



BART: Facing the Fiscal Cliff

San Francisco County Transportation Authority Board

March 25, 2025 – Item 11



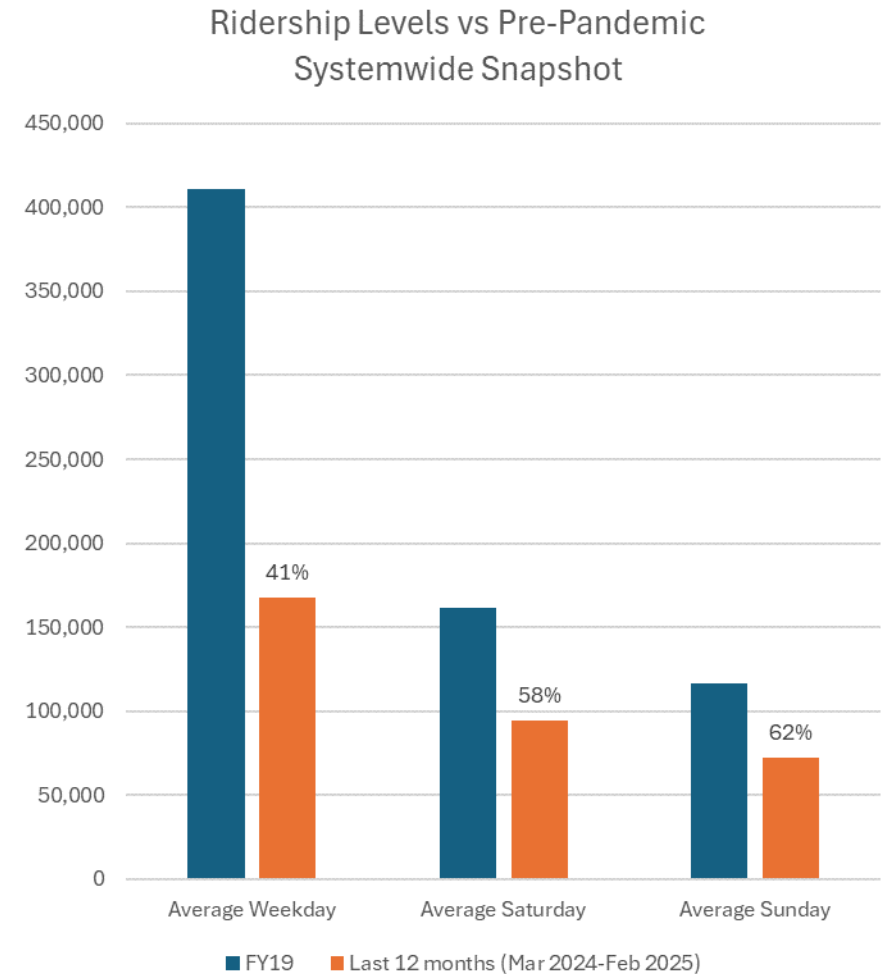
BART – Backbone of the Bay Area

- Five counties, five lines of service, 50 stations
- Connects over 20 transit systems, with 300+ unique connecting routes
- Links to SFO and OAK international airports plus two Amtrak lines
- 90% of the region's transfers include a trip on BART
- 70% of BART trips start or end in SF
- Frequent, reliable, and affordable transit service - key to an equitable, mobile, and sustainable Bay Area



Ridership Update

- Ridership still significantly lower than pre-pandemic levels
- Weekdays recovery has lagged, driven primarily by eroded downtown commute market
- Year-over-year ridership continues to grow but at diminishing rate
- San Francisco BART exits grew 4% between 2023 and 2024
- Latest return-to-office trend and next-generation fare gates may contribute to growth



Changing Travel Patterns

- Major Bay Area employers are in sectors with the highest remote work adoption – tech, finance, and business
- BART ridership trends closely to office occupancy rates
- Most riders have returned, but they are riding less frequently



76%

OF OCTOBER 2019
RIDERS HAVE
RETURNED TO BART
AS OF OCTOBER 2024



46%

OF OCTOBER 2019
TRIPS HAVE
RETURNED TO BART
AS OF OCTOBER 2024

Bay Area Return to Office Rate & BART Ridership Recovery



Source: Kastle Badging Data – 2020 to 2024

S.F.'s workforce keeps moving farther away from their jobs. Here's how far they live

By Hanna Zakharenko and Roland Li | Jan. 31, 2025

4:00 a.m.



