



FY20 PRELIMINARY BUDGET MEMO

March 29, 2019

San Francisco Bay Area
Rapid Transit District

Bevan Dufty, President, Board of Directors

Grace Crunican, General Manager



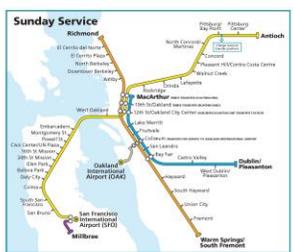
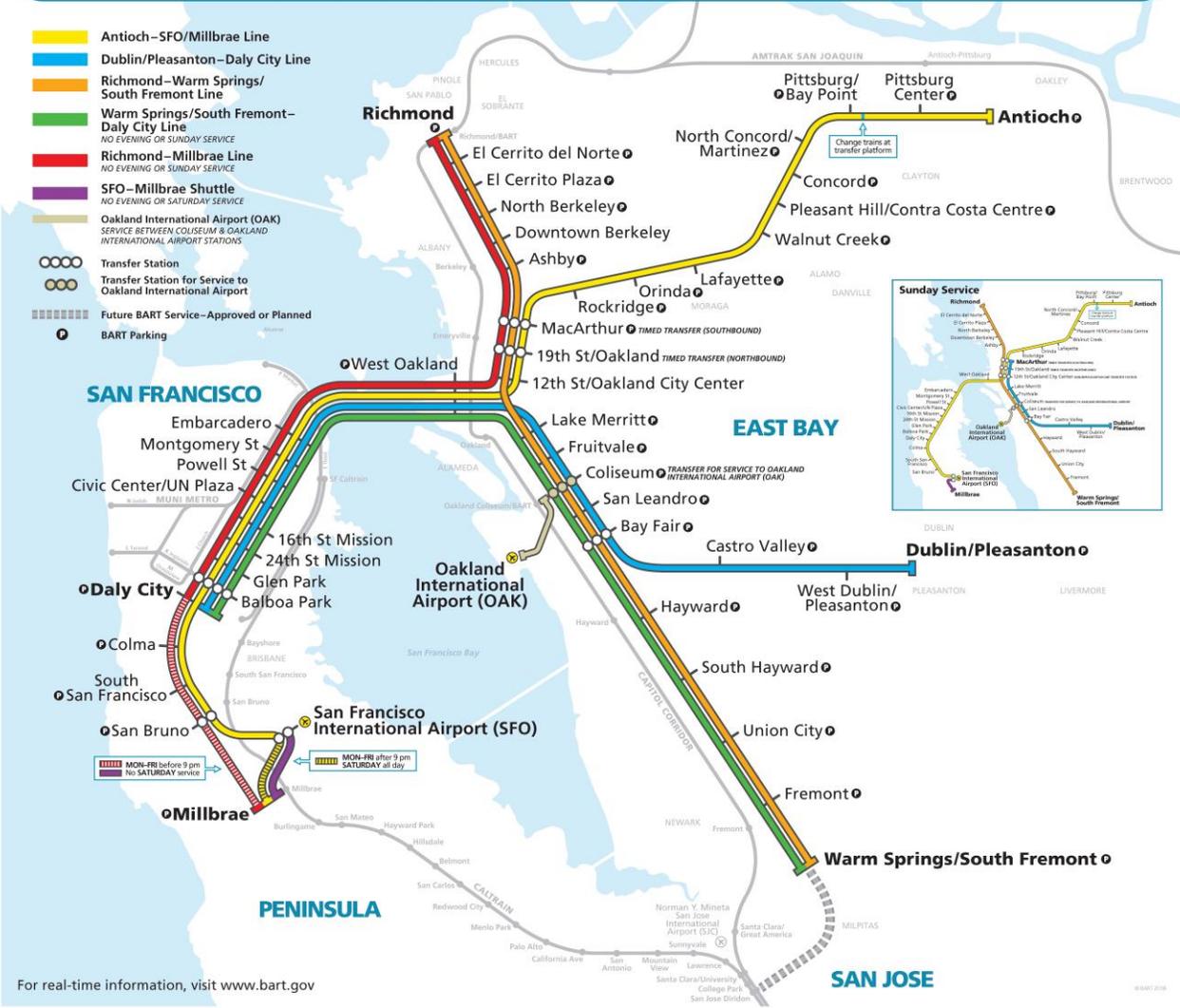
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BART System Map



- Antioch–SFO/Millbrae Line
- Dublin/Pleasanton–Daly City Line
- Richmond–Warm Springs/South Fremont Line
- Warm Springs/South Fremont–Daly City Line
- Richmond–Millbrae Line
- SFO–Millbrae Shuttle
- Oakland International Airport (OAK) SERVICE BETWEEN COLISEUM & OAKLAND INTERNATIONAL AIRPORT STATIONS
- Transfer Station
- Transfer Station for Service to Oakland International Airport
- Future BART Service—Approved or Planned
- BART Parking



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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors **DATE:** March 29, 2019

FROM: General Manager

SUBJECT: **Fiscal Year 2020 Preliminary Budget**

We have made significant progress with our infrastructure reinvestment program: to date, the BART Safety, Reliability, and Traffic Relief Program (Measure RR), approved by the voters in 2016, has enabled BART to replace 27 miles of a planned 90 miles of rail, reprofile 111 miles of a planned 214 miles of rail, and begin work on installing 100 miles of power cable. Additional recent accomplishments with this funding include the replacement of the interlocking near the West Oakland BART station and award of a contract to replace escalators at downtown San Francisco stations. BART continues to invest substantial operating funds into the capital program, maintaining our commitment to purchasing 775 new rail cars and funding other critical reinvestment projects.

The Preliminary Fiscal Year 2020 (FY20) Budget reflects current challenges and successes of BART and the region. BART and the Bay Area continue to face an uncertain economic outlook, and challenges to Quality of Life, aging infrastructure, declining ridership, increased operating expenses and substantial multi-year deficits provide additional obstacles.

Nevertheless, BART maintains its commitment to major reinvestments in an almost 50-year-old system. We have made budget cuts and redirected limited resources to meet the system's most pressing needs as identified by our riders in our 2018 Customer Satisfaction Survey, the Board, the Asset Management program, and staff. The result of this careful prioritization is a balanced FY20 budget that invests in Quality of Life, including the addition of 19 police officers and four fare inspectors. Other initiatives focus on efficiency and system modernization, laying the groundwork for BART to become a world class transit agency in the years to come.

New rail cars are now in revenue service, with one 10-car train on each of the four Transbay lines since early 2019. Legacy cars have been redeployed to lengthen other peak-period trains. As of March 2019, over 70 new cars are on property and production will continue to ramp up through FY20. A new fleet will improve reliability, decrease maintenance costs, relieve crowding, and help meet growing demand associated with regional population growth and system expansion. Rider reaction to the new cars has been overwhelmingly positive, with over 90% of riders rating the new cars as Excellent or Good with regards to cleanliness, temperature and announcements.

BART riders continue to adopt the regional Clipper fare smart card. As of March 2019, more than 880,000 Clipper cards have been sold from BART vending machines and more than 85% of BART riders chose to pay their fare using Clipper. Design for the next generation Clipper system is underway and the region is accelerating deployment of a mobile application which will allow Clipper riders to use their smartphone as a virtual Clipper card and a virtual vending machine. Cubic, the Clipper contractor, expects this functionality in 2020.

Resource Constraints

Fare revenue is the largest source of funds for day-to-day system operations with declines seen in recent years. The revenue reduction creates significant resource constraints and challenges for the upcoming fiscal year.

BART is proactively generating and identifying non-fare sources of funding; however, these sources will not be sufficient to offset fare revenue decline or fund all critical needs. In 2017, Senate Bill 1 provided for more State Transit Assistance across the state, which brought BART additional ongoing funds. We are also working to generate more operating revenue from non-passenger sources, including advertising and the Commercial Communications Revenue Program, which works to expand the District's commercial fiber and wireless telecommunications revenue footprint. Over the next decade, both program areas are anticipated to bring additional revenue sources to support operations. In 2016, BART successfully advocated for the eligibility of "fixed guideway systems" under the state's Low Carbon Fuel Standard (LCFS) program. Since then, entities operating public transit on dedicated guideways are recognized for reducing the overall carbon intensity of California's transportation fuels. Due to BART's clean electric supply, we generate and sell LCFS credits, resulting in new funds for operations and investment in improving sustainability. BART continues to look for efficiencies, additional revenue and external funding.

Quality of Life

The region continues to struggle with complex and pervasive Quality of Life issues, and BART riders experience the impacts in stations and on trains. BART continues to allocate considerable financial resources (\$45M between FY14 and FY19, with \$12M of ongoing expenses carrying into FY20) and redirect staff and funds from other work to address this top priority. We are focused on identifying, continuing, and expanding the most successful programs including hiring additional police officers. For example, the elevator attendant program at Civic Center/UN Plaza and Powell stations has received overwhelmingly positive feedback, and we are partnering with San Francisco Municipal Transportation Agency (SFMTA) to secure funding for expansion to Montgomery and Embarcadero stations in FY20. Recent Passenger Environment Survey data shows BART has begun to turn the corner on cleanliness, although our riders and our employees continue to experience the negative impacts of regional homeless and mental health issues. To continue progress in mitigating the impacts of homelessness, safety/security, fare evasion and cleanliness, we will continue to invest in addressing Quality of Life and improving our rider experience. However, the regional and societal nature of the problem makes the issue bigger than BART's alone, and it will take time and a comprehensive regional approach to mitigate the dynamic problem and its manifold impacts.

Budget Cuts & Efficiencies - \$17M

The FY20 Preliminary Budget includes \$17M in budget cuts and efficiencies. All BART departments contributed to strategic cost reductions including labor savings, non-labor expense reductions, and realignment of existing funding. Staff leveraged existing funding and prioritized targeted reductions and resource deployment to maximize investment return, support key work and initiatives such as safety and security enhancements, compliance, fiscal stability and improve operational efficiencies.

Future challenges

The decline in ridership and the allocation of incremental fare revenue to high-priority capital needs under the current less-than-inflation-based fare increase program both contribute to projected shortfalls. When the eight-year fare program was implemented in 2014, we anticipated a funding gap would result during the last few years as fare monies needed for operations were earmarked for capital investments, however the ongoing downturn in ridership has worsened the projected financial gap. Despite this challenge, the District and riders have benefited from this fare allocation program, with approximately \$170M generated to date to leverage funds to purchase new rail cars, fund a new train control system and invest in the Hayward Maintenance Complex. These improvements will greatly enhance service for our riders by providing longer and more frequent trains, but present financial challenges in the near term. Both the adopted Short-Range Transit Plan and recent budget trends indicate BART is likely to face operating deficits over the next few years.

The FY20 Preliminary Budget is outlined in the attached document and detail will be provided in discussions with the Board this spring. As noted, we have carefully prioritized investments that reflect the priorities of our riders as expressed in the 2018 Customer Satisfaction Survey.

We have a balanced FY20 Preliminary Budget and are already working on solutions to the projected financial challenges in FY21 and beyond. I look forward to working with you to finalize it in the coming months.



Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

1 OVERVIEW

The Fiscal Year 2020 (FY20) Preliminary Budget presents a continuation of the challenges BART faced in FY19, with declining ridership and fare revenue, aging infrastructure and increased operating expenses, while BART continues major structural system reinvestments and Quality of Life improvements. The Preliminary Budget supports BART's commitment to deliver safe, reliable, clean, quality transit service while balancing this commitment with limited financial resources. Highlights of the FY20 budget include:

- Addressing Quality of Life on BART
- Continuing capital investment
- Preparing for the Silicon Valley Berryessa Extension
- Launching first phase of Mobility as a Service
- Increasing efficiency and preparing for new compliance requirements

As with each annual budget, development has been informed by the long-term outlook, in this case, the FY19 Short-Range Transit Plan/Capital Improvement Program (SRTP/CIP) adopted by the Board in October 2018. The SRTP/CIP projected an operating shortfall of \$327M over 10 years and \$10 billion of unfunded capital needs over 15 years. This provides valuable context for considering the long-term financial and operational impacts of FY20 budget decisions, with priority given to projects and programs that are focused on the customer, safety, system reinvestment, and efficiency.

When staff presented the SRTP/CIP in October 2018, it included a projected \$33M FY20 operating deficit. Subsequent information, including more detailed expense and revenue projections, updated State Transit Assistance (STA) estimates received from the State, the decision to bring a portion of the FY20 Low Carbon Fuel Standard (LCFS) revenue into the operating budget (under Board policy), and other adjustments, further refined the projected deficit, which was estimated at approximately \$4M by early March. The document that follows balances this \$4M deficit and funds critical new initiatives.

In addition, in order to advance Board priorities as indicated at the 2019 Board Workshop and recent Board meetings, staff has recently invested Stations and Access Program funds available at the end of FY16 and FY18 in: Closed-Circuit Television (CCTV) upgrades to support Quality of Life – Security; materials to support station hardening efforts at eight stations proposed in the FY20 budget; Transit Oriented Development (TOD) standards development to meet the AB2923 June 2020 legislative deadline; and funds required to match Metropolitan Transportation Commission's (MTC) contribution towards the 2020 Station Profile study of BART patrons.

1.1. QUALITY OF LIFE ON BART

In FY19, to address a number of challenges identified by customers, including those identified in the 2018 Customer Satisfaction Survey, BART continued and expanded upon strategic initiatives aimed at improving the customer experience on BART. These programs continue and evolve in FY20, with a primary FY20 focus being "Quality of Life on BART." As discussed at the January 2019 Board Workshop, BART intends to ramp up initiatives that have proven successful, and BART will continue to innovate and adapt using industry best practices. Quality of Life programs address the interrelated issues of fare evasion, homelessness, cleanliness, and safety & security. These issues negatively affect BART's riders, employees, trains, infrastructure, and revenue.

