



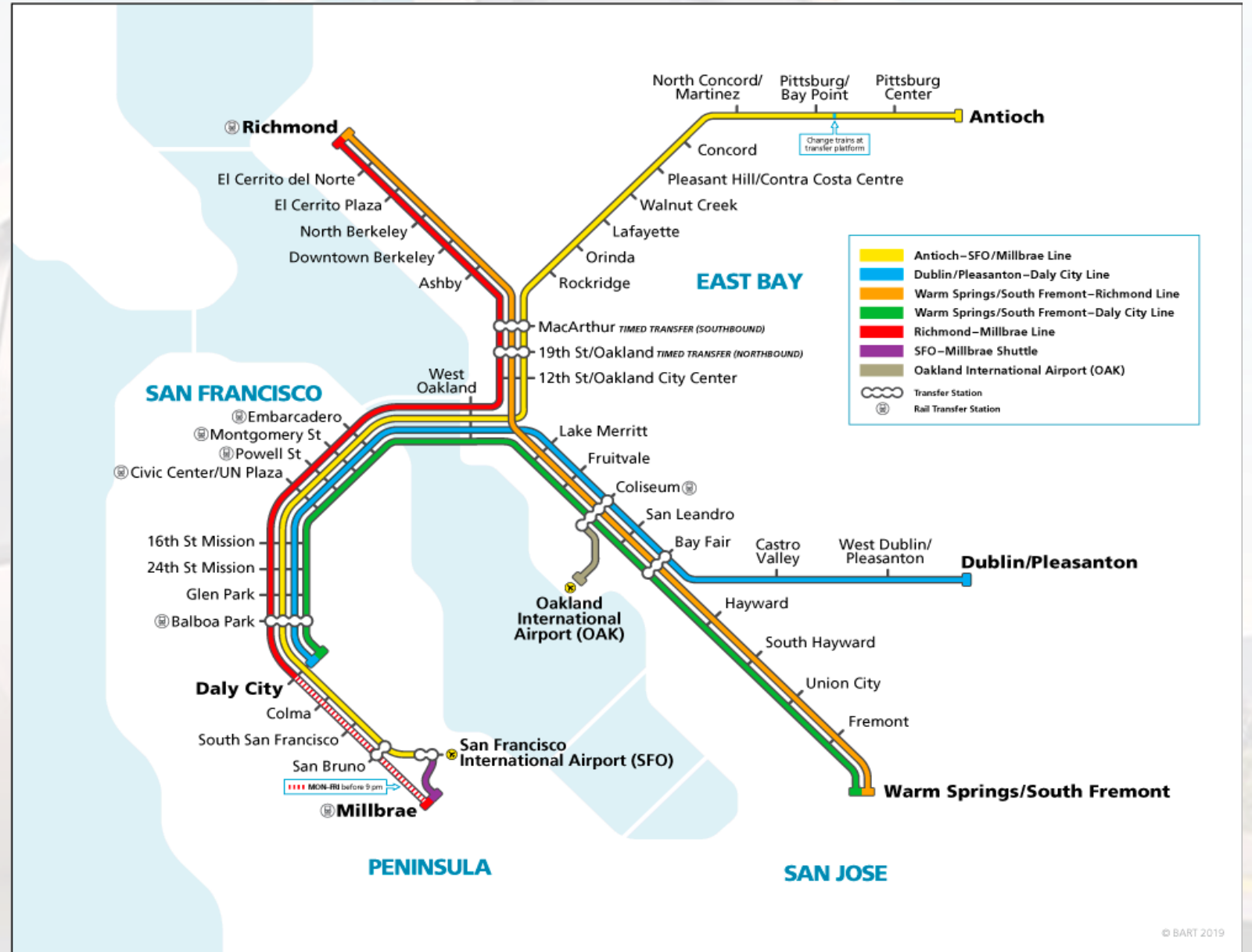
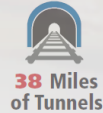
Bay Area Rapid Transit: Policy, Funding and Challenges

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OVERALL INTRODUCTION

- BART District: Alameda, Contra Costa and San Francisco County
- BART Service: Alameda, Contra Costa, San Francisco, and San Mateo County
- Service: Heavy rail service, Automated guideway transit, Demand responsive service, Early Bird Express

The BART System Includes:



MAIN CAPITAL PROJECTS

Rebuilding the system to meet the increasing ridership demands projected over the next 40 years.