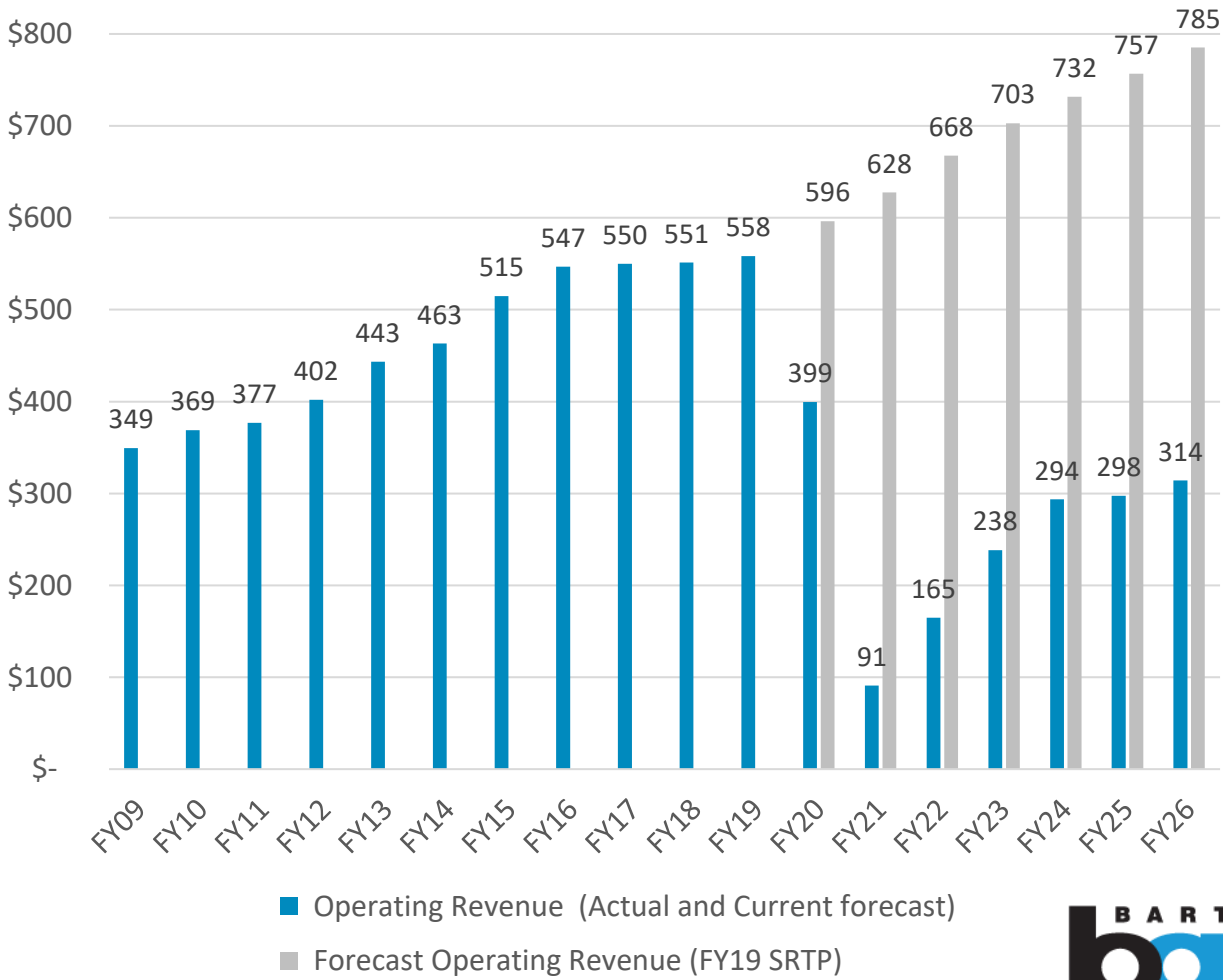
San Francisco saw the nation's biggest jump in the percentage of the workers living 50 or more miles from their jobs from 2012 to 2022, compared with the top 25 cities with the largest workforces in the U.S. Experts said this was fueled by remote work and high housing costs.



