SVBX service.

Construction of the project was managed by the Santa Clara Valley Transportation Authority (VTA), in cooperation with BART. VTA funded all construction costs of the project and will reimburse BART for all costs associated with rail service, including operations, maintenance, core system impacts, and funding of a share of core system capital expenses.

New BART Headquarters – 2150 Webster Street

In December 2019, BART purchased a building for its new headquarters site at 2150 Webster in Oakland which the District plans to occupy by July 1, 2021. The District issued Series 2019A bonds in the amount of \$223M to finance the transaction, applying the proceeds primarily to the \$142M acquisition and \$85M in tenant improvements for the building. Compared to lease extension options available to BART at its current headquarters location, BART looks to save \$211M dollars over a 25-year period on a nominal basis with the building purchase.

1.4. QUALITY OF LIFE ON BART AND RIDER SAFETY

BART intends to ramp up initiatives responding to concerns related to homelessness, fare evasion, and security. These efforts already showed progress in FY20 and moving into FY21 they complement the District's comprehensive plan to respond to the coronavirus pandemic. The initiatives are a direct response to challenges identified by riders in the bi-annual 2018 Customer Satisfaction Survey.

COVID-19 Operating Measures

BART believes it is critical for public transit systems to put in place interventions that increase passenger confidence and safeguard customers and staff.

Across the world, there are widely varying sets of health policy guidelines, alongside differing levels of enforcement, for operating measures that address COVID-19. Mitigation measures continue to develop and respond to the needs of individual systems, though increased cleaning is the most widely implemented.

BART continues to develop and implement COVID-19 operating measures with a focus on customer and employee safety. Staff monitor the development of responses implemented in other systems across the US and abroad, as well as guidance from public health professionals. Measures currently being implemented across BART include:

- Enhanced cleaning of vehicles, stations, and facilities
- Longer trains to reduce crowding
- Deployment of PPE
- Reduced customer touchpoints in station areas
- Clear customer communication on new safety protocols

Homelessness

Homeless outreach will continue to be a priority with a focus on developing funding partnerships and expanding efforts. Teams in Contra Costa County and San Francisco County continue to connect individuals experiencing homelessness with services.

In FY21, the District will expand the Outreach Team approach by strengthening connections at San Francisco International Airport (SFO) and may also expand to services in Alameda and San Mateo counties, depending on opportunities for funding partnerships. BART and the San Francisco Municipal Transportation Agency (SFMTA) will continue to share costs between 2-4 downtown San Francisco stations for the Elevator Attendant Program (the exact number to be determined in the next few weeks). BART will continue participation in the San Francisco Pit Stop Program, which provides attended street-level public restrooms adjacent to three underground BART stations.

Fare Evasion

The District has been hardening facilities by enclosing elevators, increasing the height of paid area railing, and alarming emergency doors and swing gates and expanding the digital camera network. Additionally, BART Police have implemented operations focused on preventing fare evasion such as focused enforcements at BART's busiest stations. The proof-of-payment team provides visual confirmation of BART's commitment to fairness and equity to all patrons.

Safety & Security

Recently bargained salary and benefit changes to the BART Police Officers' Association contract continue to show success in increasing the number of lateral transfers from other law enforcement agencies to BART, and BART hopes such changes will also assist with retention. BART Police have undertaken operations focused on crime prevention, increased visibility, and law enforcement when necessary. These efforts resulted in a 34% drop in BART's crime rate for in January-April of 2020 compared with the same four months in 2019.

1.5. FY21 WORKING BUDGET

The following sections begin with a discussion of the measures taken to address the significant budget shortfalls due to COVID-19 impacts, followed by BART's assessment of future Ridership and the subsequent Rail Service Plan scenarios being considered in FY21. Operating and capital sources and uses are shown together in a combined Income Statement to present a comprehensive picture of BART's financial situation. This is followed by descriptions of the FY21 Working Budget operating and capital sources and uses.

2. FY21 DEFICIT REDUCTIONS

The FY21 Working Budget includes a series of cost reductions to bring expenditures in line with dramatic downward revisions to revenue projections as a result of the COVID-19 pandemic. Though the budget does not include layoffs, these reductions adversely impact BART's service levels, staffing, and severely curtails funding to allocations designed to ensure the system's long-term operational and fiscal stability. Overall, the planned FY21 budget expenditure level was reduced by approximately \$150M. A further \$40M in savings was achieved by deferring a scheduled FY20 rail car payment and repurposing those funds in FY21 to meet operating expenses. These reductions are partially offset by necessary expenditure increases to run the SVBX extension and for enhanced COVID-19 related measures.

The reductions made in FY21 are deep and represent difficult decisions. They are, however, preferable to laying off staff. It takes BART almost a full year to hire, train, and deploy frontline staff; reducing their ranks now would hamper BART's ability to scale back up once the pandemic is contained and ridership rebounds. Reductions beyond what is included in the current FY21 Working Budget would likely entail service cuts and layoffs.

All savings outlined below reflect changes from the planned FY21 Operating Budget prior to the COVID-19 pandemic.

2.1. POSITION SAVINGS

The FY21 budget includes a reduction of 251.5 vacant operating full-time equivalent positions (FTEs), for an estimated savings of approximately \$32.3M. An additional 420.2 vacant capital/reimbursable positions were also eliminated in the FY21 Working Budget. The elimination of capital positions will have a minimal near-term financial impact on the operating budget, however their removal will help mitigate any future risk of capital labor being absorbed by the operating budget. These reductions will not result in any layoffs in FY21. Capital positions will be added back into the budget, when necessary, to support capital projects.

Additional labor savings are proposed by a District wide freeze of executive level staff salaries as well as the removal of a budgeted incentive that would be paid to staff, per collective bargaining agreements, if certain metrics were met for ridership.

Position Savings	Op FTE Impact	Cap/Re FTE Impact	Operating Savings
COVID-19 Hiring Freeze	(251.5)	(420.2)	\$ (32.3M)

Labor Category	Operating Savings
(\$ millions)	
Wages & Benefits: COVID-19 Position Savings	\$ (32.3)
Executive Staff Wage Freeze	(0.4)
Lump Sum Payment Removal Elimination	(3.6)
Total COVID-19 Labor Savings	(36.2)
COVID-19 Labor Set-aside	23.5
Net Labor Change Due to COVID-19	\$ (12.7)

These labor savings were offset by an additional \$23.5M which will be budgeted for additional labor costs that may be needed for BART to better respond to the COVID-19 pandemic such as increases in service, disinfecting and cleaning cars, stations and BART facilities.

Though there are limited exemptions for essential workers, removing 251 positions will limit BART's ability to scale up service levels in the future, while limiting the ability of supporting departments (such as Human Resources or Information Technology) to meet existing workload demands or respond to additional needs.

2.2. NON-LABOR REDUCTIONS

In addition to labor reductions staff also worked to identify non-labor savings. The District's travel budget was eliminated while reduced service and ridership lowered projected costs for Power, Clipper Fees, Purchased Transportation and ADA Paratransit. The FY21 budget includes \$20.3M for anticipated expenditures related to the COVID-19 pandemic such as materials needed for cleaning and disinfecting, personal protective equipment and signage.

Non-Labor Category	Operating Savings
(\$ millions)	
Travel	(0.5)
Clipper Fees	(3.4)
Power	(8.0)
Purchased Transportation	(4.3)
ADA Paratransit	(1.3)
Total COVID-19 Reductions	(17.5)
COVID-19 Non-Labor Set-aside	20.3
Net Non-Labor Change Due to COVID-19	\$ 1.5

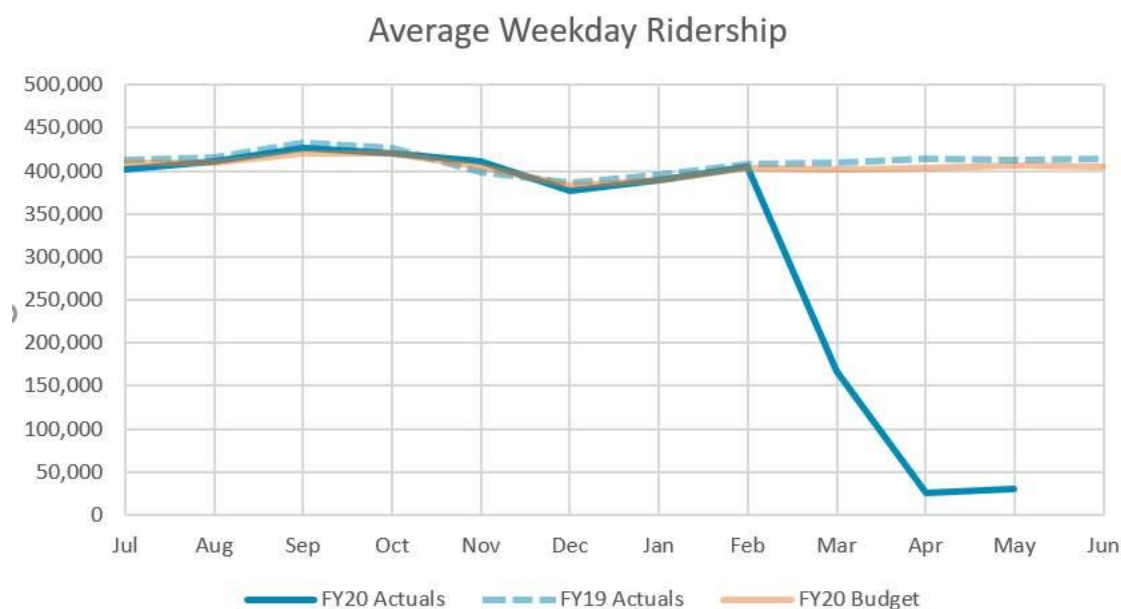
2.3. ALLOCATIONS

The single largest source of FY21 reductions comes from planned Allocations. Allocations support critical capital work, purchases of vehicles and supplies, and support long-term fiscal health for the District. They are also one of BART's few highly flexible spending categories. Allocations were reduced by \$92M from planned levels in FY21, with an additional \$40M in savings effected through a deferral of an FY20 railcar purchase allocation. The budget has been reduced to only required payments and local matching amounts needed to leverage federal capital funding. The result is a suspension of contributions to BART's unfunded pension liability trust as well as reduced investments in state of good repair, vehicle procurement, information technology infrastructure, and sustainability initiatives.

Allocation	Reduction
(\$ millions)	
Capital Rehabilitation	(6.2)
Priority Capital Projects/Programs	(61.8)
Stations/Access Projects	(2.0)
MET Building Repayment	(3.2)
LCFS Sustainability Reserves	(9.0)
Pension Liability	(10.0)
Total COVID-19 Allocation Reductions	\$ (92.3)

3. RIDERSHIP OUTLOOK

California and the Bay Area in particular have played a leading role in the nation's response to the coronavirus pandemic. The health officers in all the Bay Area counties served by BART issued their first shelter-in-place order on March 16th. BART ridership declined more than 50% in the week leading up to that moment and fell even further after the order was implemented. After weeks of decline BART ridership eventually leveled off in April at approximately 6% of budget levels, as shown in the chart below. BART's daily weekday ridership fell from an average of 405,000 trips to around 25,000. Despite that decline, BART has continued to run long trains to enable essential workers who rely on the system to engage in physical distancing. Rail service was modified in April to provide service at 30-minute headways on each line, peak trains were cancelled, and service was truncated to end at 9:00 pm each day and start at 8:00 am on Saturdays.



In this era of uncertainty, BART has made transparency a priority. BART is posting daily ridership totals on its website along with the latest news about what the agency is doing to respond to the coronavirus. Proactively providing this data is invaluable as it provides a gauge of the effectiveness of shelter-in-place orders and reassures the public that BART is being open about its steep ridership decline as it develops plans to adapt to the changing environment for transit.