Homelessness

BART will continue the Homeless Outreach Team partnership with San Francisco (SF HOT), which has successfully connected individuals experiencing homelessness in the four Market Street stations to services. In FY20, the District will expand the Outreach Team approach by strengthening connections to services in Alameda, Contra Costa, and San Mateo Counties, as well as at San Francisco International Airport (SFO). BART and the San Francisco Municipal Transportation Agency (SFMTA) will continue to share costs at the Civic Center/UN Plaza and Powell Street Stations for the elevator attendant program, and both agencies anticipate expanding the program to Montgomery Street and Embarcadero Stations, contingent on a joint grant proposal. BART will continue participation in the San Francisco Pit Stop program, which provides attended street-level public restrooms adjacent to three underground BART stations. A dedicated member of the BART Police Department will continue to coordinate the identification of resources for those experiencing homelessness and partnerships throughout the four counties. To ensure reliable BART train service, high-risk BART properties will be further secured (including additional fencing, signage, and cameras) to reduce the threat of fires at encampments near BART trackways and facilities.

Cleanliness

Maintenance & Engineering (M&E) will continue to implement a comprehensive plan for station cleaning improvements that incorporates findings from the 2017 Transportation Research Associates (TRA) Station Cleaning Study and input from International Sanitary Supply Association (ISSA), a worldwide cleaning association and benchmarking organization. In addition, Rolling Stock & Shops (RS&S) will continue to improve car cleaning with improved training and methods.

Fare Evasion

To address 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. Additional hardening will roll out in FY20, including expansion of the digital camera network. Additionally, BART Police have implemented operations focused on preventing fare evasion, and the proof-of-payment team will be expanded to enforce the Board-approved ordinance authorizing Fare Inspectors to check for proof of payment. The proof-of-payment team enforces the ordinance on trains and provides visual confirmation of BART's commitment to fairness and equity to all patrons. BART Police continue to conduct enforcement of state law fare evasion violations throughout the District.

Safety & Security

The FY20 Budget proposes a sustained increase in law enforcement presence at BART, consistent with the *Five-Year Strategic Patrol Staffing Plan* prepared by the University of North Texas. The FY20 budget includes 19 new police officer positions. Recently bargained salary and benefit changes to the BART Police Officers' Association contract have shown 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. A concerted effort is being undertaken to address customer concerns about safety on trains during evening hours by increasing the presence of BART police and civilian employees on trains.

1.2. CAPITAL INVESTMENT

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 Transbay Corridor Core Capacity Project (TCCCP), BART intends to purchase 306 additional rail cars to expand the fleet to 1,081 cars for increased service

frequency and train length. In the future, BART may 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 FY20, and final delivery of the last of the 775 rail cars is scheduled for 2022.

Transbay Corridor Core Capacity Project (TCCCP)

The Transbay Corridor Core Capacity Project (TCCCP) is a system wide undertaking to increase frequency and capacity in the Transbay Corridor, and includes the following elements:

- **Train Control Modernization Project (TCMP):** Install communication-based train control (CBTC) system wide to implement higher frequency service
- **Vehicles:** Purchase 306 additional rail cars to provide more trains and longer trains needed for the higher frequency service
- **Hayward Maintenance Complex (HMC) Phase 2:** Construct a new east-side storage yard for up to 250 rail cars 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 for the increased service levels

The TCCCP is in the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) Program in the Core Capacity category of eligibility. FTA considers a portion of the overall project scope to be within the FTA's program and eligible for FTA CIG funding. The remaining scope will be funded through state, regional and local sources.

The project goal is to reduce the level of crowding between the East Bay and San Francisco and allow for continued ridership growth. BART currently operates a maximum of 23 ten-car trains per hour (TPH) in the peak direction through the Transbay Corridor. When the project is implemented, BART will be able to increase its throughput to 30 ten-car trains at peak hours. The current project schedule calls for an increase to 28 TPH in late 2026, and a further increase to 30 TPH in late 2028 with full implementation.

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 FY20, focusing on rail replacement; traction power cable and substation replacement; downtown San Francisco escalator replacements; and station access improvements.

Second Crossing

BART and Capitol Corridor are co-leading early regional efforts on a new Transbay rail crossing. Looking at a 21-county Northern California megaregion¹, staff will be evaluating future demand for rail trips, and determining how a new Transbay crossing can best serve this demand. Important considerations include integrating land use and transportation, equity, the regional economy and Quality of Life, network rail operations, customer experience, project delivery mechanisms, funding, revenue generation, and environmental impacts and benefits. A contract for strategic advising and program management will go to the Board for consideration in FY19. Next steps include developing the program for engagement, feasibility, and environmental analysis. The engagement effort will run through the timeline of the project and will involve the numerous stakeholders of the Northern California megaregion.

1.3. SILICON VALLEY BERRYESSA EXTENSION

The two-station, 10-mile Silicon Valley Berryessa Extension (SVBX) into Santa Clara County will connect to the Warm Springs/South Fremont Station in southern Alameda County. Construction of the project is managed by the Santa Clara Valley Transportation Authority (VTA), in cooperation with BART. VTA is funding 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. VTA anticipates opening SVBX service in FY20.

1.4. MOBILITY AS A SERVICE

BART has successfully launched its first phase of Mobility as a Service (MaaS), which includes the official mobile app (iOS and Android), newly designed BART.gov website, and an application that offers discounts to airport travelers. These channels include features such as the new multi-modal trip planner, incentives for patrons to reduce travel during the peak times, payment for Early Bird Express parking between 4:00 and 5:00 am, mobile ticketing, and a unified user account across all channels.

Having seen success with MaaS Phase 1, BART will continue to enhance MaaS offerings by BART incorporating convenience features such as ability to pay for parking (daily, carpool, and permit) by mobile phone, providing additional mode choices for end-to-end journeys (integrate shared mobility), and offering further optimized and up-to-date trip planner itineraries. Overall, BART plans to augment the MaaS offerings with user-oriented and easy to use solutions.

1.5. COMPLIANCE

Fire Life Safety (FLS)

BART is establishing a new Department of Fire Life Safety (FLS) to handle safety and code compliance issues. This department will support various construction projects and operations initiatives and interface with the California Public Utilities Commission (CPUC) and fire departments serving BART as described in Section 10.1.3.

As BART continues its comprehensive Measure RR System Renewal program, construction projects will encounter fire code and compliance issues that will need to be resolved. Since BART currently liaisons

¹ The 21-county Northern California megaregion includes Alameda, Contra Costa, El Dorado, Marin, Merced, Monterey, Napa, Placer, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Yolo and Yuba counties as defined by the San Francisco Bay Area Planning and Urban Research Association (SPUR).

with over twenty different fire departments and jurisdictions in its service areas, it is paramount to have consistency and uniformity across BART and a single authority to preside over FLS issues.

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 assessments, investigating fire/smoke incidents, and enforcing of all BART Facilities Standards, federal and state laws, and city ordinances pertaining to fire protection and life safety. The activities of the department will be completed in conjunction with, not in replacement of, existing safety, operations, and maintenance practices required by BART as well as regulations, codes, and standards.

Inspector General

Senate Bill (SB) 595, also known as Regional Measure 3, was approved by the voters in June 2018 and increases Bay Area bridge tolls by up to \$3 over a number of years. Increased revenues will help fund improvements for regional transit operators and counties including new BART rail cars, SVBX, San Jose Diridon Station, new high-occupancy vehicle lanes on U.S. 101 in Marin and Sonoma counties, more frequent and expanded ferry service, highway improvements, and the extension of Caltrain to downtown San Francisco. An additional component of SB 595 created an Office of the Inspector General (IG) for BART. This IG is intended to monitor not only BART's expenditures of bridge toll funds but also to examine BART operating practices to identify fraud risks, waste and opportunities for efficiencies; to identify best practices in the delivery of capital projects; and to recommend best practices for the District to maintain positive and productive relations with its employees and collective bargaining units.

Under the terms of SB 595, the BART Board will nominate three persons to the Governor and the Governor will appoint one of those nominees to serve as the Inspector General for a 4-year term. Recruitment for an IG is currently underway, and the FY20 Preliminary Budget provides for this position. Per language in SB 595, BART is to be reimbursed by an allocation of bridge toll funds for the IG.

1.6. FY20 PRELIMINARY BUDGET

The following sections begin with a discussion of the Financial Structure, Policy & Process, followed by the FY20 Rail Service Plan. 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 operating and capital sources and uses. The final sections of the memo summarize efforts to address a projected shortfall while funding a limited number of high-priority proposed initiatives for FY20.

2 FINANCIAL STRUCTURE, POLICY & PROCESS

Financial Policies

BART aims to maintain integrity of the budget by keeping operating costs within what estimated revenue can fund. Daily operations are financed by fare revenue, parking revenue, sales tax and property tax, and other revenue such as income from advertising and fiber optics. The budget is prepared under the accrual basis of accounting, where revenues are recorded when earned and expenses are recorded when a liability is incurred.

BART has two financial policies—the Financial Stability Policy and the Fare Policy—that help guide decision-making, especially during challenging economic times.

The Financial Stability Policy, adopted in 2003, is designed to ensure long-term operating and capital financial stability through a combination of strategies involving revenues, operating expenses, capital investments, and prudent reserves. This policy also laid the foundation for the Board to approve two series of biennial Productivity-Adjusted Consumer Price Index-Based fare increases. The last increase of the second series is scheduled for January 2020. The contributions from these small, regular increases have been essential to the District’s financial and operational well-being.

The Fare Policy, adopted in 2005, underscores the influence fares have on multiple interconnected areas: customer satisfaction, ridership growth, financial health, seamless interagency travel, and optimal system usage. The Policy has five goals, each with strategies to achieve them, to address these interconnected areas.

Budget Process

BART produces long-range financial projections and an annual budget on a yearly basis. Both reflect and incorporate BART’s Strategic Plan and are aligned with BART’s Financial Stability Policy and Fare Policy.

The SRTP/CIP incorporates BART’s operating forecast and capital investment program for the next 10 and 15 years, respectively. The SRTP/CIP reports are posted on the bart.gov financials page.

The annual budget includes expected operating and anticipated maximum capital expenditures for the fiscal year, which begins on July 1 and concludes on June 30. The budget process starts in the fall of the prior year, as the Budget team develops the Proforma budget and departments work with the Asset Management team to build workplans and begin to identify resource needs. During the last quarter of the calendar year, Departments begin planning organizational changes and revising capital needs, and detailed budget studies are completed. The Board Workshop is in January, Strategic Budget Discussions are held in February, and preliminary capital project budgets are due in March. The Budget team finalizes the Preliminary budget for release and delivery to the Board of Directors by March 31. The capital budget is finalized in April. A series of budget presentations are made in April and May to the Board of Directors, with the public hearing on the proposed budget held in May. Board Rules require adoption of the upcoming annual budget by June 30 with a start date of July 1.

During the year, management reviews fiscal performance on a monthly basis. The Capital Budget team aligns project staff with available funding, expenditures and grant end dates throughout the year. The Budget team reviews fiscal performance with the Board of Directors on a quarterly basis via the Quarterly Financial Report (QFR) and on an annual basis for Year End Close. All financial reports, presented by the Budget team, are

based on data provided by the Finance Department. All reports presented by the Capital Budget team are based on data queried directly through BART's financial system and/or via data analytics software.

Fund Structure and Basis of Budgeting

The District operates as an Enterprise Fund and uses the economic resources measurement focus and the accrual basis of accounting. Operating and capital budgets are created annually. Budgeted operating revenues include revenues that are directly related to transit operations, and principally derived from passenger fares. Other revenues captured in the operating budget include agency-generated revenue from parking fees and advertising; financial assistance in the form of sales and property taxes, and; from funding from local, state or federal agencies for transit related activities. Budgeted operating expenses include all costs related to providing transit operations, excluding depreciation and the effect of expense adjustments associated with changes in unfunded pension and other post-employment obligations, which are required to be recognized for financial reporting purposes to comply with Government Accounting Standards. Operating costs include labor, materials, supplies, services, utilities, leases and rentals. The operating budget also includes allocations to support capital projects, funds to cover debt service for outstanding sales tax revenue bonds, and allocations to fund operating reserves.

Budgeted capital funding includes grants and other funding from federal, state and local agencies, as well as voter approved bond measures and allocation of BART operating funds. BART applies for FTA federal formula funds through MTC to support its capital activities, as summarized in the Capital Sources section of this document. In addition to federal funds, BART has received and expects to continue to receive funding from the state, from regional bridge tolls and from local governments for capital renovation and expansion of the BART System, as described in Section 6.2 Tax and Financial Assistance and Section 8.2 Capital Sources. BART also leverages a combination of General Obligation (GO) bonds and Sales Tax Revenue bonds to fund improvements to the BART system, which is described in the Capital Sources section. Each capital funding source, including allocations to capital from the operating budget, is assigned a unique fund identification number by source. Budgeted capital expenses include all costs related to capital improvements and capitalized maintenance of the transit system. All capital expenditures are tracked by project and activities within projects.

3 RAIL SERVICE PLAN

BART's FY20 service plan is summarized in the table below. The two service plans shown (end of FY19 and end of FY20) demonstrate the cumulative effects of all anticipated changes, fluctuations, and known events during FY20.

Service Snapshot	End of FY19	End of FY20
New Service	5:00 AM System Opening	SVBX Extension
Total Peak Vehicle	640	709
Total Fleet	761	867
Peak Period Trains	65	70
Total Car Hours (million)	2.6	2.8
Total Car Miles (million)	88.6	91.8

3.1. NEW RAIL CARS

BART's first 10 new rail cars went into revenue service in January 2018, and 74 new cars have been delivered as of March 2019. As additional new rail cars become available for revenue service, BART will identify opportunities to lengthen trains across the system with the goal of eventually running 10-car trains on all Transbay routes by 2020. Concurrently, BART intends to use the increasing inventory of cars to raise the fleet spare ratio toward the industry standard of 20%. As the new cars enter service, cars from the existing fleet will be allocated to lengthen other peak trains, such as on the Red (Richmond-Millbrae) or Blue (Dublin/Pleasanton-Daly City) lines. These lines currently operate trains with less than the 10-car maximum.

