San Francisco Bay Area Rapid Transit District

FY26 & FY27 Preliminary Operating and Capital Budget

MARCH 31, 2025

MARK FOLEY, PRESIDENT, BOARD OF DIRECTORS
ROBERT POWERS, GENERAL MANAGER

BART

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1. Message From Leadership

Dear Bay Area Rapid Transit (BART) Riders, Members of the Community, Labor Partners, and Staff:

We are pleased to present BART's Fiscal Years 2026 and 2027 (FY26 & FY27) Preliminary Operating and Capital Budget.

This budget maintains BART's commitment to enhancing the rider experience and providing the safe, reliable, clean, and quality service the Bay Area needs. At the same time, it is clear BART's operating model—like those of most other North American transit operators—no longer works, making it necessary to secure a sustainable long-term operating revenue source to support current service levels and improvements.

Improving the Rider Experience
Providing great service that is welcoming and easy to use is critical to BART's success. BART has doubled down on enhancing the rider experience, and these investments have paid off; in 2024, 73% of BART riders described themselves as satisfied, a 6% increase since 2022. Rider safety has also improved, with crime down by 17% in 2024, showing the effect of yearslong investments in the BART Police Department.

Despite a limited hiring freeze, BART continues to hire critical staff to ensure sufficient staffing to mitigate service delays and support current service levels and increased police presence. The FY26 & FY27 Preliminary Budget supports keeping safety and cleanliness standards high. BART continues to clean trains and stations frequently. Building on improvements to system safety, BART Police plan more public awareness and to maintain increased presence, with 65% of assignments on trains and in stations in 2025. Efforts to fully staff all sworn and non-sworn frontline positions continue.

Schedule coordination among transit agencies remains a priority to reduce total travel time for transit riders. Additionally, navigating BART and the regional transit network is becoming easier thanks to a concerted coordination effort among agencies and the Metropolitan Transportation Commission. Fare programs such as Clipper START, which provides discounted rides to eligible riders, and Clipper BayPass, the region's first all-agency pass, are growing. The flexibility provided by the Next Generation of Clipper will enable more innovative fare and pass programs. A regional initiative to improve wayfinding—maps and directional signs—is underway, while BART's own mobile app is being refreshed in late summer 2025 with a more modern, streamlined look offering real-time train location.

Changes to BART's Funding Model and the Pursuit of Sustainable Revenue
BART has lost hundreds of millions of dollars in fare revenue since early 2020 due to remote work. Since then, service levels have been supported by emergency assistance from federal, state, and regional sources, but these funds will be expended by the end of FY26. Though BART has taken cost cutting measures to push off the date when emergency funding runs out there is no viable path to balancing the operating budget without a new sustainable revenue source.

Staff continues to focus on operating as efficiently as possible without sacrificing the rider experience. BART is maintaining our inflation-based fare increases while advocating for other support, notably a recent increase in BART's allocation of Low Carbon Fuel Standard (LCFS) credits.

BART's overall expense grows by less than 1% in FY26, demonstrating that a focus on cost controls, a limited hiring freeze, and targeted cuts to non-labor expenses are holding costs down despite an inflationary economic climate.

These efforts cannot replace hundreds of millions in lost fare revenue since early 2020; the FY27 deficit is $379M. The FY26 & FY27 Preliminary Budget bridges this period of uncertainty while BART and regional partners plan a regional revenue measure to be approved by voters in November 2026. If unsuccessful, BART will need to make very deep and damaging reductions to service and workforce levels and implement emergency financial measures including cost deferrals and one time use of resources.

We remain confident that BART, the transit backbone of the Bay Area, will secure a long-term revenue source that will support the level of sustainable, green transit service the Bay Area needs. In the meantime, BART is working to gain new riders, reduce expenses, and build public confidence wherever possible.

We sincerely thank our riders, dedicated employees, labor partners, the Board of Directors, and our local, state, and national elected leaders for their continued support. Together, we've made a commitment to a cleaner, safer ride that guarantees BART remains the best way to travel the Bay Area.

Robert M. Powers

Robert M. Powers

General Manager

2. Executive Summary

Introduction
The FY26 & FY27 Preliminary Budget supports high quality rail service while limiting expense growth. Despite cost reductions implemented over the past several years, BART is operating with a structural deficit that can only be solved with a sustainable operating funding source.

Improving the Rider Experience and Optimized Service Schedule
Since ramping up service in August 2022, BART has focused on ensuring adequate staffing levels needed to deliver reliable, clean, and safe service. To accomplish this, BART has continued to hire more station agents, train operators, station cleaners, car cleaners, and rail controllers, while filling more vacant police officer and non-sworn station and train presence positions. These investments in staff, who deliver welcoming service, are necessary to provide a quality customer experience for those who choose to take BART instead of driving. The FY26 & FY27 Preliminary Budget continues this investment, with all frontline positions fully funded.

BART's strategy of end-to-end customer service improvements continues with a focus on passenger information and increased staff presence in the system to complement better service. Every station in the system will have new faregates by the end of calendar year 2025, while stations are being revamped with tap-and-go parking payment, upcoming fare payment upgrades with the Next Generation of Clipper, updated wayfinding, LED lighting, and new and redesigned train arrival display boards. Onboard train car digital monitors now show transfer information to other rail and ferry services. Together, these improvements create a more comfortable, simple, and streamlined passenger journey. Further, BART has bolstered the presence of staff in the system, including sworn police officers, community service officers, fare inspectors, ambassadors, crisis intervention specialists, restroom and elevator attendants, and uniformed managers riding trains during peak hours. The result is that overall customer satisfaction as measured by the Passenger Experience Survey increased to 81% in the fourth quarter of FY24, demonstrating that the investments BART has been making are delivering results for riders.[1]

BART has optimized its train lengths and schedule to better match current passenger flows. After implementing a new base schedule in September 2023, BART continues to make small adjustments to its service to improve key connections and reduce crowding. These include improved transfers to Caltrain at Millbrae Station, restoration of the transfer at Bay Fair Station for Richmond-bound Blue Line commuters, and adjustments to train spacing and patterns on the Orange, Green, and Yellow lines. As ridership evolves, BART will continue to make changes to reduce trip and transfer times while minimizing crowding. Bay Area transit operators continue to synchronize their schedules to make coordinated changes at the same time. Changes in early 2025 reduced total trip time by up to 16 minutes for some riders.

BART is also improving fare products and regional connectivity. Along with the Metropolitan Transportation Commission (MTC), BART co-leads the region's Clipper BayPass pilot program, which offers employers, universities, and housing developments the option to buy convenient all-agency transit passes for their constituents. Thousands of riders are already enjoying Clipper BayPass benefits, with more coming in FY25. BART will also continue the successful Clipper START pilot program in FY25; since BART increased the Clipper START discount for eligible low-income riders to 50% off in January 2024, START trips have more than doubled. Together, these initiatives are making it easier and more affordable for Bay Area residents to ride BART.

[1] BART FY24 Q4 Quarterly Performance Review

Ridership Revenue Outlook is Stable

Over the past few years, passenger levels have recovered from pandemic lows, but ridership gains have slowed. The persistent shift to hybrid-remote work and fewer commute trips means that BART projects only modest farebox revenue growth in FY26 & FY27.

