



Ratification of Collective Bargaining Agreements

Board of Directors Meeting
July 28, 2022



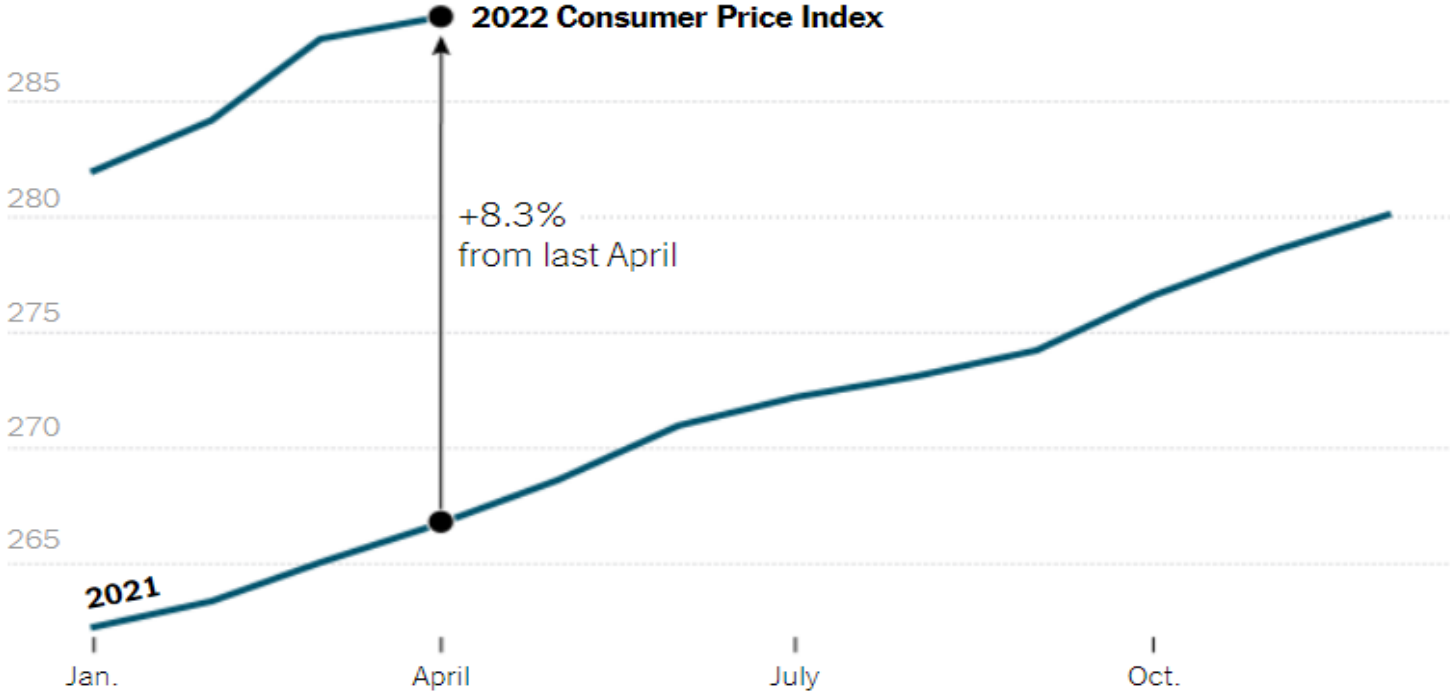
Background & Context

- Inflation is affecting everybody, including BART employees
 - In all cases, the US—including the Bay Area—is seeing inflation at rates not seen in 40 years
 - Year-over-year increase for 2022 is higher than 8%
- Current ridership trends project 3 years of 0% increases prior to bargaining under current contracts
- Peer agencies agreed to annual increases in current and future years so bargaining in 2024 would be in a labor friendly environment.
- Relative decline of BART wages compared to peer agencies exacerbates our recruitment and retention issues

Inflation is Increasing Nationally

A Higher Baseline for Inflation

Prices rose significantly last spring, so the increase now from the year prior is starting from a higher baseline.



