



Fiscal Year 2027 Preliminary Operating Budget Overview

BART Board of Directors

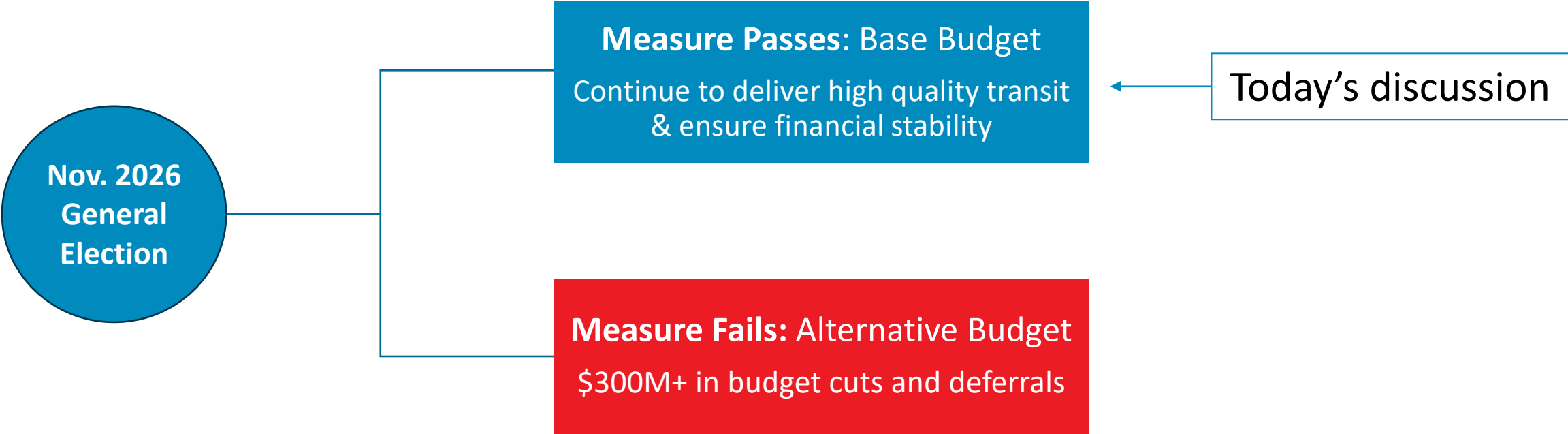
April 9, 2026



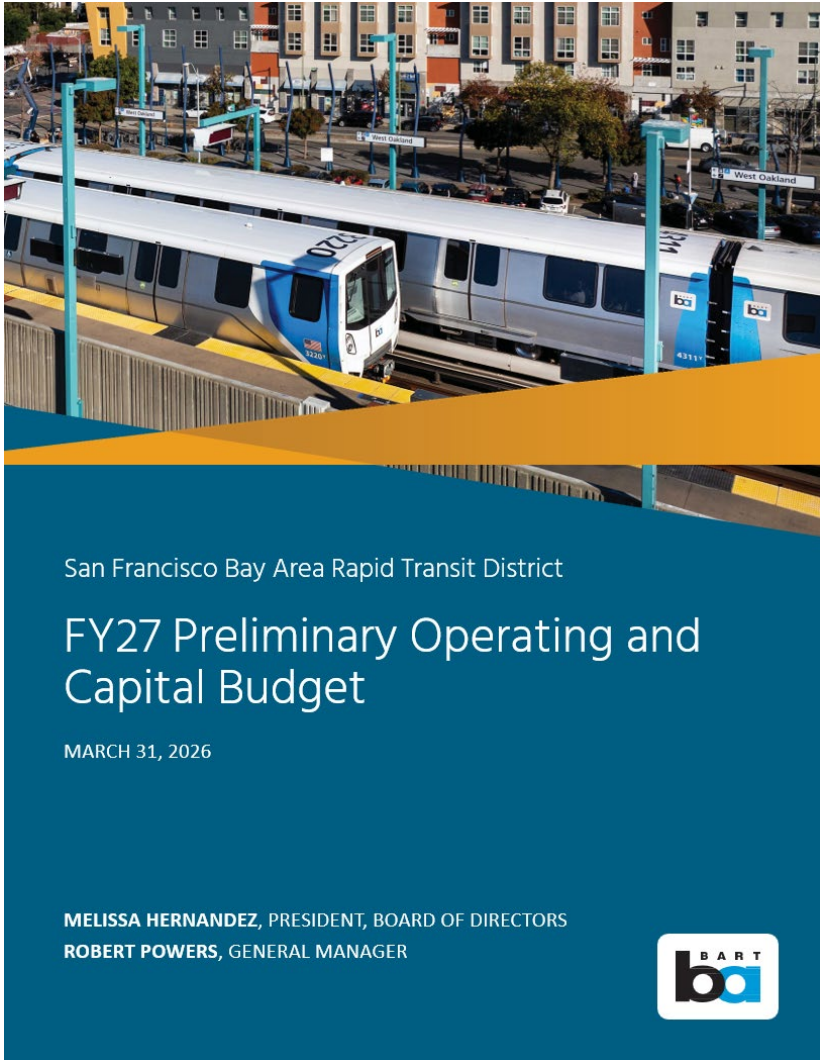
Agenda

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- FY27 Preliminary Budget Executive Summary
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- Operating Uses
- Five-year Outlook
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FY27 Context: Planning for Multiple Outcomes