The Fleet of the Future



Budget: \$4.2 Billion

Train Control Modernization



Budget: \$1.15 Billion

Hayward Maintenance Complex



Budget: \$1.05 Billion

KEY INDICATORS OF BART STRATEGIC PLAN

Customer satisfaction rate >85% (now 60%)

Energy from renewable sources >50% by 2025
Energy from low-carbon sources >90% by 2025

Customer on-time performance >92%
(now 91%)

Escalator Availability 95%-96%
(now around 92%)

Crime per million trips < 2
(now 3.5)



Share of Minority BART Riders =
Share of Minority Population in the Region

7,000 housing units and 1,000,000 commercial square footage on BART property by 2025
(TOD, goal achieved)

Turnover rate of Employees in Critical Positions <6%

Annual increase in the operating cost per passenger mile < 2.2%

TOD POLICY

- BART as Landowner
- High Density Development
- Expected Increase in Weekday Ridership

Supported by UC Berkeley TOD Survey

Discourage Parking

- Affordability

Land discount of up to 60%

Ground lease terms of 75 years

- Complete Projects

San Leandro, Fruitvale ,Castro Valley, Coliseum



Fruitvale TOD project overhead

PRE-PANDEMIC FUNDING STRUCTURE

- Two parts: operation and capital
- Operate as Enterprise Fund
- Uses the economic resources measurement focus and the accrual basis of accounting
- Budget creates annually

Revenue		
Operation Revenue	1. Operation Revenue:	1. Ridership and Passenger revenue
		2. Parking Fee Revenue
		3. Other Operating Revenue
	2. Tax and Financial Assistance:	1. Sales Tax Revenue
		2. Property Tax Revenue
		3. SFO Extension Financial Assistance
		4. State Transit Assistance
	5. Low Carbon Transit Operations Program	
	6. Low Carbon Fuel Standard Program	
	7. Other Assistance	
Capital Revenue	1. BART and Voter Approved Funds:	1. BART Safety, Reliability, and Traffic Relief Program (Measure RR)
		2. Earthquake Safety Program (ESP) Bonds
		3. Operating to Capital Allocation
	2. Federal and Regional Sources:	1. Rail Car Joint Account & MTC Funding
		2. Federal Transit Administration (FTA) Funds, Section 5307 and 5337
		3. Regional Bridge Tolls
	3. Statewide Sources:	1. High Speed Passenger Train Bond Program (Proposition IA)
		2. Infrastructure Bond (Proposition IB)
		3. Low Carbon Transit Operations Program (LCTOP)
	4. County and Local Sources:	1. Alameda Measures B/BB and Additional County-Controlled Funds
		2. Contra Costa Measure J and Additional County-Controlled Funds
		3. San Francisco Proposition K Sales Tax Funds
		4. San Francisco Proposition A
		5. Santa Clara Valley Transportation Authority (VTA) Reimbursement
	5. Anticipated Capital Sources:	1. Federal Transit Administration Discretionary Grant Program
2. California Road Repair and Accountability Act, Senate Bill 1 (SB1)		
3. Regional Measure 3		
4. Alameda Measures B/BB and Additional County-Controlled Fund		
5. San Francisco Development Impact Fees		
6. Other Additional Funding		

