



FY20 Preliminary Budget Overview

BART Board of Directors

April 11, 2019



FY20 – Budget Highlights

- Addressing Quality of Life on BART
- Continuing capital reinvestment
- Preparing for new compliance requirements
- Operational efficiencies & reductions
- Regional and technological integration



FY20 Preliminary Operating Budget

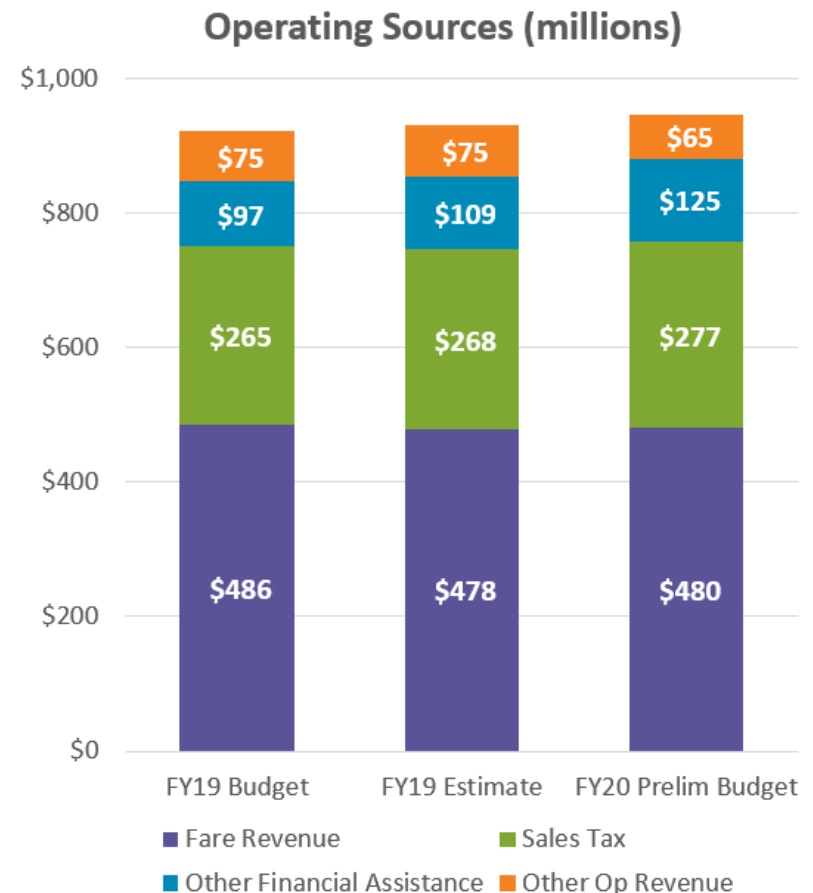
(millions)	FY19 Adopted	FY20 Preliminary	FY20 Prelim vs. FY19 Adopted
Revenue			
Passenger Revenue (Rail and ADA)	\$ 485.9	\$ 480.3	\$ (5.6)
<i>Fare Revenue for Operations</i>	443.0	428.1	(14.9)
<i>CPI-based Fare Increase Rev (dedicated to capital)</i>	42.9	52.2	9.3
Non-Fare Revenue	74.9	64.9	(10.0)
Total Financial Assistance	361.3	401.6	40.3
Total Sources	922.2	946.8	24.6
Expense			
Net Labor and Benefits	560.7	591.4	30.8
Power	43.8	45.6	1.8
Other Non-Labor	133.1	130.7	(2.4)
ADA Paratransit	16.1	16.9	0.9
Purchased Transportation	14.1	14.6	0.5
Total Expense	767.8	799.3	31.5
Debt Service and Allocations	154.4	147.5	(6.9)
TOTAL USES	922.2	946.8	24.6
Net Result	-	-	\$ -



