



# EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL:		DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D:	
DATE: 2/19/2026		2/20/2026		BOARD INITIATED ITEM: Yes	
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Signature/Date:		DocuSigned by:		Signed by:	
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## Initial approval of the Fiscal Year 2027 Alternative Service Plan

**PURPOSE:** Initial approval of the Fiscal Year 2027 Alternative Service Plan.

**DISCUSSION:** Initial approval by the Board of Directors is requested for the Fiscal Year 2027 (FY27) Alternative Service Plan ('Plan'), which identifies service reductions that BART plans to implement, starting in January 2027 and continuing into FY28, should the Connect Bay Area Measure ('Measure') fail at the November 2026 ballot and if no other operating revenue source is identified. The Board has directed BART staff to develop a balanced operating budget that could be implemented should the Measure fail.

A high-level concept of potential service reductions was presented to the Board of Directors at its November 13, 2025 meeting and a more detailed Plan was presented at the Board's February 12, 2026 Workshop. Staff incorporated feedback from the Board heard at the Workshop, and the revised FY27 Alternative Service Plan ('Plan') is shown below and in Attachment 1. Initial approval of this Plan allows staff to continue to refine and analyze options and allows the Board and staff to discuss publicly any potential implications of such a Plan and receive feedback from the public. The Board retains full discretion to modify the Alternative Service Plan after this initial approval. If the Connect Bay Area Measure fails, staff will present a Title VI Equity Analysis and revised FY27 budget to the Board for consideration at the Board meetings in November and December 2026, prior to the Board's final decision on implementation of the Alternative Service Plan.

### 1. Immediate Cost Reduction - January 2027

*Intent: A strong but measured shift in District operations intended to immediately reduce monthly financial losses, and to provide an opportunity to evaluate the impact of service*



*cuts, fare increases, and non-service budget reductions in order to assess the feasibility of additional reductions necessary to balance the budget in FY28. Initial Board approval of the Plan is needed now to enable staff to plan January 2027 implementation. Additional Board action in November and December 2026 provides final approval.*

Service and Budget actions over 6 months:

- Target approximately \$54M in cost reductions by reducing train hours by an estimated 63% (3-line service, two trains per hour on each line, limited peak service, 9 PM close).
- Target approximately \$20M of additional revenue by increasing fares and parking fees 30%.
- Target approximately \$25M of savings from non-service budget reductions to fleet and non-fleet maintenance, police, cleaning, and administrative support functions.
- Revenue losses from such service reductions are estimated at \$39M.
- Continue baseline budget reductions of \$10M, deferrals of capital allocations (\$27M) and retiree medical contributions (\$19M).
- Target the use of one-time resources and additional financial deferrals, estimated at \$72M, to balance the FY27 budget.

After implementation, the District will assess ridership and revenue impacts and the performance of all District functions to determine if further reductions can be safely and legally implemented.

## **2. Budget Balancing (if feasible) - FY28 (July 1, 2027 – June 30, 2028)**

*Intent: Demonstrate the level of service and non-service cuts needed to balance the FY28 budget. Further evaluation, refinement, and Board action is required before implementation.*

Service and Budget actions in FY28:

- Target approximately \$176M in annual cost reductions through a cumulative 70% reduction in service hours:
  - Maintain 3-line service, two trains per hour on each line, limited peak service, 9 PM close.
  - Close up to 15 stations and/or up to 25% of system track miles.
  - The BART Board will be responsible for all decisions on station or segment closures.
- Target \$58M in annual revenue by increasing fares and parking fees up to a cumulative 50%.
- Target annual operating expense savings of a cumulative \$133M from non-service budget reductions to fleet and non-fleet maintenance, police, cleaning, and administrative support functions.

- Revenue losses from such service reductions and asset closures are estimated at \$112M.
- Continue baseline spending reductions (\$20M) and target deferrals of capital allocations (approximately \$68M) and retiree medical contributions (approximately \$38M) as necessary to balance the FY28 budget.