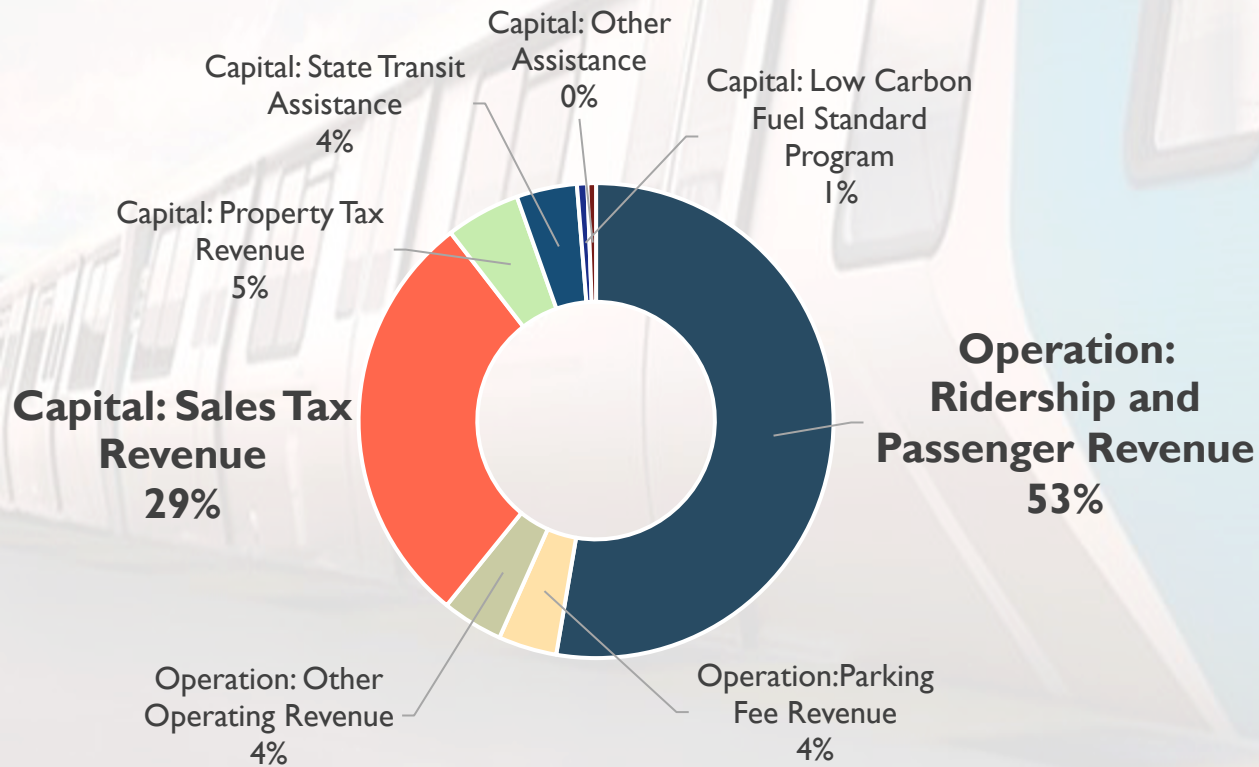
Expense		
Operating Expense	Operating Expense	1. Labor & Benefit
		2. ADA Paratransit
		3. Purchased transportation
		4. Power
		5. Other Non-Labor
	Debt Service & Allocations	1. Bond Dept Service
		2. Allocations
Capital Expense	Capital Expense	1. System Reinvestment
		2. Safety & Security
		3. Earthquake Safety
		4. Service Capacity & Enhancement
		5. System Expansion
		6. Reimbursable/other

