

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 6/10/2026

**Staff Report No.** 26-090a

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**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** Proposed Contingency Service Plan

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider approving the proposed Contingency Service Plan for consideration at a future public hearing.

Staff Contact:  
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

**STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency  
Initiative - Financial Efficiency and Revenue Maximization

This report provides a proposed Contingency Service Plan that, with Board approval of a future final draft, could be implemented in June 2027 if the regional revenue measure does not qualify for the ballot and pass in November. This plan, and the framework on which it is built, directly correlate with the District's service quality and financial efficiency strategic goals.

**BUDGETARY/FISCAL IMPACT:**

The District is projecting annual deficits averaging \$50 million beginning in FY 2027-28 and continuing in subsequent years. To address the FY 2026-27 shortfall and maintain current service levels, the District will receive an operating loan from the State. However, starting in FY 2027-28, new revenue sources will be required to sustain operations. If new revenues are not secured, the District will be forced to reduce expenses to align with available funding.

Based on the District's most recent projections, staff has prepared a proposed Contingency Service Plan that contains reductions totaling \$53 million. Under this plan, service would be reduced by 16.4%. Staff will be prepared to scale back the proposed service cuts if additional resources are identified.

**BACKGROUND/RATIONALE:**

**Overview of Proposed Contingency Service Plan**

At the March 25, 2026, meeting, the AC Transit Board of Directors approved an Alternate Service Plan

Framework based on the recently updated Board Policy 545 (Service Standards). The framework, detailed in Staff Report 26-090, includes the five elements listed below:

- 1) Maintain the Realign network.
- 2) Minimize complete service eliminations.
- 3) Focus on span and frequency reductions.
- 4) Restructure High-Cost Services.
- 5) Proportionately reduce service in Special District 1 (SD 1) and Special District 2 (SD 2).

The proposed Contingency Service Plan (the “Proposed Plan”) is based upon the framework elements and a review of existing conditions, as well as coordination between District staff and BART.

Under the Proposed Plan, the network of routes implemented in August 2025 would remain largely intact, with targeted route truncations to save resources and minimize duplication on Lines 97 and O. Lines 19 and 46L would be eliminated due to low performance. Cost savings would come from widespread reductions in frequency and span of service. While staff hoped to avoid cuts to the higher ridership Primary Route Network, the sheer scale of a \$53 million reduction required limited frequency and span cuts. These cuts maintain compliance with the minimum standards for service span and frequency outlined for the Primary Route Network in Board Policy 545.

A detailed summary of each route-level recommendation is provided in Attachment 2. A draft Title VI service equity analysis, including the technical analysis in line with board policy and our federal compliance obligations, is included as Attachment 3. The draft analysis finds no disparate impact and no disproportionate burden. As staff refine the plan, given the aggressive timeframe needed for plan adoption and implementation, staff intend to provide the Board with updated draft service equity analyses during the public hearing process. While the analysis in Attachment 3 aligns with current District Title VI policy, staff anticipates updates to Board Policy 518 (Title VI and Environmental Service Review and Compliance Report Policy) and will ensure the final draft service equity analysis properly aligns with any policy updates approved by the Board.

### **BART Coordination Trade-offs**

BART’s Alternative Service Plan would reduce service frequencies by about 66%, with 3-line service running every half hour in January 2027 if the regional revenue measure does not pass. For context, one crush-loaded ten-car BART train can carry over 2,000 passengers, placing meaningful mitigations during daytime hours far beyond AC Transit’s financial, staff, or fleet capacity.

A portion of the savings associated with the Proposed Plan comes from reducing service to non-clock-face headways (i.e. reducing service from every 30 minutes to every 40 minutes). This reflects a crucial data-driven decision by staff. Staff reviewed Clipper transfer activity between AC Transit and BART to weigh the possibility of hourly service better coordinated with BART times against a less well coordinated but more frequent 40-minute bus service. Ultimately, a minority of AC Transit riders transfer to or from BART, making the Proposed Plan prioritize better frequency over service coordination where feasible.