The prolonged loss of over half of BART's pre-COVID-19 ridership brought a corresponding loss of passenger revenue, which had been the single largest funding source for BART operations. In fact, pre-pandemic farebox revenue provided about two thirds of total operating expenses. In FY25 fare revenue was budgeted to cover less than a quarter of operating expenses. In dollar figures, BART generated $558M in operating revenue from fares in FY19 but only $294M in FY24.

BART continues to increase operating revenue where possible. New faregates are reducing fare evasion, while inflation-based fare increases allow revenues to keep pace with expense growth. Improved transit coordination and new fare products such as Clipper BayPass and the upcoming Next Generation of Clipper system are also expected to increase ridership. Co-marketing agreements with major events and venues will help promote taking BART for leisure trips

BART is also exploring opportunities to improve non-farebox revenue possibilities. Staff continue to negotiate new agreements for telecommunications revenues on BART right of way while advancing transit-oriented development on BART property. Though these efforts generate additional much-needed revenue, their scale is not large enough to fully mitigate the structural deficit.

Cost Containment Efforts

The FY26 & FY27 Preliminary Budget reflects BART's commitment to providing high quality service while finding opportunities for savings. Three important efforts have resulted in savings that helped eliminate the FY26 deficit.

The first major savings opportunity came from working closely with BART's labor partners. As part of an extension of collective bargaining agreements with most of BART's labor unions, BART was able to prolong the agreed upon time frame for fully funding a portion of retiree medical benefits costs, resulting in nearly $8M a year in cost savings without affecting actual benefits. This agreement also eliminated the risk of a very large contribution requirement in FY34, providing long-term budget stability.

The second savings effort was initiated in February 2025, when BART began a targeted hiring freeze to reduce costs. The freeze is a temporary measure whereby BART has paused recruiting and hiring of some vacant positions. As a result of that process, 45 positions were frozen, generating ongoing savings of $6.3M. Though the freeze will impact BART's administrative capacity, impacts to frontline staff are minimized, so customer experience will not be affected.

Finally, as part of the FY26 & FY27 budget development process, BART departments were asked to reduce selected components of their non-labor budgets by 5%. Departments were able to find saving opportunities and cut business expenses that were not related to employee salaries, wages, or labor costs. The 5% target was exceeded, resulting in an additional $7M in ongoing cost reductions.

In addition to these major operating budget reductions, BART has implemented other efficiencies that help limit costs without compromising rider experience or safety. BART continues to optimize train lengths and schedule to better match current passenger flows and improve key connections without causing crowding. This reduces wear and tear on rolling stock and the amount of electricity needed to power trains. The cost of that electricity—most of which comes from renewable sources—is procured at below market prices and locked in over the long term through negotiated power purchase agreements.

Other efforts to reduce spending include replacing outdated technologies, improved contract oversight, and simplification of functional processes that reduce administrative burdens and optimize use of staff time. Staff across BART have been involved in identifying and implementing these efficiencies.
The result of this work is that BART's operating expense—the cost of running the system, before debt service or allocations to capital work are included—increases by 1% between FY25 and FY26.

Emergency Relief Funding
When the pandemic caused ridership revenue from fares to drop, federal, state, and local governments stepped in to support the continued provision of BART service. The revenue losses stemming from a persistent shift to hybrid-remote work and fewer commute trips has caused a structural deficit. Since 2020, BART has relied on almost $2 billion (B) in emergency assistance to cover the gap between revenues and expenditures. Without this funding, BART would not be able to operate its current service levels. At this time, no additional emergency assistance is expected.

BART is using the last of its federal emergency assistance in FY25, and projects to expend the last of its SB 125 state and regional emergency assistance in FY26. When SB 125 passed, its intent was to help Bay Area operators eliminate deficits through FY26. At this time, no SB 125 assistance is projected to be available in FY27, when BART faces a $379M deficit. A sustained focus on cost controls and the effects of continued service investments may allow some SB 125 funds to be extended into FY27.

Capital Budget Invests in Improving the Customer Experience
Through the Capital Budget, BART is investing in capital projects to sustain the delivery of reliable, safe, comfortable transit service that meets riders' needs. The cornerstone of this capital program are investments to replace, renovate or modernize aging assets. In FY26, BART will complete the procurement of 1,129 new Fleet of the Future Rail Cars, which have already completely replaced BART's legacy fleet. The replacement of its 50+ year old fixed-block train control system with a modern communications-based train control system will enable BART to run more frequent service. By the end of calendar year 2025, BART will have replaced fare gates throughout the system with new gates that reduce fare evasion. The positive impact of these new gates, which have already been rolled out to about half of BART's stations, is being noticed by riders and reflected in BART fare revenue.

Looking Ahead
In the near term, BART will use the last of its federal emergency assistance in FY25, then projects to expend the last of its SB 125 state and regional emergency assistance in FY26.

However, BART still faces a $379M deficit in FY27, which represents 35% of projected operating expenses. Despite efforts to reduce costs, the prolonged falling fare revenue, costs, and expiration of temporary emergency funding has led BART to this structural operating deficit. This structural deficit can only be mitigated—not eliminated—with budget cuts. Overcoming these challenges will require a new financially sustainable model by securing a new source of funding. BART continues to advocate at the federal, state, and regional levels for a permanent funding source to assist with closing the structural operating deficit. By securing a permanent revenue source, BART can ensure that it will remain the cornerstone of mobility for the region and improve accessibility for all riders.

3. About BART

BART's mission is to provide safe, reliable, clean, quality transit service for riders. Since service began in 1972, BART has played a critical role in providing mass transit to the Bay Area. Connecting the San Francisco Peninsula with communities in the East Bay and South Bay, BART is the largest heavy-rail public transit system in the Western United States.

BART tracks cover more than 130 miles and service extends to Millbrae, Richmond, Antioch, Pleasanton, and North San José. BART also provides service to two major airports, San Francisco International Airport and San Francisco Bay Oakland International Airport, which connects both residents and visitors from all over the globe to the surrounding area. In 2024, BART delivered over 49 million passenger trips - helping riders travel to their jobs, schools, entertainment, and opportunities.

BART is committed to supporting a sustainable and prosperous Bay Area by connecting communities with seamless mobility. A key element of this vision is being responsive to changes in mobility needs. BART does this by adjusting service plans based on current ridership data and predictions about future ridership trends. More recently, BART introduced a service plan that relies less on work commutes and offers increased service on nights and weekends, where ridership is growing at a faster rate.

BART Trains and Service

BART is primarily a traction power rail system. This type of system uses electricity to power trains through third rail electrification. BART's electric supply portfolio is comprised of wholesale wind, solar, and hydroelectric sources, as well as five onsite solar projects located across the system. BART's traction power in calendar year 2023 (the last year data is available) was 88% greenhouse gas free, with over 50% defined as eligible renewable energy under California state law.

Figure 1: BART Station Map

The BART system consists of five lines of service that run through urban and suburban landscapes, supporting 50 stations across five counties: San Francisco, San Mateo, Alameda, Contra Costa, and Santa Clara.

As a protected right-of-way commuter rail system, BART trains have exclusive use of its tracks and are not affected by traffic conditions that often impact travel times on roads and highways. The right-of-way system bypasses congestion and helps people spend less time traveling. When taking BART, passengers can expect more predictable transit speeds and travel times.

