



Fiscal Year 2025 and Fiscal Year 2026 Two-Year Budget Public Hearing

BART Board of Directors

May 23, 2024



FY25 & FY26 Operating Budget – Executive Summary

In FY25 & FY26, BART will continue to deliver reliable, safe, frequent service with a focus on delivering the best possible ridership experience

At the same time, BART is confronting an extremely challenging fiscal environment

- No permanent operating revenue stability
- Facing cost pressures in multiple areas
- Pursuing new revenues

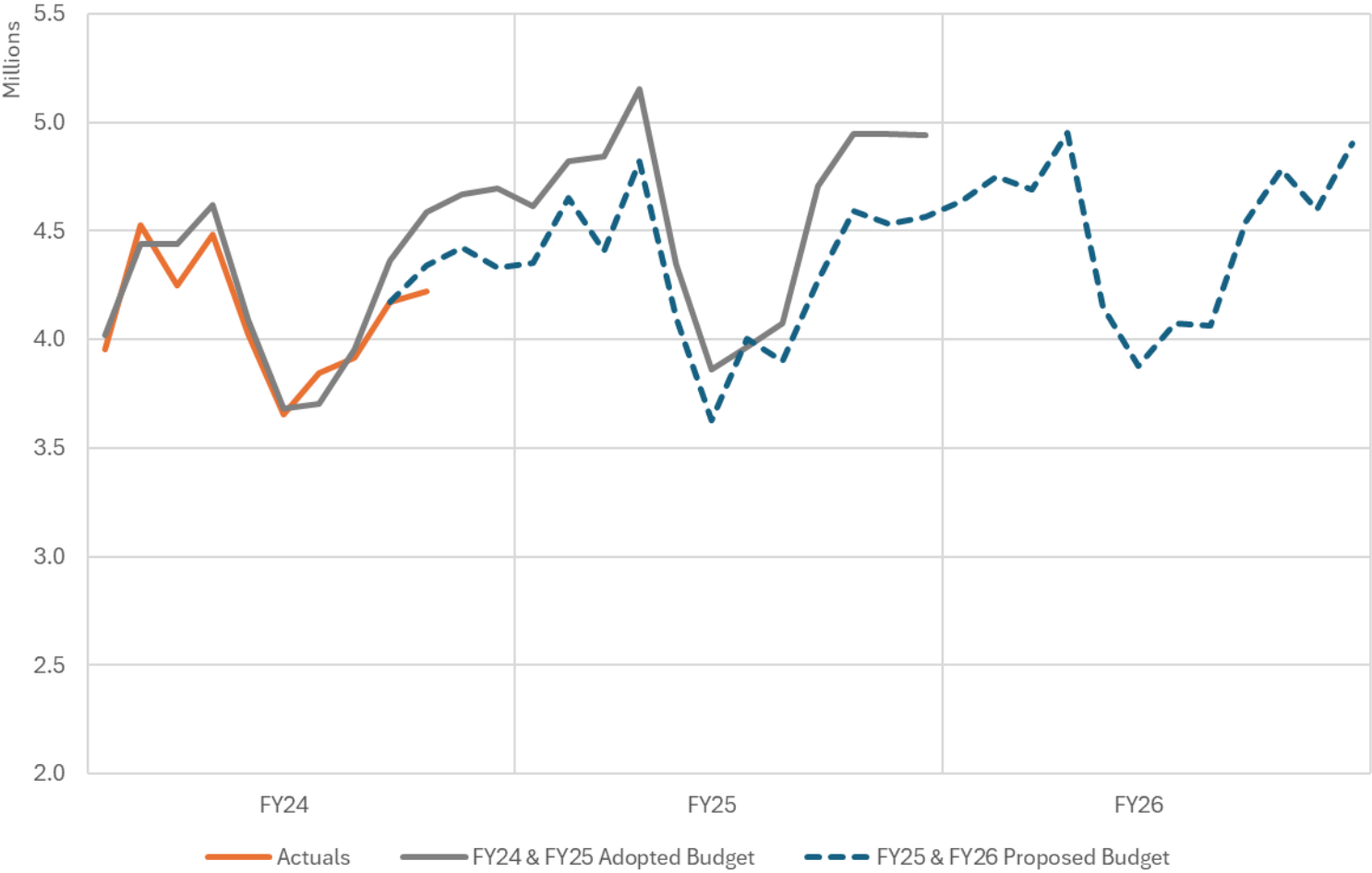
FY25 & FY26 Operating Budget

SOURCES & USES	FY24	FY25			FY26		
(\$Millions)	Adopted	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Operating Revenue	264.2	297.5	33.4	13%	309.9	12.4	4%
Financial Assistance	469.2	500.3	31.1	7%	510.7	10.4	2%
<i>Total Sources</i>	<i>733.4</i>	<i>797.8</i>	<i>64.5</i>	<i>9%</i>	<i>820.6</i>	<i>22.8</i>	<i>3%</i>
Operating Expense	933.5	1,033.9	100.3	11%	1,043.1	9.2	1%
Debt Service & Allocations	150.6	92.2	(58.4)	(39%)	107.0	14.8	16%
<i>Total Uses</i>	<i>1,084.1</i>	<i>1,126.1</i>	<i>41.9</i>	<i>4%</i>	<i>1,150.1</i>	<i>24.0</i>	<i>2%</i>
Net Result Before Emergency Assistance	(350.8)	(328.2)	(22.5)	4%	(329.5)	1.2	0%
Emergency Assistance	350.8	328.2	(22.5)	4%	294.0	(34.2)	(10%)
Net Result After Emergency Assistance	0.0	0.0	0.0	0%	(35.4)	(35.4)	

- The following slides show detail on each category in above chart

Ridership Forecast Update

FY24 Ridership Actuals and Projected



- Ridership was on budget through first half of FY24
- Began falling below budget expectations starting in February
- FY25 & FY26 forecast updated using actual ridership February - April



FY25 & FY26 Operating Revenue

Total Traditional Sources	FY24	FY25			FY26		
(\$Millions)	Adopted	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Operating Revenue							
Rail Passenger Revenue	225.0	235.1	10.2	5%	258.0	22.8	10%
ADA Passenger Revenue	0.5	0.6	0.1	22%	0.6	0.0	5%
Parking Revenue	14.8	16.5	1.6	11%	16.0	(0.5)	(3%)
Other Operating Revenue	23.9	45.3	21.4	90%	35.3	(10.0)	(22%)
Operating Revenue	264.2	297.5	33.4	13%	309.9	12.4	4%