The severity of BART's ridership decline is consistent with that of other large transit agencies across the U.S. The decline hits the District hard because it has one of the highest farebox recovery rates in the country. What for years was a measure of BART's efficiency now is a major risk. About 60% of operating revenues come from fares, which means a steep and prolonged decline in ridership will have a dramatic impact on BART's ability to fund its reliable service.

This budget outlook is grounded in state and county guidance on re-opening. A key element is the California Resilience Roadmap, which lays out four stages of recovery. Stage 1 represents Shelter-in-Place. In Stage 2, lower risk workplaces re-open, including retail, manufacturing, offices where telework is not

possible. In Stage 3, higher risk workplaces re-open: personal care, entertainment venues, in-person religious services. Stage 4 represents the end of the stay-at-home order.

BART has developed two scenarios for ridership which relate to a range of epidemiological and economic outcomes. In the “Faster Ramp” scenario, ridership in FY21 averages 50% of pre-COVID-19 levels. In the “Slower Ramp” scenario, it average 15% of pre-COVID-19 levels. These scenarios depict different paths of ramps up and to what degree it eventually recovers.

The “Faster Ramp” scenario reflects faster progression through the California Resilience Roadmap and more significant recovery. In this scenario, the Bay Area reaches Stage 4 of the California Resilience Roadmap by September of 2020. To make this possible, the Bay Area would achieve its targets on cases, hospitals, testing, tracing, and PPE - as well as the development of therapeutics. This scenario also reflects the recovery of ridership to an average of 50% of pre-COVID-19 levels in FY21¹. This scenario relies on public health guidance that allows vulnerable populations to ride public transit, economic impacts no bigger than the Great Recession, and the return of passenger confidence.

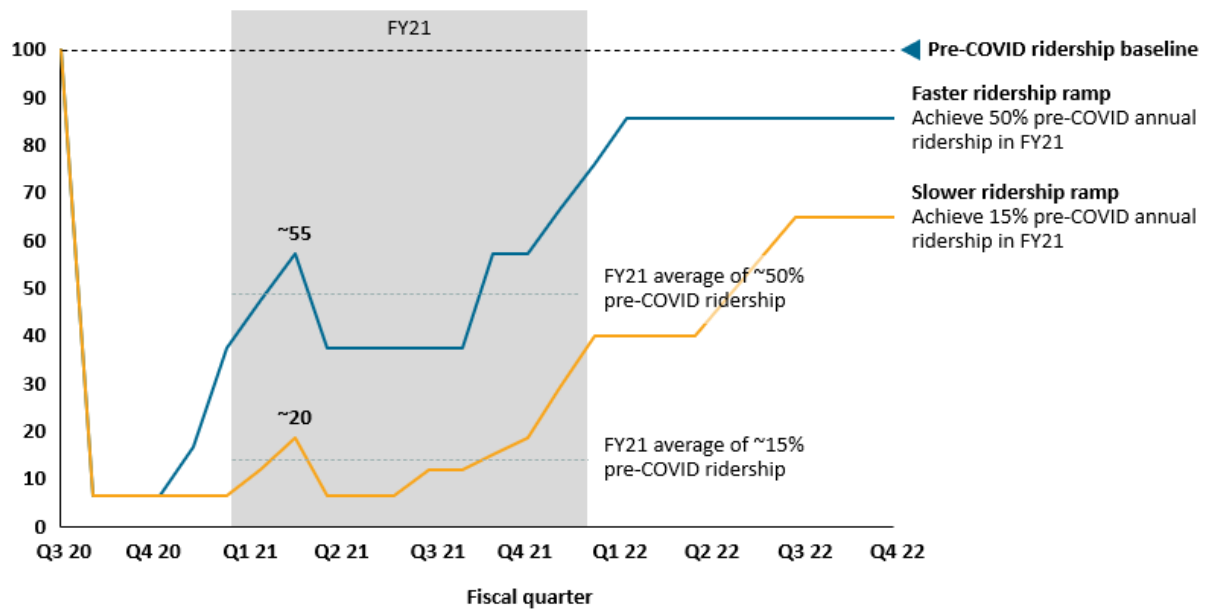
The “Slower Ramp” scenario reflects slower progression through the Resilience Roadmap and significantly decreased ridership. In this scenario, the Bay Area reaches Stage 4 of the California Resilience Roadmap in June of 2021. This could occur if a viral resurgence returns the region to Stage 2 of the Recovery Roadmap in the fall. This scenario reflects a limited recovery in ridership to an average of 15% of pre-COVID-19 levels in FY21, driven by guidance for vulnerable populations to avoid public transit, unemployment nearly as high as the Great Depression, and a durable reduction in passenger confidence.

Key Timing Assumptions by Scenario ²			
Event	Fast ramp scenario	Slow ramp scenario	Underlying indicators
Anticipated end of Stage 1	May 2020	Jul 2020	Bay Area County Checklist <ul style="list-style-type: none"> • Cases • Hospitals • Testing • Tracing • PPE
Entry to California Stage 2	Jun 2020	Aug 2020	
Entry to California Stage 3	Jul 2020	Sep 2020	
Entry to California Stage 4	Sep 2020	Jun 2021	Bay Area County Checklist stable Development of therapeutics
Impact of possible viral resurgence	Return to Stage 3	Return to Stage 1	

¹ Source: BART FY2021 monthly ridership forecasts, BART rider segmentation survey data, BART historical monthly ridership, Oxford Economics unemployment projections, Bureau of Labor Statistics historical unemployment, BART ridership data, Consumer Survey April 2020, Oxford economics jobs by industry in Bay Area counties, Slack HQ, Gartner, KFF

² Source: SF.gov, San Francisco public health department and the California Department of Public Health, SF Chronicle, pharmaceutical company press releases, Center for Disease Control, New York State press coverage, FDA guidance, White House press conferences, World Health Organization

FY21 Ridership Scenarios (Faster Ramp and Slower Ramp)



The budget assumes that monthly ridership will come in at the midpoint between the Slow Ramp and Fast Ramp scenarios. The aggregate result is a total of approximately 36 million trips for FY21, 30% of the baseline (pre-COVID-19) forecast. This annual total is comprised of a range of ridership levels throughout the year: approximately 93,000 average weekday trips in the lowest months and 245,000 average weekday trips in the highest month. The resulting average weekday ridership for FY21 is approximately 122,000.

4. RAIL SERVICE PLAN

The rail service plan for FY21 balances extraordinary uncertainty, guidance for physical distancing on the system, and BART's crucial role supporting the economic recovery of the Bay Area. As described above, staff anticipates that ridership could recover to as high as an average of 50% of pre-COVID-19 levels through FY21. At the same time, following state guidance to enable physical distancing will require significantly more service to carry the same number of people.

Four potential BART service plans for FY21 are summarized in the table below. BART's FY21 staffing level and the basis for the FY21 Working Budget is the service plan labelled 'Reduced Peak and Early Close.' That staffing plan allows for 15-minute peak headways on five lines (without additional peak period trains), with service until 9 PM on weekdays.

The actual service provided over the course of the fiscal year will vary in response to demand as follows:

- BART will begin FY21 with 30-minute base headways on each line, with additional trains added in the schedule where required to maintain social distancing standards. As demand increases, we expect to scale up service incrementally, adding trains to move toward full 15-minute frequencies by line (Reduced Peak and Early Close)
- If demand is high and funding is available, later in FY21 BART could move toward restoring rush trains and extending service hours (Normal Pre-COVID-19 Schedule), and ultimately extend the duration of peak period service to spread peak demand and promote physical distancing (Enhanced Pre-COVID-19 Schedule). Note that the time to hire and train operations staff will be a constraint on how quickly service can be enhanced.
- If required to maintain fiscal stability, BART is also prepared to cut back service to 'Half Pre-COVID-19 Schedule,' which offers 30-minute headways on each line and 9 PM close. Such a reduction would require reduction of staff.

	Service Plans			
	Half Pre-COVID-19 Schedule	Basis of Working Budget: Reduced peak and early close	Normal Pre-COVID-19 Schedule	Enhanced Pre-COVID-19 Schedule
Headways	30	15	15	15
Rush Trains	None	None	Yes	Yes - Additional
Hours of Service	5am-9pm	5am-9pm	5am-12am	5am-12am
Peak Cars	431	609	709	709
Peak Trains	44	62	72	72
Average Weekday Car Miles	148,981	272,179	304,615	318,439
Total Car Miles (M)	45.0	82.3	92.1	95.6

Starting on June 13th, BART will open the San José extension to Berryessa with two-route service to San Francisco and Richmond. The train schedule will continue to operate at 30-minute line headways, without

peak trains, and closing at 9:00 pm. BART will monitor ridership and will add additional trains during commute hours in the 15-minute slots when warranted to ensure safe passenger distancing. This solution of adding or omitting the 15-minute commute trains allows BART to scale service up and down in response to demand.

Starting in September, the strategy is to allow the gradual expansion of evening service. BART is planning a train schedule based upon 30-minute line headways seven days a week, with 15-minute commute service weekdays and Saturdays, and service extended to 11:00 pm from Monday through Saturday. BART will balance staffing levels between the priorities of supporting the commute period and adding evening service. Like the June-to-September service, this solution enables adding or omitting the 15-minute commute trains to scale up and down with demand. This strategy will yield the greatest level of service that BART can provide without hiring and training more train operators and maintenance personnel.

February 2021 service will reflect need based on ridership data. This could mean a gradual return to pre-COVID-19 service levels. This would likely include 15-minute base line headways on weekdays and 30-minute headways on weekends, with 15-minute peak service on Saturdays, and service until midnight. Expanded service would require a decision be made with sufficient time to allow for hiring and training of staff prior to a crew bid.

4.1. NEW RAIL CARS

As of mid-May 2020, BART has accepted 206 new rail cars, 11 of these conditionally accepted, and has placed 195 into revenue service with an additional five used for training. Another 5 cars are anticipated to be delivered prior to the end May 2020. By the end of FY20, BART anticipates having 13 new trains in service and running 10-car trains on all Transbay routes at 15-minute base headways. During FY21, BART intends to use the increasing inventory of new cars to gravitate the fleet spare ratio toward the industry standard of 20% and retire the least reliable of the legacy fleet.

4.2. OTHER SERVICE CHANGES

In addition to upcoming service changes, a set of changes that took effect in February 2020 will continue to affect BART service in FY21. Schedules were refined to improve single tracking for the evening and overnight BART Transbay Tube Earthquake Retrofit project (Sunday – Thursday nights) and the M Line (San Francisco and West Bay) 34.5KV Cable Project on Sundays. Smaller schedule changes are anticipated in FY21 to react to long-term construction and address 2021 construction needs, such as track work along the A line (Lake Merritt to Warm Springs).