BART has been running only Fleet of the Future cars, having retired its legacy train fleet in early 2024. The new cars are quieter, cooler, and have several new attributes, including meaningful accessibility features, that help passengers enjoy a more comfortable ride.

BART and the Bay Area Transportation Network

BART is one of many options people can choose to meet their mobility needs. The Bay Area transportation system also offers a complex network consisting of highways, local streets, sidewalks, bikeways, bus routes, ferry service, and rail lines. BART trains run on routes that are often parallel to congested highways and offer the public an alternative, often faster, and lower cost solution to driving.

BART is an important link between local and regional transportation systems, helping people travel swiftly and easily. BART works closely with transit operators in the region to ensure seamless connectivity across transportation services. A trip can be completed through a combination of travel methods, both rail and non-rail. To ensure riders' needs are met, BART also focuses on the connectivity of transportation options and the infrastructure needed to accommodate multimodal transportation. For instance, many BART stations have valet and self-park options for bikes. BART has also made it easier for passengers who want to bring their bike with them on BART; some stations now have bike stair channels, and BART trains have leaning bars and straps for bicycles. BART also updated its policy to allow bikes on escalators with the growing popularity of e-bikes, which are heavier to carry up and down stairs.

Governance

BART is designated as a special purpose district, established in 1957 pursuant to California Public Utilities Code Section 28500 et seq., known as the San Francisco Bay Area Rapid Transit District Act or BART Act.[2] BART's Board of Directors is the legislative body responsible for establishing BART policy. Senior staff work closely with the Board of Directors to help ensure delivery of safe and reliable service.

There are nine members of the Board of Directors, each representing a district within BART's geographical service area. The geographical boundaries of the districts are depicted in the map shown in Figure 2. Each Director is elected by voters within their election district and serves a four-year term. Elections are on a two-year cycle, alternating between odd numbered districts elections (Districts 1, District 3, District 5, District 7, and District 9) and even numbered district elections (District 2, District 4, District 6, and District 8).

Regular meetings of the Board of Directors are held in person. Members of the public may attend these meetings in person or via teleconference with the exception of closed sessions. More information about BART's Board of Directors, board meetings, and public comment opportunities can be found at www.bart.gov.

[2] https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PUC&division=10.&title=&part=2.&chapter=&article=

Figure 2: BART Districts

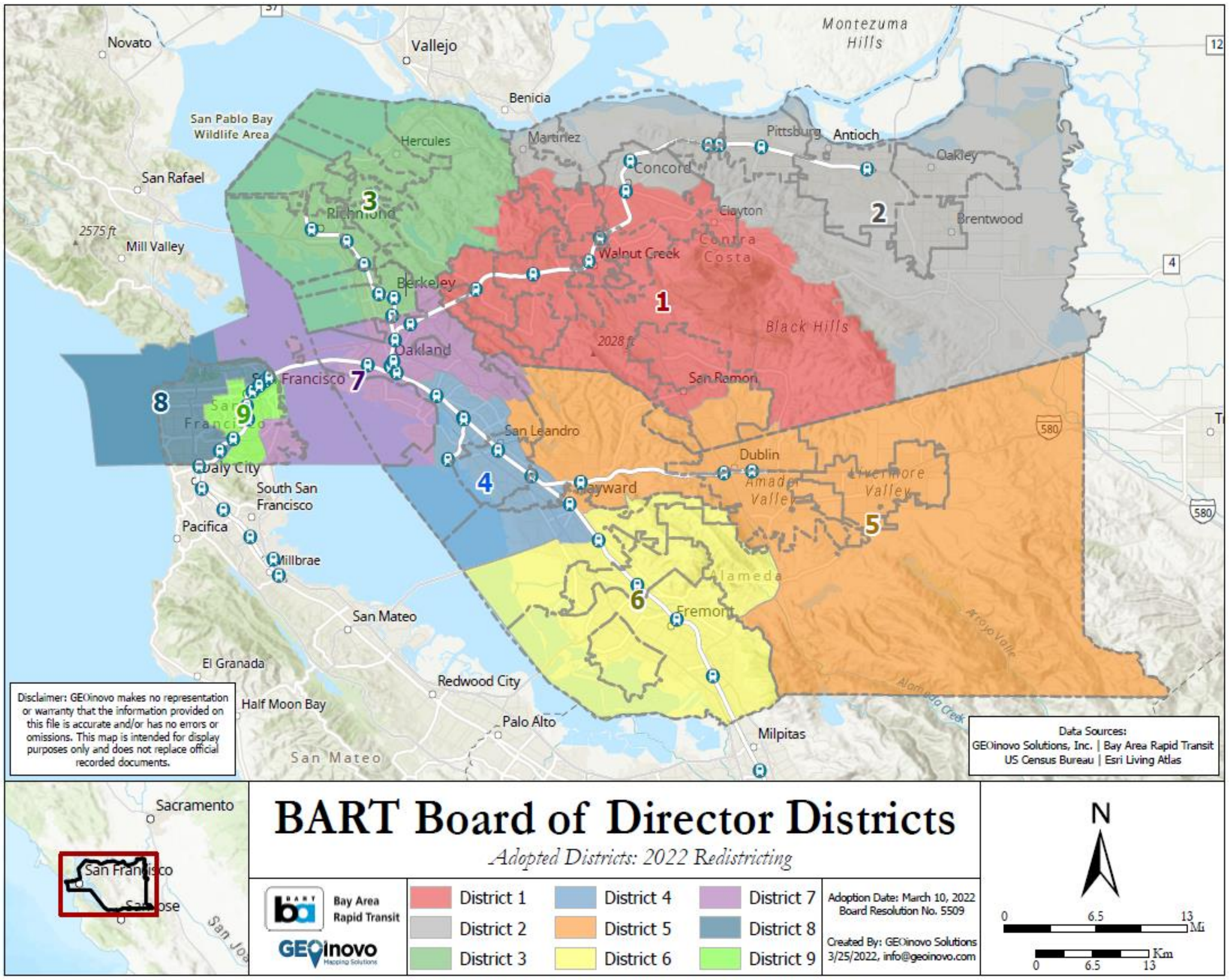


Table 1: BART Directors and Districts, effective December 2024

Director	District	Term Expiration (December)
Matthew Rinn	District 1	12/8/2028
Mark Foley	District 2	12/4/2026
Barnali Ghosh	District 3	12/8/2028
Robert Raburn	District 4	12/4/2026
Melissa Hernandez	District 5	12/8/2028
Elizabeth Ames	District 6	12/4/2026
Victor Flores	District 7	12/8/2028
Janice Li	District 8	12/4/2026
Edward Wright	District 9	12/8/2028

4. Overview of the Budget Development Process

Each year, BART makes decisions on how to allocate funds based on financial resources available, the priorities of the organization, and those it serves. BART's financial decisions are guided by several key factors. Input is solicited from staff, the Board of Directors, members of the public, labor partners, and other stakeholders. Decisions are also informed by Board Rules and Policies, BART's Strategic Plan Framework and Two-Year Action Plans, while being constrained by a set of financial policies.

Each year, BART adopts a two-year budget, which includes the upcoming fiscal year, for which a budget was adopted the previous year, and a budget for the following fiscal year. BART is not required to, but strives to, balance its budget. A two-year budget is a helpful tool for supporting long-term strategic decision making.