Operating Sources

Operating Sources: \$946.9M (+2.7%) from FY19 Budget

- Rail passenger revenue -\$5.6M
- Other operating revenue -\$10M
 - 2019 advertising bonus was one-time
- Sales tax +\$12.4M
- Other Financial Assistance +\$28M





Ridership

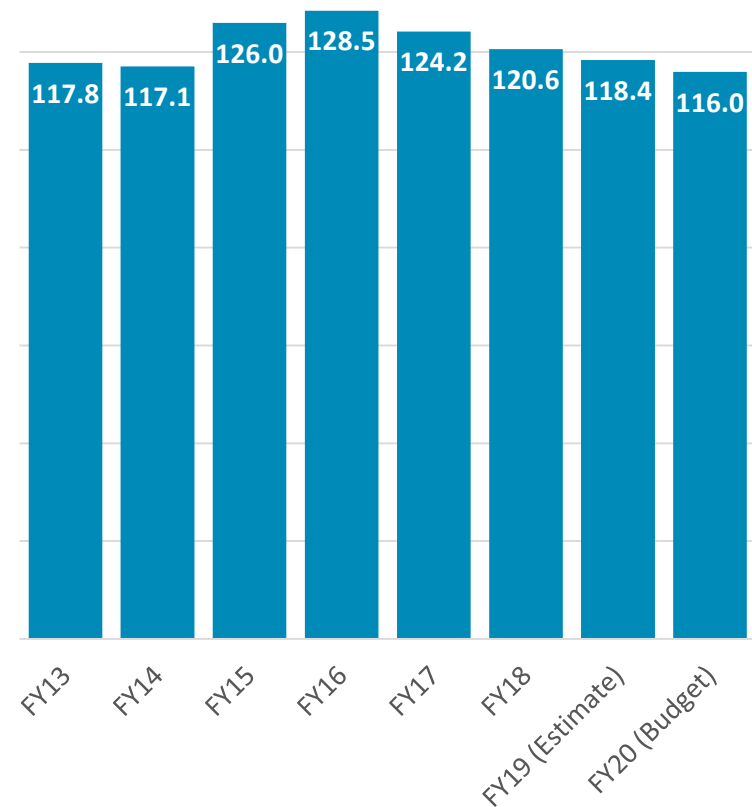
FY19 Year End Estimate

- Total trips estimated to be 1.9% lower than FY18
- Rate of decline in weekday peak trips has slowed

FY20 budget

- 116M trips, 3.1% below FY19 budget and 2.0% below FY19 year end estimate. Includes:
 - Continued decline of weekend and evening ridership
 - Continued strong peak ridership

Total Annual Trips (millions)

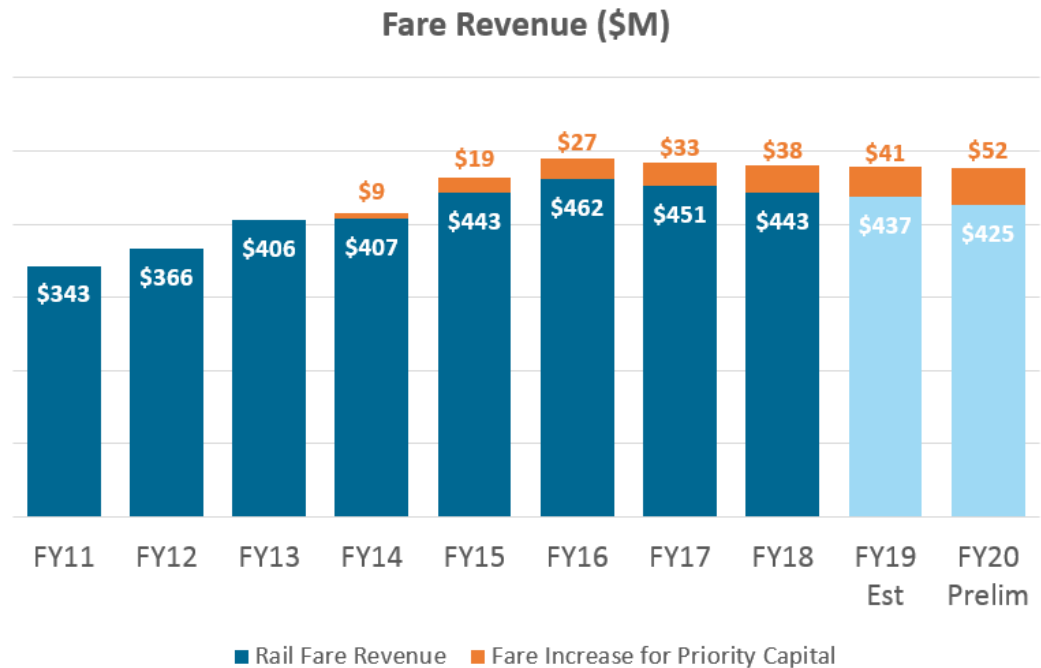




Fare Revenue

Fare Revenue: \$479M (-1.2% from FY19 budget)

- Average trip length is up -> higher average fare
- Jan 1 2020 fare changes:
 - 5.4% CPI-based fare increase
 - Means-based fare discount
 - Continued increase in Clipper utilization





Financial Assistance

Financial Assistance: \$402M (+11.1% from FY19 budget)

Sales Tax

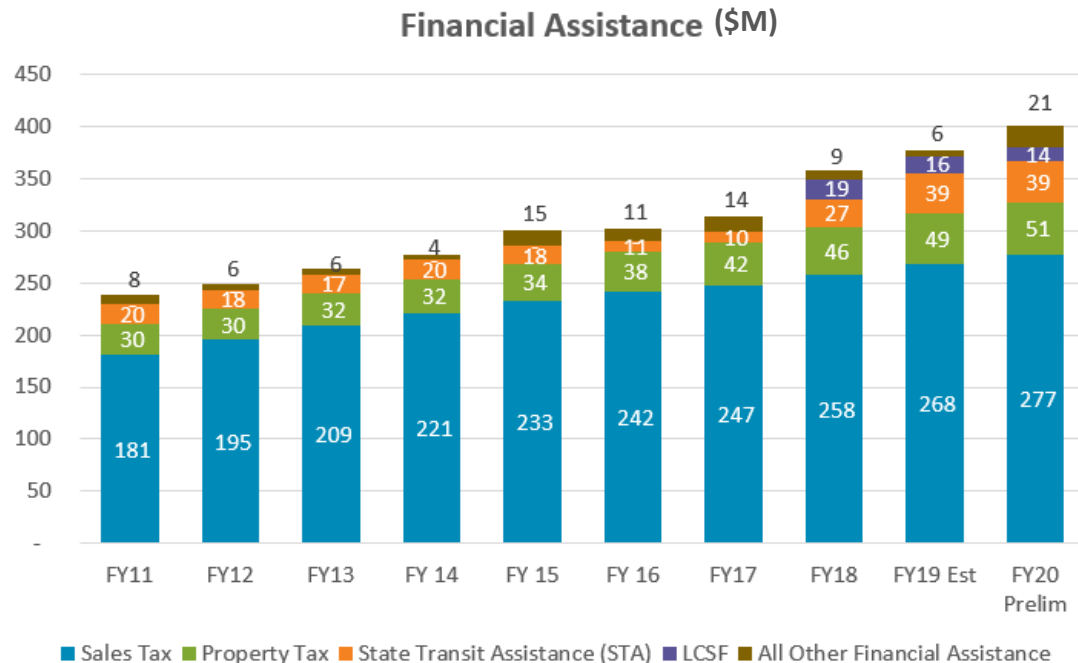
- FY20 - \$277.0M, 3.2% increase over FY19 estimate