FINANCIAL POLICY

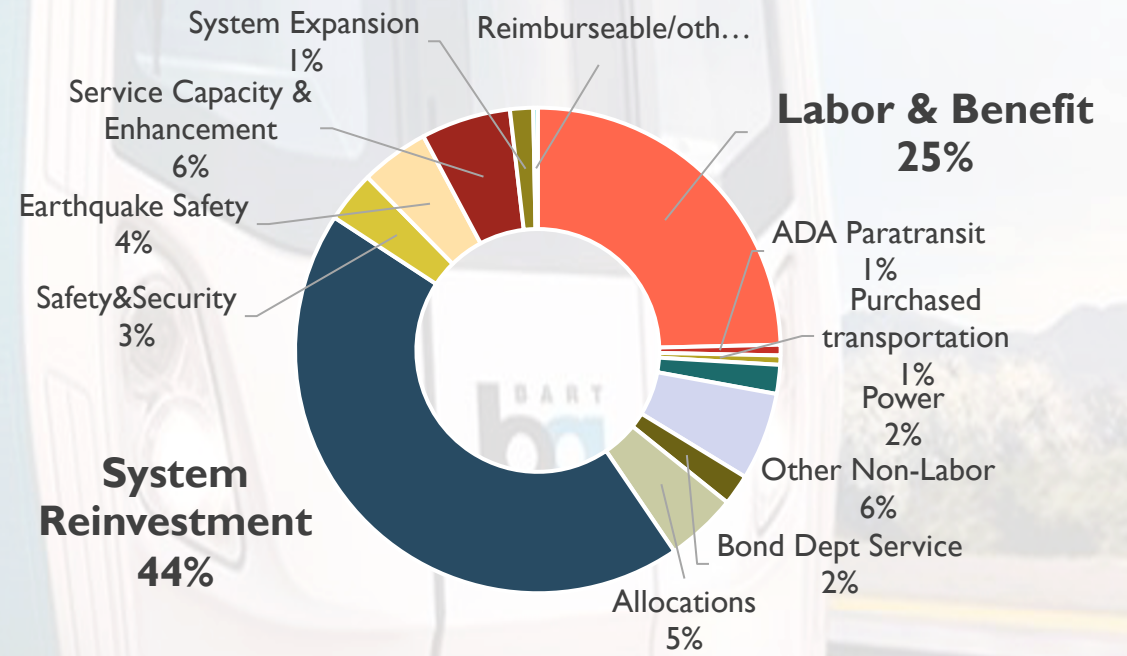
- Financial Stability Policy
- Fare Policy

In the FY 2019 adopted budget, the net funding is zero.

FY 2019 Adopted Revenue



FY 2019 Adopted Expense



PRE-PANDEMIC CHALLENGE IN BART

- **Resource Constraints**

- Declining ridership and increased operation expense

- **Quality of Life**

- Aging infrastructure
- Equipment Overwhelming
- Impacts of homelessness, mental health issue
- Safety/security