Executive Summary

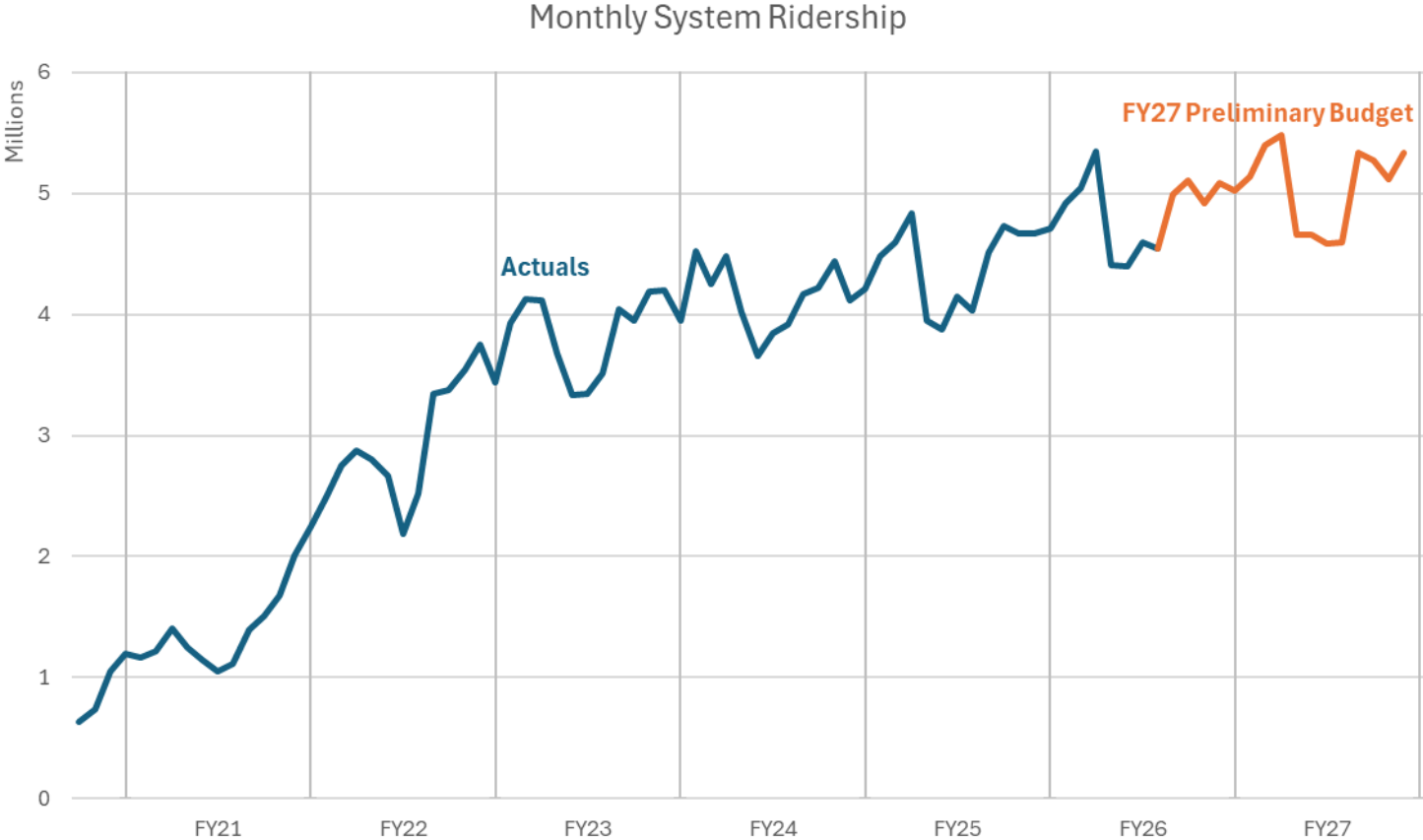


- The FY27 Preliminary Budget assumes current service levels and the successful passage of a regional tax measure to authorize additional operating revenues for Bay Area transit operators
- FY27 Preliminary Budget is balanced, but heavily reliant on one-time actions
 - This is necessary to maintain current service levels before revenues that ease BART’s structural deficit begin to flow
- BART’s Alternative Service Plan is a contingency planning document to provide the public with transparency as to what actions BART would need to pursue should the measure not pass; it is not a budget proposal

How We Balanced

Type	Action	(\$M)	Notes
Deficit	FY27 Structural Operating Deficit	(375.4)	
Revenue	Sales tax accounting basis change	59.3	Shift 2 months from cash to accrual basis
Revenue	Borrowing	97.9	Staff evaluating best options; will update Board on final recommendation that best mitigates future costs
Revenue	Revenue increases	1.8	Optimizing management of BART cash
Revenue	Regional measure revenue proceeds	74.4	Assumes passage of revenue measure in November 2026
<i>Subtotal - Revenue</i>		<i>233.4</i>	
Expense	Ongoing reductions	21.6	Includes elimination of 63 vacant operating FTEs, various non-labor cuts
Expense	Retiree Health Benefit Trust deferrals	68.3	Benefits not impacted; shifting current costs to future years (trust was 74.5% funded as of 6/30/2025)
Expense	Capital funding deferrals	52.1	Only contractually obligated and local match for FTA leverage remains
<i>Subtotal - Expense</i>		<i>142.0</i>	