Pandemic Impacts on BART's Funding Model

- **Pre-pandemic**
 - BART covered two-thirds of operating costs through operating revenues (fares, parking, etc.)
 - High BART fare revenue allowed the region to flex public investment to local bus and counties
- **Post-pandemic**
 - FY24 operating revenue \$400M below pre-pandemic forecast
 - In the future, BART will have to be more reliant on public investment

Operating Revenue vs Pre-Pandemic Forecasts (\$M)



BART is Focused on Revenue and Cost Control



Increase Fare Revenue

- Installing new fare gates to reduce fare evasion
- Maintaining inflation-based fare increases



Grow Ridership

- Offering new fare products like Clipper BayPass
- Promoting taking BART for non-work trips
- Station activations & events
- Improving transit coordination



Advance Revenue Generating Programs

- Negotiating new agreements for telecommunications revenues
- Longer term strategies include transit-oriented development and potential sale of excess land



Labor Savings

- Implementing a strategic hiring freeze while protecting safety and service quality
- Renegotiated with unions to reduce near term retiree healthcare costs



Targeted Cuts

- Targeted reductions to operating costs across all departments
- Reduced and eliminated some contracts and agreements



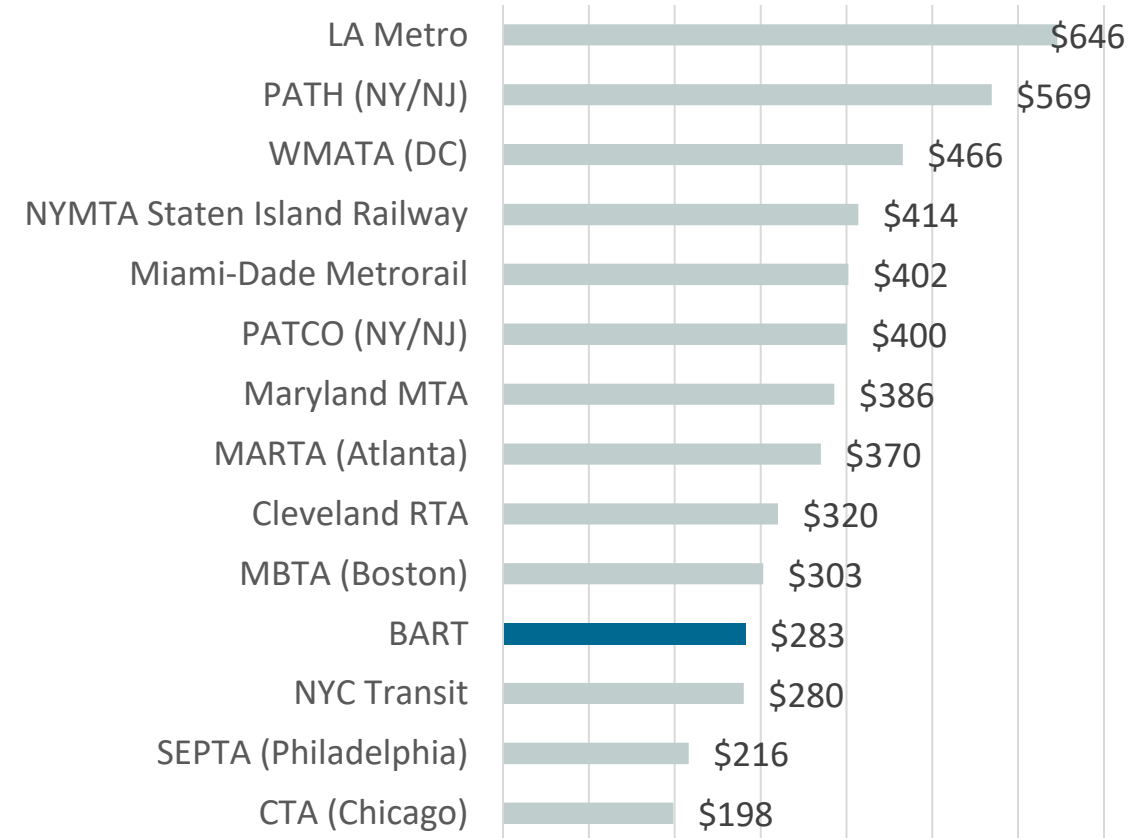
Efficiencies

- Running shorter trains
- Locked-in low renewable electricity costs
- Implementing operational efficiencies and contract oversight recommendations from the Inspector General
- Modernize technology

BART Operates Efficiently

- Compared to peer rail agencies nationally, BART is an efficient manager of expenses and service delivery
- Since 2019, BART's total operating cost has grown at a rate below inflation, despite opening the BART Silicon Valley extension in 2020 and inflation experienced by the transit industry