- **Budget Cuts**

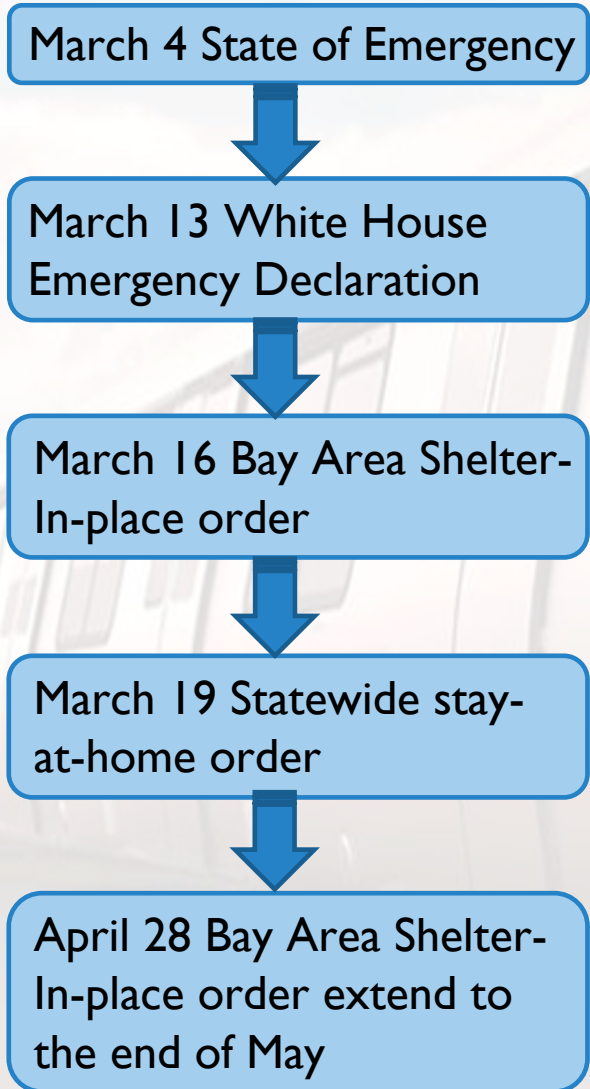
- Proposed \$17M cuts

- **Substantial multi-years deficit on the next few years**

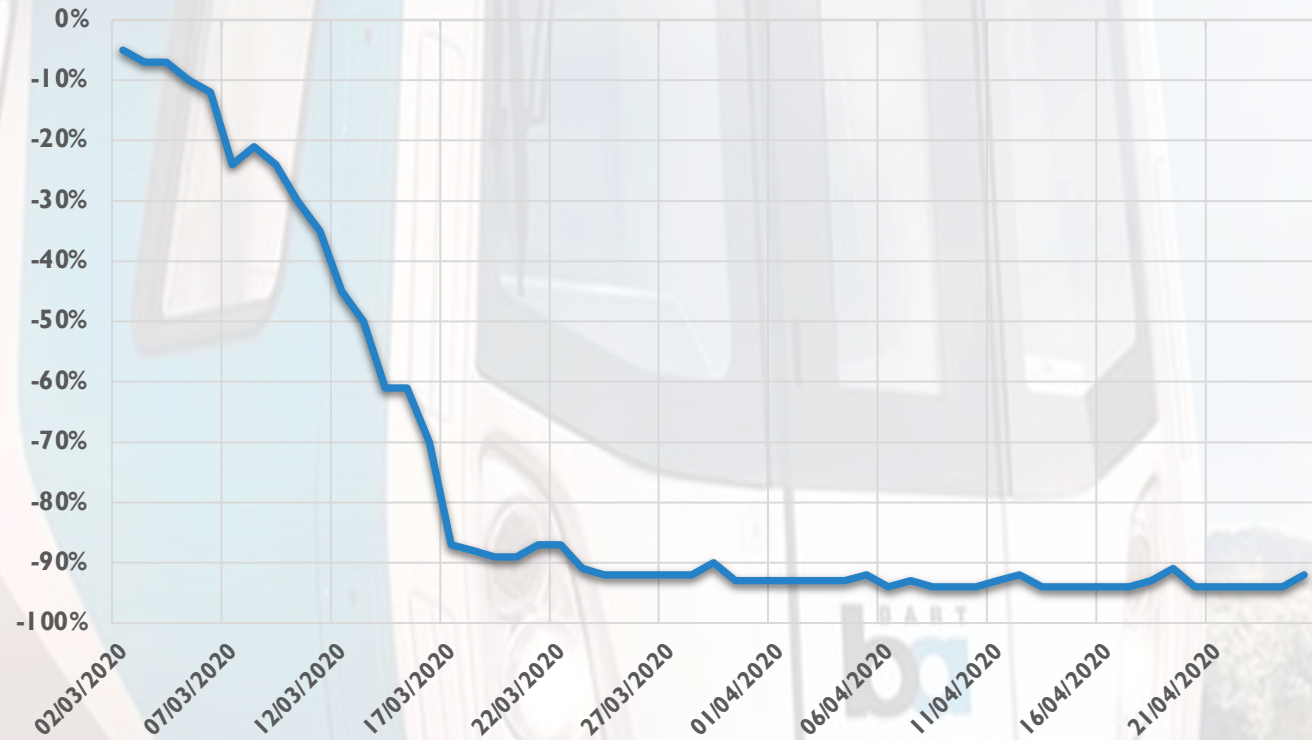
- **Improvement and investment worsen the financial challenge in the near term**



COVID-19 BACKGROUND



BART Percentage of ridership below baseline



CHALLENGE UNDER COVID-19

Challenge 1

Shortfalls in operating budget

- Fare revenue estimated \$140M below budget, down 30% for FY
- Parking revenue additional \$10M+ loss
- Uncertainty: duration of shelter-in-place orders, severity of measures, effects of new service hours

April 22 Estimates of Scenarios			
FY21	Low	Medium	High
Total Operating Sources (Including Federal and State Emergency Funding)	593	692	788
Total Operating Uses	1016	1016	1016
Net Operating Result	-423	-324	-228

Challenge 2

Safety of BART staff and passengers are at risk

Critical Operation Position Availability		
	4/13/2020	4/20/2020
Power Support Controller	80%	77%
Elevator Escalator Maintenance	79%	72%
System Service Workers	87%	84%
Traction Power Maintenance	86%	76%
Train Control Maintenance	86%	88%
Transit Vehicle Mechanic	66%	53%
Transit Vehicle Electronic Technician	74%	55%
Utility Worker/ Car Cleaner	50%	63%