3.2. SILICON VALLEY BERRYESSA EXTENSION (SVBX)

Beginning SVBX service during FY20 will require significant schedule changes. Four additional trains will serve the Green (Berryessa-Daly City) and Orange (Berryessa-Richmond) lines, and one additional peak commute train will supplement peak service on the Green Line. The federally-mandated Title VI equity analysis for SVBX is complete and is pending approval by the BART Board. Per FTA requirements, the analysis will be brought to the BART Board for approval six months prior to the start of revenue service.

3.3. OTHER SERVICE CHANGES

In late FY20, two additional peak commute trains are planned to maximize Transbay Tube throughput before Communication-Based Train Control (CBTC) is installed around 2026.

In addition to upcoming service changes, a set of changes that took effect in February 2019 will continue to affect BART service in FY20. Construction began on the BART Transbay Tube Earthquake Retrofit project, which required starting weekday BART service at 5:00 am, one hour later than BART's previously established start time. Early Bird Express bus service is provided for customers traveling at this time. Additionally, the headways (time between trains) of evening services on weekdays and Sundays after 9:30 pm was increased from 20 to 24 minutes to enable single-track service via the Transbay Tube to accommodate the transport of construction equipment. The project and associated service changes are anticipated to last through the end of FY22. The M Line (San Francisco and West Bay) 34.5KV Cable Project, funded by Measure RR, also began in February 2019. This project replaces electrical cable between Embarcadero Station and 24th Street/Mission Station. This work requires single-tracking trains through San Francisco between those stations and reduces service systemwide on Sundays between 8:00 am and 7:00 pm. This project is anticipated to be completed by the end of FY22.

4 FY20 PRELIMINARY BUDGET INCOME STATEMENT

Income Statement	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
(\$ millions)				
Rail Passenger Revenue	\$ 485.0	479.4	(5.6)	(1%)
ADA Passenger Revenue	0.9	0.9	(0.0)	(1%)
Parking Revenue	36.7	36.5	(0.1)	(0%)
Other Operating Revenue	38.3	28.4	(9.9)	(26%)
Subtotal - Operating Revenue	560.8	545.2	(15.6)	(3%)
Sales Tax Proceeds	264.6	277.0	12.4	5%
Property Tax Proceeds	46.8	50.6	3.9	8%
State Transit Assistance	38.0	39.2	1.2	3%
SFO Ext Financial Assistance	-	5.8	5.8	0%
Local & Other Assistance	5.4	6.4	1.0	18%
Low Carbon Transit Operations Program	-	8.4	8.4	0%
Low Carbon Fuel Standard Program	6.5	14.1	7.6	118%
Subtotal - Financial Assistance	361.3	401.6	40.2	11%
SUBTOTAL - OPERATING SOURCES	922.2	946.8	24.6	3%
SUBTOTAL - CAPITAL SOURCES	1,354.9	1,357.5	2.7	0%
TOTAL SOURCES	2,277.1	2,304.3	27.3	1%
Labor & Benefits	560.7	591.4	30.8	5%
ADA Paratransit	16.1	16.9	0.9	5%
Purchased Transportation	14.1	14.6	0.5	4%
Power	43.8	45.6	1.8	4%
Other Non-Labor	133.1	130.7	(2.4)	(2%)
Subtotal - Operating Expense	767.8	799.3	31.5	4%
Bond Debt Service	46.6	47.2	0.6	1%
Allocations	107.8	100.3	(7.5)	(7%)
Subtotal - Debt Service & Allocations	154.4	147.5	(6.9)	(4%)
TOTAL - OPERATING EXPENSE	922.2	946.8	24.6	3%
System Reinvestment	995.4	928.0	(67.3)	(7%)
Safety & Security	77.9	71.7	(6.2)	(8%)
Earthquake Safety	103.8	166.4	62.6	60%
Service Capacity & Enhancement	135.9	156.7	20.8	15%
System Expansion	35.0	27.2	(7.8)	(22%)
Reimbursable/Other	6.9	7.5	0.6	8%
TOTAL - CAPITAL EXPENSE	1,354.9	1,357.5	2.7	0%
TOTAL USES	2,277.1	2,304.3	27.3	1%
NET RESULT	-	-	\$ -	0%
Average Weekday Trips	413,000	404,900	(8,100)	(2%)
Total Annual Trips (M)	119.7	116.0	(3.7)	(3%)
Rail Farebox Recovery Ratio	63.3%	60.1%	(3.2%)	(5%)
Operating Ratio	73.0%	68.2%	(4.8%)	(7%)
Rail Cost/Passenger Mile	\$ 0.412	\$ 0.436	\$ 0.024	6%

5 FOUR-YEAR FINANCIAL SCHEDULE

The following table outlines BART's total sources and uses and is broken out at a high level based on the major categories. Two years of historical data is provided for observing current trends in each category.

Four Year Consolidated Financial Schedule				
(\$ millions)	FY17 Actual	FY18 Actual	FY19 Adopted	FY20 Preliminary
Sources				
Operating Revenue	\$ 549.4	551.4	560.8	545.2
Sales Tax	247.2	257.9	264.6	277.0
Other Assistance	66.1	100.4	96.7	124.6
<i>Federal Grant - MTC Rail Car Fund Swap²</i>	52.5	-	-	-
TOTAL SOURCES	915.3	909.7	922.2	946.8
Uses				
Labor	488.9	524.1	560.7	591.4
<i>Pension - GASB 68 Adjustment³</i>	11.0	44.2	-	-
<i>Non-Pension - GASB 75 Adjustment³</i>	14.9	5.8	-	-
Non-Labor	201.5	199.0	207.1	207.9
Total Expense	716.2	773.0	767.8	799.3
<i>Extraordinary Exp. - MTC Rail Car Fund Swap²</i>	52.5	-	-	-
Debt Service	50.5	45.6	46.6	47.2
Capital & Other Allocations	121.9	140.9	107.8	100.3
Total Debt Service & Allocations	172.4	186.5	154.4	147.5
TOTAL USES	941.1	959.6	922.2	946.8
Adjustments				
<i>Pension - GASB 68 Adjustment Offset³</i>	(11.0)	(44.2)	-	-
<i>Non-Pension - GASB 75 Adjustment³</i>	(14.9)	(5.8)	-	-
TOTAL USES - After Adjustments	915.3	909.70	922.2	\$ 946.8
NET RESULT	-	-	-	

² MTC allocates Federal Section 5307 Urbanized Area Formula Grant funds to BART for preventive maintenance work. Through an agreement with MTC, BART spends the federal funds and returns an equivalent amount of BART funds that MTC places in an interest-generating reserve account to help MTC fund its share of the new rail cars. The District recognizes financial assistance for the Section 5307 funds received and a non-operating expense to record the transfer of the funds to MTC, thus there is no net impact to BART's operating budget bottom line as the Section 5307 funds are merely swapped for other funds. The Rail Car Fund Swap agreement was completed in FY17.

³ The expenses determined under GASB 68 and GASB 75 are not funded by the District, so the recognized expenses are backed out as non-expense allocations to reconcile with the District's annual operating budget.

6 OPERATING SOURCES

The below table summarizes the operating sources for the FY19 Adopted Budget and the FY20 Preliminary Budget. Each line item is described in further detail in the subsequent sections.

Operating Sources (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Revenue				
Rail Passenger Revenue	\$ 485.0	479.4	(5.6)	(1%)
ADA Passenger Revenue	0.9	0.9	(0.0)	(1%)
Parking Revenue	36.7	36.5	(0.1)	(0%)
Other Operating Revenue	38.3	28.4	(9.9)	(26%)
Total Operating Revenue	560.8	545.2	(15.6)	(3%)
Financial Assistance				
Sales Tax Revenue	264.6	277.0	12.4	5%
Property Tax	46.8	50.6	3.9	8%
SFO Extension Financial Assistance	-	5.8	5.8	-
State Transit Assistance (STA)	38.0	39.2	1.2	3%
Low Carbon Transit Operations Program	-	8.4	8.4	-
Low Carbon Fuel Standard Program	6.5	14.1	7.6	118%
Local & Other Assistance	5.4	6.4	1.0	18%
Total Financial Assistance	361.3	401.6	40.2	11%
OPERATING SOURCES, TOTAL	922.2	946.8	\$ 24.6	3%

6.1. OPERATING REVENUE

6.1.1 Ridership and Passenger Revenue

Recent Trends

BART ridership peaked in FY16 and began to decline in early FY17, and that downward trend has continued through FY18 and the first two quarters of FY19. Over this same period, regional employment and population have grown. This divergence is a break from the long-term trend, in which BART ridership has been strongly correlated with regional growth over several decades. This shift is not unique to BART and is affecting many transit operators in North America. This nationwide trend may be driven in part by growing transportation services that compete well with BART for certain trips, such as Transportation Network Companies (TNCs), bike and scooter share. In addition, as discussed in Section 1.1 of this document, concerns about Quality of Life on BART have reduced customer satisfaction over the last two years and may have contributed to the decline in ridership.

In addition to the Quality of Life impact on ridership, peak ridership is impacted by lack of capacity to accommodate demand. This has constrained ridership growth at a time when regional employment and population have grown. Fortunately, as new Fleet of the Future cars continue to go into service, BART capacity will increase to accommodate more demand.

Total trips in the first two quarters of FY19 were 2.3% below budget, and 1.9% lower than the same period in FY18. Average weekday trips were below budget by 1.3%, and 1.0% below the same period in the last fiscal year. Saturdays and Sundays were both below budget projections by 5.3% and are lower than the same period

last year by 8.0% and 8.2% respectively. While ridership for longer trips taken during the peak commute periods in the Transbay market has remained flat, ridership continues to decline for most other trip types. While longer trips generate higher-than-average fare revenue, longer trips generally utilize the most capacity-constrained segments of the system.

	FY19 YTD	FY19 YTD	%	FY18 YTD	FY19 YTD	%
	Budget	Actual	Change	Actual	Actual	Change
Total Trips (millions)	60.9	59.5	(2.3%)	60.6	59.5	(1.9%)
Avg Weekday Trips	418,227	412,742	(1.3%)	417,108	412,742	(1.0%)
Avg Saturday Trips	173,661	164,524	(5.3%)	178,783	164,524	(8.0%)
Avg Sunday Trips	127,953	121,231	(5.3%)	132,092	121,231	(8.2%)

Based upon year-to-date (YTD) ridership trends, total annual ridership for FY19 is estimated to be approximately 117.8M. This revised estimate is 1.6% less than the FY19 adopted budget of 119.7M, and 2.3% lower than FY18's actual ridership of 120.6M.

Ridership Forecast

The preliminary FY20 ridership budget uses current FY19 ridership as a baseline and is modified for factors expected to impact ridership such as recent ridership trends, the February 2019 start of the Transbay Tube Earthquake Safety Retrofit Project affecting early morning and evening service, and known changes to regular high-density events (i.e., the relocation of the Golden State Warriors basketball team from Oakland to San Francisco). This forecast includes ridership from the existing system only and does not include the SVBX opening in FY20.

The table below compares the FY19 budgeted ridership, the projections for FY19 based on two quarters of actual data through December 2019, and the FY20 ridership forecast.

	FY19	FY19	%	FY20	%
	Budget	Projected	Change from FY19 Budget	Forecast	Change from FY19 Projected
Total Trips (millions)	119.7	117.2	(2.1%)	116.0	(1.0%)
Avg Weekday Trips	413,000	407,600	(1.3%)	404,900	(0.6%)
Avg Saturday Trips	170,373	161,400	(5.3%)	152,900	(5.3%)
Avg Sunday Trips	121,553	115,200	(5.3%)	103,600	(10.0%)

The FY20 budget is based on a preliminary FY20 ridership estimate of approximately 116M annual trips, a decrease of 1.0% compared to the FY19 projected ridership, and 404,900 average weekday trips, a decrease of 0.6% compared to the FY19 projected ridership. This forecast reflects the following factors:

- Uncertainty about core ridership growth
- Continued downward trend of weekend and evening trips
- Impact of service reductions due to the Transbay Tube Earthquake Retrofit project, primarily affecting weekday ridership
- Impact of service change due to the M Line 34.5 KV Cable project, affecting Sunday ridership
- Effect of the January 2019 Bay Bridge toll increase due to Regional Measure 3

- Assessment of planned weekend shutdowns for track work
- Relocation of the Golden State Warriors basketball team from Oakland to San Francisco

Passenger Revenue

Passenger revenue through January of FY19 is below budget, although less so than ridership due to the relatively strong performance of Transbay trips and long trips as discussed above. Fare revenue projections for FY20 take into account the ridership forecasts, as well as the FY20 fare changes discussed in the next section.

Rail fare revenue for FY20 is estimated at \$479.4M. This forecast includes \$52.2M of revenue resulting from BART's productivity-adjusted inflation-based fare increase program, which is dedicated by Board-approved policy to high priority capital projects. The inflation-based fare increase program is detailed in the next section. Base rail passenger revenue available to operate rail service is projected to be down \$14.9M from the FY19 budget. Total passenger revenue also includes \$0.9M in fares paid by Americans with Disabilities Act (ADA) paratransit customers.

Anticipated Fare Changes for FY20

BART's productivity-adjusted inflation-based fare increase program, first approved by the BART Board in 2006 and renewed for a second series in 2013, calls for fares to increase by slightly less than inflation every two years. Fare increases are calculated using an average of the local and national consumer price index (CPI) over the preceding two years, minus 0.5% to account for increases in BART efficiency. The policy is intended to maintain fiscal stability for the District and predictable fares for customers. The last of four biennial fare increases called for under the 2013 series is a 5.4% increase scheduled for January 1, 2020. FY20 ridership and revenue forecasts assume the fare increase.

Pending Board approval this spring, BART will participate in the MTC's Regional Means-Based Fare (MBF) Discount Pilot Program along with Caltrain, Golden Gate Transit and the San Francisco Municipal Transportation Agency. The discount will be available to adult riders earning 200% or less of the federal poverty level. BART, Caltrain, and Golden Gate Transit will offer a 20% discount per trip through a specially encoded Clipper card. 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. Based upon 2018 Customer Satisfaction Survey data and FY20 Preliminary Budget figures, BART's annual revenue loss from the program is forecast to be approximately \$8.6M. MTC's estimated offsetting annual contribution to BART is approximately \$4.3M, resulting in an annual estimated revenue loss for BART of approximately \$4.3M. The FY20 budget assumes one-half year of the MBF pilot with an estimated revenue loss of \$2.15M.

