

BART's Sources of Operating Funds

August 8, 2024

Historically, BART has funded most of its rail service costs with passenger (fare and parking) revenues. This allowed MTC to prioritize regional transit funding to other operators. Pandemic-driven passenger revenue losses have up-ended BART's successful funding model. Now, because of reduced ridership, FY25 passenger revenues are projected to be \$440M less than was forecast for FY25 back in 2019. With this drop in revenues, BART is now heavily reliant one-time state and federal emergency assistance to fund rail service. Emergency aid is projected to be fully expended by April 2026.

	FY25 Budget (\$M)
Operating Revenue	
Passenger fares & parking fees	252
Other operating revenue (advertising, IT contracts, investments, etc)	45
Total Operating Revenue	298
Local Funding (see table below for breakdown by county)	
BART District sales tax	320
BART District property tax	64
Other local assistance	50
Total Local Funding	435
State Funding	
State Transit Assistance (Revenue-based, State of Good Repair)*	49
Other state programs (LCTOP, LCFS)	17
Total State Funding	66
Total Regular Revenues	798
One-time Emergency Aid	
Federal aid	270
State and regional aid (SB125)	58
Total Emergency Aid	328
	1,126

* While BART is eligible for population-based STA and TDA funds, MTC does not typically program these sources to BART.

Breakdown of Local Operating Funding by County

In BART District counties (San Francisco, Alameda, and Contra Costa), BART receives 75% of a one-half cent sales tax, and part of the 1% general property tax levy. In Santa Clara County, VTA pays for the O&M costs of BART Silicon Valley. BART also receives several smaller contributions of local assistance.

Fund Source (\$M)	San Francisco	Alameda	Contra Costa	San Mateo	Santa Clara	Other/Regional	Total*
BART District sales tax	82	148	90	0	0	0	320
BART District property tax	22	24	18	0	0	0	64
Other local assistance	0	8	0	4	35	2	50
Total	\$103	\$180	\$109	\$4	\$35	\$2	\$435
% of local funding	24%	42%	25%	1%	8%	1%	100%
<i>% of service hours</i>	21%	46%	18%	12%	3%	NA	100%
<i>% of riders (exits)</i>	44%	34%	14%	6%	2%	NA	100%
<i>% of passenger miles **</i>	36%	33%	19%	9%	4%	NA	100%

* In addition to the operating support shown in this table, BART District residents pay taxes to fund BART capital reinvestment. VTA provides capital contributions for BART Silicon Valley.

** attributed to the county of exit station

Caltrain’s Sources of Operating Funds

August 20, 2024

Prior to the pandemic, Caltrain had the highest fare recovery of any system in the Bay Area. Caltrain’s Go Pass program and regular passenger fares accounted for about 73% of the agency’s operating budget. Caltrain is also launching a new electrified service which was an investment 90% paid for by state and federal funds, benefitting the region with cleaner and more frequent service. The maintenance costs of the new overhead catenary system along with high costs for electric energy, insurance and maintaining two types of fleets (diesel and electric) have increased the agency’s operating costs. These costs were meant to be covered by Measure RR, a sales tax measure passed in 2020 that was supposed to cover the increased operating costs from electrification, the previous contributions from county member agencies, and much needed state of good repair and capital projects. Given the tremendous impact of the covid-19 pandemic on commuting to downtown San Francisco and long-term ridership trends, Caltrain’s fare revenue has dropped significantly, with fare revenue dropping from \$103 million in 2019 to \$43 million in 2023, a loss of \$60 million per year (higher when adjusted for inflation). Even with Measure RR and aggressive ridership increase projections, loss of farebox revenue and member contributions, combined with significant increases in electricity and other costs still leaves Caltrain with a significant ongoing operating deficit. This deficit is in excess of \$77M per year, on average, in a seven-year period starting in FY 2027. This equates to over 30% of Caltrain’s operating budget. Caltrain will update operating deficit projections in November 2024 with at least one full month of revenue service of the electrified system and a better understanding of energy usage costs.

	FY24 Budget (\$M)	% of Total FY24
Operating Revenue		
Passenger fares	47	24%
Parking and Rental Income	3	2%
Other operating revenue	6	3%
Total Operating Revenue	56	29%
Local Funding (see table below for breakdown by county)		
Measure RR sales tax	118	61%
Other local revenue	.5	0%
Total Local Funding	119	61%
State Funding		
State Transit Assistance (Revenue-based*)	13	7%
Other state programs (LCTOP)	7	4%
Total State Funding	20	10%
Total Revenues	195	100%
Operating Expenses		
Rail Operator Service	105	55%
Wages and Benefits	18	9%
Fuel	15	8%
Insurance	10	5%
Professional Services	9	5%
Facilities and Equipment Maintenance	8	4%
Security Services	8	4%
Managing Agency Admin Overhead	4	2%
Utilities	3	2%
Other operating expenses	12	6%
Total Expenses	192	100%

	FY25 Budget (\$M)	% of Total FY25
Operating Revenue		
Passenger fares	54	26%
Parking and Rental Income	3	1%
Other operating revenue	6	3%
Total Operating Revenue	63	30%
Local Funding (see table below for breakdown by county)		
Measure RR sales tax	120	58%
Other local revenue	.5	0%
Total Local Funding	121	58%
State Funding		
State Transit Assistance (Revenue-based*)	10	5%
Other state programs (LCTOP)	14	7%
Total State Funding	24	12%
Total Revenues	208	100%
Operating Expenses		
Rail Operator Service	106	45%
OCS/TPS Maintenance	25	11%
Wages and Benefits	21	9%
Electricity	20**	8%
Insurance	11	5%
Professional Services	10	4%
Facilities and Equipment Maintenance	9	4%
Security Services	8	3%
Fuel	5	2%
Managing Agency Admin Overhead	4	2%
Utilities	3	1%
Other operating expenses	16	7%
Total Expenses	238	100%

* While Caltrain is eligible for population-based STA and TDA funds, MTC does not typically program these sources to Caltrain.

**Electrified service numbers reflect only 9 months of operating Oct 2024 – June 2025

Breakdown of Local Operating Funding by County

Caltrain member counties include San Francisco, San Mateo and Santa Clara Counties. Caltrain receives a 1/8 cent sales tax (Measure RR) in these counties.

Fund Source (\$M)	San Francisco	San Mateo	Santa Clara	Total*
Measure RR	25	29	66	120
Total	\$25	\$29	\$66	\$120
% of local funding	21%	24%	55%	100%
<i>% of weekday train stops*</i>	13%	48%	39%	100%
<i>% of riders (AM Boardings)</i>	21%	37%	42%	100%
<i>% of trackage miles</i>	6%	28%	66%	100%

*Assumes full electrified service schedule