5. WORKING INCOME STATEMENT

Income Statement	Budget		Change	
(\$ millions)	FY20 Adopted	FY21 Working	\$	%
Rail Passenger Revenue	\$ 479.4	150.7	(328.6)	-69%
ADA Passenger Revenue	0.9	0.3	(0.6)	-72%
Parking Revenue	36.5	10.5	(26.1)	-71%
Other Operating Revenue	28.7	23.7	(5.1)	-18%
Subtotal - Operating Revenue	545.5	185.1	(360.4)	-66%
Sales Tax Proceeds	277.0	239.0	(38.0)	-14%
Property Tax Proceeds	50.6	50.6	0.0	0%
SFO Ext Financial Assistance	5.8	41.7	35.9	618%
VTA Financial Assistance	-	28.4	28.4	-
MTC Financial Assistance MBF Discount Program	-	1.6	1.6	-
Local & Other Assistance	6.4	6.0	(0.5)	-7%
State Transit Assistance	39.4	28.5	(10.9)	-28%
Low Carbon Transit Operations Program	8.4	8.5	0.2	2%
Low Carbon Fuel Standard Program	14.1	14.4	0.3	2%
Subtotal - Financial Assistance	401.8	418.8	17.0	4%
CARES Act (Round 1 – FY20 Remainder)	-	87.0	87.0	-
CARES Act (Round 2 - Targeted)	-	164.0	164.0	-
FEMA Reimbursement (COVID-19 Expenses)	-	20.0	20.0	-
Deferment of FY20 Rail Car Allocation	-	40.0	40.0	-
Subtotal - Emergency Funding	-	311.0	311.0	-
SUBTOTAL - OPERATING SOURCES	947.3	914.9	(32.4)	-3%
SUBTOTAL - CAPITAL SOURCES	1,419.9	1,506.7	86.7	6%
TOTAL SOURCES	2,367.2	2,421.5	54.3	2%
Labor & Benefits	591.6	600.9	9.3	2%
COVID-19 Labor Set-Aside	-	23.5	23.5	-
ADA Paratransit	16.9	16.1	(0.8)	-5%
Purchased Transportation	14.6	11.4	(3.3)	-22%
Power	45.6	48.1	2.5	5%
COVID-19 Non-Labor Set-Aside	-	20.3	20.3	-
Other Non-Labor	131.0	130.6	(0.4)	-0%
Subtotal - Operating Expense	799.8	850.9	51.1	6%
Bond Debt Service	47.2	47.4	0.2	0%
Allocations	100.3	16.6	(83.7)	-83%
Subtotal - Debt Service & Allocations	147.5	64.0	(83.5)	-57%
TOTAL - OPERATING EXPENSE	947.3	914.9	(32.4)	-3%
System Reinvestment	983.0	1,142.8	159.8	16%
Safety & Security	74.0	65.4	(8.5)	-12%
Earthquake Safety	167.1	67.3	(99.8)	-60%
Service Capacity & Enhancement	158.2	177.5	19.3	12%
System Expansion	30.2	46.0	15.8	52%
Reimbursable/Other	7.5	7.6	0.1	1%
TOTAL - CAPITAL EXPENSE	1,419.9	1,506.7	86.7	6%
TOTAL USES	2,367.2	2,421.5	54.3	2%
NET OPERATING RESULT	-	-	\$ -	-

6. OPERATING SOURCES

The below table summarizes the operating sources for the FY20 Adopted Budget and the FY21 Working Budget. Each line item is described in further detail in the subsequent sections.

Operating Sources	Budget		Change	
(\$ millions)	FY20 Adopted	FY21 Working	\$	%
Revenue				
Rail Passenger Revenue	\$479.4	150.7	(328.6)	-69%
ADA Passenger Revenue	0.9	0.3	(0.6)	-72%
Parking Revenue	36.5	10.5	(26.1)	-71%
Advertising	10.1	6.8	(3.3)	-33%
Telecommunications	8.1	9.5	1.4	18%
Parking Citations	3.7	1.1	(2.6)	-69%
Building and Ground Leases	1.8	1.6	(0.2)	-13%
Transit Oriented Development	1.0	1.5	0.5	54%
Other	4.1	3.2	(0.9)	-22%
Total Operating Revenue	545.5	185.1	(360.4)	-66%
Financial Assistance				
Sales Tax Revenue	277.0	239.0	(38.0)	-14%
Property Tax	50.6	50.6	0.0	0%
SFO Extension Financial Assistance	5.8	41.7	35.9	618%
VTA Financial Assistance	-	28.4	28.4	-
MTC - Means-Based Fare Discount Prog	-	1.6	1.6	-
State Transit Assistance (STA)	39.4	28.5	(10.9)	-28%
Low Carbon Transit Operations Program	8.4	8.5	0.2	2%
Low Carbon Fuel Standard Program	14.1	14.4	0.3	2%
Local & Other Assistance	6.4	6.0	(0.5)	-7%
Total Financial Assistance	401.8	418.8	17.0	4%
Emergency Funding				
CARES Act (Round 1 – FY20 Remainder)	-	87.0	87.0	-
CARES Act (Round 2 - Targeted)	-	164.0	164.0	-
FEMA Reimbursement (COVID-19 Expenses)	-	20.0	20.0	-
Deferment of FY20 Rail Car Allocation	-	40.0	40.0	-
Total Emergency Funding	-	311.0	311.0	-
OPERATING SOURCES, TOTAL	947.3	914.9	(32.4)	-3%

6.1. OPERATING REVENUE

6.1.1 Passenger Revenue

Passenger Revenue

Fare revenue for FY21 is budgeted at just \$151M, down nearly 69%, or \$329M from the FY20 budget. This budget assumes that total annual trips on the core BART system (exclusive of the SVBX extension) reflects the midpoint between the Slow Ramp and Faster Ramp ridership scenarios described and illustrated in Section 3 (Ridership Outlook). It also assumes that average fare is 5% lower than the pre-pandemic FY20 level.

It is important to note that prior to the pandemic and shelter in place orders, ridership and fare revenue were both tracking slightly above budget. In addition, with the precipitous decline in ridership between March and June, fare revenue in FY20 is now expected to be approximately \$140M below budget.

The fare revenue forecast also includes:

- Fare revenue generated by new SVBX trips, which is used to help offset VTA's operating cost of the SVBX extension. Per the VTA O&M Agreement, VTA will be responsible for any operating costs for the SVBX extension which is not covered by SVBX fare revenue.
- BART participation in MTC's Regional Means-Based Fare Discount Pilot Program, Clipper START, along with Caltrain, Golden Gate Transit and the San Francisco Municipal Transportation Agency. The pilot is expected to begin this summer, with a discount available to adult riders earning 200% or less of the federal poverty level. BART will offer a 20% discount per trip.
- Total passenger revenue also includes \$0.3M in fares paid by Americans with Disabilities Act (ADA) paratransit customers.

In addition, BART is moving toward eliminating magnetic stripe paper tickets and using Clipper for all fare payment. Beginning in fall 2019, the District piloted Clipper-only sales at four stations, after which staff conducted and the Board approved a Title VI analysis for discontinuance of paper ticket sales. The SFO Airport station will move to Clipper only in June 2020. The \$0.50 surcharge and Clipper-only pilots have been successful—since implementation of the surcharge, paper ticket usage rates have declined by approximately 75%.

6.1.2 Parking Fee Revenue

BART generates revenue from permit and daily fee parking at its 36 stations with parking facilities. The daily fee at all stations is currently capped at \$3.00, except at South Hayward (\$2.00) and North Concord/Martinez (\$2.50), in addition West Oakland (\$10.50) does not have a cap. The monthly permit price at all stations is also capped at \$105.00, except for South Hayward (\$84.00), North Concord/Martinez (\$94.50), and West Oakland (\$262.50). Beginning in July 2020, patrons using the six Oakland stations will begin to pay an 18.5% tax due to implementation of a parking tax imposed by the City of Oakland. BART will collect the tax and remit net revenues to Oakland.

The FY21 parking revenue budget is \$10M to reflect BART's expected decline in ridership and decreased parking demand. Parking revenue generated at stations on the SVBX extension will be collected by VTA and will not be budgeted by BART.

Under the current parking fee program approved by the Board in 2013, incremental revenue raised from the demand-based parking fee program is dedicated to investments in station access, station rehabilitation, and station modernization. No incremental revenue is expected in FY21.

BART staff is advancing a series of parking modernization efforts to improve the customer experience, effectively manage parking resources, and enhance access to stations. This includes releasing new Carpool and Daily Fee parking payment features through the BART mobile app. Staff expect to make these features available to all stations in FY21 to provide customers with a safe and convenient “touchless” method of parking payment.

6.1.3 Other Operating Revenue

BART also generates operating revenue from non-passenger sources, nearly all of which already have been or will be affected by the pandemic and associated ridership declines. Total other operating revenue is now budgeted at \$23.7M in FY21. The two largest sources are the Commercial Communications Revenue Program (CCRP) and advertising. Smaller revenue sources include fines and forfeitures, investments, building and ground leases, concessions, and other miscellaneous revenues.

The CCRP, managed by the Office of the Chief Information Officer (OCIO), generates revenue through commercial fiber and wireless telecommunications. In January 2020, the BART Board approved the Digital Railway Project with Mobilitie Services, LLC, which has the potential to substantially increase fiber optic and wireless revenue over time. CCRP is estimated to generate \$7.1M in FY20, and \$9.5 in FY21 while focusing primarily on constructing new revenue generating assets with Mobilitie.

BART has an advertising franchise agreement with OUTFRONT Media (the Franchisee), which manages the sales and posting of advertising on BART’s behalf. In FY21, BART anticipates receiving \$6.8M in advertising revenue. Due to the sudden and unexpected reduction in ad sales caused by COVID-19, BART staff are reviewing the advertising contract to consider revenue payment adjustments requested by OUTFRONT Media. Staff continues to work with OUTFRONT toward installation of digital advertising screens taking into account limitations related to COVID-19.

Parking citation revenue is expected to decrease with ridership demand and is budgeted at \$1.1M in FY21.

Building and ground lease revenue is received from leasing vacant parcels and office space in the Joseph P. Bort MetroCenter (MET) building, and from Special Entrance Agreements at Powell Street Station that provide access from the station to the Westfield shopping center entrance. The budget for FY21 is \$1.6M.

Transit Oriented Development (TOD) revenue includes ground leases at West Dublin/Pleasanton, Pleasant Hill/Contra Costa Centre, Millbrae, Castro Valley, MacArthur and Coliseum stations, and transit benefit fees at West Dublin/Pleasanton and South Hayward and is budgeted at \$1.5M in FY21.

“Other” revenue, budgeted at \$3.2M in FY21, includes investments income; public telephones; concessions; special fees and permits; the Capitol Corridor Joint Powers Authority’s overhead recovery; and other miscellaneous sources.

6.2. TAX AND FINANCIAL ASSISTANCE

6.2.1 Sales Tax Revenue

A dedicated 75% share of a one-half cent sales tax levied in the three BART District counties (San Francisco, Alameda and Contra Costa) is BART’s second largest source of revenue after passenger fares. The remaining 25% is split equally between AC Transit and the SFMTA. BART’s sales tax base is diverse, and data from the California Department of Tax and Fee Administration indicates that the largest economic

segments driving BART sales tax include restaurants, retail, and new auto sales. Over the past two decades, which include two recessions and several periods of strong economic growth, BART's annual sales tax growth rate has averaged 3.3%. In 2009, BART sales tax revenues fell 9% due to the impact of the 2008 financial crisis and resulting Great Recession.

BART expects that a severe economic recession will reduce sales tax revenues in FY21. Projections are based on a statewide GDP forecast modified by Bay Area industry mix to arrive at an estimate of taxable sales 20% below 2019 levels in the first quarter of FY21, recovering to 15% below 2019 levels in the fourth quarter of FY21. This reduction in FY21 taxable sales is partly offset by a deferral of an estimated \$12M of sales tax payments from the fourth quarter of FY20 into FY21 under the terms of two emergency California Executive Orders permitting such deferrals. The net impact results in projected sales tax revenues of \$239M, or 16% below sales tax revenues expected before the COVID-19 pandemic and associated recession began.

6.2.2 Property Tax Revenue

Property tax revenue is derived from a statutory portion of the 1% general levy in each of the three BART counties³. This legacy property tax was originally enrolled in 1957 to fund planning and pre-development costs associated with construction of the original BART system, and is permanently dedicated to fund ongoing operating needs.

County assessors are responsible for assessing the value of all taxable, non-exempt property on January 1st 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. However, since the tax is based on assessed property values, the revenue it generates has increased over the years in proportion to rising property values.

BART's FY21 property tax revenue is projected at \$50.6M, equal to the FY20 budget amount and 5% below pre-pandemic expectations for FY21. While it is likely that a severe recession in FY21 will trigger some reassessments at lower property values, it is expected that most impacts of such reassessments will affect BART's revenues beginning in FY22.