In January 2018, BART implemented a Board-approved \$0.50 surcharge for trips taken with a paper ticket to encourage riders to use Clipper and optimize the Bay Area's significant investment in the regional transit smart card. (The surcharge is prorated down for riders taking discounted trips.) The \$0.50 surcharge has been successful—over the last year, paper ticket trips have been reduced by approximately 42%. To further encourage the 15% of BART riders still using paper tickets to switch to Clipper, BART is considering increasing the surcharge to \$1.00, and staff has recently completed outreach to riders to get their input on this option, the results of which will be reported to the Board this spring. In addition to considering a paper ticket surcharge increase, the District is advancing other policy and technical projects to move toward increased Clipper usage. BART's maintaining one fare payment system is more efficient and cost-effective, and Clipper card customers enter and exit BART more quickly, using fare gates that are more reliable when processing only Clipper cards.

Passenger Fare Revenue (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Rail Passenger Revenue	\$ 442.1	427.2	(14.9)	(3%)
Incremental Fare Increase Revenue	42.9	52.2	9.3	22%
Subtotal, Rail Fare Revenue	485.0	479.4	(5.6)	(1%)
ADA Paratransit Revenue	0.9	0.9	(0.0)	0%
TOTAL	485.9	480.2	\$ (5.7)	(1%)

6.1.2 Parking Fee Revenue

BART generates revenue from daily and permit parking fees charged at its 36 stations with parking facilities. Under a demand-based approach to pricing parking, daily parking fees are re-evaluated every six months. Costs for permits and fees may either increase or decrease, depending upon whether the facility's utilization is above or below 95% capacity. The daily fee maximum is capped at \$3 at all stations, except West Oakland Station, which does not have a cap and is currently at \$10.50, and South Hayward, which is currently \$2. Parking revenue generated at stations on the SVBX extension will be collected by VTA and will not be budgeted by BART. The FY20 preliminary parking revenue budget is \$36.5M.

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. Programs and projects funded by the increased parking revenue consist of both operating and capital efforts, some of which are one-time in nature and others ongoing. Approximately \$15.0M of the FY20 parking revenue is generated by the demand-based parking fee program, with \$12.6M funding ongoing initiatives implemented between FY14 and FY19, such as additional station cleaners and station improvement efforts. The remaining approximately \$2.4M will fund new programs in FY20, as described in the FY20 Initiatives section.

The Board has expressed interest in reviewing the District's parking program to better serve customers, to meet BART's access goals, and to increase ridership. Staff is now advancing plans for a modernized parking fee collection and enforcement system. New fee collection equipment will work in conjunction with an automated enforcement system, with the goals to offer more flexibility in BART's pricing policies and to ensure greater compliance with the rules of BART's parking programs.

The Transit Oriented Development projects at the Walnut Creek and Millbrae BART stations will cause the loss of the surface parking spaces at these two locations in FY19 and FY20, which is a significant factor in the decrease of projected FY20 parking revenue. The developers at these two sites will build replacement parking, most of which will be accessible to BART patrons; however, the spaces will be under the control of a private development team.

Parking Revenue (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Daily	\$ 26.0	25.9	(0.1)	(0%)
Monthly Reserved	8.5	8.1	(0.4)	(5%)
Single Day Reserved	1.4	2.1	0.6	44%
Airport/Long Term	0.6	0.4	(0.2)	(31%)
Coliseum Special Events	0.1	-	(0.1)	(100%)
TOTAL	36.7	36.5	\$ (0.1)	-

6.1.3 Other Operating Revenue

BART also generates operating revenue from non-passenger sources, the value of which is expected to be \$28.4M in FY20. The two largest sources are advertising and the Commercial Communications Revenue Program (CCRP), budgeted at \$10.1M and \$8.1M, respectively. Smaller revenue sources include fines and forfeitures, investments, building and ground leases, concessions, and other miscellaneous revenues. BART has an advertising franchise agreement with a third party that manages the sales and posting of advertising on BART's behalf. In FY20, the Franchisee is obligated to pay a Minimum Annual Guarantee of \$12M in revenue to the District, leaving a net of \$10.1M after SFMTA receives its share under an agreement governing shared use of the downtown San Francisco stations. The total guaranteed gross amount of advertising revenue to the District from FY19-FY29 is \$160M. The Franchisee estimates an additional \$112M in revenue share payments to the District from FY19-FY29, depending on the timing and cost of digital advertising screen installations in BART stations over the next few years. Staff are currently working to expedite these installations.

The CCRP, managed by the Office of the Chief Information Officer (OCIO), works to expand the District's commercial fiber and wireless telecommunications revenue footprint. In FY18, BART completed evaluation on a public commercial invitation for a proposal to develop new license agreements with firms interested in large fiber optic and wireless projects both around the District and within the SFMTA underground, a new business opportunity established in FY17 under the BART/SFMTA Communications Agreement. CCRP is estimated to generate \$8.4M in FY19, and \$8.1M in FY20 as the focus continues to shift to new construction, with revenue increasing steadily thereafter as new fiber optic and wireless assets come online.

Parking citation revenue, noted in the table below as fines and forfeitures, is budgeted at \$3.7M in FY20, an increase of \$0.4M from the FY19 budget. The increase is from the addition of parking enforcement officers in FY19. Approved citation fee increases were implemented in January 2017.

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 shopping center entrance. The budget for FY20 is \$1.8M.

"Other" revenue, budgeted at \$4.8M in FY20, includes investments income; public telephones; concessions; ground leases at West Dublin/Pleasanton, Pleasant Hill/Contra Costa Centre, MacArthur and Castro Valley stations; special fees and permits; the Capitol Corridor Joint Powers Authority's overhead recovery; and other miscellaneous sources.

Other Operating Revenue (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Advertising	\$ 20.7	10.1	(10.5)	(51%)
Telecommunications	8.4	8.1	(0.4)	(5%)
Fines and Forfeitures	3.3	3.7	0.4	11%
Building and Ground Leases	1.1	1.8	0.7	65%
Other	4.8	4.8	(0.1)	(2%)
TOTAL	38.3	28.4	\$ (9.9)	(26%)

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. These sectors are susceptible to economic downturns, which result in reduced sales tax revenue. The 2018 Supreme Court ruling on the South Dakota v. Wayfair, Inc. case, which will require sales tax from online sales to be collected in the state of the purchaser, will result in a small increase in BART sales tax revenue starting in FY20.

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 3.1%. Annual sales tax growth for the FY14-FY18 averaged 4.3%, with a range between 2.3% and 6%. With two quarters of actual FY19 data, sales tax is \$13.0M above budget and has grown 9.5% compared to FY18. Some of the revenue growth seen in FY19 is due to one-time events, such as receipt of delayed FY18 sales tax payments from the state. Currently, FY19 sales tax revenue is projected to end the year at \$268.4M, which is \$3.7M above the adopted budget. Based upon the FY19 estimated results and the growth rate over the past few quarters, FY20 sales tax revenue is projected to grow 3.2% to \$277.0M.

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 counties⁴. 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.

⁴ 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 FY19 tax year, the enrolled rate was \$5.20 and \$1.80 per \$100,000 of assessed value, respectively.

BART's FY19 property tax revenue is projected at \$48.9M (\$2.1M, or 4.5% over budget). FY20 property tax revenue is forecast to increase by 3.5% over the FY19 year-end estimate to \$50.6M.

Sales Tax and Property Tax Proceeds					
(\$ millions)		Sales Tax	Year-to-Year Change	Property Tax	Year-to-Year Change
Actual	FY14	\$ 221.1	6.0%	32.5	3.8%
	FY15	233.1	5.4%	34.3	5.7%
	FY16	241.5	3.6%	38.1	11.0%
	FY17	247.2	2.3%	41.6	9.3%
	FY18	257.9	4.3%	45.7	9.8%
	FY19 Adopted	264.6	2.6%	46.8	2.3%
	FY19 Estimate	268.4	4.1%	48.9	7.0%
	FY20 Preliminary	277.0	3.2%	\$ 50.6	3.5%

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 FY18, the extension generated funds that BART deposited into an SFO Extension reserve account. However, ridership on the extension has declined more than 10% from its peak in FY16. BART forecasts that beginning in FY20 the expense of operating the extension will exceed revenue by \$5.8M. Following the terms of the agreements, BART will withdraw \$5.8M from the SFO Extension reserve account to cover this net operating deficit.

6.2.4 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 can 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. STA funding has not been consistent and can be subject to actions in the governor's state budget. In some years, BART received no STA funds and in recent years, STA revenues statewide have declined due to lower diesel prices.

Senate Bill 1 (SB1), passed in April 2017, provides for new formula-based funding sources for public transit, augmenting the current STA program. For public transit, SB1 increased the incremental sales tax on diesel fuel dedicated to the STA program by 3.5%, generating approximately \$250M per year statewide to be used for transit capital and operations purposes. SB1 also implemented a 0.5% increase on the incremental sales tax on diesel fuel, generating approximately \$40M per year to intercity passenger and commuter rail systems.

SB1 established a new "Transportation Improvement Fee" (TIF) under the Vehicle License Fee law. The TIF is based on a vehicle's current market value and ranges from \$25 to \$175. Fee revenues are dedicated to the STA program (\$105M per year statewide) for State of Good Repair expenditures. Fees are also directed to the Transit and Intercity Rail Capital Program (\$245M per year) and a new "Solutions for Congested Corridors Program" (\$250M per year) for allocation to a balanced set of transportation, environmental and community access improvements within highly congested travel corridors in California, including public transit projects. The TIF will be adjusted annually for inflation starting July 1, 2020.

For FY20, MTC estimates that STA revenue will remain flat. BART will receive approximately \$39.9M of revenue-based STA funds and \$6.1M of State of Good Repair revenue-based STA funds. From this amount, MTC will direct \$7.3M to feeder bus operators providing service to BART stations, leaving a net of \$38.7M for BART. The District will claim \$0.5M of FY19 Population-Based County Block Grant Program funds from Alameda and Contra Costa counties. The net STA revenue budgeted for FY20 is \$39.2M.

6.2.5 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.

MTC has advised that BART could expect approximately \$8.4M of LCTOP in May of 2019, which will be programmed for BART to Antioch operations in FY20.

6.2.6 Low Carbon Fuel Standard Program

The Low Carbon Fuel Standard (LCFS) Program is a state market-based program administered by the California Air Resources Board (CARB). The purpose of the program is to move state fuel production toward less carbon-intensive sources. Under CARB’s fixed guideway regulations, which became effective in 2016, electric railroad operators such as BART are permitted to generate and sell credits to producers of higher-carbon-intensity fuels for the purpose of meeting their program compliance obligations.

In June 2017, the BART Board adopted an LCFS revenue policy, and BART proceeded to sell credits that had been carried over from 2016 as well as credits generated in 2017. The retained inventory from 2016, plus exceptionally favorable LCFS market conditions in late 2017, resulted in higher than forecast LCFS revenues in FY18. BART’s FY19 LCFS revenue budget was \$6.5M, while actual fiscal year sales will likely exceed \$15.8M. Revenues collected from the LCFS credits depend on the LCFS credit market and the timing of BART’s sales. LCFS revenues are budgeted at \$14.1M for FY20, though actual revenues in future years are unpredictable and will depend on market conditions at the time.

6.2.7 Other Assistance

Other Assistance to BART in FY20 includes budgeting \$3.0M and \$2.2M from Alameda County’s Measure BB and Measure B, respectively, which will be used for paratransit and transit operations in Alameda County. The FY20 budget also includes \$1.0M paid by Caltrain for the Millbrae Station Use, Operations, and Maintenance Agreement, and \$97,000 from Contra Costa County’s Measure J sales tax measure.

Other Assistance (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
State Transit Assistance (STA)	\$ 38.0	39.2	1.2	3%
Financial Assistance - SFO Extension	-	5.8	5.8	-
Low Carbon Transit Operations Program	-	8.4	8.4	-
Low Carbon Fuel Standard Program	6.5	14.1	7.6	118%
Measure B/Millbrae UOM/Other	5.4	6.4	1.0	18%
TOTAL	50.0	74.0	\$ 24.0	48%

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 Uses increased by \$24.6M or 3% from FY19, mostly due to a \$31.5M increase in operating expenses. The main drivers of the expense increase are contractual wage increases, pension expense, Quality of Life and Safety & Security investments, accessibility improvements, regulatory compliance investments, and other investments detailed in the following pages. The expense increase was partially offset by decreases in allocations as detailed in Section 7.2.5.

Operating Uses (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Labor	\$ 560.7	591.4	30.8	5%
ADA Paratransit	16.1	16.9	0.9	5%
Purchased Transportation	14.1	14.6	0.5	4%
Power	43.8	45.6	1.8	4%
Other Non-Labor	133.1	130.7	(2.4)	(2%)
OPERATING EXPENSES TOTAL	767.8	799.3	31.5	4%
Debt Service	46.6	47.2	0.6	1%
Capital Rehabilitation	22.3	25.3	3.1	14%
Additional Capital Initiatives	7.6	0.1	(7.5)	(99%)
Priority Capital Projects/Programs	42.9	52.2	9.3	22%
SFO Operations/New Car Allocation	4.8	-	(4.8)	(100%)
Stations/Access Projects	3.7	3.9	0.2	5%
Other (Leases, OAC CARP, Met Bldg.)	4.6	4.3	(0.3)	(7%)
Allocation to LCFS/Reserves	6.5	7.1	0.6	9%
Operating Reserve - Econ Uncertainty	15.3	-	(15.3)	(100%)
Pension Liability	-	10.0	10.0	-
Reverse Capital Allocation	-	(2.5)	(2.5)	-
DEBT SERVICE AND ALLOCATIONS TOTAL	154.4	147.5	(6.9)	(4%)
OPERATING USES TOTAL	922.2	946.8	\$ 24.6	3%

7.1. LABOR: WAGES AND BENEFITS

The table below shows changes in full-time equivalent (FTE) positions from the FY19 adopted budget to the FY20 preliminary budget.

