



# Board of Directors Meeting

April 9, 2020



# Agenda

- Ridership Update
- Federal Stimulus Legislation Update
- Long-Term Outlook Budget Projections – FY20 & FY21
- Service Modifications
  - Peer Transit Agencies Continue to Respond to COVID-19
  - Service Modifications
  - Cost Savings Benefits of Service Modifications
  - Capital Projects – BART Essential Infrastructure
- Front Line Safety Efforts
  - Operations Control Center
  - Stations
  - BART Police Department Deployment
  - Trains
- Employee & Labor Partner Engagement

# Ridership Update

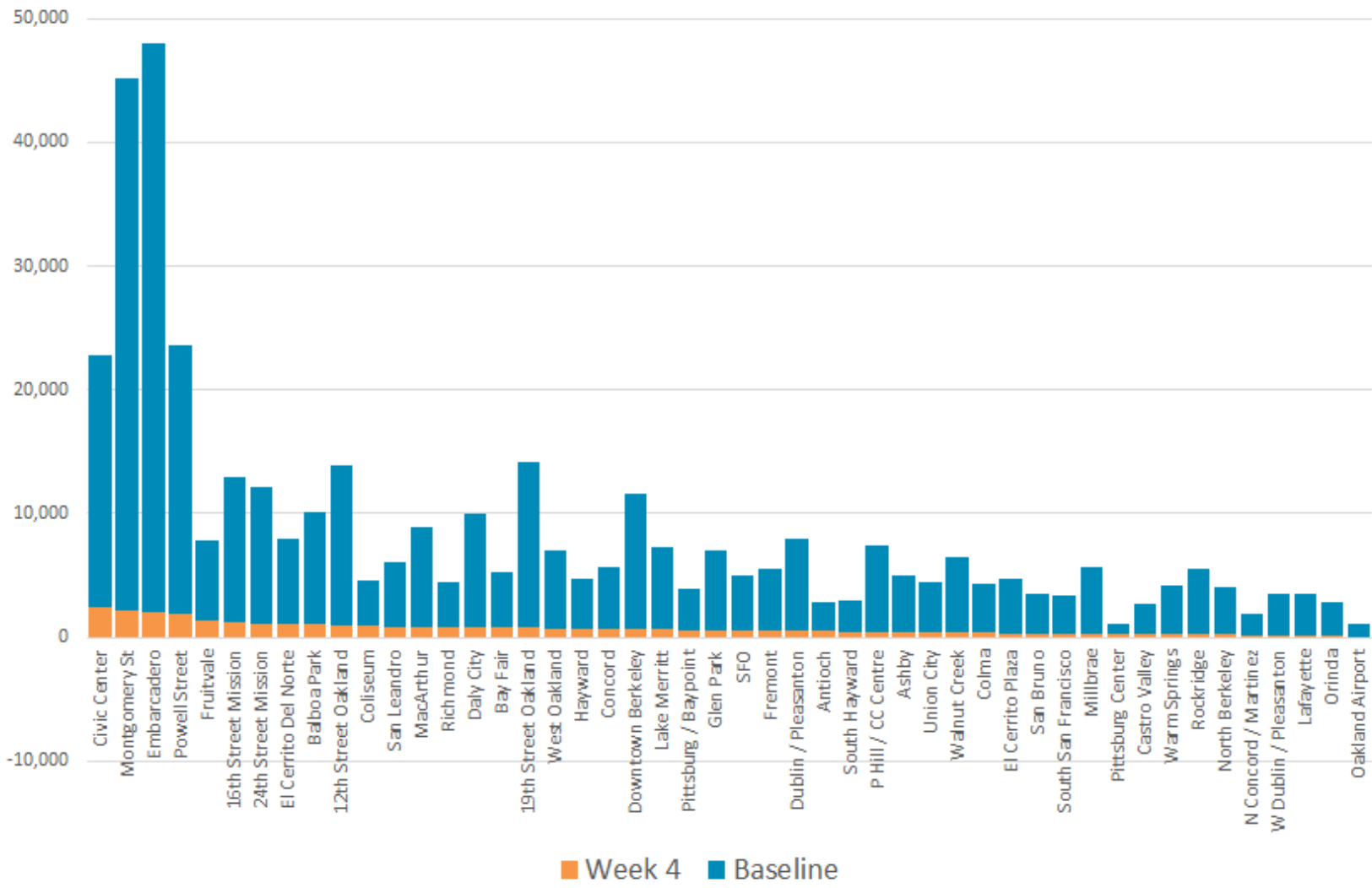
# Ridership Update

## March ridership down 5.9 million trips

- Week 1 – Some large companies requiring/strongly encouraging work from home
- Week 2 – Many schools/day cares shutting down
- Week 3 – Shelter in place orders (6-county effective 3/17, statewide effective 3/19)
- Week 4 – BART reduced service hours, effective 3/23
- Week 5 – Continued/more restrictive shelter in place orders effective 4/1