6.2.3 SFO Extension Financial Assistance

BART operates a five-station extension into San Mateo County, outside of the three-county BART District, to the SFO and Millbrae stations. Per the terms of agreements with MTC and SamTrans governing service outside the District, BART tracks fare revenue and estimated expenses and sets aside excess fare revenue to help fund \$145M of the new rail car purchase. Between FY11 and FY19, the extension generated funds that BART deposited into an SFO Extension reserve account. However, ridership on the extension has declined sharply due to the pandemic. BART forecasts that in FY21 the expense of operating the extension will exceed revenue by \$41.7M. Following the terms of the agreements, BART will withdraw \$41.7M from the SFO Extension reserve account to cover this net operating deficit.

6.2.4 VTA Financial Assistance

VTA is responsible for the operating and maintenance (O&M) costs of the Silicon Valley extension. VTA's responsibility is calculated as the difference between the net fare revenues associated with trips to or

³ BART has a separate tax levy for general obligation bond debt service associated with the 2004 seismic retrofit program and for the 2016 system renewal program. For the FY20 tax year, the enrolled rate was \$7.40 and \$4.60 per \$100,000 of assessed value, respectively.

from the two SVBX stations and the calculated O&M costs to provide extension service. The \$28.4M budget for FY21 VTA Financial Assistance represents the current estimated difference. Actual results for FY21 will be used to calculate the final payment from VTA.

6.2.5 MTC Financial Assistance for Means-Based Fare Discount Pilot Program

As discussed previously, BART will participate in the MTC's Regional Means-Based Fare (MBF) Discount Pilot Program known as Clipper START. MTC has identified approximately \$11M in funding, first to pay administrative and verification expenses and then to help offset up to 50% of an operator's revenue loss. Funds provided to BART will be booked as financial assistance. MTC's estimated offsetting contribution to BART in FY21 is budgeted at \$1.6M.

6.2.6 State Transit Assistance

BART receives funding through appropriations of State Transit Assistance (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. As expected, the pandemic and resulting economic slowdown are expected to have a significant impact on STA. The Governor's May Revision now expects fuel tax revenues used to fund transportation projects to drop by a total of \$1.8 billion through FY25, with STA program revenues of approximately \$528M, a decrease of about \$278M from January 2020 forecasts.

MTC typically provides an estimate of annual STA revenues in its annual Fund Estimate, released each February. MTC will periodically update the Fund Estimate as necessary. As of May 2020, MTC does not anticipate having reliable information regarding 4th quarter STA amounts until late summer 2020. As such, BART has reduced FY21 budget expectations in line with state level projections, with a projection of \$22.0M of revenue-based STA, including \$1.6M of FY21 Population-Based County Block Grant Program funds from Alameda, Contra Costa and San Francisco counties. The budget also assumes an additional \$6.5M of State of Good Repair revenue-based STA funds.

6.2.7 Low Carbon Transit Operations Program

BART is eligible to receive 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, and it prioritizes serving disadvantaged communities. LCTOP revenues are derived from the State's greenhouse gas emissions reduction Cap and Trade auction proceeds.

In contrast to declining STA revenues, the Governor's May Revision anticipates Cap and Trade revenues to remain steady if not increase slightly over FY20. The state has already committed \$8.5M of LCTOP in FY20, which will be programmed for BART to Antioch operations in FY21.

6.2.8 Low Carbon Fuel Standard Program

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 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. In FY20, BART budgeted for LCFS revenues totaling \$14.1M, although it has exceeded its revenue projection by \$8.7M, with \$22.9M of total LCFS revenues recorded at the conclusion of its FY20 sales activities. In FY21, BART has budgeted \$14.4M of LCFS revenues, although actual revenues will remain dependent on market pricing of LCFS credits, quantity of LCFS credits generated, and the consistency of LCFS program regulations over time.

6.2.9 Other Assistance

Other Assistance to BART in FY21 includes budgeting \$2.8M and \$2.0M from Alameda County's Measure BB and Measure B, respectively, which will be used for paratransit and transit operations in Alameda County. The FY21 budget also includes \$1.0M paid by Caltrain for the Millbrae Station Use, Operations, and Maintenance Agreement, and \$79,000 from Contra Costa County's Measure J sales tax measure.

6.3. EMERGENCY ASSISTANCE

6.3.1 CARES Act Assistance

In a stark break from BART's prior financial structure where fare revenue was by far the largest fund source in the budget, in the FY21 budget this role is now assumed by federal CARES Act assistance. The one-time \$2 trillion federal bill appropriates \$25 billion in supplemental federal funds to support transit agency responses to the pandemic, with approximately \$1.3 billion directed to the Bay Area. In April 2020, after a collaborative regional process guided by four principles developed in consultation with transit operators, the MTC Commission approved regional staff's recommendation to program approximately \$780M or 61% of the funding. Of this first tranche, BART will receive \$251.6M. These funds will help BART close the large funding gap in FY20, with remaining funds carried over into FY21.

The remaining 39%, Tranche 2, will be programmed in future months, with the intent to consider additional actual revenue impacts to transit operators and an additional fifth principle developed by MTC's Policy Advisory Council. This principle suggests funds should be allocated subject to a comprehensive COVID-19 recovery strategy considering any recommended regional adjustments to ensure network connectivity, financial sustainability and transportation system equity.

A Blue Ribbon Task Force, comprised of representatives from transit agencies, elected officials and regional stakeholders, will facilitate this process. MTC's stated priorities for the Blue Ribbon Task Force are as follows:

- Determining the next CARES Act (Tranche 2) distribution formula
- Assessing transit agency recovery strategies with an eye towards developing a regional approach to restoring ridership and stabilizing the transit network
- Providing recommendations for institutional and operational changes and evaluating MTC's future distribution of funds to transit operations

As a result of this process, actual funding distribution for FY21 is subject to a large amount of uncertainty and there is a risk that the outcome could increase operating expenses or result in a different distribution of regional funding sources.

Absent certainty of the outcome, BART's FY21 budget assumes Tranche 2 yields the same percentage of regional CARES Act funding as Tranche 1. This uncertainty creates risks in to balancing the FY21 budget.

Regardless, CARES financial assistance will help close projected budget gaps in FY20 and FY21, but not entirely without associated expense reductions.

6.3.2 FEMA Reimbursement

On March 22, 2020, the President declared the COVID-19 pandemic of sufficient severity and magnitude to warrant a major declaration for the State of California, pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207). State, Territorial, Tribal, local government entities are eligible to apply for Public Assistance. The California Governor's Office of Emergency Services (Cal OES) Recovery Section acts as the grantee for FEMA's Public Assistance program, BART will seek a public assistance subgrant to offset eligible costs incurred responding to the pandemic. These are expected to include costs related to BART's Virtual Emergency Operations Center, disinfection of BART's public facilities, dissemination of information and guidance to public and purchase of PPE. Generally, agencies can be reimbursed for up to 75% of eligible expenses, with very strict criteria governing eligible expenses. The FY21 budget assumes \$20M of reimbursement in FY21 for expenses incurred in FY20 and FY21.

6.3.3 Deferment of FY20 Rail Car Allocation

BART and MTC have a shared funding plan that supports replacement and expansion of BART's original 669 rail cars with a new fleet of 775 cars. In order to mitigate the sharp drop in revenue resulting from the COVID-19 pandemic, the two agencies have agreed to delay part of BART's contribution of fare revenue toward the fleet replacement project until FY26. \$40M of BART fare revenue originally allocated toward the rail car project in FY20 will instead be used to fund FY21 operations. BART and MTC have instead advanced funds from the BART Car Replacement Funding Exchange and Reserve Account to meet fleet replacement cash flow needs, and the project will continue as scheduled.

7. OPERATING USES

Operating Uses includes two main categories: Operating Expenses, which are expenses related to the day-to-day operations of the system, and Debt Service and Allocations, which include debt payments and allocations to fund capital and other projects. Total Operating Expenses increased by \$51.1M; significant reductions are offset by COVID-19 expenses and costs associated with operation of the SVBX extension. Additional expense increase drivers include, wage increases, Retiree Medical, Pension Costs and Overtime. A decrease in Allocations offset Operating Expenses. Total Operating Uses decreased by \$32.4M or 3% from FY20, due to a decrease of \$83.5M in allocations from eliminating or suspending a majority of allocations as detailed in Section 7.2.5.

Operating Uses	Budget		Change	
(\$ millions)	FY20 Adopted	FY21 Working	\$	%
Labor	\$ 591.6	624.3	32.7	6%
ADA Paratransit	16.9	16.1	(0.8)	-5%
Purchased Transportation	14.6	11.4	(3.3)	-22%
Power	45.6	48.1	2.5	5%
Other Non-Labor	131.0	150.9	19.9	15%
OPERATING EXPENSES TOTAL	799.8	850.9	51.1	6%
Debt Service	47.2	47.4	0.2	0%
Capital Rehabilitation	25.3	15.0	(10.3)	-41%
Priority Capital Projects/Programs	52.2	-	(52.2)	-100%
Stations/Access Projects	3.9	-	(3.9)	-100%
Other	4.3	1.6	(2.7)	-63%
Allocation to LCFS Reserves	7.1	-	(7.1)	-100%
Pension Liability	10.0	-	(10.0)	-100%
Reverse Capital Allocation	(2.5)	-	2.5	-100%
DEBT SERVICE AND ALLOCATIONS TOTAL	147.5	64.0	(83.5)	-57%
OPERATING USES TOTAL	947.3	914.9	(32.4)	-3%

7.1. LABOR: WAGES AND BENEFITS

The table below shows changes in full-time equivalent (FTE) positions from the FY20 adopted budget to the FY21 Working Budget.

FY20 to FY21 FTE Summary			
	Operating	Capital/Reimb	Total FTEs
FY20 Adopted Budget	3,444.6	1,574.8	5,019.4
FY20 Adjustments	3.0	(1.0)	2.0
FY20 SVBX to Op	177.0	(177.0)	-
FY21 Reductions	(37.1)	25.1	(12.0)
FY21 COVID-19 Hiring Freeze	(251.5)	(420.2)	(671.6)
Total Adjustments	(108.6)	(573.1)	(681.6)
FY21 Working Budget	3,336.1	1,001.7	4,337.8

A total of 681.63 full-time equivalent (FTE) positions are proposed to be removed in the FY21 budget. This is net of the following changes:

- Removal of 251.5 operating and 573.1 capital positions from the budget in response to the COVID-19 pandemic;
- Converting 177.0 SVBX positions from capital to operating, in anticipation of revenue service commencing;
- Permanently removing 12.0 net operating positions through the 10% Challenge; and
- Adding 2.0 net operating positions added during FY20.
- The planned addition of 19 Police Officers and 10 Ambassadors was deferred due to the severe budget shortfall.

Labor (Wages and Benefits)	Budget		Change	
(\$ millions)	FY20 Adopted	FY21 Working	Var	%
Wages	\$ 518.0	476.8	(41.2)	-8%
Wages: COVID-19 Labor Set-aside	-	23.5	23.5	-
Overtime	31.8	34.9	3.1	10%
CalPERS Pension	110.9	106.6	(4.3)	-4%
Other Pension Benefits	15.1	13.6	(1.5)	-10%
Active Employee Medical Insurance	84.5	73.6	(10.9)	-13%
Retiree Medical	41.8	46.0	4.1	10%
Workers' Compensation	18.3	17.0	(1.4)	-7%
Capital Labor Credits	(256.5)	(194.4)	62.1	-24%
Other Labor*	27.7	26.8	(0.9)	-3%
NET LABOR	591.6	624.9	32.7	6%
*Other labor is comprised of Vision, Dental, Medicare, Life Insurance, Disability, Unemployment, Meal and Uniform Allowances, Temp Help, and Employee Wellness Benefits				

The FY21 labor budget is projected to total \$624.9M. Overall, wages have decreased even with the addition of SVBX service, scheduled wage increases, and the pension swap, primarily from position reductions. Other major labor cost drivers include:

- Inclusion of \$23.5M in COVID-19 set-aside funds for additional labor expenses;
- Decrease of capital labor credits by \$62.1M, caused by converting SVBX positions from capital to operating and removing other capital positions from budget;
- Decreases in many benefits, including active employee medical insurance (13%), workers' compensation (7%) and CalPERS pension (4%), a byproduct of inactivating positions from budget;
- Increase of the retiree medical liability contribution by \$4.1M due to the impact of actuarial assumptions; and
- Increase of overtime by \$3.1M to better align the budget with expenses and increased operational needs.