*US Heavy Rail Services
Cost per Vehicle Revenue Hour (FY 2023)*



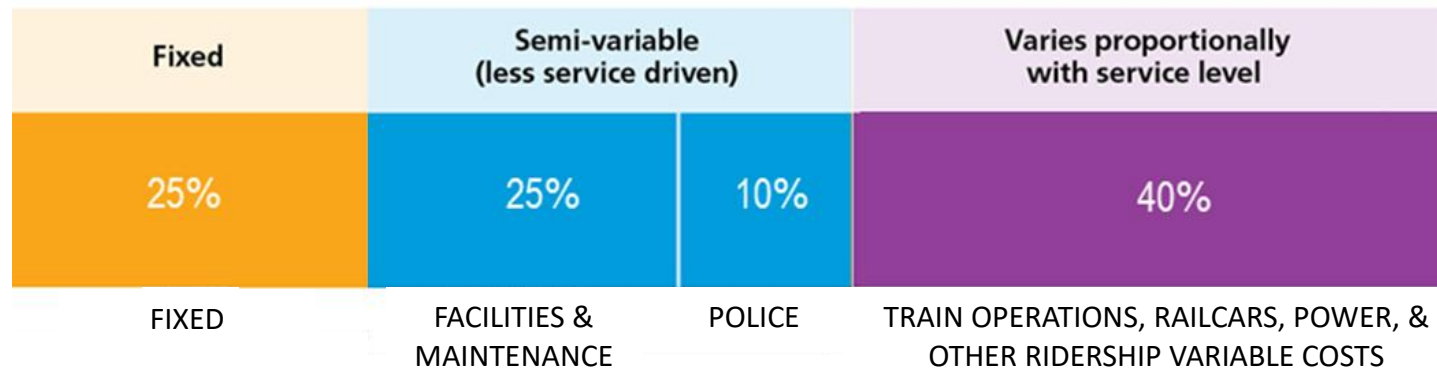
Source: National Transit Database FY23

Note: Contiguous US states only

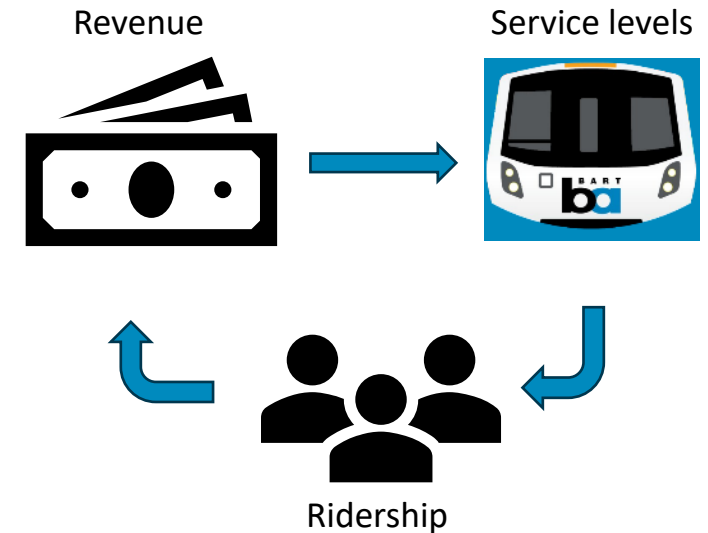
BART Cannot Close Deficits with Service Cuts

- Cutting BART operating expenses requires a disproportionate service reduction.
 - Only 40% of BART's operating costs scale directly with service levels
 - In FY20, a 40% service reduction reduced operating cost by approximately 12%

BART'S FY25 Fixed and Variable Annual Operating Costs



- Transit death spiral: major service reductions would also reduce fare revenue



Growing and Retaining Ridership

Aligning service with rider demand

- Increasing weekend and evening service, shortening least crowded trains; \$9M in annual savings
- Eliminating missed runs and reducing train delays; increasing passenger on time

Improving rider safety & security

- New, more secure faregates system-wide by 2025
 - SFCTA – critical partner, \$12.5M contribution enabling BART to deliver program on an expedited timeline
 - Six SF stations complete, Glen Park underway
- Amplifying BART presence in system
 - Deploying Ambassadors and Crisis Intervention Specialists to connect people with support services
 - Doubling sworn officers on trains in SF/core service area



Growing and Retaining Ridership

Implementing Safe & Clean Action Plan

- Increasing station scrub screws and doubling rate of deep cleaning train cars
- Continuously staffing restrooms and elevators at our busiest stations