FY19 to FY20 FTE Summary			
	Operating	Capital/Reimb*	Total FTEs
FY19 Adopted Budget	3,433.3	1,244.0	4,677.3
FY19 Adjustments	12.0	(1.0)	11.0
FY20 Adjustments	(62.6)	62.8	0.1
Inspector General	-	1.0	1.0
FY20 New Initiatives**	61.0	-	61.0
Total Adjustments	10.4	62.8	73.1
FY20 Preliminary Budget	3,443.6	1,306.8	4,750.4

*The capital headcount is still being developed and will be presented in May 2019.
 **Additional details on the proposed FY20 new budget initiative positions can be found in Section 10.

A total of 73.1 full-time equivalent (FTE) positions are proposed to be added in the FY20 budget. This is net of the following changes:

- 12.0 net increase in operating positions and 1.0 net reduction to capital positions during FY19; positions abolished to fund mid-year position upgrades, and positions added for critical District needs
- 0.1 net reductions, additions, and conversions mostly related to the budget balancing process described in Section 9
- 1.0 position for the new Inspector General department (see Section 1.4)
- 61.0 positions for new initiatives described in Section 10 including 23.0 positions for Police for the Quality of Life/Safety & Security Initiative

Labor (Wages and Benefits) (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Wages	\$ 475.5	498.5	22.9	5%
Overtime	23.8	31.8	8.0	34%
CalPERS Pension	95.2	109.3	14.1	15%
Other Pension Benefits	14.2	14.6	0.4	3%
Active Employee Medical	83.2	81.9	(1.4)	(2%)
Retiree Medical	39.5	41.8	2.3	6%
Workers' Compensation	13.4	18.3	4.9	37%
Capital Labor Credits	(210.2)	(231.7)	(21.5)	10%
Other Labor*	26.0	27.0	1.0	4%
NET LABOR	560.7	591.4	\$ 30.8	5%

*Other labor is comprised of Vision, Dental, Medicare, Life Insurance, Disability, Unemployment, Meal and Uniform Allowances, Temp Help, and Employee Wellness Benefits

The FY20 labor budget is projected to total \$591.4M. This includes the cost of the new positions as well as scheduled wage increases. The lowering by CalPERS (see below) of the pension fund's rate of return, in

addition to other changes in actuarial assumptions, resulted in an increase of \$14.1M for pension funding. Other major labor cost drivers are:

- Increase in the retiree medical liability contribution due to the impact of actuarial assumptions in previous valuations
- Increase in overtime to better align the budget with expense and increased operational needs
- Increase in workers compensation by \$4.9M to maintain required funding for reserves
- Increase in capital labor credits by \$21.5M due to position conversions from operating to capital in FY20
- Decrease in medical premiums due to changes in plan rates and aligning cost for vacant positions with active employee trends

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.

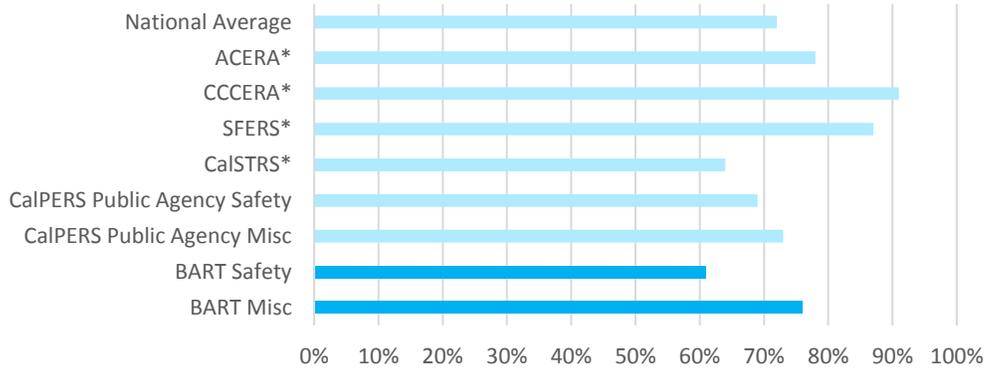
As of the latest actuarial valuation reports for FY20 (based on data as of June 30, 2017)⁵, BART's funded ratio increased from 74% to 76% for the Miscellaneous plan and from 59% to 61% for the Safety plan. The funded ratio measures plan assets relative to plan liabilities. Both ratios have increased slightly from last year's valuation reports as the unfunded accrued liabilities (UAL) decreased, due to increasingly positive investment performance.

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.

⁵ There is a three-year lag from the data CalPERS uses for the annual valuation to the fiscal year the valuation applies to.

Pension Funded Ratios



*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

FY20 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 7.0% over a three-year period beginning with the June 30, 2016 actuarial valuation. In FY20, the assumed discount rate will be 7.25%. This lower discount rate, in addition to the amortization of prior year losses and assumption changes, significantly impacts BART's pension contribution. For FY20, BART is required to contribute 8.803% and 26.689% of payroll for the normal cost for the Miscellaneous and Safety plans, respectively; up from 8.243% and 25.432%, respectively, in FY19. BART is also required to contribute \$52.2M as a flat fixed payment towards the UAL for both plans, up from \$42.7M in FY19. The total employer contribution is projected to increase by \$13.5M (15.6%) from FY19.

FY20 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 13.75% for Safety employees, up from 6.25% and 13.0%, respectively in FY19. Classic (Non-PEPRA) employees, per the current labor contracts, pay only a portion of the required employee contribution.⁶ BART pays the remainder, which for FY20 is estimated to be \$9.4M.

CalPERS Employer and Employee Rates					
(\$ millions)		FY19		FY20	
		MISC	SAFETY	MISC	SAFETY
Classic	Employer Rate*	8.24%	25.43%	8.80%	26.69%
	Employee Rate	7.00%	9.00%	7.00%	9.00%
PEPRA	Employer Rate*	8.24%	25.43%	8.80%	26.69%
	Employee Rate	6.25%	13.00%	7.00%	13.75%
UAL (Fixed Amount)*		\$ 34.6	\$ 8.1	\$ 42.7	\$ 9.5

*The estimated total employer contribution rate is a combination of (a) the actual employer rate, plus (b) an estimated rate which approximates the unfunded liability contribution amount. The estimated rate is 19.64% in FY20 up from 17.52% in FY19 for Miscellaneous, and 69.81% in FY20 up from 62.99% in FY19 for Safety.

⁶ Prior to FY14, BART funded the entire employee contribution as a benefit to employees.

District Contributions*									
(\$ millions)		FY19			FY20			Change	
		MISC	SAFETY	TOTAL	MISC	SAFETY	TOTAL	\$	%
Employer Rate	Classic	\$ 21.0	5.9	26.9	21.2	4.1	25.3	(1.6)	(5.9%)
Employer Rate	PEPRA	15.8	1.0	16.8	20.2	2.3	22.5	5.7	33.9%
UAL (Fixed Amount)		34.6	8.1	42.7	42.7	9.5	52.2	9.5	22.2%
Subtotal - Employer Rate		71.4	15.0	86.4	84.1	15.9	100.0	13.5	15.6%
Employee Rate	Classic	7.6	1.2	8.8	7.6	1.8	9.4	0.6	6.8%
Subtotal by Plan		79.0	16.2	95.2	91.6	17.7	109.3	\$ 14.1	14.8%

*The table is only showing dollar amounts that BART is paying towards pension. It does not include employee contributions referenced in the above paragraph.

Pension Funding Plan

Over the past year, the Board of Directors and staff have been discussing different options to contribute additional funds to pay down the District’s pension liability and mitigate increased contributions required by CalPERS. The Board recently approved a Pension Funding Policy and authorized BART to establish and fund as Section 115 Pension Trust or join a multi-employer Trust can be used only for pension payments. The District will contribute \$10M each fiscal year to the Trust over the next ten years beginning with FY19.

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 \$8.9M in FY20.

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 SEIU⁷, \$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 FY20 is \$5.6M.

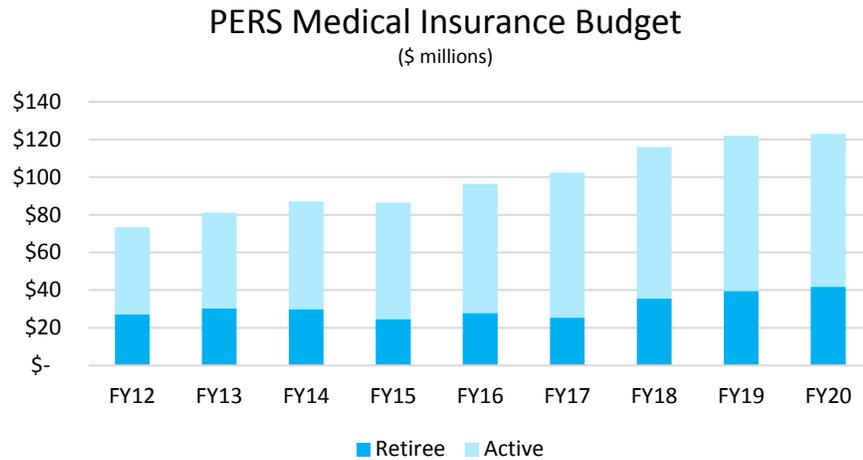
7.1.3 Active Employee Medical Insurance

The FY20 cost of healthcare insurance for active employees is projected to be \$81.3M, a three percent decrease from FY19. This amount includes an accounting credit of \$4.4M for an “implied subsidy” from the Retiree Medical cost actuarial report (see Retiree Medical section below). The decrease is also the result of several factors:

- Rates for the Kaiser plan, elected by 63% of active employees, decreased by 1.5% for calendar year 2019
- The HealthNet SmartCare plan option, elected by 14% of active employees, is 34% less than the Blue Shield Access+ plan option

⁷ AFSCME – American Federation of State, County, and Municipal Employees; ATU – Amalgamated Transit Union; SEIU – Service Employees International Union.

- The budget for vacant positions is better aligned with active employee election trends



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 are 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 BPMA⁸ members pay an additional \$44⁹ per month directly in their medical contribution.

⁸ BPOA - BART Police Officers’ Association; BPMA - BART Police Managers’ Association

⁹ 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.

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 FY20 ADC is \$41.8M, a 6% increase from FY19, a portion of which is an implied subsidy payment of \$4.4M.

¹⁰ The FY20 ADC increase, while lower than projected due to favorable conditions for healthcare premiums, is a result of changes in the discount rate in prior valuations.

Since the prior valuation, the unfunded liability decreased by \$21.7M and the funded ratio increased from 47% to 52%. BART's funding plan follows a 30 year "closed" amortization schedule and is on schedule to pay off the unfunded liability by 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. In FY19, there was a significant decrease (\$3.0M less than FY18) in the budget as the reserve was overfunded at the time. The FY20 workers' compensation budget is \$18.3M (\$4.9M higher than FY19), which is required to maintain appropriate reserves.

7.2. NON-LABOR

7.2.1 Traction & Station Power

Electrical traction and station power costs are projected to total \$45.6M in FY20, an increase of \$1.8M or 4% above the adopted FY19 budget¹¹. Increased expenditures are attributed to modest growth in forecasted energy consumption in FY20, coupled with an increase in costs of short-term wholesale electric supply and energy-related compliance instruments. Energy consumption forecasts affect both energy supply costs and energy delivery costs. Year-over-year increases in energy delivery rates collected by Pacific Gas & Electric (PG&E) and the California Independent System Operator apply to all load serving entities relying on wholesale energy delivery services, including BART, and are currently reflected in the FY20 budget projections.

BART made the following assumptions in developing its FY20 power budget:

- **Transmission:** Transmission delivery costs are expected to increase 4% due to a modest increase in electric consumption as well as an increase in transmission rates
- **Distribution:** Distribution delivery costs are expected to increase 3% due to a modest increase in electric consumption as well as higher utility rates for distribution service
- **Supply:** Costs for electric power supply are expected to increase 4% in FY20 relative to FY19 due to

¹⁰ \$41.8M ADC includes the \$4.4M implied subsidy credit which is subtracted from the active medical insurance budget. This assumes that a portion of the cost for premiums (\$4.4M) for active employees is "subsidizing" the higher claims cost for retirees.

¹¹ Approximately 79%, or \$34.7M, of BART's energy costs in FY20 are for traction power (train propulsion and on-board uses), while 21%, or \$10.9M, are for non-traction power (stations, shops, ventilation, trackside electronics, etc.).

upward pressure on short-term wholesale electricity prices. BART has secured the majority of its forecasted energy supply needs through mid-2020 from low- and zero-carbon sources at favorable prices and expects new long-term fixed-price renewable supplies to come online in late-2020. However, the market for short-term energy supply and energy market compliance instruments has tightened significantly over the past year, contributing to an increase in cost of BART’s overall electric procurement

- For FY20, approximately 90% of BART’s energy needs will be met from hydroelectric imports from the Pacific Northwest, which have a very low carbon content, but do not qualify as renewable under California state law
- Approximately 5% of BART’s energy needs will be met with long-term federal hydroelectric power purchases from the Western Area Power Administration, which is zero-carbon but does not qualify as renewable under state law
- The remaining 5% of BART’s energy needs will be met primarily with long-term renewable power contracts including several on-site solar projects on BART properties

For FY20, BART expects its power portfolio will continue to be over 90% low- and zero-carbon electric supply, but only 2% to 5% will be qualified as renewable under California state law. In line with BART priorities to maintain low and stable energy operating costs and increase its renewable and carbon-free electricity portfolio content, two long-term renewable supply contracts for wind and solar will begin delivery in late 2020. By 2021, approximately 90% of BART’s electricity needs will be provided by renewable energy.

Traction & Station Power	Budget		Change	
(\$ millions)	FY19 Adopted	FY20 Preliminary	\$	%
NCPA, Western, BART Power Supply	\$ 22.9	23.8	1.0	4%
Transmission Services	10.9	11.4	0.5	4%
Distribution Services	8.9	9.2	0.3	3%
NCPA Member Expenses	1.1	1.2	0.0	0%
TOTAL	43.8	45.6	\$ 1.8	4%

7.2.2 Purchased Transportation

BART has agreements with other agencies for various transit services to directly or indirectly support and augment BART service. BART’s cost of purchased transportation is projected to be \$31.6M in FY20, an increase of \$1.4M over the adopted FY19 budget.