7.1.1 CalPERS Pension

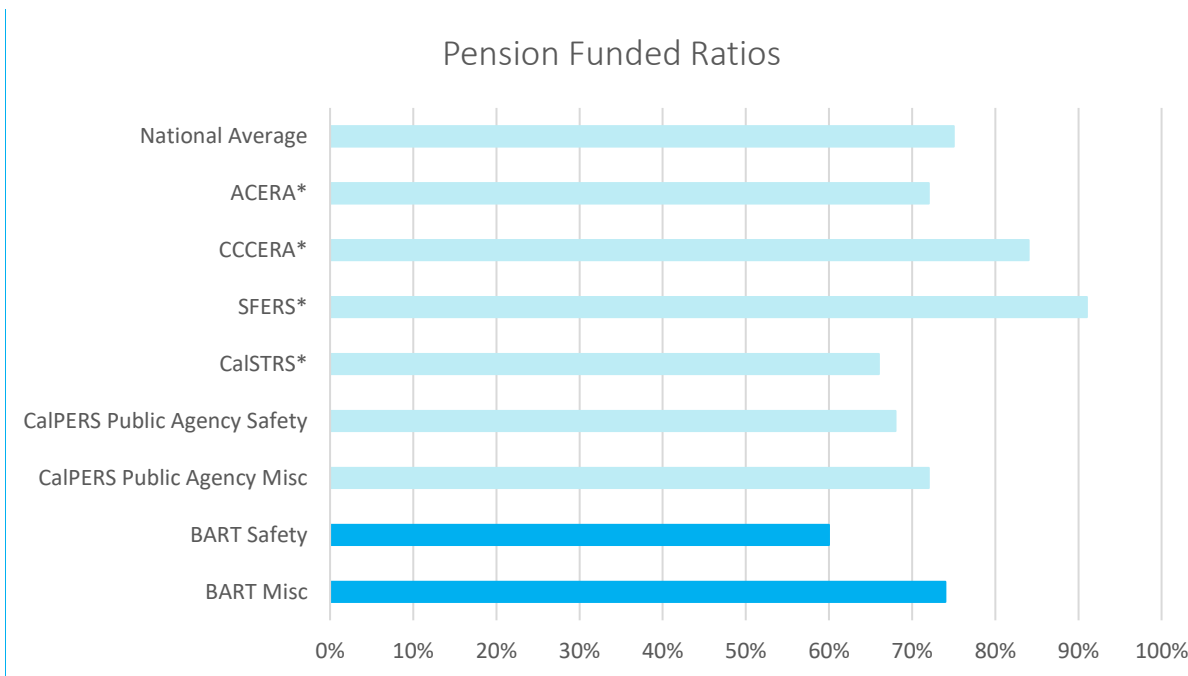
The California Public Employee Retirement System (CalPERS) administers and determines funding rates for BART pension plans for Miscellaneous (which covers most employees) and Safety (which covers sworn police officers) employees.

As of the latest actuarial valuation reports for FY21 (based on data as of June 30, 2019), BART's funded ratio decreased from 76% to 74% for the Miscellaneous plan and from 61% to 60% for the Safety plan. The funded ratio measures plan assets relative to plan liabilities. Both ratios have decreased slightly from last year's valuation reports as the additional accrued liabilities increases outpaced growth in assets.

Both plans have hovered around current funding levels since the recession in 2009 – 2010. In 2009, CalPERS incurred a 24% investment return loss, and BART's plans, like other CalPERS agencies, have not yet recovered. Prior to the recession funding ratios were much higher; in FY10 the Miscellaneous Plan was 112% funded and the Safety Plan was 92% funded, although factors other than investment return, such as CalPERS's stabilization policy, have impacted plan ratios.

The following chart compares BART's current funded ratio to other state and local agencies. While BART's funded ratio for the Safety plan is below average, the Miscellaneous plan, which covers more than 90% of BART's employees, is on par with most of the other agencies.

The impact of the COVID-19 pandemic will be apparent upon issue of the next actuarial report in mid-2020.



ACERA - Alameda County Employees' Retirement Association, CCERA - Contra Costa County Employee's Retirement Association, SFERS - City and County of San Francisco Employees' Retirement System, CalSTRS - California State Teachers' Retirement System

FY21 Employer Contribution

CalPERS has implemented several actions to improve stability of the pension fund and guard against market downturns. In December 2016, the CalPERS board voted to lower the discount rate (assumed rate of return on investments) from 7.5% to 7% over a three-year period beginning with the June 30, 2016 actuarial valuation. In FY21, the assumed discount rate will be 7%. This lower discount rate, in addition to the amortization of prior year losses and assumption changes, significantly impacts BART's pension contribution. For FY21, BART is required to contribute 9.381% and 28.301% of payroll for the normal cost for the Miscellaneous and Safety plans, respectively; up from 8.803% and 26.689%, respectively, in FY20. BART is also required to contribute \$59.2M as a flat fixed payment towards the UAL for both plans, up from \$52.2M in FY20. The total employer contribution is projected to increase by \$4.2M from FY20.

FY21 Employee Contribution

Employees subject to the California Public Employees' Pension Reform Act (PEPRA) pay 100% of the required employee contribution, which is 7.0% for Miscellaneous employees and 14.75% for Safety employees, up from 13.75% for safety in FY20. As part of a new Pension Contribution agreement that went into effect in FY20, Classic (Non-PEPRA) Miscellaneous employees started paying 6% of the required 7% of employee contributions on July 1, 2019 and all Miscellaneous employees received a 1.4428% base pay increase retroactive to July 1, 2019.[1] On January 1, 2020, Classic Miscellaneous employees started paying the full contribution amount of 7% and all Miscellaneous employees received a 0.7214% base pay increase. Beginning in FY21 the Miscellaneous employee contribution for both PEPRA and Classics will be 8% of pensionable income (7% required employee contribution and 1% employer contribution cost share) and all Miscellaneous employees shall receive an additional 0.7214% base pay increase. BART will continue to pay for Classic Safety employee member contributions and Classic Safety employees will start paying 9% of BART's employer contribution starting in FY21, up 1% from FY20.

CalPERS Employer and Employee Rates					
(\$ millions)		FY20		FY21	
		MISC	SAFETY	MISC	SAFETY
Classic	Employer Rate	8.80%	26.69%	9.38%	28.30%
	Employee Rate	7.00%	9.00%	7.00%	9.78%
PEPRA	Employer Rate	8.80%	26.69%	9.38%	28.30%
	Employee Rate	7.00%	13.75%	7.00%	14.75%
UAL (Fixed Amount)		\$ 42.70	\$ 9.50	\$ 48.57	\$ 10.61

District Contributions*									
(\$ millions)		FY20			FY21			Change	
		MISC	SAFETY	TOTAL	MISC	SAFETY	TOTAL	\$	%
Employer Rate	Classic	\$ 21.3	4.1	25.4	19.0	4.0	23.0	(2.4)	-9%
Employer Rate	PEPRA	21.6	2.3	23.9	19.1	2.9	22.0	(1.9)	-8%
UAL (Fixed Amount)		42.7	9.5	52.2	48.6	10.6	59.2	7.0	13%
Subtotal - Employer Rate		85.6	15.9	101.5	86.6	17.6	104.2	2.7	3%
Employee Rate	Classic	7.6	1.8	9.4	0.4	2.0	2.4	(7.0)	-74%
Subtotal by Plan		93.2	17.7	110.9	87.0	19.6	106.6	\$ (4.3)	-4%
*The table is only showing dollar amounts that BART is paying towards pension. It does not include employee contributions referenced in the above paragraph.									

7.1.2 Other Pension 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, but contributions are capped at an annual amount of \$1,868.65 per employee. The total BART MPPP is projected to be \$8.2M in FY21.

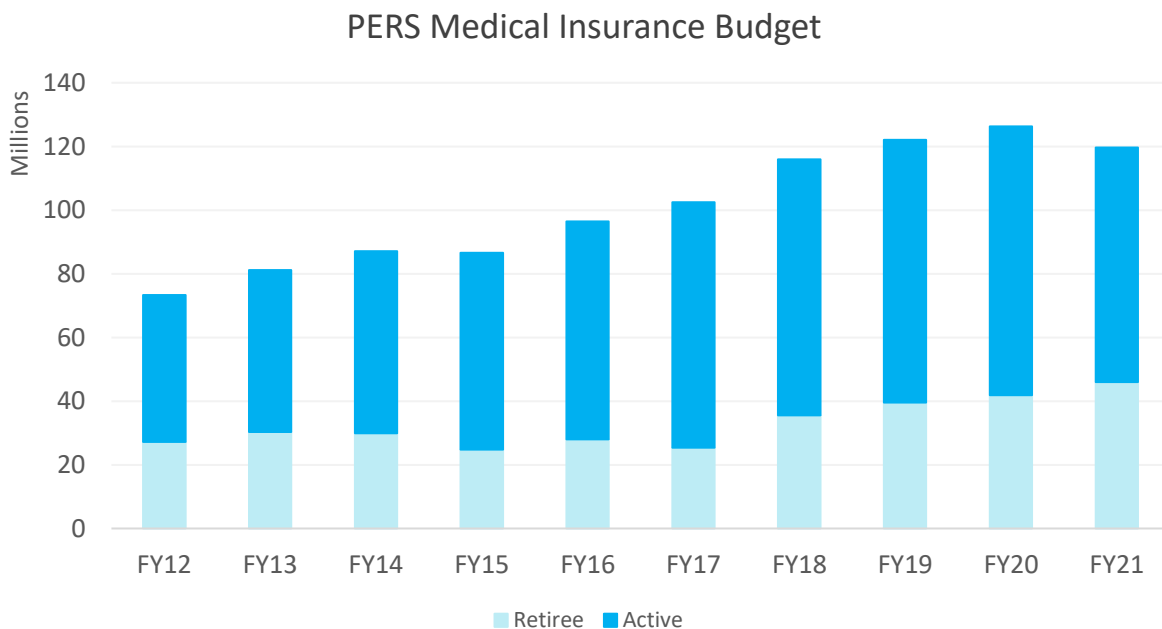
An additional 1.627% of wages is contributed to the pension plan for all employees except sworn police. Per the labor agreements, the following is deducted from this portion of the contribution:

- For all employees, 0.0888% is retained by BART
- For employees represented by AFSCME, ATU and SEIU⁴, \$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 in FY21 is \$5.4M.

7.1.3 Active Employee Medical Insurance

The FY21 cost of healthcare insurance for active employees is projected to be \$73.6M, a 13% decrease from FY20. This amount includes an accounting credit for an “implied subsidy” from the Retiree Medical cost actuarial report (see Retiree Medical section below). The decrease is one result of reducing headcount in light of the COVID-19 pandemic budget shortfall.



To offset a portion of BART's medical insurance costs, the current labor contract provisions remain in place to gradually increase the employee contributions:

- All employees were subject to a 3% annual contribution increase on January 1, 2020, bringing the “base” employee contribution to \$113.44
- Non-represented employees pay an additional \$37 per month directly in their medical contribution
- AFSCME, ATU and SEIU members “redirect” \$37 per month of BART's additional 1.627% MPPP contribution to contribute towards medical insurance costs (see “Other Pension Benefits” section)
- BPOA and BPMA⁵ members pay an additional \$44⁶ per month directly in their medical contribution

⁴ AFSCME – American Federation of State, County, and Municipal Employees; ATU – Amalgamated Transit Union; SEIU – Service Employees International Union.

⁵ BPOA - BART Police Officers' Association; BPMA - BART Police Managers' Association

⁶ With the latest change to the BPOA collective bargaining agreement, the additional \$44 per month was added to the “base” employee contribution.