<i>Grand Total</i>		<i>375.4</i>	
Remaining Deficit		0.0	

FY27 Ridership Outlook



- FY26 through February:
 - 7.6% above budget
 - 11.3% higher than a year ago
 - Compare to 5.0% for FY25 growth

Ridership	FY26 Projected	FY27 Prelim
Total Trips (M)	57.8	60.6
Average Weekday	187,700	196,900
Average Saturday	113,400	117,700
Average Sunday	82,400	86,700

FY27 Preliminary Sources and Uses

SOURCES AND USES (\$Millions)	FY26	FY27	Change Adopted vs Prelim	
	Adopted	Prelim	\$	%
Operating Revenue	325.1	342.9	17.8	5%
Financial Assistance	511.8	684.8	173.0	34%
<i>Total Sources</i>	<i>836.9</i>	<i>1,027.7</i>	<i>190.8</i>	<i>23%</i>
Operating Expense	1,006.7	1,048.3	41.6	4%
Debt Service & Allocations	145.2	53.9	(91.3)	(63%)
<i>Total Uses</i>	<i>1,152.8</i>	<i>1,102.1</i>	<i>(49.7)</i>	<i>(4%)</i>
<i>Operating Result</i>	(315.0)	(74.4)	240.5	76%
Emergency Assistance	315.0	0.0	(315.0)	(100%)
Regional Sales Tax	0.0	74.4	74.4	
Total Net Result	0.0	0.0	0.0	0%

FY27 Preliminary Sources: Operating Revenue

OPERATING REVENUE (\$Millions)	FY26 Adopted	FY27 Prelim	Change Projected vs Prelim	
			\$	%
Rail Passenger Revenue	259.1	299.7	40.6	16%
ADA Passenger Revenue	0.6	0.7	0.0	3%
Parking Revenue	19.9	22.4	2.5	12%
Other Operating Revenue	45.4	20.1	(25.3)	(56%)
Total - Operating Revenue	325.1	342.9	17.8	5%

- Projected ridership increases due to increased ridership projections and annualization of January 1, 2026 CPI-based fare increase
- Other operating revenue declines due to lowered investment income projections due to projected spend down of remaining emergency assistance