Purchased Transportation	Budget		Change	
(\$ millions)	FY19 Adopted	FY20 Preliminary	\$	%
Paratransit	\$ 16.1	16.9	0.9	5%
Muni Purchased Transportation	3.7	3.8	0.1	3%
AC Transit Feeder Agreement	3.9	4.1	0.2	5%
Purchased Transportation - OAC	6.5	6.7	0.2	3%
TOTAL	30.2	31.6	\$ 1.4	5%

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. Paratransit expenses are estimated to be \$16.9M in FY20, an increase of \$867k or 5%, over the adopted FY19 budget. These costs include vehicle and fuel costs, as well as increases in provider costs.

EBPC costs include BART's share operating an 80-person office with a call center, certification and scheduling, increases for fuel costs, hourly rates to the providers for vehicles, and wage and benefit increases for drivers and mechanics. Ridership has been slowly increasing to levels seen before the economic downturn and the cost of providing service continues to increase in kind.

San Francisco Municipal Transportation Agency/AC Transit Feeder Agreements

BART has agreements with SFMTA and AC Transit that link the annual Purchased Transportation (Feeder) payments to the rate of change in riders transferring between BART and the local operators, and to changes in Bay Area inflation. The FY20 budgeted payments are \$3.8M for SFMTA and \$4.1M for AC Transit. In addition, MTC directs over \$7M of BART STA funds annually to four East Bay transit operators providing service to BART stations, as discussed under STA in the Tax and Financial Assistance section.

Purchased Transportation - OAC

BART service to the Oakland International Airport opened in November 2014 and is operated and maintained (O&M) for 20 years by a private contractor, Doppelmayr Cable Car (DCC). The FY20 estimated O&M cost is \$6.7M¹².

7.2.3 Other Non-Labor

Other Non-Labor for FY20 is \$130.7M, or \$2.4M lower than the FY19 Adopted Budget. Increased costs in Rent, Clipper fees, and Utilities are offset by decreases in Insurance, Professional & Technical Services and Other Miscellaneous costs. The table below summarizes Other Non-Labor by category.

Other Non-Labor (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Clipper, Ticket Sales & Bank Fees	\$ 16.9	17.8	0.9	5%
Insurance	10.1	9.8	(0.3)	(3%)
Materials & Supplies	35.3	35.2	(0.1)	(0%)
Professional & Technical Fees	33.4	31.4	(1.9)	(6%)
Maintenance & Repairs	13.2	10.3	(2.9)	(22%)
Rent	14.7	16.3	1.6	11%
Utilities	4.4	5.7	1.3	30%
Other Miscellaneous	5.2	4.1	(1.0)	(20%)
TOTAL	133.1	130.7	\$ (2.4)	(2%)

The table above does not include ADA Paratransit, Purchased Transportation, or Power, which are detailed in their respective sections.

¹² Based on the contract estimate plus CPI escalation. BART also allocates funds to an escrow account each year that will fund the refurbishment and replacement costs for the system for the 20-year term.

Major Other 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 services¹³
- **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, 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.
- **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
- **Utilities** includes non-traction and station power electrical energy, trash collection, natural gas, water, sewer, telephones and other utilities, etc.
- **Other Miscellaneous** includes dues and memberships, promotion expense, diesel and gasoline, county filing fees, miscellaneous supplies, etc.

The other non-labor changes include:

- \$0.9M increase in Clipper and bank fees due to forecasted 14% increase in FY20 Clipper usage in addition to added fees for mobile parking payments and Early Bird customers
- \$0.3M decrease in the overall District insurance and loss provisions due to prior year budget increases resulting in BART now maintaining appropriate reserves
- \$1.9M decrease in Professional and Technical Services due to removal of prior year one-time initiatives and reductions provided by departments during the budget balancing process described in Section 9
- \$1.6M increase in rent includes rent and operating cost escalations and \$0.2M for additional office space at BART's downtown Oakland Lakeside headquarters
- \$1.3M increase in utilities driven by a 3% escalation and a FY20 initiative to budget additional utilities needed for ongoing operations
- \$1.0M decrease in Other Miscellaneous Non-Labor decreased due to removal of election expense that was budgeted in FY2019

¹³ Non-Labor Insurance does not include active employee health insurance, workers' compensation, Medicare, unemployment and other insurance categories included in the labor budget.

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 FY20 is \$47.2M for outstanding Series 2012A, 2012B, 2015A, 2016A, 2017A, and 2017B revenue bonds.

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, including fare and parking revenue, as well as actual program needs. The major categories of planned allocations are:

- **Baseline Capital Allocation \$25.3M:** 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 and other capitalized maintenance. Also included is an allocation for \$4.2M ongoing to the Office of the Chief Information Officer (OCIO) to support BART's growing technology needs and \$0.1M for Art Policy funding.
- **Additional Capital Initiatives \$0.1M:** This allocation will contribute funding to an accessibility initiative, which includes new elevator mitigation service. The full initiative is described in Section 10.
- **Priority Capital Program Allocations \$52.2M:** 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. Actual allocations are based upon actual ridership and fare revenue. Including FY19 allocations, \$169M has been allocated to the reserve from fare increase revenue and \$151M has been drawn down, leaving a balance of \$18M.
- **SFO Operations/New Car Allocation \$0M:** Dependent upon ridership and fare revenue, net positive financial results from operations of the SFO Extension are allocated to a reserve account per the terms of the 2007 agreements relieving SamTrans of financial responsibility for the extension into San Mateo County. Per the terms of MTC's 2013 Transit Core Capacity Challenge Grant Program (Resolution 4123), the first \$145M in the SFO reserve account will be directed to the Rail Car Replacement Program. Based upon ridership decline on the extension, the FY20 budget does not anticipate allocating funds to the reserve.
- **Station/Access Projects \$3.9M:** Allocation to Stations and Access Programs are funded by incremental parking fee revenue generated by BART's demand-based parking program. The incremental revenue is estimated at \$15.0M in FY20, of which \$11.1M will fund continuing station and access operating programs implemented in FY14 through FY19. The remaining \$3.9M will fund \$1.5M of ongoing station hardening and brightening capital programs and \$2.4M of new capital project initiatives. Further detail is provided in the FY20 Proposed Initiatives section of this document.
- **BART-to-OAK CARP \$1.0M:** BART allocates funds to the Capital Asset Replacement Program (CARP) for BART-to-Oakland International Airport (OAK) to provide a reserve for future renovation and replacement needs. Fund expenditure is controlled jointly by BART and the contract provider, Doppelmayr Cable Car (DCC), based upon actual needs for refurbishment and replacement over the 20 years of the agreement. DCC is required to fund costs in excess of the CARP.
- **Joseph P. Bort MetroCenter (MET) Building \$2.7M:** This allocation is for the purchase of the

MetroCenter building. There will be operating to capital allocations between FY19 and FY25 to fund repayment of the loan from BART cash reserves used to purchase the building, totaling approximately \$20M. The FY20 budget is \$2.7M.

- **Low Carbon Fuel Standard (LCFS) Program \$7.1M:** 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 FY20 budget includes an estimated \$14.1M from credit sales, with \$7.1M allocated to the Sustainability Program. The remaining \$7.1M will be used to fund operations in FY20, consistent with Board policy.
- **Allocation to Operating Reserves for Economic Uncertainty \$0M:** This was a one-time allocation for FY19. No allocation is budgeted for FY20.
- **Allocation to Operating Reserves for Fiscal Stability - Pension \$10M:** The FY20 budget allocates \$10M as a placeholder for additional pension funding subject to Board direction.
- **Reverse Operating Reserve \$2.5M:** In FY18 a favorable year-end result of \$2.5M was allocated to an operating reserve account for Safety & Security. This capital allocation will be reversed in FY20 to fund nineteen Police operating positions for half a year and four Fare Inspectors.
- **Other Allocations \$0.6M:** This category of allocations includes 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.

Allocations (\$ millions)	Budget		Change	
	FY19 Adopted	FY20 Preliminary	\$	%
Debt Service	\$46.6	47.2	0.6	(1%)
Allocations				
Baseline Capital Allocation	22.3	25.3	3.1	14%
Additional Capital Initiatives	7.6	0.1	(7.5)	(99%)
Priority Capital Programs	42.9	52.2	9.3	22%
SFO Operations/New Car Allocation	4.8	-	(4.8)	(100%)
Stations/Access Projects	3.7	3.9	0.2	5%
BART-to-OAK (CARP)	1.0	1.0	0.0	4%
MetroCenter Building	3.1	2.7	(0.4)	(14%)
LCFS Allocation to Sustainability	3.3	7.1	3.8	118%
LCFS Allocation to Reserves	3.3	-	(3.3)	(100%)
Allocation to Reserves - Econ Uncertainty	15.3	-	(15.3)	(100%)
Allocation to Op. Reserves– Pension Liability	-	10.0	10.0	-
Reverse Capital Allocation – Safety & Security	-	(2.5)	(2.5)	-
Other	0.6	0.6	0.0	-
TOTAL	154.4	147.5	\$ (6.9)	(4%)

8 CAPITAL SOURCES AND USES

8.1. CAPITAL BUDGET

The preliminary FY20 capital budget anticipates a maximum investment of \$1,358M in BART's capital assets. As in prior years, project plans and schedules will be refined through BART's capital budget process during March and April, and staff anticipate that the final capital budget brought to the Board in June for adoption will include a lower total spending limit.

8.1.1 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 funds, along with allocations from the operating budget, Measure RR system renewal, and Earthquake Safety Program bonds. VTA will fully reimburse incurred costs related to SVBX. Preliminary funding projections are shown in the table "FY20 BART Capital Program - Summary of Sources." These projections will be updated and presented to the Board in May 2019.

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 FY20, ESP Bond proceeds will provide funds for the Transbay Tube seismic retrofit.
- **Operating to Capital Allocations:** The majority of these allocations fund rail car procurement costs, with a smaller share to fund system maintenance or as a match to federal funds for State of Good Repair projects.

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

- **High Speed Passenger Train Bond Program (Proposition 1A):** Caltrans has allocated funds for renovation and modernization of HMC.
- **Infrastructure Bond (Proposition 1B):** Caltrans has allocated funds for BART's Station Modernization Program.
- **Low Carbon Transit Operations Program (LCTOP):** LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Caltrans has allocated funds for station modernization and replacing and enhancing BART's rail car fleet.

County and Local Sources

- **Alameda Measures B/BB and Additional County-Controlled Funds:** The Alameda County Transportation Commission controls funds that support the Station Modernization Project and access related projects.
- **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 FY20 capital budget:

- **Federal Transit Administration Discretionary Grant Program:** FTA is reviewing BART's application to receive funds for the Transbay Corridor Core Capacity Program, specifically to fund 260 new cars; partial expansion of the Hayward Maintenance Complex (HMC); new Communications-Based Train Control 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. Caltrans has awarded BART funds from its local Transit & Intercity Rail Capital Program (TIRCP) for the Transbay Corridor Core Capacity Program and Escalator Renovation 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. Toll funds are currently collected but will not be allocated until pending litigation is resolved. BART is slated to receive

\$500M for new 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 the Transportation Operations Facility, Lake Merritt Plaza Improvements, and other station modernization projects including Union City.
- **San Francisco Development Impact Fees:** BART has the opportunity to compete for this funding to support Transbay and station capacity enhancing projects.
- **Additional Funding:** In addition to its annual FTA formula funds application, BART has submitted applications to receive funding from the Lifeline Grant Program, for the Elevator Attendant Program; Transportation Fund for Clean Air, for a bike station at the Fremont Station, additional bike lockers at the West Oakland station, and/or first/last mile shuttle services at various San Francisco and Contra Costa County stations; and the California Office of Emergency Services, Hazard Mitigation Grant Program, for Slope Stabilization along the C and A lines and the Oakland Emergency Generator.

8.3. CAPITAL USES

The FY20 capital budget directs \$1,358M across five program areas: System Reinvestment (68%), Service and Capacity Enhancement (12%), Safety and Security (5%), Earthquake Safety (12%), and System Expansion (2%) and \$7.0M of reimbursable expenses. As in previous years, the preliminary capital budget may be revised downward in the adopted budget as projects' teams assess their progress in FY19 and its impacts on FY20 project schedules. The following table "FY20 BART Capital Program - Summary of Uses" summarizes planned work by program area. The capital budget includes all planned capital expenditures, including those paid for using funds BART expects to receive in FY20 as well as capital funds committed in prior years. Highlights of the FY20 capital budget include:

- **Rail Car Fleet replacement:** The FY20 budget includes funding for payment to Bombardier Transportation for new rail cars and progress milestones. Sixty new cars are in revenue service as of March 2019, and the full order of 775 cars is scheduled for delivery by the end of FY22.
- **Train Control Modernization:** The Train Control Modernization Program will replace BART's original train control system with a communications-based system. BART has received bids and expects to award a contract for this important project in FY20.
- **Seismic Safety Upgrades:** Seismic safety investments in the Transbay Tube to reduce the risk of flooding in the case of a catastrophic earthquake and repairs in the BART Caldecott Tunnel will address ground creep caused by seismic activity.
- **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 FY20 budget includes funds to replace high-voltage traction power cables in San Francisco 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, a new parking lot at Antioch Station, and Station Modernization investments at El Cerrito Del Norte, 19th Street Oakland, and Powell Street Stations.