Notes: C.P.I. of 100 is equal to prices in 1984. • Source: Bureau of Labor Statistics • By Ella Koeze

<https://www.nytimes.com/2022/05/11/business/economy/april-2022-cpi.html>

Current Contracts: Raises Unlikely

FY23 & FY24 Wage Increases Tied to Ridership Recovery

% of Pre-COVID Ridership (410,000)	Average Weekday Ridership	FY23 Wage Increase	FY24 Wage Increase
<60%		0.00%	0.00%
60%	246,000	0.40%	0.75%
65%	266,500	0.50%	0.85%
70%	287,000	0.75%	1.00%
75%	307,500	1.00%	1.25%
80%	328,000	1.20%	1.50%
85%	348,500	1.40%	1.75%
90%	369,000	1.60%	2.00%
95%	389,500	1.80%	2.25%
100%	410,000	2.00%	2.50%

- Under current projections, ridership will reach 59% of pre-COVID ridership by end of FY24, when most contracts end
- As a result, the 60% threshold for wage increases will not be met and staff would assume no increases in the FY23 & FY24 under the current contracts



What Other Operators Are Doing

Agency	FY 2022	FY 2023	FY 2024	FY 2025	4-Year Total	Comments
BART (Current)	0.0%	0.0%*	0.0%*	OPEN	0.0%+	*Projected, varies with ridership
AC Transit	3.0%	3.4%	3.4%	3.4%	13.2%	Additional appreciation bonus for employees
SFMTA	3.5%	5.25%	4.75%*	OPEN	13.5%+	*2 increases (2.5% and 2.25%) six months apart in FY24
VTA	3.0%	2.0%	4.0%	4.0%	13.0%	\$3,500 additional appreciation bonus for employees
LA Metro	2.0%	3.5%	3.5%	OPEN	9.0%+	Additional appreciation bonus for employees

Tentative Agreement

- 1-year extension of all labor agreements
 - AFSCME, ATU, and SEIU – Extended until June 30, 2025
 - BPMA and BPOA – Extended until June 30, 2026
- Wage increases in the remaining years of the extended contracts as follows:
 - AFSCME, ATU, and SEIU
 - July 1, 2022 – 3.5%
 - July 1, 2023 – 3.0%
 - July 1, 2024 – 4.0%
 - BPMA and BPOA
 - July 1, 2022 – 2.0%
 - July 1, 2023 – 2.0%
 - July 1, 2024 – 3.0%
 - July 1, 2025 – 3.5%

Operational Efficiency Gains

- Cap compensatory time use at 180 hours per fiscal year
 - Ensure greater staff coverage and reduce overtime reliance and cost
- Eliminating 4/10 schedule requirements for sergeants and lieutenants
 - Greater ability to adjust work schedules to match departmental needs
- Event Flexibility: Allow part-time employees to bid for special event trains
 - Better event service coverage and less missed runs
- Electronic Bidding
 - More efficient use of employee time

Future Cost Constraints

- Right-sizing of current workloads
 - Creation of Sub-Classifications
 - Future hiring will provide support at a lower cost as well as increased staffing flexibility to capital projects
 - Encouraging retention through career ladders with multiple promotional opportunities
 - Better Division of Work
 - Assignment of appropriate staff to address shifting needs and better utilize current resources
- Limit vacation accruals leading to budget reductions
 - Capping vacation accruals to new employees saving future unfunded liabilities

Fiscal Impact of Potential Wage Increase

Operating Cost Only (Fiscal Runway Impact)

Increase by FY (\$M)	FY23	FY24	FY25	FY26	4-Year Total
FY23 3.5% 2%	14.3	14.3	14.3	14.3	57.2
FY24 3.0% 2%	-	13.8	13.8	13.8	41.3
FY25* 4.0% 3%	-	-	11.6	11.6	23.2
FY26* 3.5%	-	-	-	2.1	2.1
Total	14.3	28.9	39.7	41.8	123.8

Capital Costs (Primarily Reimbursable, No Runway Impact)

Increase by FY (\$M)	FY23	FY24	FY25	FY26	4-Year Total
FY23 3.5% 2%	5.2	5.2	5.2	5.2	20.8
FY24 3.0% 2%	-	4.8	4.8	4.8	14.3
FY25* 4.0% 3%	-	-	3.5	3.5	7.0
FY26* 3.5%	-	-	-	0.3	0.3
Total	5.2	10.0	13.5	13.8	42.2

*FY25 and FY26 costs exclude 2% wage escalation assumed in the 10-year forecast

Note: Percentage listed first is for AFSCME, ATU, SEIU, and NREP | Percentage listed second is for BPMA and BPOA



Resolution

- The Board approves the attached resolutions ratifying the extension and creation of successor Collective Bargaining Agreements between the San Francisco Bay Area Rapid Transit District and (1) the Amalgamated Transit Union Local 1555 (ATU), July 1, 2021 – June 30, 2025; (2) the Service Employees International Union, Local 1021 (SEIU), July 1, 2021 – June 30, 2025; (3) the American Federation of State, County, and Municipal Employees (AFSCME), Local 3993, July 1, 2021 – June 30, 2025; (4) the BART Police Managers Association (BPMA), July 1, 2018 – June 30, 2026; and (5) the BART Police Officers Association (BPOA), July 1, 2018 – June 30, 2026.

Discussion