Property Tax

- FY20 - \$50.6M, 3.5% increase over FY19 estimate

State Transit Assistance

- FY20 - \$38.5M – assume no change from FY19





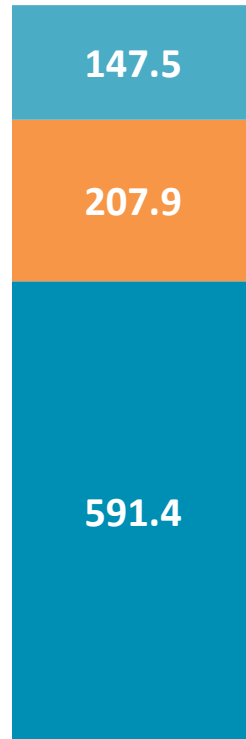
Operating Uses

Total: \$922.2M



FY19 ADOPTED

Total: \$946.8M



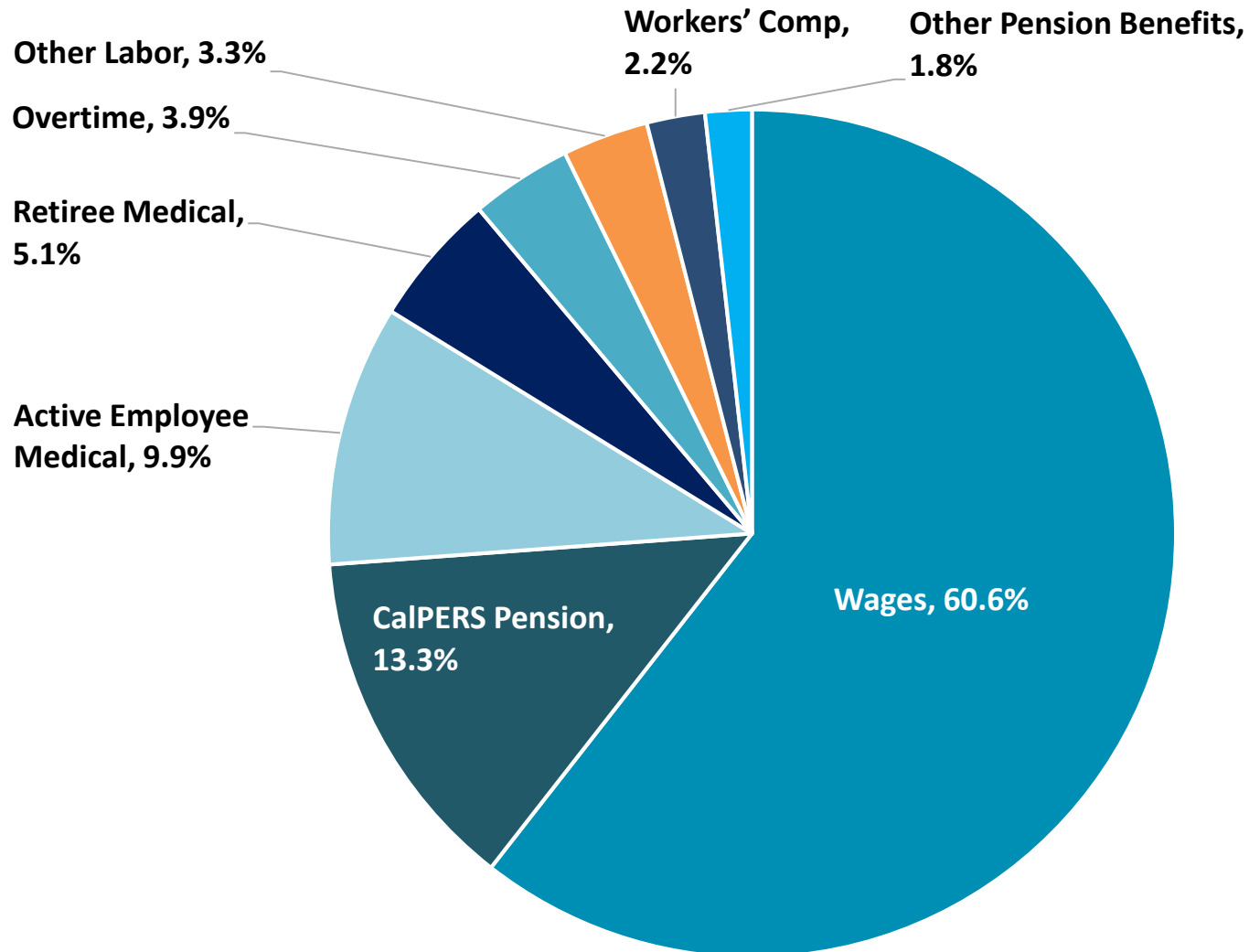
FY20 PRELIMINARY

■ Labor & Benefits ■ Non-Labor ■ Debt Service and Allocations Total

- Total Operating Uses increased \$24.6M
- Operating Expenses (Labor & Non-labor) increased \$31.5M
- Debt service and allocations decreased by \$6.9M