BART's budget consists of an operating and a capital budget. The operating budget funds the annual operations and maintenance of the BART system. The capital budget funds the construction, expansion, renovation, replacement, and improvement of physical assets (new train cars, equipment, station access improvements, etc.). Each budget is divided into revenues (sources) and expenses (uses). Generally, operating revenue is intended to be ongoing and is funded annually. Capital funding, on the other hand, is split between formulaic sources, which are generally allocated each year, and competitive grant sources that are awarded periodically based on assessment criteria. Capital funding is typically spent over multiple fiscal years, depending on the duration of the capital project.

Fund Structure

BART's operating budget functions as a single general fund. There are no internal service or enterprise funds; revenue is not assigned to specific cost centers or organizational units.

BART maintains several other dedicated and grant funds for the purpose of funding capital projects, which are budgeted as separate projects with balanced revenues and expenditures.

Basis of Budgeting

BART's fiscal year runs from July 1 through June 30. The accrual basis of accounting is used for purposes of budgeting operating revenues and expenses. In accrual basis budgeting, financial transactions are recorded at the time they occur even if the related cash is received or disbursed during another period. This budgeting practice is in accordance with Generally Accepted Accounting Principles (GAAP). In addition to operating revenues and expenses, certain financial commitments, which include monies allocated for debt service payments, fund transfer of operating sources to fund capital projects, and funds set asides for operating reserves and other contingencies, are also accounted for in the operating budget.

Financial Policies and Reporting

BART has developed and regularly updates key financial policies, which create a financial framework and sets of rules that BART conforms to. They include a Financial Stability Policy, Debt Policy, and Investment Policy. Each year, BART completes an Annual Comprehensive Financial Report, which is audited by an independent auditor using Generally Accepted Government Auditing Standards. Over the course of the fiscal year, staff publish monthly financial reports and present quarterly results to the BART Board of Directors[3].

[3] These reports are publicly accessible at www.bart.gov/financials.

BART utilizes three forms of debt to finance capital investments. BART's debt is governed by its Debt Policy, which sets its overall debt limit[3].

- Sales tax revenue bonds issued by BART are secured by BART's dedicated share of sales tax revenue in the three BART District counties. BART currently has five outstanding sales tax revenue bond issues. This debt is serviced by the operating budget. BART's sales tax is rated AA by Fitch Ratings, AA+ by S&P Global Ratings, and AA+ from Kroll Bond Rating Agency.

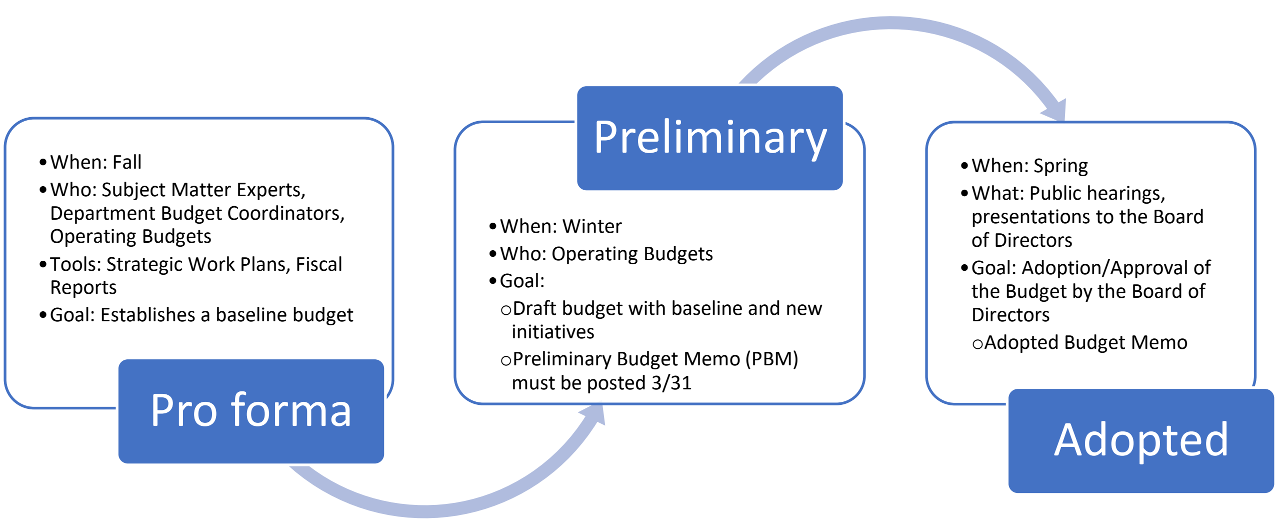
- In October 2024, the U.S. Department of Transportation and BART executed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreement for up to $544.6M (2025 TIFIA Loan). As of March 31, 2025, BART has received a 2025 TIFIA Loan disbursement of $150M. Under the 2025 TIFIA Loan Agreement, BART will commence paying debt service on July 1, 2029. The 2025 TIFIA Loan is also backed by BART's dedicated share of sales tax revenue in the three BART District Counties and, therefore, is included in the operating budget.

- If approved by voters in the BART District, BART also issues general obligation bond debt. The debt service for this borrowing is covered by supplemental property tax assessments. Voters in the Three BART District Counties authorized two general obligation bond measures – Measure AA for BART's Earthquake Safety Program ($1B) and Measure RR for BART System Renewal ($3.5B). BART's general obligation bonds are rated AAA by Fitch Ratings and Aaa by Moody's Investors Service.

Budget Development Process

The key processes of budget formulation and approval are governed by the BART Act.[2] To adhere to these rules, BART begins budget development in September and budget adoption happens each June. The annual budget cycle is further divided into three major phases: the pro forma phase, the preliminary phase, and the adoption phase.

Figure 3: Budget Development Process



5. Five Year Outlook

Table 2 shows BART's operating financial outlook for the years FY26 through FY30, corresponding with the ridership projections discussed in the next section and used in the budget. Projected operating deficits (excluding emergency assistance) for the years FY26 through FY30 total $1.8B and average $361M per year. In this scenario, emergency assistance will offset projected deficits through FY26 and will be exhausted. The remaining projected deficits for FY27 through FY30 total $1.5B.

Prior to the COVID-19 Pandemic, rail passenger revenue contributed the majority of funding for BART operations. In FY19, the last fiscal year before the Pandemic, fare revenue and parking fees (a subset of operating revenues) provided $520.0M in revenue, or about two thirds of operating expense. These two sources are budgeted at $252.2M in FY25 and $274.6M in FY26, covering just a quarter of operating expense. Nearly $2B of one-time emergency assistance has enabled BART to sustain operations since 2020, but the last of this funding will be exhausted in FY26.

The primary deficit driver is depressed fare revenue. While BART will continue to contain expenses in the face of sustained consumer inflation and generate additional revenues, BART will not be able to balance annual deficits of this magnitude without assistance. To sustain service at the projected level, a combination of new revenues, further expenditure reductions, and continued operational efficiencies efforts are needed.

