

BEFORE THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

In the Matter of Initially
Approving an Alternative Service
Plan to Commence 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

Resolution No. _____

WHEREAS, the COVID-19 pandemic reduced ridership on BART, resulting in actual fiscal year 2026 fare revenue that is more than \$430M below pre-pandemic projections as adopted in BART's fiscal year 2019 Short Range Transit Plan; and

WHEREAS, as a result, despite significant cost-saving actions taken since 2020, BART has an ongoing structural financial deficit of \$350 million to \$400 million per fiscal year, including in fiscal year 2027; and

WHEREAS, BART is now running transit service using emergency funds that are projected to be fully expended by July 2026; and

WHEREAS, at its June 12, 2025 meeting, the Board of Directors adopted a balanced fiscal year 2026 budget that included \$35 million in cuts, cost controls and revenue generation; and

WHEREAS, Senate Bill (SB) 63, known as the Connect Bay Area Act, passed on October 13, 2025, created the Public Transit Revenue Measure District (PTRMD) and authorized a retail transactions and use tax applicable to the entire PTRMD to be imposed either by the Board of the PTRMD or by a qualified voter initiative to be placed on the ballot at the November 3, 2026 statewide general election; and

WHEREAS, SB 63 requires a portion of the sales tax proceeds from the Connect Bay Area measure, if approved by the voters, to be allocated to BART for operating purposes; and

WHEREAS, at its May 8, 2025 and November 13, 2025 meetings, the Board of Directors received and deliberated upon presentations from BART staff that forecasted the budget scenarios in the event the Connect Bay Area measure passes and, alternatively, in the event the Connect Bay Area measure fails; and

WHEREAS, as presented at the November 13, 2025 meeting, if the Connect Bay Area measure qualifies for the ballot and passes, BART is forecasted to receive approximately \$300 million per fiscal year in additional revenue that together with additional cuts and cost controls would support continuation of BART's current transit service plan; and

WHEREAS, as presented at the November 13, 2025 meeting, staff has been analyzing potential transit service alternatives in the event the Connect Bay Area measure fails, resulting in a need to reduce the operating deficit by approximately \$350 to \$400 million per fiscal year beginning in January 2027; and

WHEREAS, at its February 12, 2026 meeting, the Board of Directors received and deliberated upon a presentation detailing staff's recommended transit service reductions and staff layoffs to commence January 11, 2027 in the event the Connect Bay Area measure fails; and

WHEREAS, as presented at the February 12, 2026 meeting, the Board requested that staff evaluate the deferral of potential station closures to fiscal year 2028 and perform additional outreach to communities; and

WHEREAS, as detailed in presentations made to the Board at its meetings on February 12, 2026 and February 26, 2026, staff expects the Alternative Service Plan 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, with additional service reductions dependent upon the outcome of that analysis; and

WHEREAS, staff intends to present to the Board additional information before adoption of the FY27 Budget on June 11, 2026; and

WHEREAS, as detailed in the attached Alternative Service Plan, the Board retains the discretion to modify the Plan after its initial approval; and

WHEREAS, if the Connect Bay Area measure fails to receive voter approval at the statewide general election on November 3, 2026, 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;

NOW, THEREFORE, BE IT RESOLVED that the Recitals set forth above are true and correct and are incorporated as findings into this Resolution by this reference;

AND BE IT FURTHER RESOLVED that the Board initially approves the attached 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.

PASSED AND ADOPTED by the Board of Directors of the San Francisco Bay Area Rapid Transit District, this ___ day of _____, 2026 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN: