



# AGENDA REPORT



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TO:  
Honorable Mayor and Members of the City Council

FROM:  
Councilmember Charlene Wang

DATE: February 26, 2026

**SUBJECT: RECEIVE AN INFORMATION REPORT FROM BART ADDRESSING BART'S CURRENT FISCAL OUTLOOK ADDRESSING REVENUE AND RIDERSHIP DECLINE, ITS PLANS FOR ADDRESSING FISCAL CHALLENGES, AND THE PARAMETERS BART SET FOR ACCEPTING A LOAN FROM THE STATE OF CALIFORNIA.**

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## **RECOMMENDATION:**

City Council Member Charlene Wang recommends the City Council **RECEIVE AN INFORMATION REPORT FROM BART ADDRESSING BART'S CURRENT FISCAL OUTLOOK ADDRESSING REVENUE AND RIDERSHIP DECLINE, ITS PLANS FOR ADDRESSING FISCAL CHALLENGES, AND THE PARAMETERS BART SET FOR ACCEPTING A LOAN FROM THE STATE OF CALIFORNIA.**

## **EXECUTIVE SUMMARY:**

On February 26, 2026, the BART Board of Directors will consider initial approval of a Fiscal Year 2027 (FY27) Alternative Service Plan. While Governor Gavin Newsom recently signed legislation authorizing a \$590 million emergency bridge loan to stabilize Bay Area transit, this funding serves only as a temporary "fiscal bridge". BART still faces an ongoing structural deficit of \$350 million to \$400 million per year. Consequently, the "Alternative Service Plan" remains a necessary contingency to address the catastrophic service cuts required if the Connect Bay Area Measure fails in November 2026.

## **BACKGROUND:**

**State Emergency Bridget Loan (AB117)**

On February 19, 2026, Governor Newsom signed Assembly Bill 117, authorizing the California State Transportation Agency to provide \$590 million in emergency loans to the Metropolitan Transportation Commission (MTC) for regional transit operators, including BART, Muni, Caltrain, and AC Transit.

- **Loan Terms:** The loan features a 12-year repayment term, with interest-only payments for the first two years.
- **Repayment Security:** Repayment is secured by the "revenue-based" portion of State Transit Assistance (STA) funds that normally go directly to the agencies.
- **BART's Response:** BART leadership, having coordinated closely with regional partners to advocate for this relief, stated that the loan provides "reassurance" that essential service can be maintained through the upcoming fiscal year while the region pursues a long-term funding solution. They characterized the agreement as a "major step forward" and "essential short-term financing" to avert a transit "death spiral."

### **FISCAL IMPACT:**

BART is currently operating on emergency funds projected to be fully exhausted by July 2026. Despite the state loan, BART faces a \$376 million gap in FY27 if no permanent revenue source is identified.

- **Revenue Loss:** Actual fare revenue remains more than \$430 million below pre-pandemic projections.
- **The November 2026 Measure:** BART's long-term sustainability depends on the Connect Bay Area Measure; if approved, it would provide approximately \$300 million annually starting in late FY27 or FY28.

### **The Alternative Service Plan (If Ballot Measure Fails)**

The Board is being asked to approve a plan that would trigger if the ballot measure fails. Key impacts include:

- **Immediate Reductions (January 2027):** A 63% reduction in train hours (3-line service, 20-minute frequencies, and a 9:00 PM system closure).
- **Workforce Reductions:** The elimination of approximately 1,170 operating positions (31% of the workforce).
- **Fares and Fees:** An immediate 30% increase in fares and parking fees.
- **Future Station Closures (FY28):** If the deficit is not resolved, BART would close up to 15 stations and/or 25% of system track miles starting in July 2027.

### **RACIAL AND EQUITY IMPACT:**

A formal Title VI Equity Analysis is not yet complete. Current rider demographics and the proposed components of the FY27 Alternative Service Plan indicate that minority and low-income populations would face significant and disproportionate impacts should the plan be enacted.

### **BART Rider Demographic Profile**

The potential for inequitable impact is high because a majority of BART riders belong to "protected populations" as defined by federal Title VI standards:

- Race: 67% of BART riders identify as non-white.
- Vehicle Access: 44% of riders do not have access to a personal vehicle and rely entirely on transit for mobility.
- Income: 31% of riders report an annual household income under \$50,000.

### **Specific Equity Impacts of the Plan**

If the Connect Bay Area Measure fails and the alternative plan is triggered in January 2027, the following actions are expected to hit vulnerable communities hardest:

- Fare and Parking Increases: The planned 30% to 50% increase in fares and parking fees directly impacts the 31% of low-income riders who have the least ability to absorb higher costs.
- Early System Closure (9:00 PM): Ending service three hours early would eliminate transit options for many service-sector and late-shift workers, who are disproportionately minority and low-income.
- Station and Segment Closures: Closing up to 15 stations (30% of the system) and removing 25% of track miles would physically isolate communities where residents are most likely to lack a vehicle.
- Quality of Life and Safety: Reductions in cleaning, maintenance, and "Progressive Policing" initiatives would likely lead to a degraded rider experience, which can disproportionately affect those who must use the system daily for essential needs.

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