- FY25 & FY26 fare and parking revenue based on ridership forecast and assumes inflation-based fare increases
- ‘Other Operating Revenue’ projection in FY25 & FY26 budget period is based on cash flow projection for investment income

FY25 & FY26 Financial Assistance

FINANCIAL ASSISTANCE	FY24	FY25			FY26		
(\$Millions)	Adopted	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Sales Tax Proceeds	319.8	320.3	0.5	0%	327.9	7.6	2%
Property Tax Proceeds	61.2	64.3	3.1	5%	65.9	1.6	2%
VTA Financial Assistance	34.7	35.2	0.4	1%	34.6	(0.6)	(2%)
State Transit Assistance	23.5	48.8	25.3	107%	49.3	0.6	1%
Low Carbon Funding Programs	16.8	17.0	0.2	1%	17.8	0.8	5%
Local & Other Assistance	13.1	14.8	1.6	12%	15.2	0.4	3%
Total – Financial Assistance	469.2	500.3	31.1	7%	510.7	10.4	2%

- Sales Tax proceeds forecasts based on economic info & revised guidance from sales tax auditor
- Property tax reflects county estimates
- State Transit Assistance budget is based on MTC’s fund estimate
- Low Carbon Fuel Standard revenues (part of Low Carbon Funding Programs) stabilizing after several years of declining credit sales due to market conditions

FY25 & FY26 Labor Expense

LABOR & BENEFITS	FY24	FY25		FY26			
(\$Millions)	Adopted	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Wages	513.6	528.4	14.8	3%	543.8	15.4	3%
Overtime	76.8	77.0	0.2	0%	78.6	1.5	2%
CalPERS Pension	148.7	160.5	11.8	8%	160.1	(0.4)	0%
Active Employee Medical Insurance	84.8	89.2	4.4	5%	90.1	0.9	1%
Retiree Medical	44.9	45.6	0.7	2%	46.2	0.7	1%
Workers' Compensation	20.7	21.5	0.8	4%	21.5	0.0	0%
Other Labor and Benefits*	27.1	29.8	2.7	10%	30.3	0.4	1%
Subtotal – Gross Labor	916.5	951.9	35.4	4%	970.4	18.5	2%
Capital Reimbursement Wages	(128.7)	(96.1)	32.5	(25%)	(98.3)	(2.2)	2%
Capital Fringe	(63.5)	(55.1)	8.4	(13%)	(55.0)	0.1	0%
Capital Overtime	(23.9)	(20.0)	3.9	(16%)	(20.4)	(0.4)	2%
Subtotal – Reimbursements	(216.0)	(171.3)	44.8	(21%)	(173.7)	(2.4)	1%
Net – Labor & Benefits	700.5	780.6	80.1	11%	796.7	16.1	2%

*Other labor and Benefits includes Vision, Dental, Medicare, Life Insurance, Disability, Unemployment, Meal and Uniform Allowances, and Temp Help