Reinvesting in the system

- All new cars systemwide; Phase 1 \$400M under budget
- Rolling out new infrastructure systemwide – cars, rail, escalators, elevators, and more

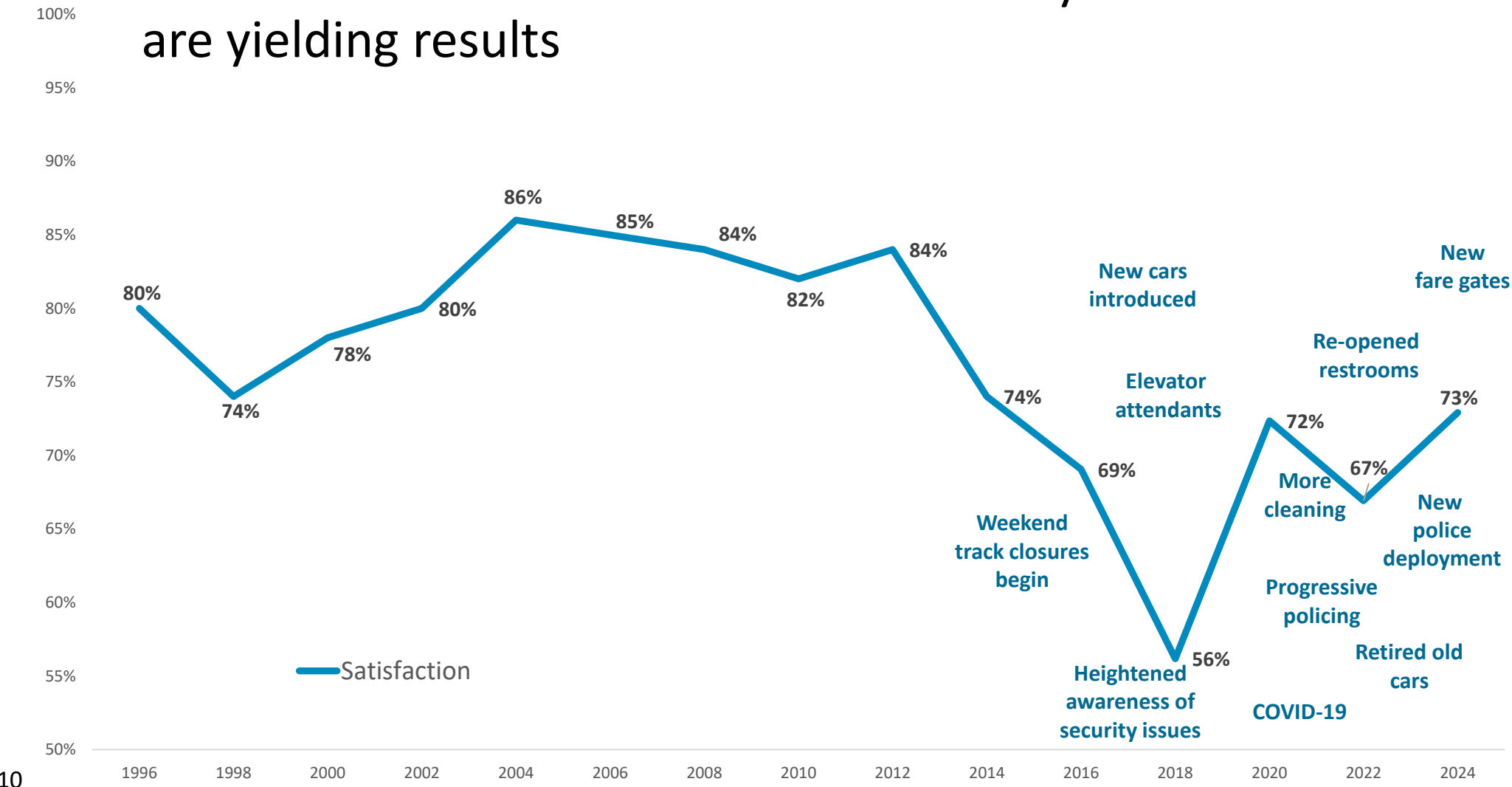
Investing in Regional Coordination

- Innovative fare products: Clipper BayPass; Free and Discounted Transfers; Clipper START
- Weekly GM coordination on rider experience & funding



Improving the Customer Experience

BART's 2024 Customer Satisfaction Survey: BART's investments are yielding results