FY20 BART Capital Program – Summary of Sources			
Capital Funding Source	FY20 Funding Summary	Amount (millions)	% of Program
BART/Voter Approved Funds		\$980	72%
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 FY20, Measure RR funding will support investment in focusing on traction power, track replacement, structural rehabilitation, station access, and station modernization 	\$608	45%
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 	\$110	8%
BART Operating Allocations	<ul style="list-style-type: none"> In FY20, new allocations from operating to capital, as well as 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 	\$262	19%
Federal and Regional Funds Distributed by MTC		\$243	18%
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 FY20 	\$9	1%
Federal Funds	<ul style="list-style-type: none"> MTC allocates approximately \$53M per year of FTA formula funds toward BART's State of Good Repair needs; FY20 as well as prior-year 5337 and 5307 allocations will be invested in traction power; train control; rail, way and structures; and AFC equipment 	\$220	16%
Regional Bridge Tolls	<ul style="list-style-type: none"> A portion of funding is reserved to help fund 775 rail car procurement costs in FY20 	\$14	1%
State Funding		\$48	4%
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. 	\$33	3%
Other State Funding	<ul style="list-style-type: none"> California Low Carbon Transit Operations Program (LCTOP) for rail car procurement 	\$14	1%
Local Funding		\$79	6%
VTA	<ul style="list-style-type: none"> VTA will provide funds toward rail car procurement, and will reimburse BART for costs incurred during construction of SVBX 	\$44	3%
County Measures	<ul style="list-style-type: none"> Measure J supports station modernization and access projects in Contra Costa County, including a new parking lot at Antioch Station Measures B/BB will support station modernization and access projects in Alameda County Propositions A and K will support station modernization, replacement of escalators, and installation of canopies at downtown San Francisco stations 	\$35	3%
Reimbursable		\$7	0.6%
Total		\$1,358	100%

FY20 BART Capital Program – Summary of Uses

Program	Example Major Projects (FY20)	Expense (millions)	% of Program
System Reinvestment		\$928	68%
Rolling Stock	<ul style="list-style-type: none"> \$303M is budgeted expenses for related to procurement of 775 new rail cars. 86% of the cost of that project (\$262M) is categorized as System Reinvestment. 	\$262	19%
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 (San Francisco) and A-Line (Alameda County) Guideway infrastructure investment, including rail replacement, trackway structural rehabilitation, tunnel waterproofing, and tunnel lighting replacement 	\$375	28%
Facilities	<ul style="list-style-type: none"> Continuing investment HMC Phase 1 Installation of new wheel truing machine at Concord Yard Preliminary engineering for HMC Phase 2 	\$90	7%
Stations	<ul style="list-style-type: none"> Replacement of escalators at downtown San Francisco stations Station Modernization investments at El Cerrito del Norte, 19th Street, Downtown Berkeley, Concord, and Powell Street Stations 	\$111	8%
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 	\$88	6%
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 	\$3	0.2%
Service & Capacity Enhancement		\$157	12%
Stations	<ul style="list-style-type: none"> Station access improvements including new parking lot at Antioch Station and upgraded bus intermodal facility at Union City Station New platform stairs at Civic Center/UN Plaza Station 	\$93	7%
Mainline	<ul style="list-style-type: none"> 14% of costs associated with procuring 775 rail cars (\$41M in FY20) is categorized as Service & Capacity Enhancement Extension of tail tracks at Millbrae Continued Core Capacity project development 	\$64	5%
Earthquake Safety	<ul style="list-style-type: none"> Transbay Tube seismic retrofit BART Caldecott Tunnel creep mitigations 	\$166	12%
System Expansion	<ul style="list-style-type: none"> Design support and connectivity for SVBX (reimb. by VTA) Second Transbay Crossing studies 	\$27	2%
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 	\$72	5%
Reimbursable	<ul style="list-style-type: none"> Reimbursable expenses related to Capital Corridor/Other 	\$7	0.6%
Total		\$1358	100%

9 FY20 BUDGET BALANCING SOLUTIONS

To address a projected operating deficit in FY20, a series of measures are proposed in the Preliminary Budget that include position savings, non-labor expense reductions, and realignment of existing funding. Staff leveraged existing funding and prioritized targeted reductions and resource deployment to minimize negative impact on work and initiatives, maximize investment, and improve operational efficiencies. This effort was shared across BART and every Executive Office contributed to the reductions listed below.

9.1. POSITION SAVINGS

The FY20 budget includes a proposed reduction of 62.6 operating FTEs, for an estimated savings of approximately \$9.2M. Of these positions, 6.9 vacant positions will be eliminated, and 55.8 positions will be converted to capital positions to support BART’s growing capital reinvestment program. These reductions will not result in any layoffs in FY20. All conversions to capital positions are funded and aligned with the capital workplan. Reductions and conversions are summarized by department below:

Department	Operating	Capital	Total	Service Impact
OCIO	(2.0)	-	(2.0)	No dedicated staff to handle mobile device orders
M&E	(39.0)	39.0	-	Electrician positions converted to capital to focus directly on projects
RS&S	(15.0)	15.0	-	Positions will focus on capially funded FOTF modifications
Transportation	(3.9)	-	(3.9)	Reduced Station Agents and Foreworkers due to expected scheduling efficiencies from HASTUS
Ops Planning	(1.0)	1.0	-	Reduced ability to perform operational analysis
Police	(1.0)	-	(1.0)	Reduced staffing dedicated to cash handling
PD&C	(0.8)	0.8	-	Position will focus on capially funded projects
Total	(62.6)	55.8	(6.9)	

9.2. NON-LABOR REDUCTIONS

In order to realign funding with need and maximize operational efficiencies, staff identified certain non-labor categories to reduce:

Material Usage reductions include decreases in spending resulting from refinements to the Strategic Maintenance Program (SMP) and reduction in rail car wheel deliveries; **Professional Fees** reductions include reductions to training and seminar support, legal fees, advertising expenses, and technical services; **Repair & Maintenance** reductions include decreases resulting from changes to the SMP, procurement modernization, and magnetic ticket stock inventory, and; reductions to **Other Non-Labor** include decreases to delivery services, memberships, and shipping.

Non-Labor Category	Reduction
(\$ millions)	
Material Usage	\$ 1.5
Professional Fees	1.8
Repairs & Maintenance	3.1
Other Non-Labor	1.1
Total Reductions	\$ 7.6

10 FY20 PROPOSED INITIATIVES

10.1. FY20 STRATEGIC INITIATIVES

The FY20 Preliminary Budget includes proposed initiatives that focus on Quality of Life on BART. Additionally, the budget includes initiatives addressing other priorities including accessibility, compliance, operational efficiencies, business modernization, and financial stability.

The list below reflects the highest priority initiatives. Staff is working on funding strategies for other high priority initiatives for which funding is not currently available.

(\$ millions)		OPERATING	FTE	Labor	Non-Labor	Total	
Quality of Life	Additional Police Officers		19.0	\$ 2.0	0.1	2.1	
	Additional Fare Inspectors		4.0	0.5	-	0.5	
	Homelessness*		-	-	1.6	1.6	
Modernization, Efficiency & Financial Stability	Transportation Management		4.0	0.9	-	0.9	
	Procurement		15.0	1.7	-	1.7	
	Payroll		2.0	0.3	-	0.3	
	OCIO Help Desk Support		2.0	0.3	-	0.3	
	HASTUS Software		-	-	0.8	0.8	
	Strategic Budget Administrator		1.0	0.2	-	0.2	
	Maximo Software Support		1.0	0.2	-	0.2	
	Leave Management		1.0	0.2	-	0.2	
	Budget Analysis		1.0	0.2	-	0.2	
	Measure RR Operating Support		2.0	0.3	2.5	2.8	
	Operational Utilities		-	-	1.1	1.1	
	MET Building		3.0	0.3	0.0	0.3	
	BART to Antioch Operations		-	-	0.9	0.9	
	Compliance	Drug & Alcohol Testing		1.0	0.2	-	0.2
		Safety Training		-	-	0.3	0.3
Early Warning Devices			-	-	0.4	0.4	
Fitness for Duty			1.0	0.2	0.1	0.3	
Fire & Life Safety			2.0	0.5	-	0.5	
Accessibility Investments			2.0	0.4	0.8	1.2	
Payment Card Industry Compliance			-	-	0.3	0.3	
OPERATING TOTAL			61.0	8.6	8.8	\$ 17.3	
		CAPITAL	FTE	Labor	Non-Labor	Total	
	Accessibility Investments		-	\$ -	0.1	0.1	
Quality of Life	Homelessness*		-	-	0.5	0.5	
	Fare Evasion Deterrent*		-	-	0.4	0.4	
	CAPITAL TOTAL		-	-	0.9	\$ 0.9	

**Stations & Access Initiatives are funded by estimated revenue from Parking Program fee modifications. Key criteria in FY20 recommendations were to: Align with FY20 station priorities (with an emphasis on Quality of Life), prioritize one-time expenditures and minimize addition of new on-going expenses, leverage and advance projects eligible for BART Measure RR capital funds and to improve BART's operational efficiency and effectiveness.*

10.1.1 Quality of Life/Safety & Security

Additional Police Officers

19.0 FTE, \$2.1M Operating

Nineteen new Police Officer positions will be added to increase the presence of law enforcement in stations and on trains. An additional allocation of \$114k for equipment to support these officers will be added in FY20. Based on recommendations from a study by the University of North Texas, additional officers are needed to improve security at BART's 48 stations and up to 66 trains in operation. These officers will support BART's Strategic Plan by continuing to improve upon Quality of Life issues such as reducing fare evasion and providing additional security on trains. The budget assumes phased hiring throughout FY20. Positions will be funded by a reverse allocation as described in Section 7.4.

Additional Fare Inspectors

4.0 FTE, \$0.5M Operating

Four Fare Inspectors will be added to assist with fare evasion prevention efforts throughout stations and onboard trains. Positions will be funded by a reverse allocation as described in Section 7.4.

Homelessness*

\$1.6M Operating, \$0.5M Capital

As discussed in Section 1 (Overview), Quality of Life issues around safety/security, homelessness, fare evasion, and cleanliness continue to be key concerns for BART customers. Having seen successes in current initiatives to support those experiencing homelessness, BART will continue to fund: 1) Elevator Attendants at Powell Street and Civic Center/UN Plaza Stations to address elevator cleanliness, safety and security; 2) Homeless Outreach Teams (HOT) to engage those experiencing homelessness at the downtown and Mission Street stations in San Francisco and Contra Costa counties; 3) Pit Stop Program to provide attended restroom facilities at Powell Street, 16th Street and 24th Street Stations; and 4) increased security measures to reduce encampments on BART properties and near BART tracks. New initiatives for FY20 include the addition of HOT in Alameda and San Mateo counties.

Fare Evasion Deterrent: Hardening at Eight Stations*

\$0.4M Capital

BART will continue to prioritize investments in station hardening as the first line of defense against fare evasion. This investment is for materials to deter fare evasion at prioritized stations. Station hardening investments could include configured fire alarm systems, alarmed swing gates, raised railings, digital camera network, video screens, elevators moved into the paid area, and modified fare gates. A total of \$1.0M will be dedicated to this effort in FY20 with \$0.4M budgeted from FY20 funds, and the remainder coming from prior year available parking revenue.

10.1.2 Modernization, Efficiency & Financial Stability

Transportation Management

4.0 FTE, \$0.9M Operating

As part of the reorganization of the Transportation Department, four additional Transportation Managers will be added, and one redirected to provide management support for the more than 800 transit staff. The additional resources will be used to provide a dedicated span of control for separate rail and station operations ensuring safe and timely train service, improved employee engagement and customer service.

Procurement

15.0 FTE, \$1.7M Operating

Fifteen additional Storekeepers will be added to enable the Logistics Department to transition to 24-hour support of our maintenance facilities and optimize receiving, storing, and procuring of materials. This is part of a multi-year plan to enhance inventory sharing across projects, refine ordering processes, and improve inventory management which is essential to meet increased demand for Fleet of the Future and legacy fleet decommissioning. Additionally, the added resources will enable BART to staff the new Central Warehouse scheduled to open in December 2019.

Payroll **2.0 FTE, \$0.3M Operating**

Two additional Accounting Analysts will be added to the Payroll Department to support the growing number of BART staff and assist with additional duties required for new and ongoing CalPERS requirements. Increased staff will enable additional reconciliation work and are expected to reduce overtime.

OCIO Help Desk Support **2.0 FTE, \$0.3M Operating**

Two additional Computer Support Coordinators will be added to support the growing number of BART staff. The additional staff will serve to increase the service level of the Help Desk and will improve technology support operations.

HASTUS Software **\$0.8M Operating**

The Phase 2 implementation of HASTUS bidding software will provide BART with the ability to conduct electronic shift bidding. Anticipated efficiencies include a reduction in overtime, increased accuracy in the bidding process, and reductions in grievance pay due to bid posting mistakes.

Strategic Budget Administrator **1.0 FTE, \$0.2M Operating**

One Manager of Special Projects will be added to continue promotion and facilitation of alignment between the budget, the Strategic Plan, and the Asset Management program. The new position will administer, monitor and track the departmental work plans, resource needs, and budget initiatives; and advance BART's ongoing implementation of risk-based decision making. Anticipated efficiencies include reduced asset risk, streamlined initiative efforts, vetted proposals, and a more cohesive crosswalk between the budget, asset management, and the Strategic Plan.

Maximo Software Support **1.0 FTE, \$0.2M Operating**

One new Senior Applications Analyst will be added to the Business Systems Applications team to support the Maximo software application, aid in planned upgrades of the system, and address growing asset management-related requests. The additional analyst will allow for increased utilization of BART's asset management software.

Leave Management **1.0 FTE, \$0.2M Operating**

One Program Manager will be added to the Human Resources Department to effectively manage unscheduled absences and to support departments in effectively monitoring trends, developing and modifying policies, and ensuring compliance.

Budget Analysis **1.0 FTE, \$0.2M Operating**

One Principal Financial Analyst will be added to the Budget Department to provide increased support to operating and administrative departments, assist in budget development and position control for the increasing size and complexity of the operating budget, and identify and implement budgeting and reporting improvements.

Measure RR Operating Support **2.0 FTE, \$2.8M Operating**

Two Employee Development Specialists and \$2.5M of additional non-labor funding will be allocated to support ongoing Measure RR projects.

Operational Utilities **\$1.1M Operating**

Ongoing utilities expenses have exceeded budgeted amounts in previous years, largely due to rising utility rates, system expansion, and the growing workforce. An additional allocation will be provided to help fund increased costs.