7.1.4 Retiree Medical

BART's annual retiree medical cost is the amount of the Actuarial Determined Contribution (ADC) which covers insurance premiums for current retirees and builds funds into a retiree medical reserve to cover payments for the long-term liability of current employees. The FY21 ADC is \$46.0M, a 9.9% increase from FY20, a portion of which is an implied subsidy payment of \$4.7M.

Since the prior valuation, the unfunded liability decreased by \$18.7M and the funded ratio increased from 52% to 56.4%. BART's funding plan follows a 30 year "closed" amortization schedule and is on schedule to pay off the unfunded liability by June 30, 2034.

7.1.5 Workers' Compensation

BART is self-insured for workers' compensation and maintains a reserve for outstanding losses based on annual actuarial reports. Annual funding is based on actuarial loss projections and BART's reserve balance. If needed, the liability reserve account is supplemented at the end of each fiscal year. The FY21 workers' compensation budget is \$17.0M (\$1.4M lower than FY20), which is required to maintain appropriate reserves.

7.2. NON-LABOR

Non-Labor for FY21 is \$226.5, an increase of \$18.4M over the FY20 Adopted Budget. Increases in Rent, Power, Promotional Tickets and Utilities are offset by decreases in Clipper, Ticket Sales & Bank Fees, Insurance, Material & Supplies, Professional & Technical Services, Purchased Transportation, ADA Paratransit and Maintenance & Repairs. FY21 COVID-19 related expenses and election costs totaling \$23M drove the overall increase over the previous Fiscal Year. The table below summarizes Non-Labor by category.

Non-Labor	Budget		Change	
(\$ millions)	FY20 Adopted	FY21 Working	\$	%
Clipper, Ticket Sales & Bank Fees	\$ 17.8	16.2	(1.6)	-9%
Insurance	9.8	8.7	(1.1)	-11%
Materials & Supplies	35.9	34.7	(1.2)	-3%
Professional & Technical Fees	31.4	30.3	(1.1)	-3%
COVID-19 Related Expenses (P&T)	-	20.3	20.3	-
Maintenance & Repairs	9.9	8.8	(1.2)	-12%
Rent	16.3	18.4	2.1	13%
Power	45.6	48.1	2.5	5%
ADA Paratransit	16.9	16.1	(0.8)	-5%
Purchased Transportation	14.6	11.4	(3.3)	-22%
Utilities	5.7	6.4	0.7	12%
Other Miscellaneous	4.1	7.1	3.0	73%
TOTAL	208.1	226.5	\$ 18.4	9%

Major Non-Labor account groups are:

- **Clipper, Ticket Sales & Bank Fees** includes credit card and interchange fees, Clipper program fees, ticket sales commissions and bank service charges
- **Insurance** funding pays for premiums, reserve contributions and self-insured losses for public liability, damage to property and risk-related services ⁷
- **Materials & Supplies** includes inventory withdrawals and purchases for required maintenance of rail cars, such as aluminum wheel assemblies, circuit boards, seat cushions, other materials used to keep cars in use, diesel and gasoline, parts for infrastructure maintenance such as escalators, automated fare equipment, materials required to keep stations accessible, supplies, etc.
- **Professional & Technical Fees** includes costs for audit and legal services, benefit and insurance administration fees, printing, computer hardware and software service contracts, environmental fees, specialized consulting contracts, professional services contracts, etc.
- **COVID-19 Related Costs** include face masks, gloves, hand sanitizer, disinfecting wipes, costs to disinfect revenue trains, etc. and is budgeted in the Material Usage account
- **Maintenance & Repairs** funds graffiti removal, traction motor rewinds, painting, equipment overhaul, elevator pit cleaning and other maintenance and repair-related contracts
- **Rent** includes funds for administrative building leases and other lease expenses
- **Power** Electrical traction and station power cost associated with the supply, transmission and distribution of power to support BART operations
- **Purchased Transportation** BART has agreements with other agencies for various transit services to directly or indirectly support and augment BART service. These include agreements with AC Transit, SFMTA and the Oakland Airport Connector
- **ADA Paratransit** BART participates in the East Bay Paratransit Consortium (EBPC) for service in the East Bay and pays San Francisco Municipal Transportation Agency (SFMTA) for a share of paratransit services in the West Bay. BART also provides funding to other local bus operators in the BART service area
- **Utilities** includes non-traction and station power electrical energy, trash collection, natural gas, water, sewer, telephones and other utilities, etc.
- **Other Miscellaneous** includes election costs, dues and memberships, promotion expense, county filing fees, miscellaneous supplies, etc.

7.3. DEBT SERVICE

BART issues bonds, backed by BART's dedicated sales tax revenues, to fund capital costs for system improvement and renovation. The debt service budget in FY21 is \$47.4M for outstanding Series 2012A, 2012B, 2015A, 2016A, 2017A, 2017B, 2019A and 2019B revenue bonds.

⁷ Non-Labor Insurance does not include active employee health insurance, workers' compensation, Medicare, unemployment and other insurance categories included in the labor budget.

7.4. OPERATING ALLOCATIONS TO CAPITAL PROJECTS AND OTHER PROGRAMS

Each fiscal year, BART allocates operating funds to capital projects and other programs. These allocations support projects that may not be eligible for external funds, serve as BART's local match to leverage outside funding, or may represent programmatic areas BART intends to advance. The amount of allocations typically depends on the amount of available operating funds and actual program needs, with the majority of allocations eliminated or suspended in FY21 to help reduce expenses. The major categories of planned allocations are:

- **Baseline Capital Allocation \$15.0M:** These allocations typically serve as the local match for federal grants and to fund ongoing capital projects for which grants are not typically available, such as stations and facilities renovation, inventory buildup, non-revenue vehicle replacement, tools, other capitalized maintenance and funds to support technology needs.
- **Priority Capital Program Allocations \$0M:** Since January 2014, incremental fare revenue from BART's productivity-adjusted inflation-based fare increase program has been directed to a fund for high-priority capital programs: new rail cars, the Hayward Maintenance Complex, and the Train Control Modernization Program. To mitigate the impact of the sharp drop in revenue due to the COVID-19 pandemic, this budget suspends Priority Capital allocations in FY21 and directs all fare revenue toward operations. Actual allocations are based upon actual ridership and fare revenue. Including FY20 allocations, \$220M has been allocated to the reserve from fare increase revenue and \$174M has been drawn down, leaving a balance of \$46M.
- **Station/Access Projects \$0M:** Allocation to Stations and Access Programs are funded by incremental parking fee revenue generated by BART's demand-based parking program. Due to significantly lower anticipated parking revenue, no incremental revenue is expected in FY21.
- **Other:** These allocations include the BART-to-OAK Capital Asset Replacement Program (CARP) to provide a reserve for future renovation and replacement needs for the project and \$0.6M for accounting entries of \$0.6M to offset amounts booked as Other Revenue or Financial Assistance for the Pleasant Hill/Contra Costa Centre and MacArthur Stations.
- **Joseph P. Bort MetroCenter (MET) Building \$0M:** This allocation is for the purchase of the MetroCenter building. Operating to capital allocations will repay the \$20M loan from BART cash reserves used to purchase the building. The FY21 payment will be deferred.
- **Low Carbon Fuel Standard (LCFS) Program \$0M:** Based upon the Board-approved LCFS policy, proceeds from LCFS credit sales are divided equally between the Sustainability Program and BART's operating fund. The FY21 budget anticipates 100% of FY21 LCFS sales remain in the operating budget to support expenses, including power purchases.
- **Allocation to Operating Reserves for Fiscal Stability - Pension \$0M:** The FY21 budget anticipates suspending the allocations and redirecting the \$10M to reduce expense fund operations.
- **Reverse Operating Reserve \$0M:** In FY19 a favorable year-end result of \$1.5M was allocated to an operating reserve account for Quality of Life, \$0.8M for the expansion of the paid area of the Coliseum station and \$0.7M for the Ambassador Pilot Program.

8. CAPITAL SOURCES AND USES

8.1. CAPITAL BUDGET

The FY21 capital budget anticipates a maximum investment of \$1,506M in BART's capital assets. The capital budget includes all potential capital expenditures paid for using funds awarded in prior fiscal years.

The annual capital budget is an estimate of the cost of work that project managers intend to accomplish in the coming fiscal year. All cost estimates in the annual capital budget are fully funded. Although the capital budget is presented as a fixed figure, the number changes throughout the year and over the life of the projects, based on shifting priorities, resources, and funding. In general, the prioritization of capital projects is handled by three groups through different processes: Planning and Development, Maintenance and Engineering, and Design and Construction. The annual capital budget is a plan, which changes in real time as the year progresses based on Board priorities, BART needs, funding, and risks to operations.

Definition of Capital Assets

A capital asset is a facility, unit of rolling stock, land, unit of equipment (valued over \$5,000), element of infrastructure, or intellectual property (including software), with a useful life of more than one year that is capitalized in accordance with Generally Accepted Accounting Principles (GAAP). Capital assets may also include an addition, improvement, modification, replacement, rearrangement, reinstallation, renovation, or alteration to capital assets that materially increase the value of the asset (excluding ordinary repairs and maintenance).

8.2. CAPITAL SOURCES

BART's capital budget is funded with federal, state, and regional grants, along with allocations from the operating budget, Measure RR system renewal, and Earthquake Safety Program bonds. Funding projections are shown in the table "FY21 BART Capital Program - Summary of Sources."

BART and Voter Approved Funds

- **BART Safety, Reliability, and Traffic Relief Program (Measure RR):** Measure RR provides funds to support the most critical investments in safety, reliability, and crowding relief.
- **Earthquake Safety Program (ESP) Bonds:** In FY21, ESP Bond proceeds will provide funds for the Transbay Tube seismic retrofit.
- **Operating to Capital Allocations:** Most of these allocations were made in prior fiscal years to fund rail car procurement and the Hayward Maintenance Complex, with a smaller share to fund system maintenance or as a match to federal funds for State of Good Repair projects.
- **Sales Tax Bond:** 2150 Webster – Purchase and development of new BART headquarters.

Federal and Regional Sources

- **Rail Car Joint Account & MTC Funding:** BART and MTC have reserved funds in a joint account to fund replacement and enhancement of BART's rail car fleet.
- **Federal Transit Administration (FTA) Funds, Section 5307 and 5337:** Congress distributes federal transportation dollars to MTC to invest in regional priority transportation projects and programs. MTC uses these funds to help meet transportation priorities identified in the [Regional Transportation Plan](#). Current and prior year federal funds, including Section 5307 and Section 5337 formulas, will support BART's investments in traction power; train control; rail, way and structures; and Automatic Fare Collection equipment.
- **Regional Bridge Tolls:** Regional Measures 1 and 2 allot a portion of the \$1 collected for each measure to station modernization as well as infrastructure throughout BART's system. Net Bridge toll funds are

calculated from toll revenue on the San Francisco-Oakland Bay Bridge, San Mateo, and Dumbarton Bridges to be used for transit capital purposes per Streets and Highway Codes. Allocations are made from monies held by MTC. A portion of AB 664 and AB 1171 Net Bridge Tolls allotted to BART are allocated to the costs of replacing and enhancing the rail car fleet.

Statewide Sources

- **Infrastructure Bond (Proposition 1B):** Caltrans has allocated funds for BART's Station Modernization Program.
- **State Transit Agency (STA):** STA has allocated Transit and Intercity Rail Capital Program funds for BART's Train Control Modernization.