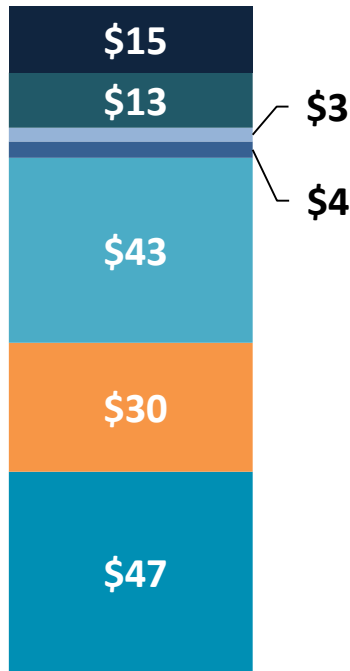
Labor Expenses





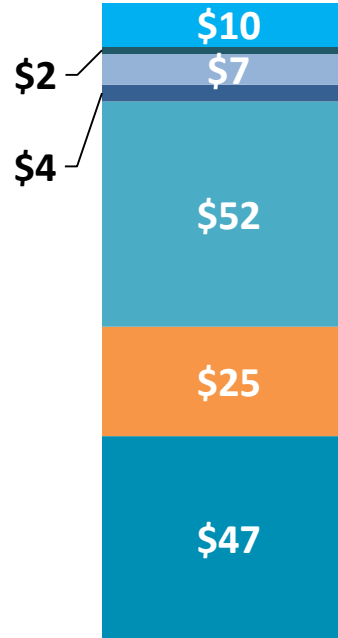
Debt Service & Allocations

Total: \$154M



FY19 ADOPTED

Total: \$147M



FY20 PRELIMINARY

\$100M allocations

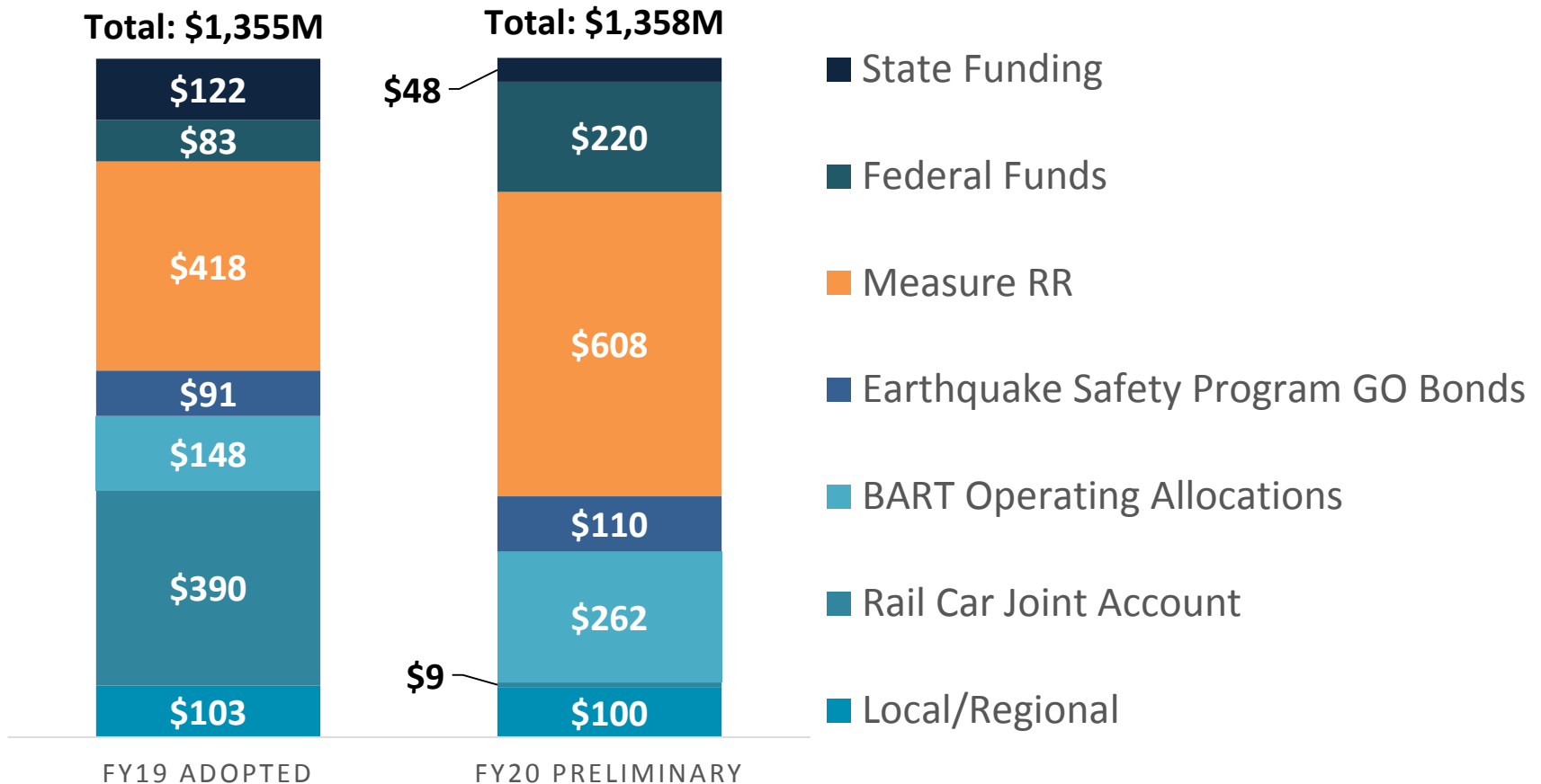
- \$52M - priority capital
- \$10M - additional pension funding per Board direction
- \$3.9M - stations/access

\$47M debt service





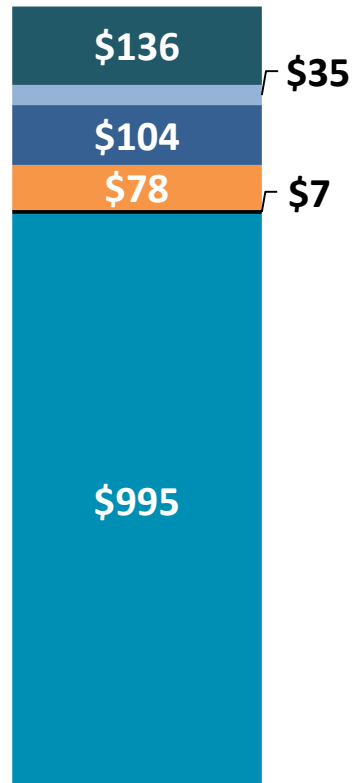
Capital Budget - Sources





Capital Budget - Uses

Total: \$1,355M



FY19 ADOPTED

Total: \$1,358M



FY20 PRELIMINARY

- Service & Capacity Enhancement
- System Expansion
- Earthquake Safety
- Safety & Security
- Reimbursable
- System Reinvestment