MET Building**3.0 FTE, \$0.3M Operating**

Three System Service Workers, along with \$30k of non-labor funding to aid in operational upkeep and cleaning, will be added to help maintain the BART-owned MET building. This cost is partially offset by the non-labor reduction in the Real Estate Department for the prior janitorial services contract. The net impact to the budget is an increase of \$160k.

BART to Antioch Operations**\$0.9M Operating**

The BART to Antioch extension requires an increase for the ongoing operation and maintenance of the extension, including the cost of fuel and maintenance and repair of facilities, trains, and systems as warranties expire.

10.1.3 Compliance**Drug & Alcohol Testing****1.0 FTE, \$0.2M Operating**

One new Human Resources Division Manager will be added to assist in administration of BART's Drug & Alcohol testing program for safety sensitive employees. Recent Department of Transportation (DOT) regulations have doubled the required amount of annual drug and alcohol testing of safety sensitive employees. The additional resource will allow BART to efficiently meet the updated DOT standards.

Safety Training**\$0.3M Operating**

In compliance with CPUC Decision 18-10-020, BART will consult with subject matter experts to develop and implement a 40-hour safety training course for employees who supervise workers in safety sensitive positions. The new safety refresher training will cover worker safety rules, practices, procedures and culture. The training plan will be developed in April 2019 and implementation commenced shortly thereafter.

Early Warning Devices**\$0.4M Operating**

To provide additional safety for roadway workers in compliance with CPUC General Order 175, BART will acquire secondary level protection devices that provide early warning notifications to those working on the tracks. The electronic early warning devices will be required by November 2019 for all maintenance work where the potential hazard exists.

Fitness for Duty**1.0 FTE, \$0.3M Operating**

One Attendance Program Coordinator will be added to assist with development of a new Fitness for Duty program, which will provide BART with enhanced ability to identify Train Operators who can meet the physical demands of the job. Additional ongoing monitoring mechanisms will provide BART with the ability to assess an employee's fitness for duty on an ongoing basis. This initiative will provide \$0.1M for annual DOT physicals for Train Operators. The anticipated benefit will be a decrease in risk and liability for BART as well as compliance with CPUC General Order 175.

Fire Life Safety**2.0 FTE, \$0.5M Operating**

A new Fire Life Safety department will be added to support BART's Safety Management System program by minimizing risks associated with fire and smoke events for the BART system. The new Fire Life Safety Department will be charged with enforcement of and compliance with all BART Facilities Standards, federal and state laws, and city ordinances pertaining to fire protection and life safety.

Accessibility Investments**2.0 FTE, \$1.2M Operating, \$0.1M Capital**

One Program Manager and one Senior Administrative Analyst will be added to oversee projects that aim to improve access for those with disabilities, including access to elevators. Additional non-labor funding will be budgeted for costs related to accessibility improvements.

Payment Card Industry Compliance

\$0.3M Operating

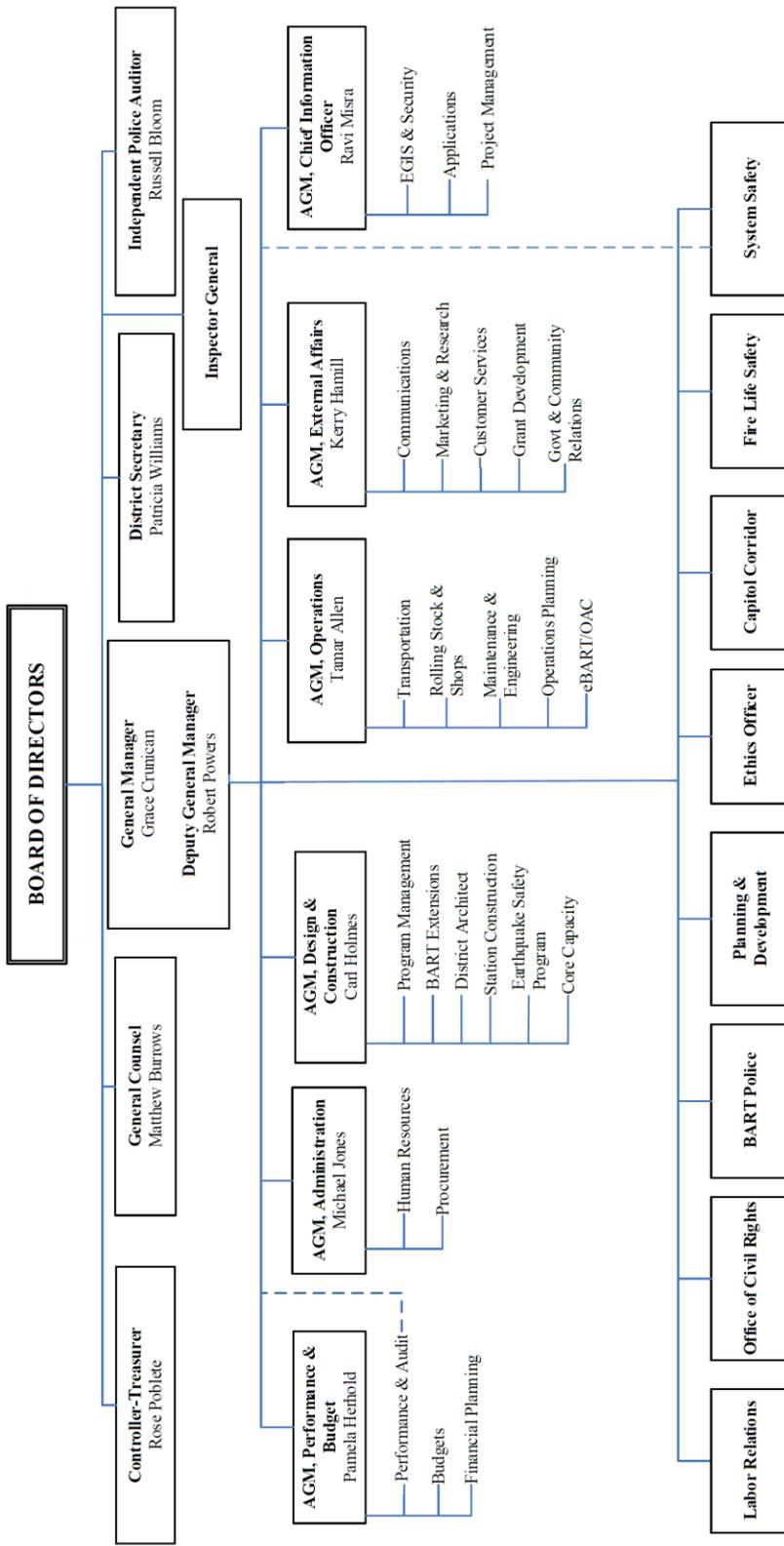
BART will implement standards in accordance with those established by the Payment Card Industry to continue to maintain the security of riders' payment card information.

11 FY20 BUDGET BOARD REVIEW SCHEDULE

Meeting Date	Budget Item
2/28/2019	Board Meeting: FY20 Budget Outlook
3/29/2019	FY20 Preliminary Budget Release
4/11/2019	Board Meeting: FY20 Preliminary Budget Overview
	FY20 Budget Procedural Actions: Set Date for Public Hearing & Publish Pamphlet
5/9/2019	Board Meeting: FY20 Preliminary Budget Sources, Uses, Service Plan, & Capital Budget
5/23/2019	Board Meeting: Public Hearing on FY20 Annual Budget
	Board Action: Consider Resolution to Adopt the Annual Proposition 4 Limit
6/13/2019	Board Meeting & Action: Consider Resolution to Adopt the FY20 Annual Budget

Attachment A – Organization Chart

**SAN FRANCISCO BAY AREA RAPID TRANSIT
ORGANIZATION CHART
FY20 Preliminary Budget**



<u>HEADCOUNT</u>		
	Total	Allocation Net
Operating	3,443.6	(48.0)
Capital*	-	-
Reimbursable	42.5	-
Total	3,486.1	-
		3,438.1

*Capital headcount is based on capital funds available and will be presented in May 2019.

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, Labor Relations, 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.

Office of Labor Relations

Labor Relations is responsible for fostering effective and cooperative labor-management relationships between BART and its labor unions and providing costing and analysis support for labor negotiations. The Labor Relations Department is charged with negotiating, administering and resolving grievances related to agreements for BART's five represented bargaining units: American Federation of State, County and Municipal Employees (AFSCME), Amalgamated Transit Union (ATU), Service Employees International Union (SEIU) – BART Chapter and BART Professional Chapter, BART Police Officers' Association (BPOA) and BART Police Managers' Association (BPMA).

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.

Office of the Chief Information Officer

The Assistant General Manager/Chief Information Officer 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, and Project Management.

Office of the General Counsel¹⁴

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-Treasurer¹⁴

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:

- Develop financial forecasts to identify and plan for future revenue needs and expenditures, and allocations to capital and reserves
- Invest District funds and monitor bond issues
- Pay District's obligations, 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
- Administer the Debit/Credit Card Ticket Program, EZ Rider Parking Program, Group Sales Program, Customer Refund Claims, and off-site ticket sales

Office of the District Secretary¹⁴

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 and the Capitol Corridor Joint Powers Authority (CCJPA) 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

¹⁴ Board appointed position

- 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 and procurement services to BART. The Human Resources Department is responsible for managing compensation, benefits, leave management, talent acquisition, and workforce development for BART's employees. The Procurement Department oversees contract management, inventory management, logistics, purchasing and strategic maintenance across the BART system.

Office of External Affairs

External Affairs ensures BART speaks with one voice to the public by communicating BART's message clearly and concisely to our customers, 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, Grant Development, Government & Community Relations, and Marketing & Research.

Police Department

The BART Police Department is comprised of both sworn and non-sworn police officers. In addition, the department consists of civilian employees including community-service officers, communications/9-1-1 dispatchers and supervisors, revenue-protection guards, clerical staff and supervisors, and a CAD/RMS administrator. The BART Police Department provides the full range of law-enforcement services. To prepare for major emergencies, critical incidents and tactical call-outs, the department is a signatory to the Bay Area's mutual-aid pacts. Select officers receive training in SWAT, crowd management, and hostage negotiations.

Operations

Operations ensures BART fulfills its mission to provide safe, clean, reliable and customer-friendly regional public transit service by managing BART's 48 stations across more than 100 miles of trackway. Operations includes the following departments: BART to Antioch Extension & OAC, Maintenance & Engineering, Operations Planning, Rolling Stock & Shops and Transportation.

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; 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 Auditor¹⁵

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
- Respond to the scene of officer-involved shooting incidents and monitor the ensuing BART Police Department 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
- Develop 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 General¹⁵

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. The Inspector

¹⁵ Board appointed position

General will be nominated by the Board of Directors and appointed by the Governor of California to serve an initial four-year term.

Attachment C – Position Summary Schedule

Department	FY18		FY19		FY20	
	Operating	Capital	Operating	Capital	Operating	Capital**
General Manager	46.8	18.3	46.0	22.0	48.0	-
Administration	5.0	2.0	5.0	2.0	5.0	-
Civil Rights	14.8	12.3	15.0	13.0	15.0	-
Fire Life Safety*					2.0	-
Labor Relations	12.0	-	11.0	1.0	11.0	-
System Safety	15.0	4.0	15.0	6.0	15.0	-
Chief Information Officer*	66.0	4.0	66.5	5.5	67.5	-
General Counsel	17.0	5.0	17.0	5.0	17.0	-
Controller-Treasurer	104.0	10.0	100.0	14.0	102.0	-
Administration	2.0	-	2.0	-	2.0	-
Assistant Controller	37.0	9.0	35.0	11.0	37.0	-
Assistant Treasurer	61.0	-	59.0	2.0	59.0	-
Insurance	4.0	1.0	4.0	1.0	4.0	-
District Secretary	6.0	1.0	6.0	1.0	7.0	-
Administration	120.6	15.0	118.6	19.0	139.6	-
Administration	3.0	-	2.0	-	2.0	-
Human Resources	31.6	6.0	33.6	7.0	38.6	-
Procurement	86.0	9.0	83.0	12.0	99.0	-
External Affairs	52.3	7.5	51.3	10.5	51.3	-
Administration	3.0	-	3.0	-	3.0	-
Customer Services	16.0	-	16.0	1.0	15.0	-
Communications	8.5	1.5	8.5	1.5	8.5	-
Government & Community Relations	8.0	1.0	7.0	2.0	7.0	-
Grant Development	4.0	2.0	4.0	2.0	4.0	-
Marketing and Research	12.8	3.0	12.8	4.0	13.8	-
Police	350.0	-	341.0	13.0	372.0	-
Operations	2,684.0	724.1	2,612.0	1,030.9	2,561.2	-
Administration	3.0	-	2.0	-	2.0	-
BART to Antioch/BART-to-OAK	72.0	-	74.0	-	75.0	-
Maintenance and Engineering	703.9	658.1	806.9	871.1	772.9	-
Operations Planning	16.0	3.0	16.0	6.0	15.0	-
Rolling Stock & Shops	712.0	53.0	738.0	88.0	722.0	-
Transportation	1,177.1	10.0	975.1	65.8	974.3	-
Design & Construction*	7.5	71.5	6.5	73.5	6.5	-
Administration	2.5	1.5	1.5	1.5	1.5	-
District Architect	3.0	4.0	3.0	4.0	3.0	-
Extensions	2.0	66.0	2.0	68.0	2.0	-
Planning & Development*	27.4	8.7	37.9	12.2	38.1	-
Performance & Budget	33.5	11.5	27.5	13.5	30.5	-
Administration	3.0	-	3.0	-	3.0	-
Budget	12.0	4.0	13.0	5.0	15.0	-
Customer Access***	7.0	-				
Financial Planning	4.5	4.5	4.5	5.5	4.5	-
Performance & Audit	7.0	3.0	7.0	3.0	8.0	-
Capitol Corridor	-	24.0	-	24.0	-	-
Independent Police Auditor	3.0	-	3.0	-	3.0	-
Inspector General*					-	-
TOTAL	3,518.0	900.5	3,433.3	1,244.0	3,443.6	-

*Creation/removal of department or impacted by reorganization

**Capital headcount is based on capital funds available and will be presented in May 2019

***Customer Access is now a part of Planning & Development