	Week 1 (3/2)		Week 2 (3/9)		Week 3 (3/16)		Week 4 (3/23)		Week 5 (3/30)		Week 6 (4/6)	
		%		%		%		%		%		%
<b>Mon</b>	379,775	-5%	301,547	-24%	118,494	-70%	34,933	-91%	29,584	-93%	24,909	-93.8%
<b>Tue</b>	388,262	-7%	292,011	-30%	54,029	-87%	32,117	-92%	28,877	-93%	26,378	-93.5%
<b>Wed</b>	384,382	-7%	268,192	-35%	48,085	-88%	32,625	-92%	29,895	-93%	<i>26,378</i>	<i>-93.5%</i>
<b>Thu</b>	375,215	-10%	231,820	-44%	45,915	-89%	31,601	-92%	28,649	-93%	<i>26,378</i>	<i>-93.5%</i>
<b>Fri</b>	328,949	-12%	186,605	-50%	42,461	-89%	31,142	-92%	28,924	-93%	<i>26,378</i>	<i>-93.5%</i>
<b>Sat</b>	113,388	-24%	58,187	-61%	18,793	-87%	12,389	-92%	11,430	-93%	<i>10,050</i>	<i>-93.5%</i>
<b>Sun</b>	74,791	-21%	37,004	-61%	12,737	-87%	9,453	-90%	7,834	-92%	<i>6,207</i>	<i>-93.5%</i>
<b>Ridership Total</b>	<b>2,044,762</b>	<b>-10%</b>	<b>1,375,366</b>	<b>-39%</b>	<b>340,514</b>	<b>-85%</b>	<b>184,260</b>	<b>-92%</b>	<b>165,193</b>	<b>-93%</b>	<b>146,678</b>	<b>-93.5%</b>
<b>Est Rev Impact</b>	<b>-\$927,000</b>		<b>-\$3,734,000</b>		<b>-\$8,072,000</b>		<b>-\$8,728,000</b>		<b>-\$8,885,000</b>		<b>-\$8,952,000</b>	
	<i>Estimates in Italics</i>						<b>Estimated 6-week cumulative revenue impact: -\$39,298,000</b>					

# Station Ridership



# Federal Stimulus Legislation Update

# Federal CARES Act

- **President Trump signed into law on Friday March 27**
  - \$25 billion in public transit funding included
  - Funds to be distributed using FY20 shares of existing FTA formulas
  - Estimated approximately \$1.3 billion available for Bay Area transit operators
  - Funding will be provided at a 100% federal share, with no local match required
- **Metropolitan Transportation Commission and Bay Area operators are meeting to determine agreed upon regional distribution based on impact**
  - Developing agreement on principles of distribution that allows flexibility to address uncertainty
  - Developing recommendation on allocation formula and distribution of initial installment of funds for approval at MTC Commission meeting currently scheduled for April 22
  - Developing agreement to distribute funds in multiple phases allowing opportunities to revisit the formula to adjust based on actual revenue loss

# Future Stimulus Bills

## Timeline

- Congress on Recess likely until April 20
- House leadership taking lead with expectation of package late April/May
- Senate leadership taking a wait and see approach to assess impacts of CARES Act before moving forward

## Potential Priorities within Fourth Stimulus Package

- Speaker Pelosi has mentioned the inclusion of House Democrats' \$760 billion infrastructure framework, but this will likely be in a future stimulus beyond fourth package
- More recent news that next stimulus may need to focus on additional funding for:
  - Small businesses and individuals
  - Healthcare
  - State and local governments



# Emergency State Funding

- SB 89 was enacted on March 17 and appropriated \$500 million, with possible appropriations up to \$1 billion, for immediate COVID-19 emergency response
- Approximately \$200M allocated to-date
  - Local emergency homelessness action
  - Healthcare infrastructure and emergency equipment
- Early signals from Administration suggest initial \$500 million will go towards hospital bed capacity, medical equipment, healthcare facilities, local government support for homeless populations, and childcare facilities

