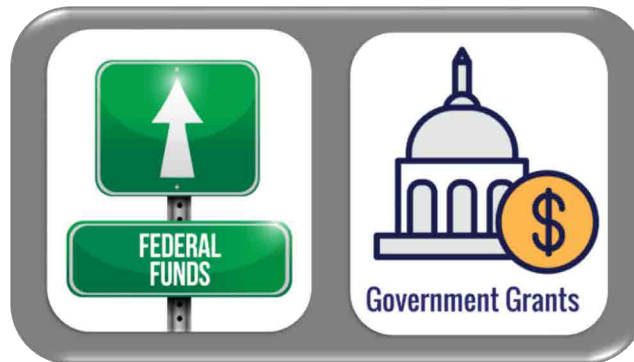


# BART Used Federal Funding as Allowed

## Office of the Inspector General



### Investigation Results

BART did not swap federal grant funds and used its federal funding in an allowable manner. A series of events took place that included BART reallocating \$4.335M in Measure RR funds over to transit access improvements to advance equitable mobility and make it easier for patrons to bike and walk to BART. The Metropolitan Transportation Commission (MTC) partnered with BART on the use of Measure RR funds to assist the Counties of Contra Costa and Alameda with their transit access projects at BART stations in Lafayette, Pittsburg/Bay Point, and Oakland. To replace the Measure RR funding reallocated to the transit access projects, the MTC allocated \$4.335M in Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA) funds to BART for use on faregates. In all instances, the funding was used in a manner consistent with and allowable by the funding sources.



#### Declined - Quick-Strike Program Funds - \$4.335M for County Bike Projects

Contra Costa and Alameda Counties decided not to pursue a combined total of \$4.335M of Safe and Seamless Mobility Quick-Strike Program funds for their respective projects that improve bicycle and pedestrian access and safety, and advance equitable mobility to BART.



#### Exchanged – Measure RR Funds - \$4.335M for County Bike Projects

MTC partnered with BART to use \$4.335M in Measure RR funding for Contra Costa and Alameda Counties so that they could complete their projects. Transit access improvement is a Measure RR goal.



#### Reallocated Measure RR - \$4.335M for BART Faregates Moved to Bike and Mobility Projects

BART reallocated \$4.335M in Measure RR money that it had planned to use on its Next Generation Fare Gates (NGFG) project to transit access projects that improve biking and walking to BART and improve ADA mobility. Both faregate and transit access improvements are Measure RR goals.



#### Allocated - CRRSAA - \$4.335M for BART Faregates

MTC allocated \$4.335M in CRRSAA to BART for use on NGFG projects. Fare collection equipment is an allowable use of CRRSAA money. The California Department of Transportation approved MTC's allocation to BART for the faregates.

**There are no recommendations associated with this report.**



### Background & Allegation

In November 2016, Bay Area voters passed Measure RR authorizing BART to issue bonds for \$3.5 billion to rebuild the aging BART system. Measure RR funds are to be used to make the BART system safer and more reliable and to reduce traffic. This includes making it easier for patrons to bike to BART stations and to reduce fare invasion through improved fare collection equipment.

In response to the COVID-19 pandemic, the U.S. Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), which allowed for the use of funding to purchase fare collection equipment. In early 2021, BART was allocated \$377.7 million in CRRSAA funding, \$4.335 million of which was for BART’s Next Generation Fare Gates (NGFG).

In 2021, the Metropolitan Transportation Commission (MTC) implemented its Safe and Seamless Mobility Quick-Strike Program. The Program uses a mix of government funding, including from the Federal Highway Infrastructure Program (FHIP). The program emphasizes bicycle/pedestrian safety and mobility, connections to transit, and projects that advance equitable mobility.

We received an allegation that BART was swapping federal grant funding to complete the Lafayette Town Center Pathway & BART Bike Station. Because swapping federal funding was a potential violation of grant requirements and restrictions, we launched an investigation.

### Key Findings

BART did not swap federal grant funds for use on the Lafayette Town Center Pathway & BART Bike Station. In early 2021, MTC selected projects to receive Safe and Seamless Mobility Quick-Strike Program funding. This included three projects totaling \$4.335 million in Alameda and Contra Costa Counties.

County	Projects	Cost in Millions
Contra Costa	Lafayette Town Center Pathway & BART Bike Station	\$1.825
Contra Costa	Pittsburg/Bay Point BART Station Bicycle, Pedestrian, & ADA Improvements	\$1.51
Alameda	East Bay Greenway Trail Segment II (Oakland)	\$1
<b>Total</b>		<b>\$4.335</b>

Contra Costa and Alameda Counties decided not to accept the Safe and Seamless Mobility Quick-Strike Program funding because the federal funding included in those program grants required burdensome reporting and oversight disproportionate to the benefit received. To assist Contra Costa and Alameda Counties in completing their projects, MTC worked in partnership with BART to use Measure RR for the projects. BART agreed to reallocate \$4.335 million in Measure RR funding it had planned to use for NGFG project over to the bike and transit access projects. In exchange, MTC allocated \$4.335 million in CRRSSA funds to BART for use on the NGFG projects. This came with approval from the California Department of Transportation who assisted in allocating the CRRSAA funds provided by the Federal Highway Administration.

The exchange may have given the appearance of swapping to those without first-hand knowledge of the process. However, both the CRRSSA and Measure RR money were used in an allowable manner, per those funding streams, and federal money was not moved from one project to another.