FY27 Preliminary Sources: Financial Assistance

FINANCIAL ASSISTANCE (\$Millions)	FY26	FY27	Change Adopted vs Prelim	
	Adopted	Prelim	\$	%
Sales Tax Proceeds	314.1	325.1	11.0	4%
Sales Tax Accrual Change	0.0	59.3	59.3	
Regional Revenue Measure Proceeds	0.0	74.4	74.4	
Property Tax Proceeds	68.0	70.4	2.4	4%
VTA Financial Assistance	35.9	46.2	10.3	29%
State Transit Assistance	45.8	38.5	(7.3)	(16%)
Low Carbon Funding Programs	32.2	31.3	(0.9)	(3%)
Local & Other Assistance	15.7	16.2	0.5	3%
Borrowing	0.0	97.9	97.9	
Total - Financial Assistance	511.8	759.2	247.5	48%

- Sales tax shown in three separate lines for FY27:
 - Traditional sales tax levied in three BART counties
 - One-time sales tax accounting basis change
 - New regional measure sales tax revenue (MTC estimate)
- VTA Financial Assistance covers cost of operating BART's Silicon Valley Extension; increase reflects past actuals more accurately
- State Transit Assistance decreasing due to expiration of pre-pandemic ridership-based funding formula
- Staff evaluating best borrowing options

FY27 Preliminary Uses: Labor

LABOR & BENEFITS (\$Millions)	FY26	FY27	Change Adopted vs Prelim	
	Adopted	Prelim	\$	%
Wages	547.8	568.7	20.9	4%
Overtime	79.7	84.3	4.7	6%
CalPERS Pension	145.3	155.1	9.9	7%
Active Employee Medical Insurance	92.5	108.1	15.6	17%
Retiree Medical	0.0	0.0	0.0	0%
Workers' Compensation	24.6	26.0	1.3	5%
Other Benefits*	39.0	40.4	1.4	4%
Subtotal – Gross Labor	928.8	982.6	53.8	6%
Capital Reimbursement	(145.1)	(167.0)	(21.8)	15%
Capital Overtime	(20.4)	(21.4)	(1.0)	5%
Subtotal – Reimbursements	(165.5)	(188.3)	(22.8)	14%
Total - Labor & Benefits	763.3	794.3	31.0	4%

- Wages increase per BART's collective bargaining agreements
- Negotiated changes to funding of retiree health benefits allows deferral that reduces Retiree Medical to \$0 without affecting benefits
- Most benefit costs determined by outside entities or projected by independent third-party experts

*Other benefits includes Vision, Dental, Medicare, Life Insurance, Disability, Unemployment, Meal and Uniform Allowances

FY26 to FY27 Preliminary Budget FTE Changes

FY26 to FY27 Full-Time Equivalents (FTE) Summary			
	Operating	Capital / Reimbursable	Total FTEs
FY26 Adopted Budget	3,760	840	4,600
Mid-Year Additions	4	0	4
Technical Adjustments	(2)	2	0
Reductions	(65)	(2)	(67)
Total Adjustments	(63)	0	(63)
FY27 Preliminary Budget	3,697	840	4,537

FTE counts rounded to nearest whole number for clarity

- Operating budget reduced by 63 FTEs
- Capital budget FTEs unchanged
- Total authorized FTEs decrease from 4,600 to 4,537



FY27 Preliminary Uses: Non-labor

NON-LABOR	FY26	FY27	Change Adopted vs Prelim	
(\$Millions)	Adopted	Prelim	\$	%
Clipper and Bank Fees	7.3	14.1	6.7	92%
Insurance	9.8	11.2	1.4	14%
Materials & Supplies	47.3	44.7	(2.6)	(5%)
Professional & Technical Fees	48.3	50.9	2.5	5%
Repairs & Maintenance	13.4	13.5	0.1	1%
Rent	3.9	4.0	0.1	2%
Power	65.0	65.8	0.8	1%
ADA Paratransit	26.3	27.8	1.5	6%
Purchased Transportation	8.5	8.9	0.4	4%
Utilities	8.6	7.9	(0.7)	(8%)
Other Miscellaneous	4.9	5.3	0.4	8%
Total - Non-Labor	243.4	254.0	10.6	4%

- Clipper fees scheduled increase in FY27 to cover cost of parallel systems during C2 transition
- Other increases in FY27 include biennial BART Board elections, estimated operating costs for new BART Police Headquarters, and paratransit cost escalation
- FY27 non labor increases offset by \$7.3M of ongoing department reductions as part of the FY27 budget development