### **Paratransit Impacts**

Staff reviewed all paratransit trips taken within the District’s boundaries between September and November 2025 and determined that about 1,500 of the 104,000 trips taken (or 1.4%) would fall outside a three-quarter

mile buffer of the proposed service network, either due to service discontinuations, or proposed reductions in hours of operation. These 1,500 trips were taken by 4% of the 4,100 unique users who took a trip within the District's boundaries during this period. In terms of time of day, approximately 66% of the impacted trips took place before 7:00 a.m. or after 7:00 p.m. In addition to the \$53 million net cost savings from fixed-route reductions, staff anticipates an additional \$903,000 in annual cost savings from corresponding paratransit reductions.

### **Other Service-Related Cost-Savings Strategies**

Staff continue to explore other scheduling and service-related cost-savings measures, including implementing a reduced Friday service schedule. While staff's initial review of ridership data indicates that demand for peak commute service to downtown San Francisco is significantly lighter than on other days of the week, schools and Supplementary Service still operate on Fridays, potentially limiting savings.

Aside from Transbay service, most customer demand for AC Transit service does not revolve around peak commute hours, and most routes the District operates have consistent frequencies across the whole day, meaning that to yield meaningful savings, service on Fridays would likely require more drastic frequency and span cuts than the significant cuts already proposed in the Proposed Plan. Staff continue to review potential savings from runtime adjustments that could come from operating a different service schedule on Fridays and weigh corresponding trade-offs.

### **Public Outreach and Proposed Board Approval Timeline**

As referenced in Staff Report 26-090, the External Affairs, Marketing, and Communications department envisions a public education effort to inform our customers and key external audiences about the possibility of service reductions and how they can provide feedback. This effort is already underway, beginning with the Board's adoption of the "Alternate Service Plan Framework" on March 25, 2026, and will continue until the Board is scheduled to consider adopting the final plan if new, sustainable funding is not secured.

Staff will ensure ample opportunities for public feedback and comment. This includes but is not limited to offering presentations to civic groups, sharing information at community events and festivals, hosting Open House-style events in the lobby of the District's General Office prior to Board meetings, and disseminating information through a District-wide marketing and communications effort. Tactics will include on-bus, digital, and at-stop deliverables.

Pending feedback from the Board, at the August 12th Board meeting, staff plans to ask the Board to set a date for a public hearing on a proposed final plan. Community feedback received through mid-July will inform staff's development of the proposed final service contingency plan. Based on the significant lead time necessary to facilitate implementation activities, staff recommends public hearings be scheduled for the week of October 12 and for the Board to consider approval of a final service contingency plan at the December 9 Board Meeting. Staff will need significant lead time to facilitate implementation of the proposed service cuts in the absence of new, sustainable funding. The broad scope of the reductions puts this level of effort for staff on par with the Realign initiative, given the significant timetable changes, some route eliminations, and public information work that would need to take place.

### **ADVANTAGES/DISADVANTAGES:**

Staff see no disadvantage to adopting the Proposed Plan. However, should fiscal challenges require its implementation, service will be reduced significantly, worsening service quality throughout most of the District's service area.

Staff is seeking sufficient Board guidance at this juncture on service reductions and the timeline, given the significant lead time required to develop materials in support of public outreach and engagement in advance of eventual adoption of a final plan, as well as the significant work necessary to facilitate implementation once a final plan is adopted.

**ALTERNATIVES ANALYSIS:**

The Board could direct staff to pursue alternate strategies for service reduction, such as eliminating entire service types, or weekend service altogether, instead of abiding by the Board-adopted Alternate Service Plan Framework. As discussed in the previous report to the Board on the framework, these reductions will have potentially more significant impacts on riders, especially given the commensurate reductions planned by BART.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

SR 26-090 - Alternate Service Plan Framework

Board Policy 518 - Title VI and Environmental Justice Service Review and Compliance Report Policy

**ATTACHMENTS:**

1. Presentation
2. Service Reduction Matrix
3. Draft Title VI Service Equity Analysis

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