Table 2: Five Year Forecast ($M)

	FY25 Adopted	FY26 Preliminary	FY27 Preliminary	FY28 Forecast	FY29 Forecast	FY30 Forecast
Operating Revenues	297.5	320.9	319.8	335.6	346.8	361.9
Financial Assistance	500.3	513.0	519.4	534.7	551.1	568.0
Total Regular Revenues	**797.8**	**833.9**	**839.2**	**870.4**	**897.9**	**929.9**
Operating Expense	1,033.9	1,044.5	1,086.5	1,114.4	1,146.2	1,163.8
Debt Service & Allocations	92.2	107.0	131.4	135.8	119.3	127.6
Total Uses	**1,126.1**	**1,151.5**	**1,217.9**	**1,250.2**	**1,265.5**	**1,291.4**
Operating Result	**(328.2)**	**(317.6)**	**(378.7)**	**(379.8)**	**(367.5)**	**(361.5)**
Total Emergency Assistance	328.2	317.6	0.0	0.0	0.0	0.0
Total Net Result	**0.0**	**(0.0)**	**(378.7)**	**(379.8)**	**(367.5)**	**(361.5)**

6. Ridership Outlook

BART closely tracks ridership in order to optimize the rail service plan, operate efficiently, and meet riders' transportation needs. The ridership outlook also informs budget projections as BART passenger fares are a critical source of revenue.

Figure 4: Actual and Budgeted Ridership by Fiscal Year

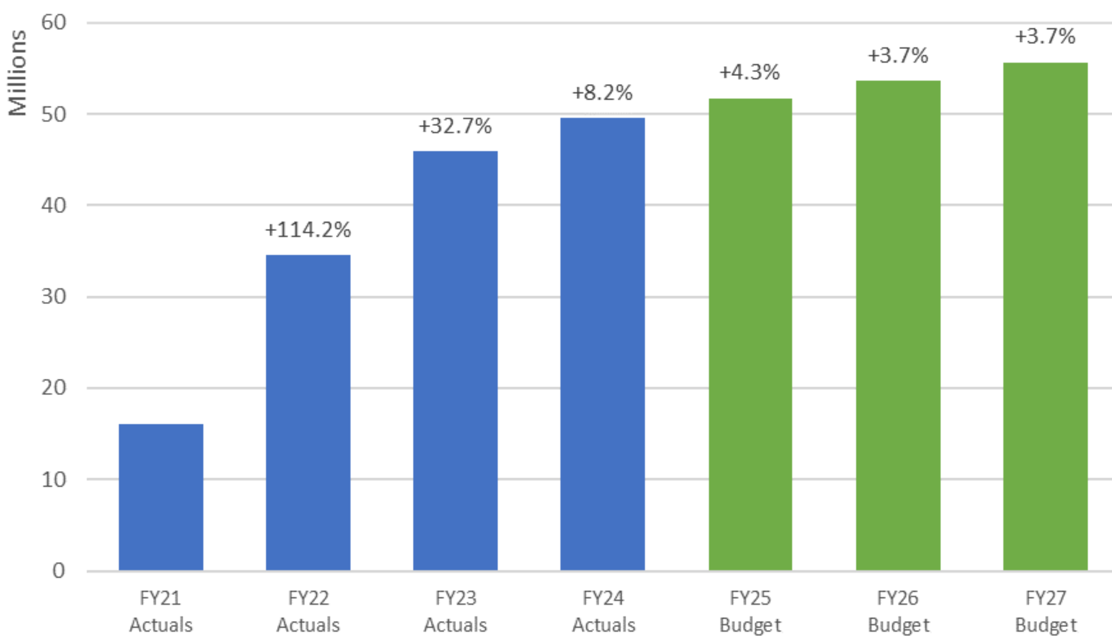


Figure 4 shows BART ridership since FY21, shortly after the COVID-19 pandemic began. As has been the case with transit agencies across the country, BART ridership sharply declined at the start of the pandemic. While ridership levels did recover significantly in subsequent years, they have not returned to pre-pandemic levels. The FY26 & FY27 Preliminary Budget assumes that modest growth continues but at a diminished annual rate of 3.7% for both FY26 and FY27.

Rail Service Plan that Optimizes for Ridership Experience and Cost Efficiencies

In response to the flattening of traditional peak commute ridership and relatively strong off-peak ridership, BART implemented a new service schedule in September 2023, with all lines operating on a base schedule of 20-minute headways (three trains per hour). This service plan, which has remained largely unchanged since its introduction, is responsive to new commute patterns. In January 2025, BART made minor adjustments to its schedule to improve transfers with other operators, notably better timing of transfers between BART, Caltrain, and VTA service. These changes help facilitate smoother connections and a more efficient rider experience.

Table 3: Service Plan

Day of Week	Hours of Service	Service
Monday-Friday	5:00 AM – 9:00 PM	10-minute headways (6 trains per hour) on Yellow 20-minute headways (3 trains per hour) on other 4 lines
	9:00 PM – 12:00 AM	20-minute headways (3 trains per hour) on 3 lines (Orange, Yellow, Blue Lines)
Saturday-Sunday	Saturday: 6:00 AM – 9:00 PM Sunday: 8:00 AM – 9:00 PM	20-minute headways (3 trains per hour) on 5 lines
	9:00 PM – 12:00 AM	20-minute headways (3 trains per hour) on 3 lines (Orange, Yellow, Blue Lines)

BART has changed the number of trains per hour and the size of its trains to improve safety and efficiency while reducing traction power costs. Instead of running 10-car trains to maximize social distancing, as it did during the pandemic, BART now runs trains with enough cars to meet peak-hour demand and no more, to maximize police and staff presence and cleanliness, and minimize empty space. Train crowding is regularly monitored, and trains can lengthen should demand warrant it. In March 2025, BART lengthened peak trains on several routes to accommodate increased train crowding.

7. Sources and Uses

The following table summarizes BART's FY26 & FY27 Preliminary Budget.

Table 4: FY26 & FY27 Preliminary Budget Sources and Uses ($M)

	FY25 Adopted	FY26 Preliminary	FY25 to FY26 Change		FY27 Preliminary	FY26 to FY27 Change	
			($)	(%)		($)	(%)
Rail Passenger Revenue	235.1	258.8	23.7	10%	276.2	17.4	7%
ADA Passenger Revenue	0.6	0.6	0.1	8%	0.7	0.0	3%
Parking Revenue	16.5	16.0	(0.5)	(3%)	16.6	0.6	4%
Other Operating Revenue	45.3	45.4	0.1	0%	26.3	(19.1)	(42%)
Subtotal - Operating Revenue	*297.5*	*320.9*	*23.4*	*8%*	*319.8*	*(1.1)*	*(0%)*
Sales Tax Revenue	320.3	318.5	(1.8)	(1%)	327.7	9.2	3%
Property Tax Revenue	64.3	68.0	3.8	6%	69.2	1.1	2%
VTA Financial Assistance	35.2	36.0	0.8	2%	37.2	1.2	3%
State Transit Assistance	48.8	43.1	(5.7)	(12%)	32.4	(10.7)	(25%)
Low Carbon Funding Programs	17.0	32.2	15.2	89%	37.5	5.3	16%
Local & Other Assistance	14.8	15.2	0.4	3%	15.4	0.2	2%
Subtotal - Financial Assistance	*500.3*	*513.0*	*12.7*	*3%*	*519.4*	*6.4*	*1%*
TOTAL - OPERATING SOURCES	**797.8**	**833.9**	**36.1**	**5%**	**839.2**	**5.3**	**1%**
Labor & Benefits	780.6	801.1	20.5	3%	834.4	33.2	4%
Purchased Transportation	31.1	34.9	3.8	12%	36.3	1.4	4%
Traction Power	61.6	65.0	3.4	5%	68.8	3.8	6%
Other Non-Labor	160.5	143.5	(17.0)	(11%)	147.1	3.6	2%
Subtotal - Operating Expense	*1,033.9*	*1,044.5*	*10.6*	*1%*	*1,086.5*	*42.0*	*4%*
Bond Debt Service	60.2	60.2	0.0	0%	55.8	(4.4)	(7%)
Capital Reinvestment Allocation	29.1	43.8	14.8	51%	34.2	(9.6)	(22%)
Priority Capital Programs Allocation	0.0	0.0	0.0	-	38.4	38.4	-
Other Allocations	3.0	3.0	0.0	-	3.0	0.0	-
Subtotal - Debt Service & Allocations	*92.2*	*107.0*	*14.8*	*16%*	*131.4*	*24.4*	*23%*
TOTAL USES	**1,126.1**	**1,151.5**	**25.4**	**2%**	**1,217.9**	**66.4**	**6%**
Net Result Before Emergency Assistance	**(328.2)**	**(317.6)**	**10.6**	**3%**	**(378.7)**	**(61.1)**	**(19%)**
Emergency Assistance	328.2	317.6	(10.6)	(3%)	0.0	(317.6)	(100%)
NET RESULT	**0.0**	**0.0**	**0.0**	**0%**	**(378.7)**	**(378.7)**	**(100%)**