# State Budget Update

- On March 24, the Department of Finance sent a letter to all state agencies and departments to reduce expectations of full funding for either new or existing proposals and adjustments
- All budget changes will be evaluated within the context of a workload budget, based on the merits of each proposal, and ultimately subject to the availability of funding
- The only exception to new evaluation criteria will be proposals or adjustments necessary to support the emergency response to COVID-19
- Legislature is likely to have a reduced hearing schedule and pass a scaled-down Budget by Constitutional Deadline of June 15
- Governor likely to enact FY20– 21 Budget by July 1
- With delay in personal income tax receipts to July 15, the Legislature plans to revisit Budget in August to consider new issues related to recovery from COVID-19

# Possible Future State Assistance for Transit

- The Legislature and Administration continue to receive regular updates on the evolving fiscal crisis facing transit
- The Legislature and Budget staff want to better understand the extent of relief provided by the federal CARES Act
- On April 1, the California Transit Association, in coordination with Caltrans, launched a statewide survey to assess weekly impacts of COVID-19 and individual agency's response to the pandemic
- The Legislature is expected to consider follow-up appropriations after the State Budget is in place, providing an opportunity for discussions on additional relief for public transit

# Long-Term Outlook Budget Projections – FY20 & FY21

# Long Range Outlook

## ➤ Post COVID-19: April 2020

- Near and long-term financial impacts
- **Will worsen financial outlook**
- Transit ridership under long-term pressure
  - Recession – negative impact on jobs, tourism, and funding
  - Increased reliance on telecommuting
  - Potential for 2nd wave of infections
  - Permanency to social distancing
  - Extremely disruptive transit network changes across Bay Area – will take time and \$ to restore
  - Increase to future pension obligations

## The New York Times

### *Why the Global Recession Could Last a Long Time*

Fears are growing that the worldwide economic downturn could be especially deep and lengthy, with recovery limited by continued anxiety.



# Long Range Outlook - Not Typical Recession

**The New York Times**

## U.S. Weekly Jobless Claims Skyrocket to a Stunning 6.6 Million



# FY20 Year-End Budget Projections

*\*All FY20 estimates as of 4/2/20*

FY20 (\$M)	January YTD		FY20 Year-End	
	Budget	Actual	Budget	Apr 2 Estimate
Rail Passenger Revenue	276.4	277.8	480.2	341.0
Parking Revenue	21.1	21.1	36.5	25.2
Other Operating Revenue	17.1	19.1	28.7	26.6
Sales Tax Proceeds	162.1	164.8	277.0	252.6
Other Financial Assistance	59.9	57.4	124.8	117.5
Federal Emergency Funding	--	--	--	--
State Emergency Funding	--	--	--	--
<b>TOTAL - OPERATING SOURCES</b>	<b>536.6</b>	<b>540.3</b>	<b>947.3</b>	<b>762.9</b>
Delta from Adopted				(184.4)
Labor & Benefits	346.9	367.8	591.6	608.7
Power	26.6	25.0	45.6	43.4
Other Non-Labor	89.9	83.8	162.5	151.6
Bond Debt Service	27.6	27.1	47.2	47.2
Allocations	48.6	49.1	100.3	100.3
<b>TOTAL - OPERATING USES</b>	<b>539.6</b>	<b>552.9</b>	<b>947.3</b>	<b>951.2</b>
<b>FY20 COVID-RELATED REDUCTIONS – Capital Load Shedding</b>			--	<b>(14.8)</b>
<b>NET OPERATING RESULT</b>	<b>(3.0)</b>	<b>(12.6)</b>	--	<b>(173.5)</b>

# FY20 Year-End Budget Projection Assumptions

- Fare revenue – down 93% April through June
- Parking revenue – down 93% April through June
- Other operating revenue – down 60% March through June
- Sales tax – down 50% May through June
- STA – down 50% in April through June
- Labor expense – Jan YTD over budget; projected to be over budget through end of year
  - Some savings due to hiring/OT freeze
- Non-labor – Jan YTD under-budget; projected to be under budget through end of year
  - Some increased costs due to cleaning and supplies
- COVID-19 expense reductions include capital load shedding