- Budgeted wages increase in accordance with Collective Bargaining Agreements (CBAs)
- Most benefit costs dictated by outside entities or projected by independent third- party experts
- Capital Reimbursements decrease due to Maintenance Dept funding conversions, which reflect actual charging patterns and District needs for mostly-filled existing positions

FY25 & FY26 Non-Labor Expense

NON LABOR	FY24	FY25			FY26		
(\$Millions)	Adopted	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Clipper, Ticket Sales & Bank Fees	10.1	15.1	5.0	50%	7.3	(7.7)	(51%)
Insurance	9.9	10.9	1.0	10%	9.9	(1.0)	(9%)
Materials & Supplies	47.5	50.9	3.5	7%	50.4	(0.5)	(1%)
Professional & Technical Fees	50.4	50.8	0.4	1%	50.6	(0.2)	0%
Repairs & Maintenance	11.2	12.2	1.0	9%	12.2	0.0	0%
Rent	3.9	4.0	0.0	1%	5.0	1.0	25%
Power	59.0	61.6	2.6	4%	65.0	3.4	5%
ADA Paratransit	18.8	22.5	3.7	20%	23.0	0.5	2%
Purchased Transportation	7.9	8.6	0.7	8%	8.6	0.0	0%
Utilities	9.1	9.1	0.0	0%	9.1	0.0	0%
Other Miscellaneous	5.3	7.5	2.3	43%	5.2	(2.3)	(31%)
Total – Non Labor	233.0	253.2	20.2	9%	246.3	(6.9)	(3%)

- FY25 Non-Labor ongoing increases primarily in Traction Power and Paratransit, reflecting anticipated cost increases
- One-time cost increases for Clipper 2 (C2) transition, Board election costs, inventory write offs, and insurance

FY25 & FY26 Debt Service & Allocations

DEBT SERVICE & ALLOCATIONS	FY24	FY25		FY26			
(\$Millions)	Adopted	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Debt Service	60.1	60.2	0.0	0%	60.2	0.0	0%
Capital Reinvestment	38.6	29.1	(9.6)	(25%)	43.9	14.8	51%
Priority Capital Projects/Programs	50.0	0.0	(50.0)	(100%)	0.0	0.0	0%
Other	1.9	3.0	1.1	60%	3.0	0.0	0%
Sustainability	0.0	0.0	0.0	0%	0.0	0.0	0%
Pension	0.0	0.0	0.0	0%	0.0	0.0	0%
Total – Debt Service & Allocations	150.6	92.2	(58.4)	(39%)	107.0	14.8	16%

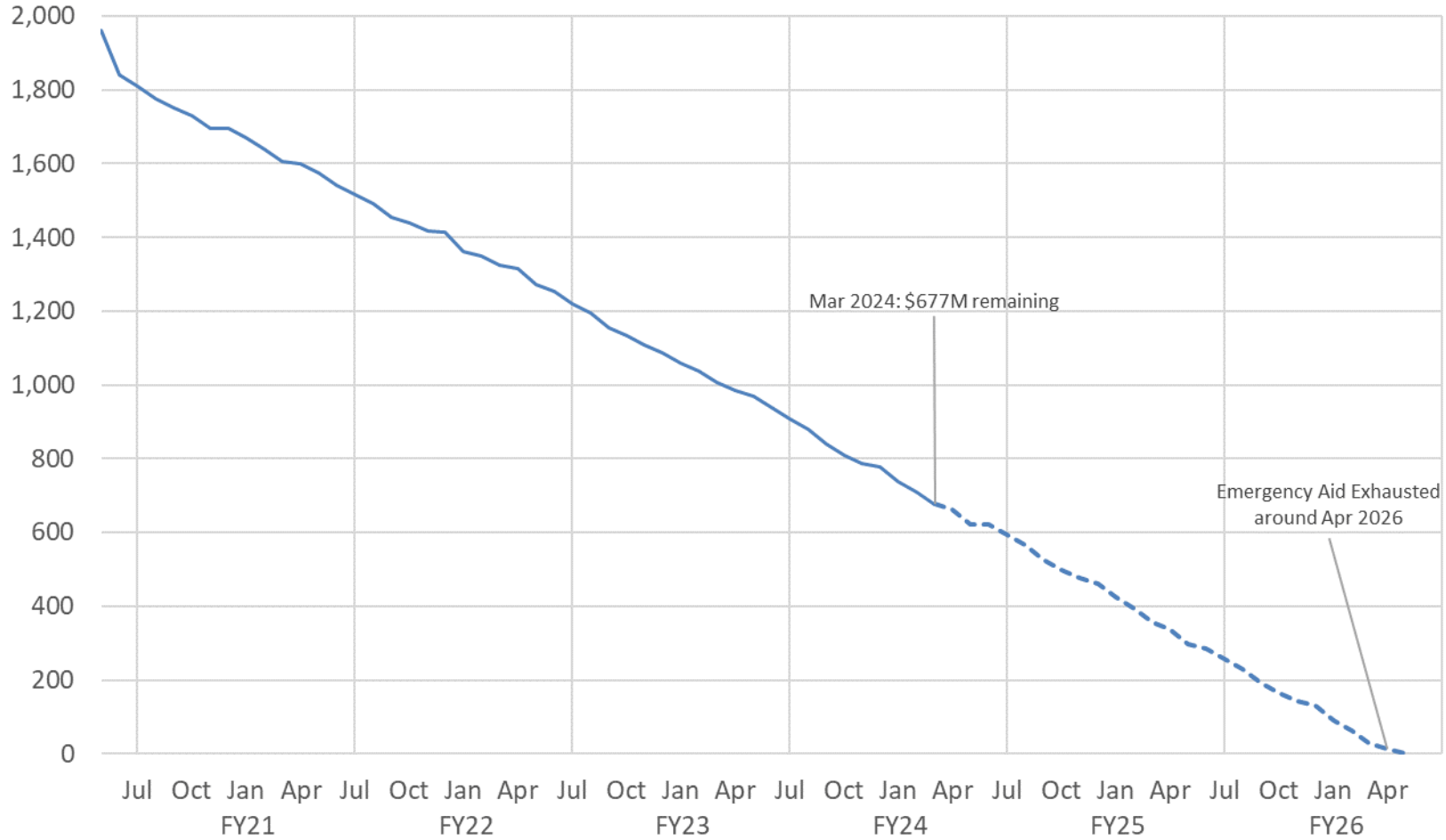
- FY25 & FY26 Art Program funding (\$50K) moved from Non-Labor to Capital Reinvestment Allocation
- Shifted ~\$10M of Capital Reinvestment allocations from FY25 to FY26 due to timing of SB125 payments
- Priority Capital deferred in FY25 and FY26 based on anticipated project cashflow needs
- Other allocations increase in financing a loan program from Pacific Gas & Electric (PG&E) called on bill financing