Working with the Region on Stable Transit Funding

- Senator Weiner and Senator Arreguin leading Regional Transportation Measure discussions
- BART priorities in a revenue measure
 - **Sustain Operations.** Sustainable funding source for operations over the long-term to ensure safe, reliable transit service for the region
 - **Regional Connections.** Funding to support service improvements and regional network coordination to make transit a more viable alternative to driving
 - **Equity Focus.** Keep transit accessible to transit-dependent riders, equity priority communities, and riders of all abilities
 - **Prioritize Transit.** Priority for transit operators and projects over roadway investments
 - **Enhanced Service.** Funding for increased service as ridership demand grows

BART Engagement on Regional Efforts and Other Opportunities

- Participated in the February 6 Senate Budget and Fiscal Review Committee hearing on transit funding
- Supporting \$2 billion ask for flexible transit funding in FY26 State Budget
- Ongoing participation in the SB 125 Statewide Transit Transformation Task Force led by California State Transportation Agency (CalSTA)
- Participation on the California Transit Association's Cap and Trade Subcommittee focused on program reauthorization

BART Board Advocacy

Feb 5-6: Conducted a series of legislative meetings in Sacramento with Bay Area legislators, the Governor's Office, and key committee staff

Feb 14: Public comment made at the MTC/ABAG Legislation Committee meeting where MTC polling results were discussed

Feb 26: Full MTC meeting regarding action on regional measure principles and potential sponsorship of enabling legislation, Senate Bill (SB) 63

March 13: Board meeting to discuss SB 63 and a proposed position, pending release of substantive amendments

March 25-26: Washington, D.C. legislative advocacy trip

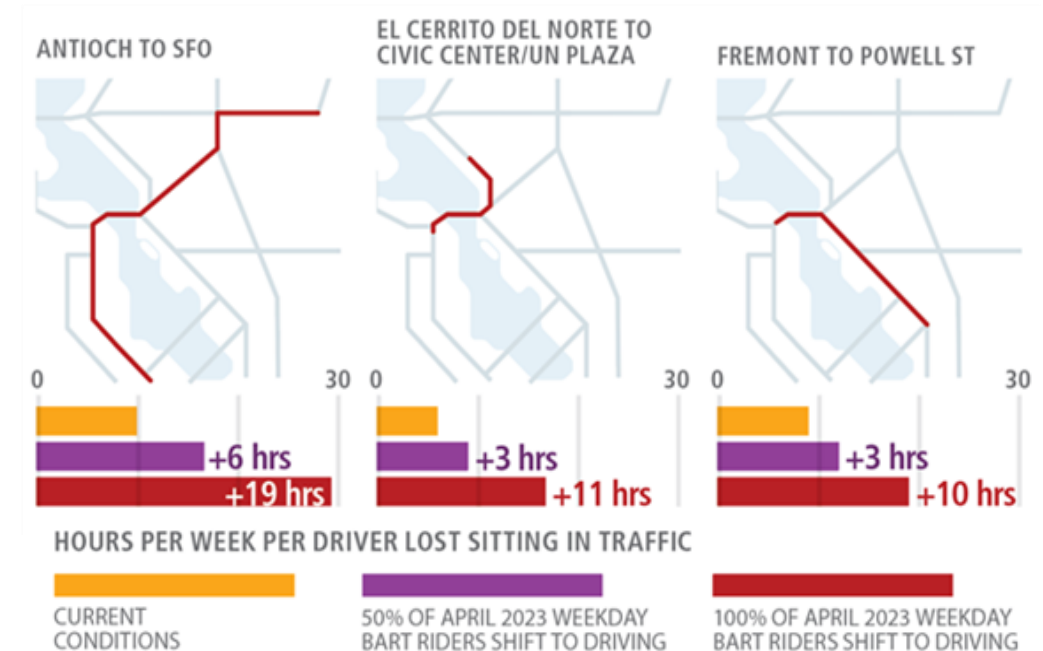
April-May: Pending Board action, participation in SB 63 legislative committee hearings prior to June 6 House of Origin Deadline

Consequences of No BART Service

- Stifles regional economy
- Exacerbates congestion
- Increases emissions
- Destabilizes the entire regional public transit network
- Inequitable impacts to protected populations

Without BART, the benefits of the regional transit network and planned major infrastructure would be lost.

*Weekly Hours Lost To Congestion For Drivers:
With & Without BART*





Thank you.