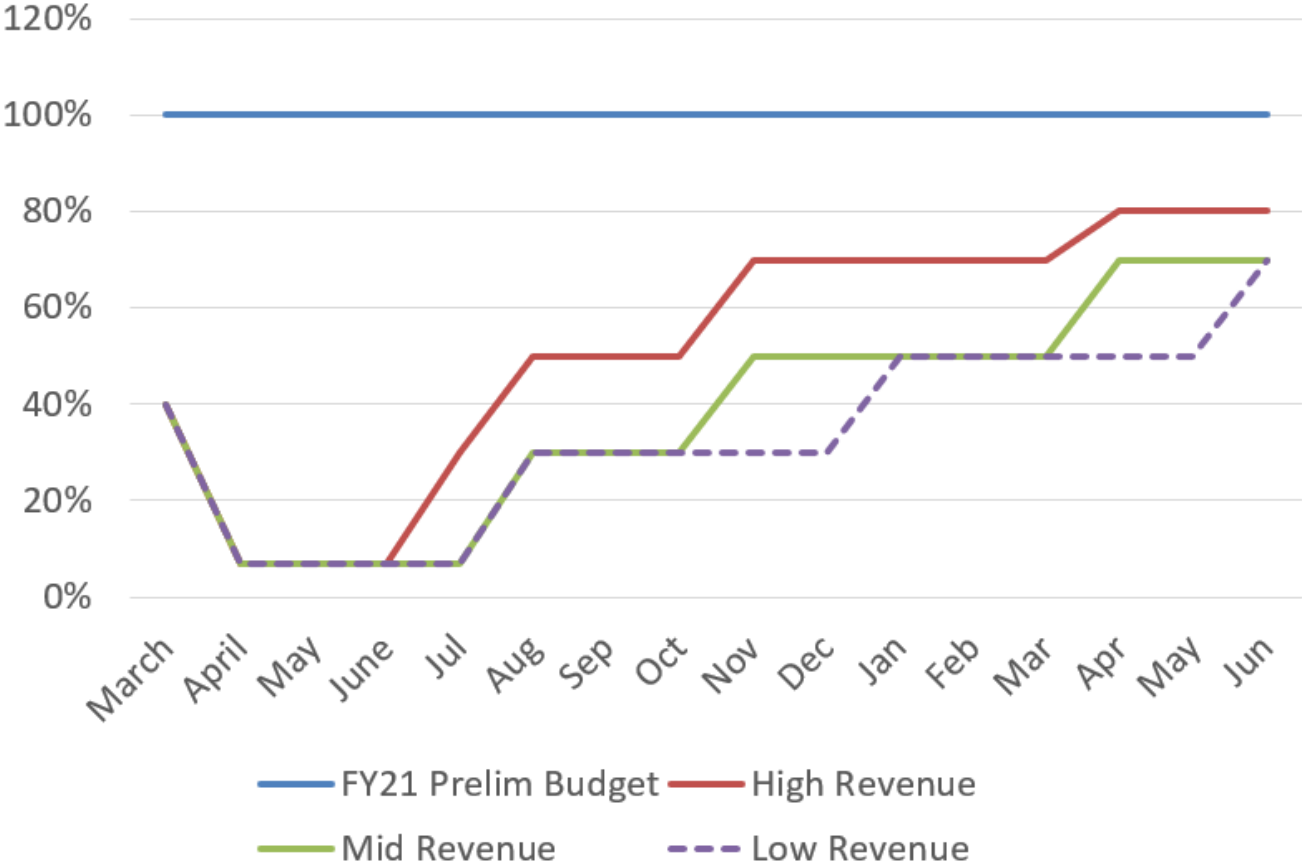


# FY21 Preliminary Budget Assumptions

- **Information and assumptions changing daily**
  - Information in this presentation dated April 2nd
- Modeling multiple scenarios: low, medium, and high; each projects different depth and duration of ridership declines and larger economic slowdown
  - Low: Fare revenues begin recovery in July, reach 70% of prior levels in June 2021
  - Medium: Fare revenues begin recovery in June, leveling off at 75% of prior levels in April, continuing through June 2021
  - High: Fare revenues begin recovery in June, leveling off at 80% of prior levels in April, continuing through June 2021
- Federal funds expected; amount TBD based upon FY20 need and regional allocations
- Expenses: Preliminary budget shown here; in all scenarios, expense reductions necessary to make up revenue shortfall.