FY20 Budget Solutions

Proposed Reductions

(\$9.2M labor; \$7.6M non-labor)

- Participation from all departments
- Position savings
- Non-labor savings

Proposed Investment

(\$17.3M operating; \$0.9M capital)

Quality of Life

- Police officers
- Fare inspectors & fare evasion deterrents/station hardening
- Homelessness outreach & response

Compliance

- Fire & life safety
- Regulatory compliance

Operational Efficiencies



FY20 Proposed Initiatives

(\$ millions)		FTE	Labor	Non-Labor	Total
Quality of Life	Additional Police Officers	19.0	\$ 2.0	0.1	2.1
	Additional Fare Inspectors	4.0	0.5	-	0.5
	Homelessness* (Operating)	-	-	1.6	1.6
	Homelessness* (Capital)	-	-	0.5	0.5
	Fare Evasion Deterrent/Station Hardening*	-	-	0.4	0.4
	Quality of Life Subtotal	23.0	\$ 2.5	2.6	\$ 5.0
Compliance	Drug & Alcohol Testing	1.0	\$ 0.2	-	0.2
	Safety Training	-	-	0.3	0.3
	Early Warning Devices	-	-	0.4	0.4
	Fitness for Duty	1.0	0.2	0.1	0.3
	Fire & Life Safety	2.0	0.5	-	0.5
	Accessibility Investments (Operating)	2.0	0.4	0.8	1.2
	Payment Card Industry Compliance	-	-	0.3	0.3
	Accessibility Investments (Capital)	-	-	0.1	0.1
	Compliance Subtotal	6.0	\$ 1.3	2.0	\$ 3.3

*Stations & Access Initiatives



FY20 Proposed Initiatives (cont.)

(\$ millions)		FTE	Labor	Non-Labor	Total
Modernization, Efficiency & Financial Stability	Transportation Management	4.0	\$ 0.9	-	0.9
	Procurement	15.0	1.7	-	1.7
	Payroll	2.0	0.3	-	0.3
	OCIO Help Desk Support	2.0	0.3	-	0.3
	HASTUS Software	-	-	0.8	0.8
	Strategic Budget Administrator	1.0	0.2	-	0.2
	Maximo Software Support	1.0	0.2	-	0.2
	Leave Management	1.0	0.2	-	0.2
	Budget Analysis	1.0	0.2	-	0.2
	Measure RR Operating Support	2.0	0.3	2.5	2.8
	Operational Utilities	-	-	1.1	1.1
	MET Building Maintenance	3.0	0.3	0.0	0.3
	BART to Antioch Operations	-	-	0.9	0.9
	Modernization, Efficiency & Fin. Stability Subtotal	32.0	\$ 4.6	5.3	\$ 9.9
	Total	61.0	\$ 8.6	9.7	\$ 18.2



FY20: SUMMARY

Challenges:	Implemented Improvements:
Quality of Life (QOL)	QOL Mitigation Strategies
Aging Infrastructure	Infrastructure Investments
Declining Ridership & Customer Satisfaction	Improving Customer Experience & Capacity
Uncertain Economic Outlook Resource Constraints New Compliance Requirements	Efficiency & Strategic Reductions Established Pension Reserve Compliance Investments



FY20 Budget: Schedule

- Jan 24: Financial Outlook (Board Workshop)
- Feb 28: Financial Outlook for FY20
- Mar 29: FY20 Preliminary Budget Memo release
- Apr 11: FY20 Preliminary Budget Overview
- May 9: FY20 Budget - Sources, Uses and Service Plan;
Capital Budget
- May 23: FY20 Public Hearing; Adopt Proposition 4 Limit
- Jun 13: Adopt FY20 Budget Resolution