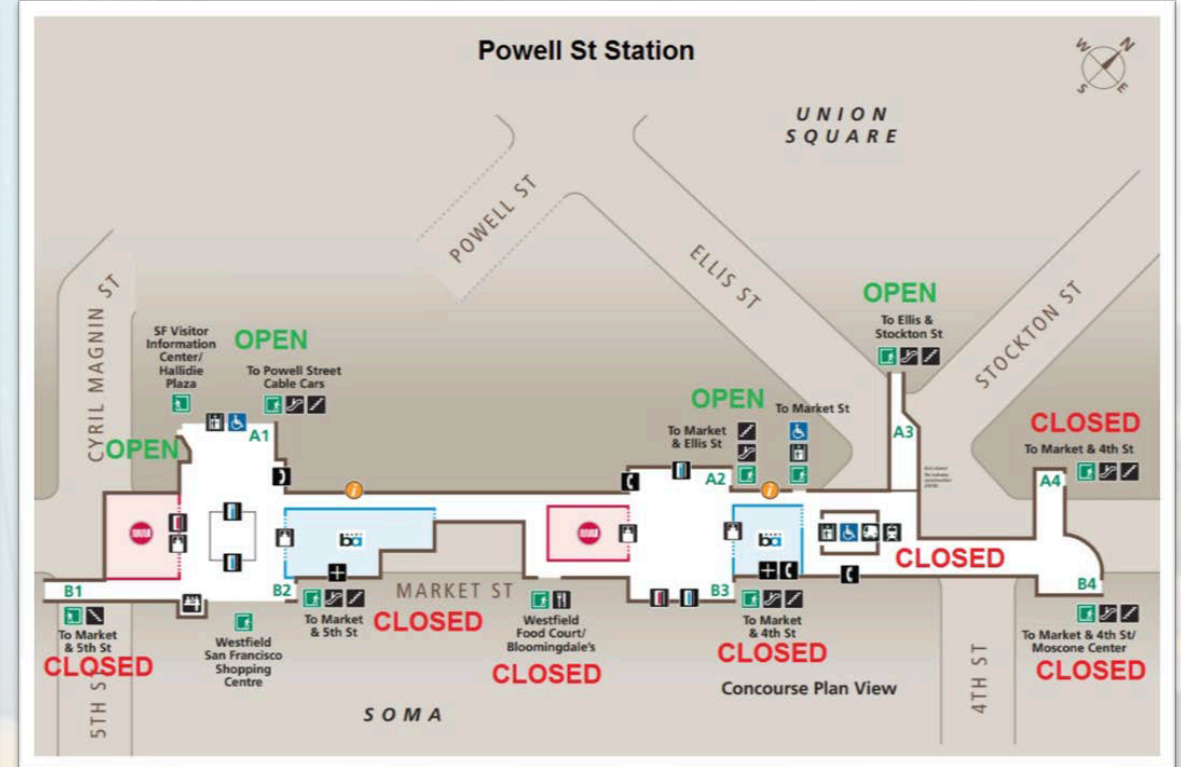
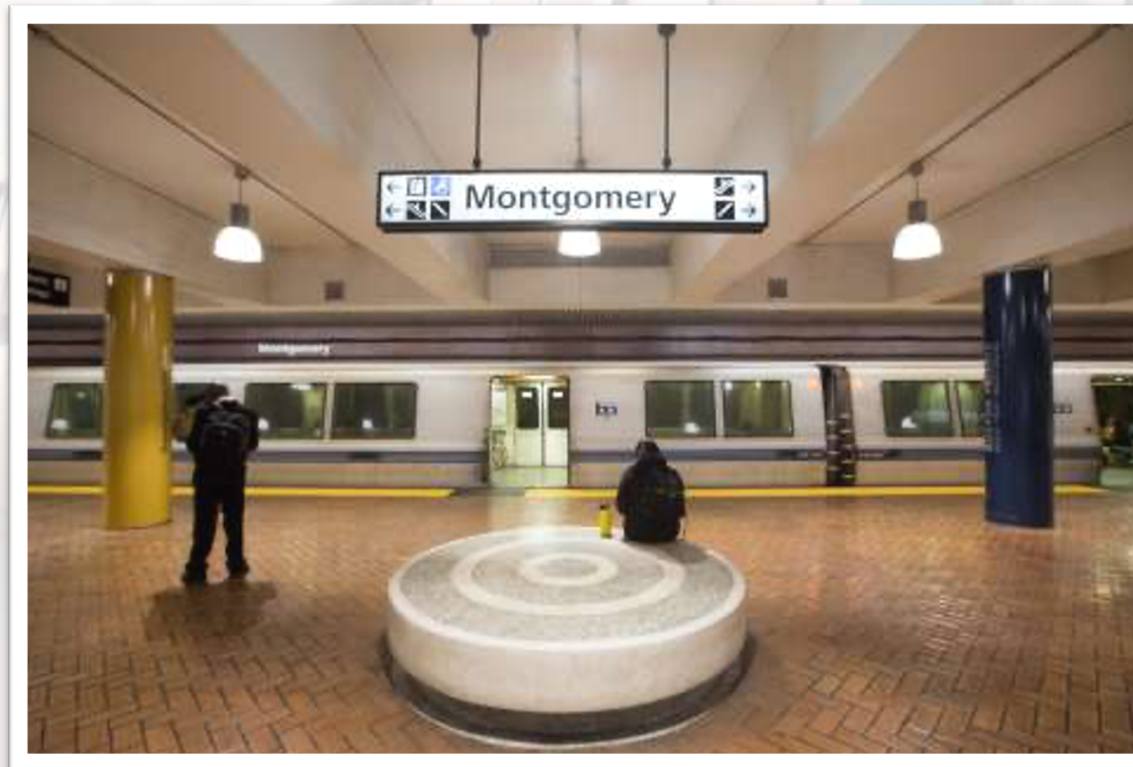
Service Cut