# FY21 Operating Financial Outlook - Fare Revenue

Monthly Fare Revenue as a % of FY21 Pro Forma Budget



# FY21 Operating Financial Outlooks: Low Scenario Assumptions

## Revenue Loss Assumptions vs Baseline Projections (Low Revenue Scenario)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Fares &amp; Parking Revenue</b>	-93%	-93%	-93%	-93%	-70%	-70%	-70%	-70%	-70%	-50%	-50%	-50%	-50%	-50%	-30%
<b>Other Operating Revenue</b>	-60%	-60%	-60%	-60%	-60%	-60%	-60%	-60%	-60%	-50%	-50%	-50%	-50%	-50%	-50%
<b>Sales Tax &amp; STA</b>	-50%	-50%	-50%	-50%	-50%	-50%	-40%	-40%	-40%	-30%	-30%	-30%	-15%	-15%	-15%
<b>Property Tax</b>	-5%	-5%	-5%	-8%	-8%	-8%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%

# FY21 Preliminary Budget – Scenarios

FY21 (\$M)	February	Apr 2 Estimates		
	Pro forma	Low	Medium	High
Passenger Revenue	509	204	236	326
Parking Revenue	36	10	17	23
Other Operating Revenue	32	14	20	23
Sales Tax Proceeds	284	187	213	238
Other Financial Assistance	133	149	150	148
Federal Emergency Funding	--	-	-	-
State Emergency Funding	--	-	-	-
<b>TOTAL - OPERATING SOURCES</b>	<b>1,004</b>	<b>564</b>	<b>636</b>	<b>758</b>
Delta from Preliminary		(440)	(368)	(246)
Labor & Benefits	636	636	636	636
Power	56	56	56	56
Other Non-Labor	168	168	168	168
Bond Debt Service	47	47	47	47
Allocations	109	109	109	109
Reductions - TBD				
<b>TOTAL - OPERATING USES</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>	<b>1,016</b>
NET OPERATING RESULT	(12)	(452)	(380)	(258)

# FY21 Preliminary Budget – Next steps

## ➤ **ACTIONS ALREADY TAKEN IN FY20:**

- Hiring freeze of all but BPOA positions
- Non-essential employee travel eliminated
- Overtime restrictions
- Service reductions
- Load shedding to capital work

## ➤ **ADDITIONAL POTENTIAL ACTIONS:**

- 2nd tranche of federal funding (CARES)
- Match service to ridership
- Reprioritize prior year capital allocations/reduce FY21 capital allocations
- Defer or eliminate non-rep July 2020 wage increase
- Discuss contractual wage deferments with labor partners
- Continue hiring freeze/ eliminate vacant positions
- Reduce non-labor expenses