County and Local Sources

- **Alameda Measures B/BB and Additional County-Controlled Funds:** The Alameda County Transportation Commission administers Measure B and Measure BB, which explicitly includes \$310M for BART projects and also includes funding for additional capital programs where BART projects may be competitive.
- **Contra Costa Measure J and Additional County-Controlled Funds:** The Contra Costa Transportation Authority has awarded BART funds to support the Station Modernization Program, multiple bike/pedestrian access improvement projects, and the new Antioch parking lot.
- **San Francisco Proposition K Sales Tax Funds:** The San Francisco County Transportation Authority (SFCTA) has awarded BART funds to support the Station Modernization Program and multiple renovation projects.
- **San Francisco Proposition A:** The SFCTA has awarded BART funds to support the Escalator Renovation Project and the installation of canopies at downtown San Francisco stations.
- **Santa Clara Valley Transportation Authority (VTA) Reimbursement:** VTA will reimburse BART for costs related to the Silicon Valley Extension and will provide funds for its share of new cars and the HMC.

8.2.1 Anticipated Capital Sources

BART's Grant Development Division continually seeks new funding opportunities for the District's capital program. New funding from the following sources is anticipated in the near term, but is not yet secured and as such, is not reflected in the FY21 capital budget:

- **Federal Transit Administration Capital Investment Grant Program:** FTA is reviewing BART's application to receive \$1.169 billion for the Transbay Corridor Core Capacity Program, specifically to fund the acquisition of 252 new rail cars; improvements to the storage yard at the Hayward Maintenance Complex (HMC); the design and implementation of a new Communications-Based Train Control System (CBTC) from the San Francisco Airport/Millbrae terminal to the Berkeley, Rockridge, and Bay Fair Stations; and new traction power substations.
- **California Road Repair and Accountability Act, Senate Bill 1 (SB 1):** SB 1 augments existing transportation funding programs and creates additional programs that aim to address specific needs across the state. The revenues fund state and local programs. In 2017, CalSTA awarded BART \$318.6M from the Transit and Intercity Rail Capital Program (TIRCP) for the Core Capacity Program, which BART expects to begin spending in FY21. In April 2020, CalSTA awarded an additional \$107.1M from the TIRCP Program to procure capacity rail cars. On behalf of BART, Caltrans and MTC are co-sponsoring a Solutions for Congested Corridors Program grant application to fund TCMP. In addition, BART is

planning to submit an application for the Local Partnership Program to fund work under the Core Capacity Program.

- **Regional Measure 3:** Approved in 2018, this bridge toll increase on state-owned bridges is expected to generate \$4.45 billion statewide for transportation capital investments over a 25-year period and \$60M statewide annually to support transit operations. A lawsuit challenging the measure is currently pending. In the meantime, toll revenues are being collected, but will not be allocated until the litigation is resolved. BART is slated to receive \$500M RM2 funds for Core Capacity Program rail cars, pending judicial adjudication.
- **Alameda Measures B/BB and Additional County-Controlled Funds:** BART is exploring opportunities to secure funding for projects, such as Core Capacity Program rail cars, the Transit Operations Facility, Lake Merritt Plaza Improvements, Next Generation Fare Gates and station access.
- **San Francisco Development Impact Fees:** BART has the opportunity to compete for this funding to support Transbay and station capacity enhancing projects. The primary focus will be on elevator and escalator renovation and new faregates in the downtown area.

8.3. CAPITAL USES

The FY21 capital budget directs \$1,506M across five program areas: System Reinvestment (74%), Service and Capacity Enhancement (14%), Safety and Security (4%), Earthquake Safety (4.5%), and System Expansion (3%) and \$7.8M of reimbursable expenses. The following table “FY21 BART Capital Program - Summary of Uses” summarizes planned work by program area. The capital budget includes all planned capital expenditures utilizing capital funds committed in prior years. Highlights of the FY21 capital budget include:

- **Rail Car Fleet replacement:** The FY21 budget includes funding for payment to Bombardier Transportation for new rail cars and progress milestones. 108 new cars are in revenue service as of March 2020, and the full order of 775 cars is scheduled for delivery by the end of FY23.
- **Train Control Modernization:** The Train Control Modernization Program will replace BART’s original train control system with a communications-based system. BART has an Intent to Award a contract to Hitachi in FY20 and will commence work in FY21.
- **Seismic Safety Upgrades:** Seismic safety investments in the Transbay Tube to reduce the risk of flooding in the case of a catastrophic earthquake.
- **Track and Structures Reinvestment:** Rehabilitation of BART’s guideway infrastructure, including replacement of tracks and other trackway assets, and tunnel waterproofing.
- **Traction Power Reinvestment:** Continuing of replacement of BART’s original traction power infrastructure. The FY21 budget includes funds to replace high-voltage traction power cables in San Francisco, Contra Costa, and Alameda County.
- **Station Modernization and Station Access Improvements:** Program to replace escalators and add canopies at station entrances along Market Street in San Francisco, eBART parking lot and Station Modernization investments at El Cerrito Del Norte, 19th Street Oakland, and Powell Street Stations.

FY21 BART Capital Program – Summary of Sources			
Capital Funding Source	FY21 Funding Summary	Amount (millions)	% of Program
BART/Voter Approved Funds		\$782	52%
Measure RR	<ul style="list-style-type: none"> Measure RR will provide a total of \$3.5B to fund the most critical investments in safety, reliability, and crowding relief In FY21, Measure RR funding will continue to support investment focusing on traction power, track replacement, structural rehabilitation, station access, and station modernization 	\$600	40%
Earthquake Safety Program GO Bonds	<ul style="list-style-type: none"> Earthquake Safety bond sale proceeds will provide funding for the Transbay Tube seismic retrofit project 	\$39	3%
Sales Tax Bonds	<ul style="list-style-type: none"> Sales tax bond for 2150 Webster building buildout 	\$54	3%
BART Operating Allocations	<ul style="list-style-type: none"> In FY21, allocations reserved from prior years, will go toward the 775 car rail car procurement, rail car maintenance facilities, station access and sustainability projects, and local match of federal funding for State of Good Repair projects 	\$89	6%
Federal and Regional Funds Distributed by MTC		\$559	37%
Rail Car Joint Account & MTC Funding	<ul style="list-style-type: none"> BART and MTC have reserved funds in a joint account to pay for the costs of replacing BART's fleet. These funds are budgeted for use in FY21 	\$363	24%
Federal Funds	<ul style="list-style-type: none"> MTC typically allocates approximately \$53M per year of FTA formula funds toward BART's State of Good Repair needs; FY21 as well as prior-year 5337 and 5307 allocations will be invested in traction power; train control; rail, way and structures; and AFC equipment 	\$191	13%
Regional Bridge Tolls	<ul style="list-style-type: none"> A portion of funding is reserved to help fund 775 rail car procurement costs in FY21 	\$5	.3%
State Funding		\$82	5.5%
State Proposition 1A and 1B Bonds	<ul style="list-style-type: none"> California State infrastructure bonds (Propositions 1A and 1B) approved by voters in 2008 have now been fully committed. Funds reserved from these commitments have been budgeted toward Station Modernization and HMC. 	\$30	2%
Other State Funding	<ul style="list-style-type: none"> California Low Carbon Transit Operations Program (LCTOP) for rail car procurement 	\$52	3.5%
Local Funding		\$75	5%
VTA	<ul style="list-style-type: none"> VTA will provide funds toward rail car procurement, and will reimburse BART proportionally for capital costs 	\$56	4%
County Measures	<ul style="list-style-type: none"> Measure J supports station modernization and access projects in Contra Costa County Measures B/BB will support station modernization and access projects in Alameda County Propositions A and K will support station modernization, replacement of escalators, elevators, stairs, and installation of canopies at downtown San Francisco stations 	\$19	1%
Reimbursable		\$8	0.5%
Total		\$1,506	100%

FY21 BART Capital Program – Summary of Uses			
Program	Example Major Projects (FY21)	Expense (millions)	% of Program
System Reinvestment		\$1,009	67%
Rolling Stock	<ul style="list-style-type: none"> \$477M is budgeted expenses for related to procurement of 775 new rail cars. 86% of the cost of that project (\$412M) is categorized as System Reinvestment. 	\$412	27%
Mainline	<ul style="list-style-type: none"> Continuation of a multi-year program of traction power infrastructure replacement, including replacement of traction power cables on BART's M-line, C-Line, R-Line, and A-Line Guideway infrastructure investment, including rail replacement, trackway structural rehabilitation, tunnel waterproofing, and tunnel lighting replacement 	\$260	17%
Facilities	<ul style="list-style-type: none"> 2150 Webster new headquarters development Continuing investment HMC Phase 1 Installation of new wheel truing machine at Concord Yard 	\$107	7%
Stations	<ul style="list-style-type: none"> Replacement of canopies and escalators at downtown San Francisco stations Station Modernization investments at El Cerrito del Norte, 19th Street, Downtown Berkeley, Concord, and Powell Street Stations 	\$71	5%
Controls and Communications	<ul style="list-style-type: none"> Planning and Engineering for the TCMP Program Renewing components of the existing train control system, including transformers, switch machines, and speed encoding equipment at stations 	\$159	11%
Work Equipment	<ul style="list-style-type: none"> Maintenance and replacement of non-revenue vehicles and shop equipment Engineering for new car lifts at Richmond and Daly City maintenance shops 	\$0.2	0%
Service & Capacity Enhancement		\$311	21%
Stations	<ul style="list-style-type: none"> Station access improvements Civic Center Platform Stairs eBART Parking Lot 	\$55	4%
Mainline	<ul style="list-style-type: none"> 14% of costs associated with procuring 775 rail cars (\$65M in FY21) is categorized as Service & Capacity Enhancement Extension of tail tracks at Millbrae Continued Core Capacity project development 	\$256	17%
Earthquake Safety	<ul style="list-style-type: none"> Transbay Tube seismic retrofit 	\$67	4%
System Expansion	<ul style="list-style-type: none"> Irvington Station Design New Transbay Rail Crossing 	\$46	3%
Safety & Security	<ul style="list-style-type: none"> Tunnel lighting replacement Replacement of uninterrupted power supply systems for train control rooms Replacement of fences systemwide/fire alarms 	\$65	4%
Reimbursable	<ul style="list-style-type: none"> Reimbursable expenses related to Capital Corridor/Other 	\$8	0.5%
Total		\$1,506	100%