After implementation, the District will assess ridership and revenue impacts and the performance of all District functions to determine if service can safely and legally continue.

### **3. Safety Contingency (when required)**

*Intent: Acknowledge that given the risk and uncertainty in BART's ability to develop a balanced budget, it may be necessary to stop revenue service.*

Service and Budget actions:

- If it is determined BART cannot safely or legally operate with available resources, stop passenger service
  - The BART Board will be responsible for all decisions on stopping passenger service
- Use District tax revenues to secure system assets and other ongoing obligations
- Work to determine system's future

### **Alternative Service Plan Supporting Actions**

- After initial approval of the Plan by the Board, staff will continue to assess and identify the risks of service reductions, asset closures, non-service budget reductions, fare increases, financial deferrals, and the costs of loans vs. deferral of spending commitments and refine the Plan.
- To minimize impacts on riders and the public, the District will:
  - Assess opportunities for staffing and non-labor spending efficiency across all functions
  - Consider opportunities to deploy existing operating staff to capital-funded work that benefits the BART system and the public, subject to compliance with all applicable laws and grant funding agreements
  - Continue to advocate for additional public investment needed to maintain service levels and District operations
- Retiree medical contribution deferrals will be made in accordance with Labor agreements and do not affect retiree benefit commitments.
- A Title VI Equity Analysis will be completed before implementation of the Alternative Service Plan in January 2027.
- The Board will review and adopt the Title VI Equity Analysis and the Revised FY27 Budget before service or budget reductions are made.

- The Board in its discretion may adopt changes to the Alternative Service Plan, including station, line, or segment closures. Any future station, line, or segment closures will:
  - Consider input from communities, including local officials
  - Consider net impact on District revenue
  - Balance District fiscal needs with impacts to communities
  - Comply with all requirements of applicable law
  - Will be at the sole discretion of the Board only
- Staff will provide expanded community outreach

### **Staff Reductions:**

To implement the service and non-service reductions in this plan, an estimated 1,170 positions (31% of the budgeted operating workforce) would be eliminated starting in FY27 and continuing into FY28.

### **Alternative Service Plan and Budget Timeline:**

- On March 31, 2026 staff will release the FY27 Preliminary Budget Memo.
- Between March and June 2026, staff will present more details about the FY27 budget in informational presentations to the Board, culminating with the anticipated Board approval of the FY27 Budget at the Board's June 11, 2026 meeting. The baseline budget will assume the Measure succeeds.
- Staff will continue to refine the Plan and will review with the Board throughout the summer and fall. Should the Connect Bay Area Measure fail, staff will ask the Board to consider and adopt a Title VI Equity Analysis and a Revised FY27 Budget, which would include any updates to the Alternative Service Plan, in November and December 2026, prior to final implementation of the Plan.
- Throughout the process, any decisions regarding asset or station closures will be at the sole discretion of the Board.

Recommendations from the Senate Bill (SB) 63 Financial Efficiency Review are anticipated to be released in April 2026. Such information will be shared with the Board and under the requirements of SB 63, a subset of the recommendations are required to be adopted by the Board by July 1, 2026.

Staff recommends adoption of the attached Resolution to initially approve the FY27 Alternative Service Plan.

**FISCAL IMPACT:** There is no fiscal impact of adoption of this Resolution. Additional information will be brought to the Board for consideration and additional Board action will be required before the Alternative Service Plan is finally implemented.

**ALTERNATIVES:** Do not approve the Alternative Service Plan or request staff to develop a Plan that differs from what has been presented to the Board of Directors. The Board retains discretion to adopt changes to the Plan after its initial approval.

**RECOMMENDATION:** Adoption of the following motion.

**MOTION:** The Board adopts the attached Resolution “In the Matter of Initially Approving an Alternative Service Plan to Take Effect January 2027 in the Event the Connect Bay Area Measure Fails to Receive Voter Approval at the Statewide General Election on November 3, 2026 and BART is Unable to Secure Other Revenue Sources.”