Service Hours: Monday-Friday 5am-9pm. Saturday-Sunday 8am-9pm (Original to 12 am)

Frequency Decline: Trains run every 30 minutes Monday-Friday.(Original 15 mins);

All 13 Early Bird Express (EBX) will be reduced or discontinued

Temporarily closure of some station entrances: SF and Oakland



Frontline Safety

Requirement of Facial Mask

Social Distancing and Cleaning

Public Communication: On site and Daily update online

**Face coverings
required.**

Please keep 6 ft apart.



Non-medical masks, bandanas,
scarves, and cloth can be used.



BART updates related to the coronavirus

Mid-night Construction

Benefit from additional access to infrastructure:

Facilitates crucial capital projects, such as 19th Street Station Modernization

Capital projects are not paid for by operating funds (fare revenue)



Financial Sustainability

Strategy Adjustment on FY 2021 Budget

Funding Support

Federal Stimulus Legislation – CARES Act

Federal Funding Support:

- Federal Stimulus Legislation — CARES Act **\$251.6 million**

State Funding Support:

- Current State funding projection is sufficient
- Senate and Assembly hearing are scheduling

Potential Reductions to FY21 Budget	Maximum Savings (\$M)	Notes
Hiring Freeze	(43.9)	Continue operating position hiring freeze (non-BPD)
Remove Lump Sum Payments	(3.7)	No lump sum payment due to lower ridership
Reduce Travel	(0.5)	Continue freeze
Other Non-Labor Reductions	(6.0)	Contracts, consulting, dues, memberships
Forgo 7/1/20 2.75% Increase for Non-Reps	(1.2)	Net operating impact, 12 months
Forgo 7/1/20 2.75% Increase for Rep'd EEs	(7.1)	Net operating impact, 12 months *
Power Savings	(4.0)	Service levels will impact savings
Additional Load Shedding	(27.0)	Service levels will impact savings
<i>Reductions to Allocations:</i>		
Allocation - Capital Rehabilitation	(8.6)	Prioritizes local match for FTA capital funds
Allocation - Priority Capital Programs	(61.8)	Depends on fare revenues/capital program status
Allocation - Sustainability from LCFS	(9.0)	Use funds for operations
Allocation - Pension	(10.0)	Reprogram to cover CalPERS contributions
Allocation - Other	(3.0)	Defer MET building repayment
TOTAL SAVINGS	(186)	