8. Operating Sources

Table 5 summarizes the operating sources for the FY26 & FY27 Preliminary Budget. The operating sources for the FY25 Adopted Budget are included as a point of reference.

Table 5: Operating Sources ($M)

	FY25 Adopted	FY26 Preliminary	FY25 to FY26 Change		FY27 Preliminary	FY26 to FY27 Change	
			($)	(%)		($)	(%)
Rail Passenger Revenue	235.1	258.8	23.7	10%	276.2	17.4	7%
ADA Passenger Revenue	0.6	0.6	0.1	8%	0.7	0.0	3%
Parking Revenue	16.5	16.0	(0.5)	(3%)	16.6	0.6	4%
Other Operating Revenue	45.3	45.4	0.1	0%	26.3	(19.1)	(42%)
Subtotal - Operating Revenue	*297.5*	*320.9*	*23.4*	*8%*	*319.8*	*(1.1)*	*(0%)*
Sales Tax Revenue	320.3	318.5	(1.8)	(1%)	327.7	9.2	3%
Property Tax Revenue	64.3	68.0	3.8	6%	69.2	1.1	2%
VTA Financial Assistance	35.2	36.0	0.8	2%	37.2	1.2	3%
State Transit Assistance	48.8	43.1	(5.7)	(12%)	32.4	(10.7)	(25%)
Low Carbon Funding Programs	17.0	32.2	15.2	89%	37.5	5.3	16%
Local & Other Assistance	14.8	15.2	0.4	3%	15.4	0.2	2%
Subtotal – Financial Assistance	*500.3*	*513.0*	*12.7*	*3%*	*519.4*	*6.4*	*1%*
Subtotal – Emergency Assistance	*328.2*	*317.6*	*(10.6)*	*(3%)*	*0.0*	*(317.6)*	*(100%)*
TOTAL - OPERATING SOURCES	**1,126.1**	**1,151.5**	**25.4**	**2%**	**839.2**	**(312.3)**	**(27%)**

Operating Sources Summary

Operating Sources includes Operating Revenue, Financial Assistance, and Emergency Assistance. Within each source of funding, revenue is further broken down into several line items. In FY26, Operating Sources is projected to total $1.15B, of which $318M will be emergency assistance.

This summary highlights the overall financial outlook by Operating Sources and any pronounced fluctuations in revenue, and the focus is the revenue projections for FY26 and FY27 only. A more general picture of revenue in the context of BART's financial future can be found in the Executive Summary.

Operating Revenue Remains Steady

Operating Revenue includes the following sources: Rail Passenger Revenue, ADA Passenger Revenue, Parking Revenue and Other Operating Revenue. The largest source of Operating Revenue comes from Rail Passenger Revenue, which include a 6.2% inflation-based fare increase in January 2026 and modest ridership growth. While ridership revenue appears stable, it is important to recognize the profound and enduring effect the pandemic had on BART ridership and fare revenue overall. In FY24, for example, BART's $294M in operating revenue was $438M below the pre-pandemic forecast.

Financial Assistance Revenue

Financial Assistance includes BART District tax revenue, financial support from the State of California, and revenue received from several transportation measures passed by voters. The largest single source of Financial Assistance comes from Sales Tax Revenue. After several years of above-budget performance driven by consumer spending and inflation, Sales Tax growth is projected to come in under budget for FY25, with modest growth projected for FY26 and FY27.

Exhausting Remaining Emergency Assistance

The final Operating Source is Emergency Assistance, which is comprised of one-time emergency funding from federal, state, and regional sources. BART has used this funding to cover operating costs in excess of what its ongoing revenues could support on their own. Since March 2020, emergency assistance has filled the financial gap created by Pandemic-related ridership losses. This assistance has been critical for BART's ongoing operations and has helped to maintain service levels. However, since it is one-time in nature and no additional assistance is expected at this time, this source is projected to be fully spent down in early FY27, an improvement over prior projections.

9. Operating Uses

BART's Operating Uses are separated into two categories: Operating Expense and Debt Service & Allocations. Operating Expense includes costs associated with the day-to-day operations and maintenance of BART ("running the railroad"). Debt Service & Allocations consists of debt payments and transfers out of the operating budget to fund capital and other projects. Within each category, expenses are further broken down into line items. Table 6 summarizes FY26 and FY27 preliminary operating uses.

Table 6: Operating Uses ($M)

	FY25 Adopted	FY26 Preliminary	FY25 to FY26 Change		FY27 Preliminary	FY26 to FY27 Change	
			($)	(%)		($)	(%)
Labor & Benefits	780.6	801.1	20.5	3%	834.4	33.2	4%
Purchased Transportation	31.1	34.9	3.8	12%	36.3	1.4	4%
Traction Power	61.6	65.0	3.4	5%	68.8	3.8	6%
Other Non-Labor	160.5	143.5	(17.0)	(11%)	147.1	3.6	2%
Subtotal - Operating Expense	*1,033.9*	*1,044.5*	*10.6*	*1%*	*1,086.5*	*42.0*	*4%*
Bond Debt Service	60.2	60.2	0.0	0%	55.8	(4.4)	(7%)
Capital Reinvestment Allocation	29.1	43.8	14.8	51%	34.2	(9.6)	(22%)
Priority Capital Programs Allocation	0.0	0.0	0.0	0%	38.4	38.4	-
Other Allocations	3.0	3.0	0.0	0%	3.0	0.0	0%
Subtotal - Debt Service & Allocations	*92.2*	*107.0*	*14.8*	*16%*	*131.4*	*24.4*	*23%*
TOTAL USES	**1,126.1**	**1,151.5**	**25.4**	**2%**	**1,217.9**	**66.4**	**6%**

Uses Summary

BART's total Operating Uses are $1.15B in FY26 and $1.22B in FY27. This is an increase of $25.4M in FY26 and an additional $66.4M in FY27. Operating Expense increases by 1% in FY26 and overall uses increase by 2%. In FY27, the larger share of the increase is in Operating Expense, with the smaller share coming from Debt Service & Allocations.