Five-Year Outlook

(\$Millions)	FY25 Proposed	FY26 Proposed	FY27 Forecast	FY28 Forecast	FY29 Forecast
Operating Revenues	298	310	323	342	361
Financial Assistance	500	511	513	529	546
Total Regular Revenues	798	821	836	871	907
Operating Expense	1,034	1,043	1,085	1,112	1,147
Debt Service & Allocations	92	107	136	136	115
Total Uses	1,126	1,150	1,221	1,248	1,262
<i>Operating Result</i>	<i>(328)</i>	<i>(329)</i>	<i>(385)</i>	<i>(377)</i>	<i>(355)</i>
Federal Emergency Assistance	270	0	0	0	0
State/Regional Emergency Assistance	58	294	0	0	0
Total Net Result	0	(35)	(385)	(377)	(355)

Projected Fiscal Runway

Emergency Aid Expenditure Forecast (\$M)



- Forecast includes \$352M of anticipated State (SB125) and Regional Assistance
- Emergency Aid still expected to be exhausted around April 2026
- First \$300M+ annual deficit is projected in FY27
- Permanent operating revenue source unlikely before FY28



FY25 & FY26 Capital Budget: Sources & Uses

(\$Millions)	FY25 Proposed	FY26 Proposed
BART	41.2	19.8
Measure RR	288.1	273.8
Seismic GO Bond	0.0	0.0
Local	100.7	54.0
MTC	400.8	228.2
State	105.6	260.8
FTA CIG	166.0	102.0
Federal	125.0	106.6
Total Sources	1,227.5	1,045.3
Seismic Programs	12.0	0.0
System Support	10.0	14.5
Electrical and Mechanical	31.2	15.5
System Development	34.4	22.1
Shops, Yards, and Facilities	38.7	95.4
Track and Structures	103.2	96.5
Traction Power	132.0	106.6
Train Control and Communications	153.0	198.7
Stations	183.0	116.1
Rail Cars	529.9	379.8
Total Uses	1,227.5	1,045.3
Total Net Result	0.0	0.0

Timeline and Next Steps



March 31

April 11

April 25

May 9

May 23

June 13

FY25 & FY26
Preliminary
Budget Memo
(PBM) released

FY25 & FY26
Preliminary Budget
Overview

FY25 & FY26
Capital Budget
Overview

FY25 & FY26 Budget
Sources & Uses, Rail
Service Plan

FY24 Q3 Financial
Report

Public Hearing on
FY25 & FY26
Budget

Draft Capital
Investment Plan

Prop 4/Gann
Amendment

FY25 & FY26
Budget
Adoption