9. ATTACHMENTS

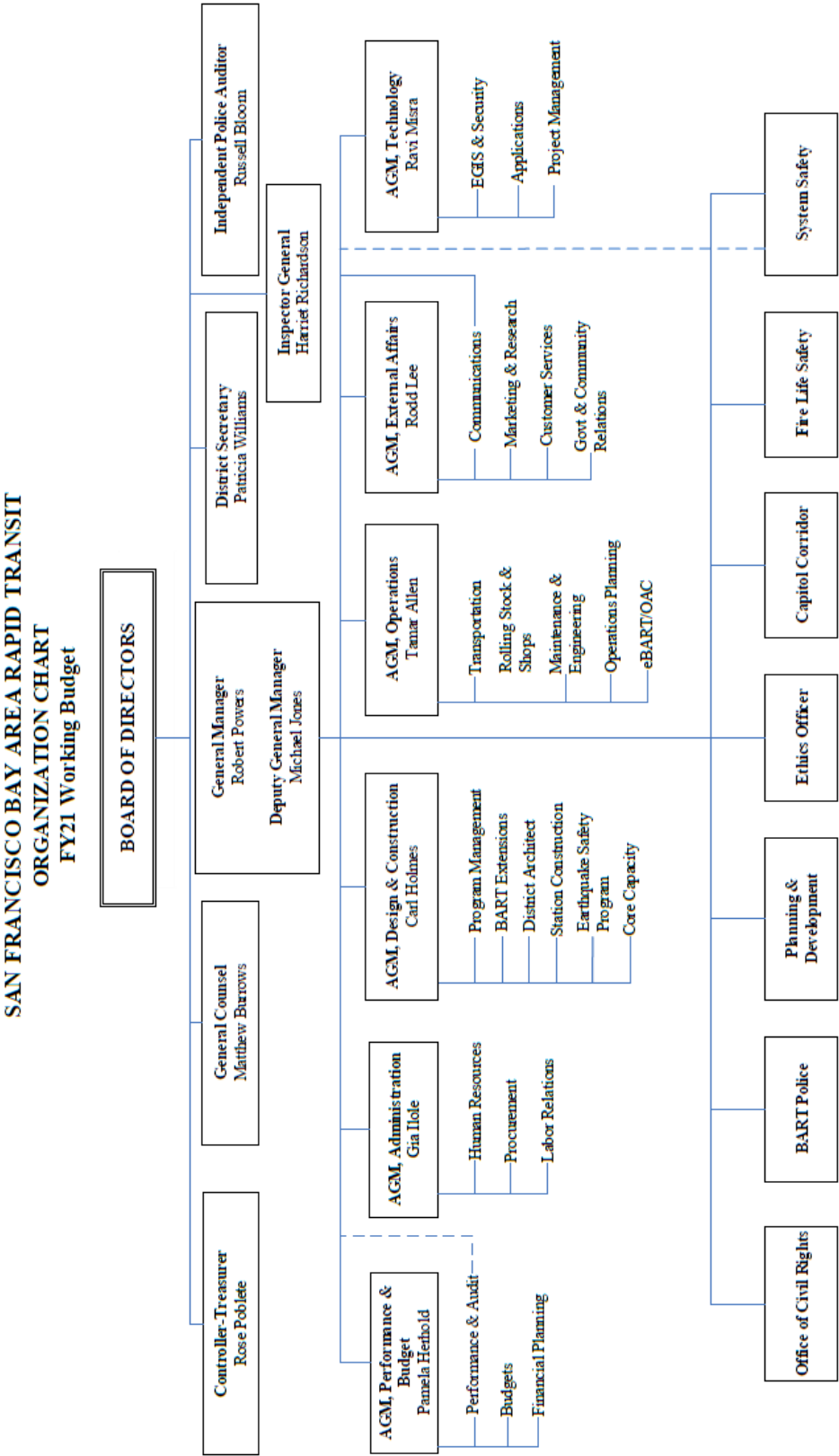
9.1. SUMMARY OF ATTACHMENTS

Attachment A – Organization Chart

Attachment B – Department Descriptions

Attachment C – Position Summary Schedule

9.1.1 Attachment A: Organization Chart



9.1.2 Attachment B: Department Descriptions

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 also includes the Deputy General Manager, Office of Civil Rights, System Safety, and Fire Life 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 include:

- Ensure BART functions in a cost-effective manner to deliver high-quality customer service, system renovation and expansion, technological innovations, sustainability goals, and regional transportation leadership as guided by the Strategic Plan and Asset Management Program
- Provide a more reliable system to 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
- Work toward increasing 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 according to local and federal laws. The office is comprised of the following divisions: Contract and Labor Compliance Programs, Economic Opportunity Policies and Programs, and Workforce and Policy Compliance.

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 tracking safety suggestions to resolution. System Safety monitors Operations, Engineering, employees/patrons, BART to Antioch/BART-to-OAK, and Environmental Compliance.

Fire Life Safety (FLS)

The primary responsibility of the department is to support the BART Safety Management System (SMS) program by minimizing the risks associated with fire and smoke events for the BART system. This responsibility includes performing inspections of facilities and infrastructure, conducting FLS assessment activities, investigating fire/smoke incidents, and enforcing BART Facilities Standards, federal and state laws, and city ordinances pertaining to fire protection and life safety. The Fire Life Safety department will work in conjunction with Safety Certification processes to join BART projects at concept level in order to address issues related to Fire Life Safety requirements in the development of new BART stations/facilities.

Office of Technology

The Assistant General Manager of Technology 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 Counsel⁸

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
- Litigation: Defend BART's interests in matters handled inhouse 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 of 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 Controller-Treasurer⁹

The Office of the Controller-Treasurer (OCT) is responsible for BART's finances, and collects, dispenses, accounts for, and creates financial reports for all monies that flow in or out of BART's coffers. Responsibilities of the OCT include:

- Formulates, develops and implements policies and procedures that maintain and improve the District's financial position;
- Develops new sources of funding and financial forecasts to identify and plan for future cash flow needs and to ensure that the District has adequate funding to meet ongoing and project commitments;
- Manages and update the District's financial stability policy and develop a means for the establishment of adequate operating and working capital reserves to support the District's operations;
- Invest District funds;
- Issues and monitors District bonds;
- Pays District's obligations, administer timekeeping, prepare and distribute payroll, monitor, control and account for cash collected, coordinate and monitor variances;
- Administer General Ledger closing and handle the audits of the District's books and records;
- Process billing and collections of grants and handle related financial reporting and audits;
- Ensures that the District complies with regulatory financial filing requirements;
- Administer the Debit/Credit Card Ticket Program, EZ Rider Parking Program, Group Sales Program, Customer Refund Claims, and off-site ticket sales;
- Formulates and implements risk management strategies. Manages, design and procure various line of insurance and self-insurance programs;
- Reviews and processes liability, property and workers compensation claims, and provide management and oversight of all third-party litigation.

⁸ Board appointed position

⁹ Board appointed position

Office of the District Secretary¹⁰

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 Administration

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 drug and alcohol 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.

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's non-sworn personnel are comprised of the following classifications: Community Service Officers (includes BART Ambassadors), Fare Inspector Officers, Police Dispatchers, Civilian Supervisors, Revenue Protection Guards, Police Administrative Specialists, Police Administrative Analyst, Manager of Security Programs, CALEA Accreditation Manager, Executive Assistant, Crime Analyst, Community Outreach 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,

¹⁰ Board appointed position

critical incidents and tactical callouts. The Department has a variety of specialized assignments that include: SWAT Team, Critical Asset Patrol Team, Criminal Investigator, FBI Joint Terrorism Task Force Officer, Narcotics Task Force Officer, Background Investigator, Training Officer, Evidence Technician, Motorcycle Officer, Bicycle Officer, and Electric Personal Vehicle Operator.

Operations

Operations ensures BART fulfills its mission to provide safe, clean, reliable and customer-friendly regional public transit service by providing engineering, maintenance frontline employees for BART's 48 stations, 120 miles of track, control systems and infrastructure, passenger trains and work equipment. Operations also manages and delivers major capital infrastructure and vehicle programs. Operations includes the following departments: Transportation, Rolling Stock & Shops, Maintenance & Engineering, eBART Antioch Extension, Oakland Airport Connector and Operations Planning.

Office of Design & Construction

Design & Construction (D&C) designs and delivers capital projects that support our riders' needs and create opportunities for local economic development. D&C includes the following departments: District Architect, Earthquake Safety Program, Extensions, Station Construction, Program Management, and Core Capacity.

Office of Planning & Development

Planning & Development (P&D) focuses on customer access needs, long-range planning and transit-oriented development. P&D includes the following departments: Customer Access, Property Development & Real Estate, Station Area Planning, Strategic Planning, Sustainability, and the New Transbay Rail Crossing.

Office of Performance & Budget

Performance & Budget develops and manages the annual operating and capital budgets; manages grant compliance and reporting; develops BART's STRP/CIP and implements financial planning strategy and analysis; leads grant advocacy and pursuit of external funds; develops and implements fare policy and fare changes; supports the Clipper program; conducts internal audits and investigations; and promotes and advances efficiency, effectiveness, and economy through continuously monitoring, managing and improving business performance across BART. Performance & Budget includes the following departments: Budget, Financial Planning, and Performance & Audit.

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 Jose and is the third most popular route in the national intercity passenger rail network. The CCJPA Board of Directors provides policy direction 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 the full-time management staff, including marketing and communications, transportation, engineering, mechanical, planning and programming, and budget and service performance.

Office of the Independent Police Auditor¹¹

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 General¹²**Error! No bookmark name given.**

The Office of the Inspector General was established as a result of Regional Measure 3 (Senate Bill 595 (Beall) (2018)) to provide independent oversight of District activities and operations; conduct independent audits and investigations relating to the District's programs and operations; and report findings to BART's Board of Directors, the California State Legislature, and the public.

¹¹ Board appointed position

¹² Board appointed position

9.1.3 Attachment C: Position Summary Schedule

Department	FY19		FY20		FY21	
	Operating	Capital	Operating	Capital	Operating	Capital
TOTAL ALL DEPARTMENTS	3,433.3	1,244.0	3,444.6	1,574.8	3,336.1	1,001.7
General Manager	46.0	22.0	37.0	22.0	33.0	13.0
Administration	5.0	2.0	5.0	2.0	5.0	-
Civil Rights	15.0	13.0	15.0	13.0	13.0	4.0
Fire Life Safety			2.0	1.0	2.0	1.0
Labor Relations	11.0	1.0				
System Safety	15.0	6.0	15.0	6.0	13.0	4.0
General Counsel	17.0	5.0	17.0	5.0	17.0	4.0
Controller-Treasurer	100.0	14.0	102.0	14.0	95.0	10.0
Administration	2.0	-	2.0	-	2.0	-
Assistant Controller	35.0	11.0	37.0	11.0	38.0	9.0
Assistant Treasurer	59.0	2.0	59.0	2.0	51.0	-
Insurance	4.0	1.0	4.0	1.0	4.0	1.0
District Secretary	6.0	1.0	7.0	1.0	7.0	-
Administration	118.6	19.0	150.6	23.0	137.6	17.0
Administration	2.0	-	2.0	-	3.0	-
Human Resources	33.6	7.0	38.6	9.0	35.6	8.0
Procurement	83.0	12.0	99.0	13.0	90.0	9.0
Labor Relations			11.0	1.0	9.0	-
External Affairs	51.3	10.5	51.3	10.5	44.5	8.3
Administration	3.0	-	3.0	-	2.8	0.3
Communications*	8.5	1.5	8.5	1.5	7.0	2.0
Customer Services	16.0	1.0	15.0	1.0	14.0	2.0
Government & Community Relations	7.0	2.0	7.0	2.0	8.0	-
Grant Development*	4.0	2.0	4.0	2.0		
Marketing and Research	12.8	4.0	13.8	4.0	12.8	4.0
Police	341.0	13.0	372.0	16.0	381.0	3.0
Operations	2,612.0	1,030.9	2,561.2	1,344.9	2,486.3	819.1
Administration	2.0	-	2.0	-	2.0	-
BART to Antioch/BART-to-OAK	74.0	-	75.0	-	68.0	-
Maintenance and Engineering	806.9	871.1	772.9	1,167.1	703.5	737.6
Operations Planning	16.0	6.0	15.0	9.0	13.0	6.0
Rolling Stock & Shops	738.0	88.0	722.0	103.0	703.0	70.0
Transportation	975.1	65.8	974.3	65.8	996.9	5.5
Design & Construction	6.5	73.5	6.3	74.8	4.3	70.8
Administration	1.5	1.5	1.3	1.8	1.1	2.0
District Architect	3.0	4.0	3.0	4.0	1.7	4.3
Extensions	2.0	68.0	2.0	69.0	1.5	64.5
Planning & Development*	37.9	12.2	39.4	17.7		

Performance & Budget	27.5	13.5	30.5	14.5	30.5	11.5
Administration	3.0	-	3.0	-	4.0	-
Budget	13.0	5.0	15.0	6.0	13.0	4.0
Financial Planning	4.5	5.5	4.5	5.5	7.5	4.5
Performance & Audit	7.0	3.0	8.0	3.0	6.0	3.0
Chief Information Officer*	66.5	5.5	67.5	6.5	62.5	2.5
Capitol Corridor	-	24.0	-	24.0	-	21.0
Independent Police Auditor	3.0	-	3.0	-	3.0	-
Inspector General			-	1.0	-	3.0
Planning & Development*					34.4	18.7
Administration					0.5	0.5
Customer Access					9.5	1.5
New Transbay Rail Crossing					1.0	3.0
Real Estate & Prop. Dev.					12.9	7.2
Station Area Planning					4.0	3.0
Strategic & Policy Planning					4.0	1.0
Sustainability					2.5	2.5
*Department impacted by reorg.						