BART faces considerable pressure across its expense budget; staff have worked to limit this growth without affecting service and staffing levels or deferring current costs. In a given budget cycle, there are certain costs that BART can directly influence, while other costs are fixed because they are contractually negotiated or determined externally. For instance, BART can change the number of employees it deploys to run services based on factors such as peak and off peak service needs. However, the price per unit of traction power or employee wages, for example, are determined through contractual agreements that can only be renegotiated during specific predetermined time periods. This limits BART's flexibility to adjust the overall operational expenditures.

Increases in Operating Expense

The majority of the Operating Expense increase comes from the Labor & Benefits budget, which funds employee salaries, employee benefits, and retirement benefits. This budget increases due to a number of factors. The largest factor is employee wage increases. Most of BART's staff are represented by a labor union, and collective bargaining agreements (CBAs) between BART and its labor partners dictate wage increases that occur year over year. The FY26 & FY27 Preliminary Budget reflects wage increases that were agreed upon in the summer of 2024. The majority of CBAs are in effect until the end of FY27 and the preliminary budget reflects the agreed upon increases.

Other increases are due to scheduled increases in BART's contribution to CalPERS to satisfy retirement obligations (reflected in the Labor & Benefits line above). BART's total budgeted full-time equivalent positions (FTE) has decreased by 27, to 4,600 FTE in FY26. Of this, 3,760 FTE are funded by the operating budget, which is a decrease of 10 FTE from the current fiscal year.

The increase in operating expenses is offset by the effects of a limited hiring freeze implemented in February 2025 and a change, enabled by recent CBA changes, in how BART funds a portion of its retiree healthcare obligations.

Non-labor expense decreases in FY26 before increasing in FY27. The decrease in FY26 is driven in part by target cuts to most BART departments implemented as part of the budget development process. Also, in FY26, there are no scheduled elections for the BART Board of Directors, leading to a decrease in non-labor costs, followed by an increase of $1M in FY27, when elections occur in BART Districts 2, 4, 6, and 8.

The new BART Police Headquarters (BPD HQ) is scheduled to be finished in FY27. The previous budget included an $8M non-labor placeholder for BPD HQ. In FY27, the placeholder was removed and $2.4M was added to fund the maintenance of the new building.

BART's largest non-labor expense, traction power, increases by $3.4M in FY26 and $3.8M in FY27. These costs are projections that consider planned service levels and estimated associated power procurement, transmission, and delivery charges. BART has worked in recent years to secure price stability for renewable electricity procurement through solar power and wind power purchase agreements. Transmission and delivery costs are passed on to BART by local electric utilities, whose rates are governed by the California Public Utilities Commission; BART has no control over these prices.

Finally, under the federal Americans with Disabilities Act, BART must provide paratransit services. To fulfill this obligation, in partnership with Alameda-Contra Costa Transit District (AC Transit) and the San Francisco Municipal Transportation Agency (SFMTA), BART contracts with third party providers. The total cost for paratransit services is expected to go up due to increased demand for service and higher labor costs. BART's paratransit budget increases by $3.8M in FY26 and a further $1.5M in FY27.

Debt Service & Allocations Changes

The Debt Service & Allocations category includes repayments of sales tax-backed debt as well as transfers out of the Operating Budget, which mostly fund a portion of BART's Capital Budget.

Debt service payments are made on a set schedule and are budgeted accordingly. BART plans to refund a portion of sales tax debt, which is expected to reduce sales tax-backed debt service. A placeholder reduction is included in the Preliminary Budget. Debt service payments for BART's 2025 TIFIA Loan do not commence until July 1, 2029 and so are not reflected in the FY26 and FY27 operating budgets.

In FY25 and FY26, BART deferred allocations to its Priority Capital Programs to align with project cash flow needs and delivery schedules. The allocation returns in FY27 to fund BART's Core Capacity project, which generates a $38.4M increase in the FY27 Priority Capital Program Allocation line item.

10. FY26 & FY27 Capital Budget

Preliminary Capital Budget

The FY26 & FY27 Preliminary Capital Budget anticipates a maximum investment in BART's capital assets of $1.1B in FY26 and $0.8B in FY27. The Preliminary Capital Budget provides an estimate of the cost of work project managers intend to accomplish in the coming two fiscal years. All cost estimates in the annual capital budget are fully funded by awards received in prior fiscal years and programmed funds.

Point in Time

The capital budget is a plan, which changes in real time as the year progresses based on District priorities, BART's needs, funding, and risks and opportunities with respect to operations. While presented as a fixed figure, the annual capital budget is a best estimate of capital investment based on individual project schedules and cost estimates. Individual project schedules may shift due to resource constraints (such as track access), contracting outcomes, or unforeseen site issues. Departments review project progress throughout the year to refine individual budgets and schedules, as needed. More developed projects have firmer budget estimates, while early-stage projects are more subject to change.

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 increases the value of the asset (excluding ordinary repairs and maintenance).

Preliminary Capital Sources and Uses

The FY26 & FY27 Preliminary Capital Budget directs $1.9B across five Capital Investment Plan (CIP) Purposes: System Reinvestment, Service and Capacity Enhancement, Resiliency, System Development, and Safety and Security. The following charts also summarize planned work by CIP Category, which generally reflects an asset type or program area.

As can be seen in tables 7 and 8, 98% of BART's planned capital investment in FY26 and FY27 will be in two CIP Purposes:

- System Reinvestment – investments to keep BART's existing system reliable and safe; and
- Service & Capacity Enhancement – investments to enhance the rider experience, support more frequent service and add system redundancy to improve reliability.

In FY26, BART will complete Phase 2 of the Fleet of the Future Rail Car Procurement, which will deliver 306 expansion rail cars for the Core Capacity Program and an additional 48 rail cars to support VTA's BART-to-Silicon Valley Extension, Phase 2. BART will also complete in FY26 the installation of Next Generation Fare Gates throughout the BART system. Further, BART will continue its significant investment in traction power infrastructure – replacing cables, renewing existing substations, and adding new substations to provide more redundant power to the BART system to improve reliability.

BART's project to replace its legacy fixed-block train control system with a modern communications-based train control system will complete systems design and proceed to Phase 2 installation in FY26. Once fully implemented, the Train Control Modernization Program – in combination with the expanded rail car fleet and new traction power substations – will enable BART to run more frequent, longer trains through the core of the BART system. In FY25, BART initiated the construction of a new BART Police Headquarters; the building is expected to be completed in FY27.