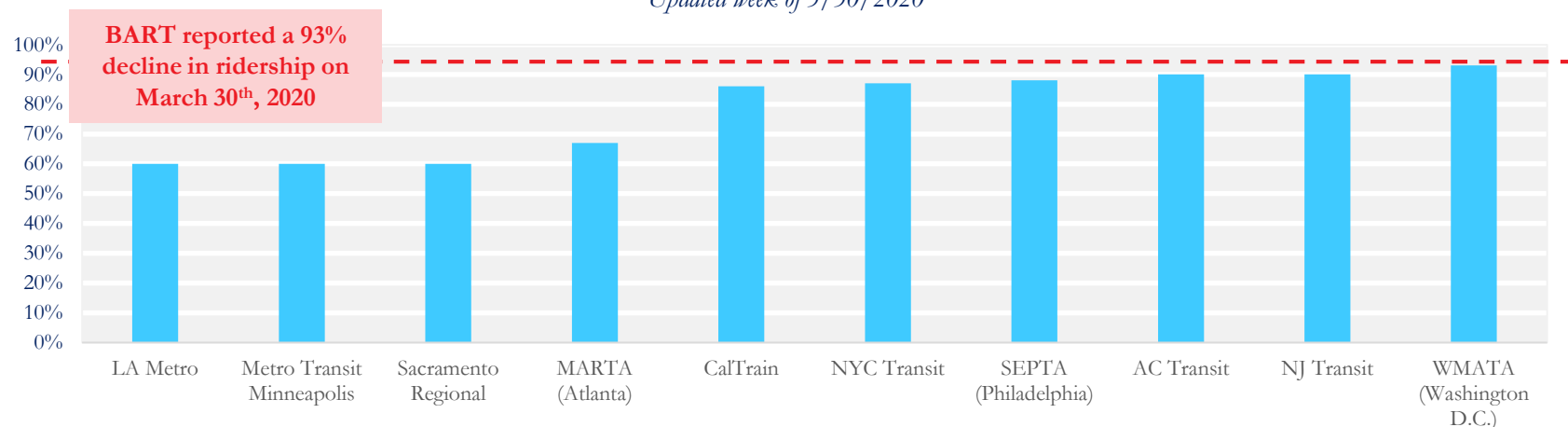
# Service Modifications

# Peer Transit Agencies Continue to Respond to COVID-19

<u>Transit Agency</u>	<u>Service Changes</u>	<u>% reduction if noted</u>	<u>Additional Notes</u>
AC Transit	✓		Similar to Sunday service; Weekday-only local lines cancelled (including supplemental service); Broadway Shuttle will not operate; Weekday-only Transbay lines cancelled; Line 1 night service operates hourly; Rear door boarding
CalTrain	✓	52%	
Chicago Transit Authority			
Dallas Area Rapid Transit	✓		Running a modified Saturday schedule on weekdays for Trinity Railway Express and the Dallas-Fort Worth commuter rail line; Light Rail at a 20-min frequency
LA Metro	✓		Sunday service; suspended late night service; weekday rail service every 12 minutes
MARTA (Atlanta)	✓	30%	Mercedes-Benz/State Farm Arena/GWCC closed
Metra	✓	50%	
Metro Transit Minneapolis	✓	40%	
NJ Transit Rail	✓		
NYC Transit	✓		Suspending express service for several lines
Sacramento Regional	✓		Similar to a holiday schedule: Sunday service + extra trips
SEPTA (Philadelphia)	✓		\$150M loss for fiscal year
SFMTA	✓		Suspended Muni Metro + Light Rail 3/30
WMATA (Washington D.C.)	✓		19 stations closed; 30 min wait times; closed off front and rear cars for boarding

## Peer Agency Ridership Declines

*Updated week of 3/30/2020*



# Service Modifications

## ➤ Effective Wednesday, April 8 (Yesterday):

- Weekdays - 05:00 - 21:00; 30-minute headways
- Weekends - 08:00 - 21:00; Headways unchanged
- No peak period only trains

## ➤ June 2020 Service Plan (Bid):

- Weekdays - 05:00 - 21:00; 15-minute headways
- Weekends - 08:00 - 21:00; Saturday 20-minute headways, Sunday 24-minute headways
- No peak period only trains

## ➤ June to September:

- Off cycle bid for expanded service
  - Part-Time Train Operators bid
  - Part-Time Station Agents bid
  - Full systemwide bid
- Overtime/ Special Trains

**Flexibility to Increase Service**



# Potential Cost Savings from Service Modifications

Operating to Capital Load Shedding				
		March 23, 2020 9:00PM Closing	April 8, 2020 30 Minute Headways	Total Savings
<b>RS&amp;S</b>	Commitment Before New Shelter Orders	\$675K	\$3.1M	\$3.8M
	Reality After New Shelter Orders	\$675K	\$675K	<b>\$1.3M</b>
<b>M&amp;E</b>	Commitment Before New Shelter Orders	\$4M	\$1.5M	\$5.5M
	Reality After New Shelter Orders	\$3M to \$4M	\$0 to \$1.5M	<b>\$3M to \$5.5M</b>
			<b>Total</b>	<b>\$4.3M to \$6.8M</b>

# Capital Projects - BART Essential Infrastructure

**BART Essential Infrastructure complies with six (6) County/City Shelter-in-Place Orders**

## **General requirements of County/City Orders allowing Exemptions for BART Projects:**

- Immediately necessary for the maintenance, operation, and repair of Essential Infrastructure
- Public Works projects if specifically designated by the lead governmental agency
- Affordable Housing projects that are, or will be, income-restricted including
  - Multi-unit, or mixed-use, projects with at least 10% income –restricted units

## **Counties and Cities using the general requirements:**

- Alameda County
- City of Berkeley
- Contra Costa County
- San Mateo County
- Santa Clara County