FY27 Preliminary Uses: Debt Service & Allocations

DEBT SERVICE & ALLOCATIONS (\$Millions)	FY26	FY27	Change Adopted vs Prelim	
	Adopted	Prelim	\$	%
Debt Service	60.2	60.2	0.0	0%
Capital Reinvestment	43.8	16.0	(27.8)	(63%)
Priority Capital Projects/Programs	-	-	-	-
Other Allocations	3.0	3.0	0.0	0%
RHBT FY25 & FY26 Deferral	38.2	(34.6)	(72.7)	(190%)
RHBT FY27 Capital Contributions	0.0	9.3	9.3	
Total - Debt Service & Allocations	145.2	53.9	(91.3)	(63%)

- Capital Reinvestment allocation reduced to local match obligation only, with cost-neutral \$4.4M transferred to Non-labor budget to reflect actual spending
- Priority Capital deferred
- Retiree Health Benefits Trust (RHBT) deferral from FY25 & FY26 reduces expense
- Debt service from borrowing will be reflected in future fiscal years (no repayments anticipated in FY27)

Five-year Outlook

(\$Millions)	FY26 Adopted	FY27 Prelim	FY28 Forecast	FY29 Forecast	FY30 Forecast	FY31 Forecast
Operating Revenues	325	343	362	377	396	415
Financial Assistance	512	685	550	567	585	600
Total Regular Revenues	837	1,028	911	944	980	1,015
Operating Expense	1,007	1,048	1,155	1,197	1,222	1,250
Debt Service & Allocations	145	54	123	120	134	134
Total Uses	1,152	1,102	1,278	1,317	1,357	1,384
<i>Net Result</i>	(315)	(74)	(366)	(374)	(376)	(369)
Emergency Assistance	315	0	0	0	0	0
Regional Sales Tax Proceeds	0	74	308	318	328	339
Total Net Result	0	0	(59)	(56)	(48)	(29)

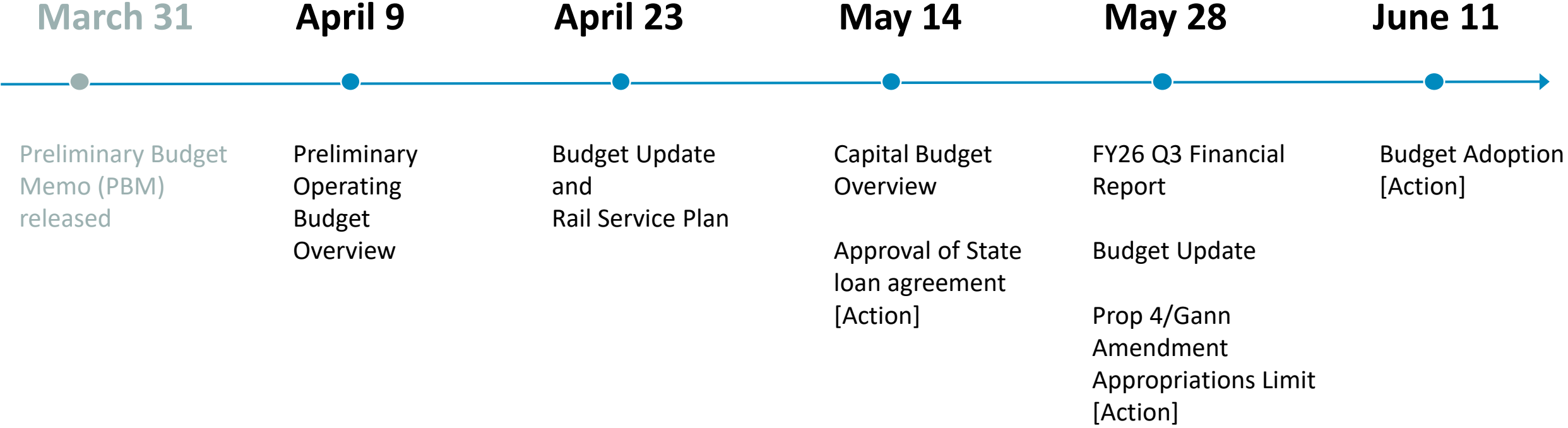
Numbers are rounded to nearest whole number; totals may not sum exactly

- If approved, new regional sales tax proceeds solve most, but not all, of BART's structural deficit
- Debt service from \$98M in borrowing is assumed in FY29 and beyond; numbers expected to change

Next Steps

- Continued refinements to the FY27 operating budget, including:
 - Revised operating revenue (especially ridership revenue) projections
 - FY26 year-end projection
 - Staff analysis of borrowing options
 - Refinements to capital spending projections
- FY27 preliminary capital budget presentation at May 14 Board meeting
- Follow up to Alternative Service Plan (ASP)

FY27 Budget Adoption Timeline



Discussion