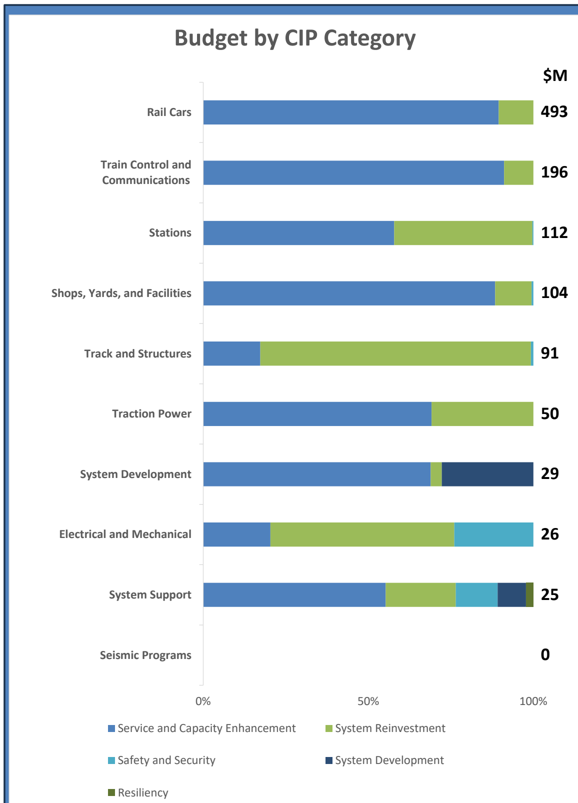
The District is continually refining and evolving how capital project information is reported and shared with the Board and the public with the goal of increasing transparency. Since FY23, the District has regularly shared with the Board a capital project report – the Capital Project and Program Status Report (CPPSR) – which meets this goal. The CPPSR provides program and project status updates, as well as project-level cost estimate, budget, and timeline detail. The CIP, BART's fiscally constrained long-term forecast of capital investments, was published in October 2024 and is posted to BART.gov[4]. The CIP includes more information about BART's capital investment planning approach, capital program, and funding strategy.

BART's capital budget is funded with federal, state, and regional grants, along with BART funds and Measure RR system renewal General Obligation bond proceeds. Projected FY26 and FY27 funding sources are summarized in the charts following. Across FY26 and FY27, regional, local, and BART sources, including BART Measure RR general obligation bonds, comprise almost 60% of the funding for the Preliminary Capital Budget. The FY26 BART share includes BART funds released from the Rail Car Procurement Phase 1 project as a result of the 2025 TIFIA Loan. State and federal sources, including the State's Transit and Intercity Rail Capital Program as well as the Federal Transit Administration's Capital Investment, total nearly 40% of Preliminary Capital Budget funding. See Attachment C for the FY26 & FY27 Preliminary Capital Budget by project.

[4] https://www.bart.gov/sites/default/files/2024-10/Final%20FY25%20Capital%20Investment%20Plan%20-%20October%202024.pdf

Table 7: FY26 Preliminary Capital Sources and Uses

Preliminary FY26 Capital Budget ($1,127,000,000)



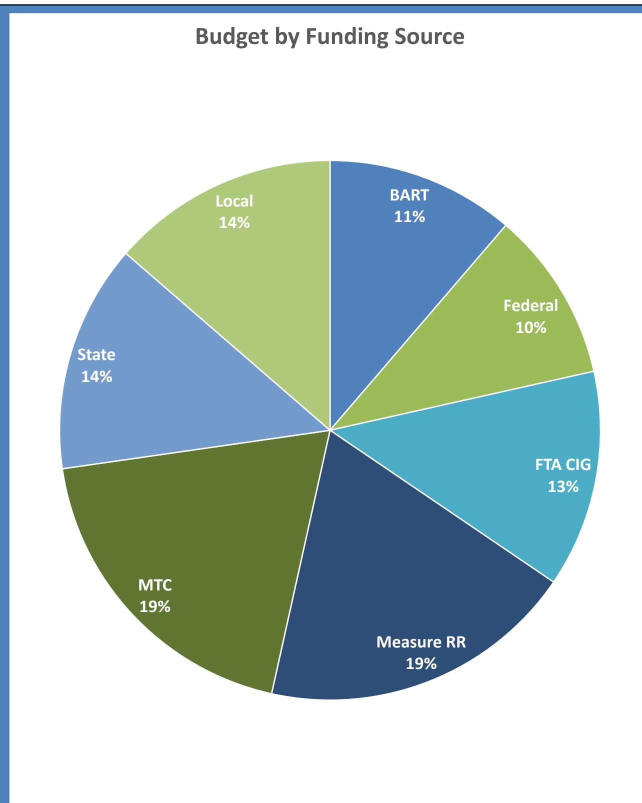
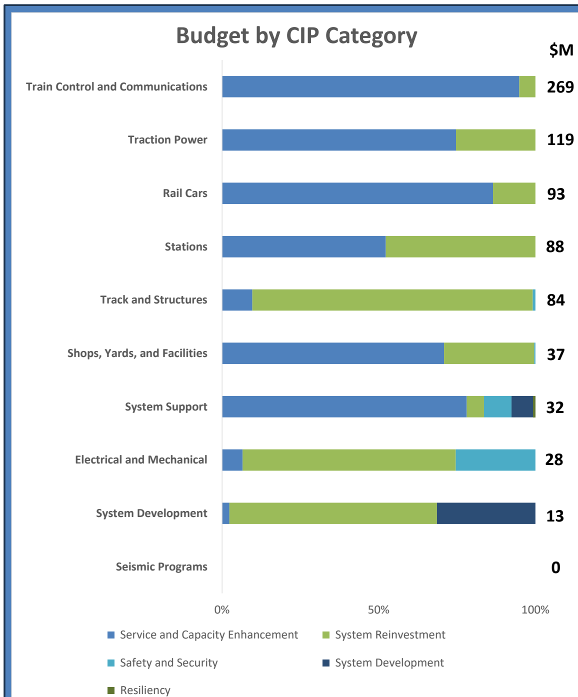
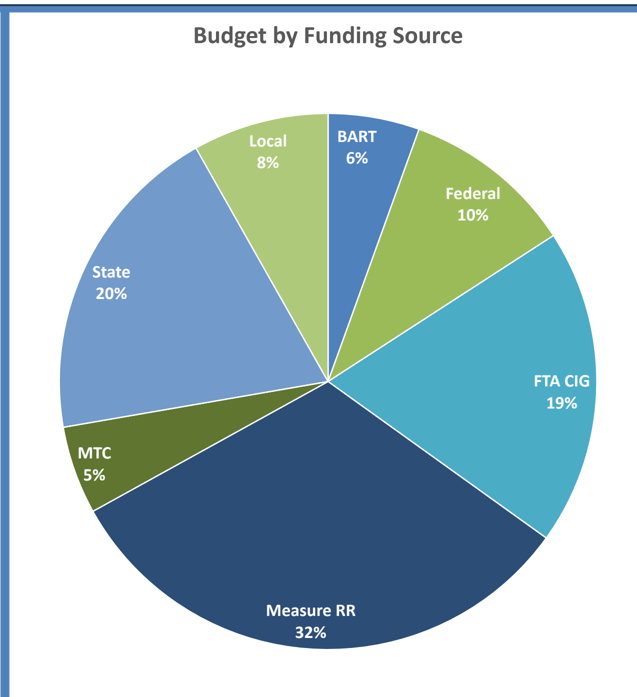


Table 8: FY27 Preliminary Capital Sources and Uses

Forecasted FY27 Capital Budget ($762,323,000)





11. Attachments

Attachment A: **FY26 and FY27 Preliminary Budget Data**

Attachment B: **FY26 and FY27 Preliminary Positions Data**

Attachment C: **FY26 & FY27 Preliminary Capital Budget Data**

Attachment D: FY26 Org Chart