## **City and County of San Francisco**

- Must be specifically designated as Essential by City Administrator

# Capital Projects - BART Essential Infrastructure

## Track & Structures – Assets beyond design life

- Rail Replacement and Rail Grinding

## Electrical Power – Existing assets past design life

- Replacing 34.5 kV cable and substations

## Train Control – Heart of train movement, prone to failures

- Replacing existing switch machines, cabling, cover boards

## Extensions and Fleet Replacement – Improve transit connectivity and rail car reliability

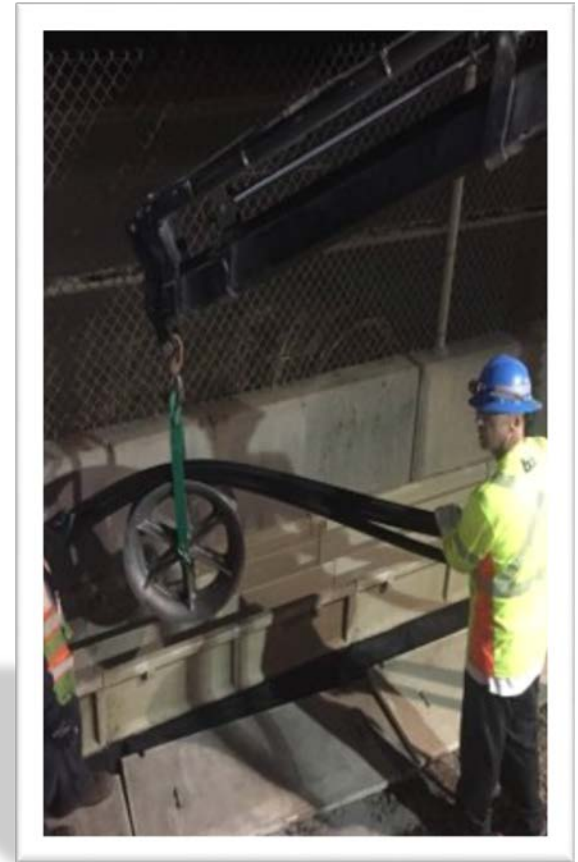
- Silicon Valley Extension (SVBX)
- Rail Car Procurement

## Stations – Replace aging assets and protect new assets

- 19<sup>th</sup> Street Station (ADA improvements, Lighting)
- Union City Station (Fire Alarm, Lighting)
- El Cerrito Del Norte (CCTV, Elevators, Fire Alarm, Lighting)
- Downtown SF Canopies and Escalators

## Transbay Tube – Asset needs code-compliant egress/longevity

- Cross-Passage Doors
- Oakland Emergency Generator
- Cathodic Protection



# Frontline Safety Efforts

# Front Line Safety Efforts

## ➤ Hand Sanitizer

- Still available at Stations, Yards and Shops
- Daily visual checks by supervisors
- Employees instructed to notify supervisor if low on stock

## ➤ Disinfectant for Cleaning

- Still available for Stations, Shops and Breakrooms
- Enough Train Car Fogging Supply for another 23 Weeks
- Daily visual checks by supervisors
- Employees instructed to notify supervisor if low on stock

## ➤ Personal Protective Equipment

- Masks remain scarce and are prioritized for:
  - Critical maintenance Functions (fogging trains, undercar blowdown)
  - Direct Public Exposure (BPD, SSW, Mainline Technicians)
  - Bloodborne Pathogen incidents
  - Limited ability to social distance (Train Control Technicians)



# Operations Control Center

- Locked down / restricted access
- Thoroughly cleaned & fogged
- All workstations separated by six feet (using every other station)
- All workstations, breakroom and restrooms have disinfectant
  - Inventoried at the beginning of every shift
- Social distancing in breakroom enforced by managers
- Redundant OCC disinfected and ready if needed

# Stations

- Directing Station Agents to stay in booth with door closed
  - Check Clipper through the glass
  - Tickets through the slot
  - One Agent per booth
  - If Agent must leave booth instructed to maintain social distancing
- Close secondary entrances at large stations
- Station Cleaning/ Regular Disinfecting
  - System Service public touch points about 8 times a day
  - Agents asked to disinfect booth interior beginning and end of shift
  - Prioritizing cleaning of employee work areas and breakrooms

# BART Police Department Deployment

Shifting Focus from Trains to Stations based on Calls for Service

Day	Total Calls	Welfare Check	Fare Evasion	Fare Dispute	Sick Person / Patron / Employee	All other calls	Officer Initiated	Station Agent	Patron / Citizen
Mon 3/16	222	49	18	1	9	145	75	44	39
Tue 3/17	179	39	10	0	10	120	68	28	24
Wed 3/18	154	35	9	0	10	100	49	29	26
Thu 3/19	181	31	14	0	8	128	74	29	18
Fri 3/20	167	30	4	1	4	128	56	27	30
Sat 3/21	123	28	3	0	4	88	46	25	16
Sun 3/22	131	37	5	0	5	84	42	32	23
Mon 3/23	157	31	3	0	7	116	56	30	24
Tue 3/24	176	53	7	1	10	105	78	41	22
Wed 3/25	136	44	3	0	5	84	49	28	20
Thu 3/26	125	38	6	1	4	76	47	25	14
Fri 3/27	143	33	3	0	9	98	43	28	24
Sat 3/28	138	45	5	1	7	80	66	16	18
Sun 3/29	136	40	5	1	4	86	72	26	12
Mon 3/30	140	36	5	0	5	94	47	31	20
Tue 3/31	120	25	11	1	3	80	54	25	13
Wed 4/01	153	37	11	0	2	103	61	32	17
Thu 4/02	56	11	3	-	3	39	27	7	5



# BART Police Department Deployment

		MON	TUE	WED	THUR	FRI
<b>CAP/MOTOR TEAM</b>	0400-1400	CCS, PPS	CCS, PPS	CCS, PPS	CCS, PPS	
<b>FARE INSPECTORS</b>	0400-1200	CCS, PPS	CCS, PPS	CCS, PPS	CCS, PPS	CCS, PPS
<b>PARKING ENFORCEMENT</b>	0600-1400	EMS, MOS	EMS, MOS	EMS, MOS	EMS, MOS	EMS, MOS
<b>REVENUE PROTECTION GUARDS</b>	TUES, WED, FRI, 0500-1500		BES, BFS FVS	BES, CCS EMS		CCS EMS
<b>AMBASSADORS</b>	1300-2100	SF	SF	SF	SF	SF
<b>TRAIN TEAM</b>	1100-2100		CCS, PPS	CCS, PPS	CCS, PPS	CCS, PPS
<b>ZONE 1</b>	Fixed post at Coliseum/Fruitvale/MacArthur from station opening until 0800, then continue with specific assignments throughout the day and swing shift until closing.					
<b>ZONE 2 R-LINE C-LINE</b>	Fixed post at Richmond and Berkeley from station opening until 0800, then continue with specific assignments throughout the day and swing shift until closing.					
<b>ZONE 3</b>	Fixed post at Antioch, Pittsburg/ Bay Point, and Concord from opening until 0800, then continue with specific assignments throughout the day and swing shift until closing.					
<b>ZONE 4</b>	Fixed post at 2 downtown stations from opening until 0800, then continue with specific assignments throughout the day and swing shift until closing, rotate stations from day to day					
<b>ZONE 5</b>	Fixed post at Millbrae from opening until 0800, then continue with specific assignments throughout the day and swing shift until closing.					

EMS – Embarcadero MOS – Montgomery PPS – Powell Street CCS – Civic Center  
 BES – Berkeley BFS – Bayfair FVS - Fruitvale SF – San Francisco



# Trains

- Continue to disinfect by wiping touch points in cab daily
  - Confirmed occurring at all locations
- Supplying Train Operators with disinfectant
  - Train Operators asked to disinfect cab touch points at beginning and end of runs
- Running all long trains for customer social distancing
- Wiping public touch points at the end of line

# Employee & Labor Partner Engagement

# Employee & Labor Partner Engagement

- Implementation of Leave Advance of 3 weeks for all full-time and part-time employees - approximately 50 employees utilized to date
- Implementation of Families First Coronavirus Response Act (Emergency Paid Sick Leave, Expanded Paid FMLA) including allowance for first responders for sickness or quarantine
- Special time codes set up to quantify time lost, spent, and federally required due to COVID-19
- Weekly Safety Updates
- Remote access given to any employee with a BART email
  - Approximately 1000 employees working remotely
- Testing partner established with hotline for prescreening and testing capability (based on screening) for essential onsite workers
- Multiple weekly meetings with Labor partners for advance notice  
And opportunity to provide feedback before changes



BART  
**ba**

