

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 2/11/2026

Staff Report No. 26-082

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Fare Reports Timeline

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving a report on the timing and content of upcoming fare-related reports.

Staff Contact:

Chris Andrichak, Chief Financial Officer

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Fare revenue represents the largest revenue source under the District's control. Accordingly, any changes to fare policy or fare levels require comprehensive analysis and thoughtful consideration of their impact to all riders.

BUDGETARY/FISCAL IMPACT:

There are no fiscal impacts from this report.

BACKGROUND/RATIONALE:

The Board has directed staff to provide three reports on various aspects of fares and fare policy over the coming year. This report outlines a timeline for those reports and explains why the specific timing is necessary. The three reports staff expect to present are:

- Title VI analysis of the Next Generation Clipper® open payments pilot, which the Board approved on November 19, 2025.
- A review of fare policy and equity issues, including staff recommendations on whether to continue the existing Clipper fare discount, in response to the agenda planning request from Director Syed on

December 10, 2025

- Plans for future fare increases, as discussed with the Board on October 8, 2025.

One factor affecting the first two reports listed above is the availability of updated ridership demographic data. As discussed previously, both staff and the Board prefer that any new analysis rely on updated post-pandemic data. The on-board survey has been completed, and staff expects to have the final data and reports by March, or possibly earlier.

A second factor is the process and schedule for completing the District's updated Title VI methodology and thresholds. Staff is currently working with a consultant on this project. The consultant should finish their work in May of this year. However, before the new methodology and thresholds can be used, they need to be approved by the Board and submitted to the Federal Transit Administration. Staff does not expect this full process to be complete until fall of 2026. Due to this timing, staff expects to continue using the current methodology and thresholds for all analysis performed this calendar year.

The first report, a Title VI analysis of the open payments pilot, is required under Board Policy 518 within six months of the pilot's start. Based on the March receipt of final ridership demographic data, staff expects to present the Title VI analysis to the Board in May 2026.

The second report is a review of fare policy and equity issues, including the existing Clipper fare discount. Staff expects to bring this report to the Board in July 2026. If the Board desires to direct staff to eliminate or reduce the Clipper discount, it would likely take at least nine months from that direction to implement the change. The Clipper discount is part of the Board fare policy. Changing the fare policy and fare cost would require outreach, Title VI analysis, and a public hearing process. Additionally, any change in fares requires 90-day advance notice for Clipper to implement.

The third report would cover plans for future fare increases. As part of the discussion of the fares item on October 8, 2025, staff expected to bring this report in the Summer of 2026. Since that time, the Next Generation Clipper system launched on December 10, but the rollout has encountered challenges, and Clipper staff now expect the card migration process to take longer than planned. As a result, the majority of AC Transit riders who use Clipper are still in the original "Clipper 1" mode and cannot use the new discounts and features, such as the regional transfer discounts.

Due to this delay, staff does not expect to receive meaningful data on the use of new Clipper features until at least late summer. This could push back planning for future fare increases until the end of 2026. However, this would likely allow any fare increase schedule to be analyzed using the newly approved Title VI methodology and thresholds.

ADVANTAGES/DISADVANTAGES:

The purpose of this report is to inform the Board of the timeline staff plans to follow in responding to Board direction and requests. No disadvantages have been identified.

ALTERNATIVES ANALYSIS:

This report does not recommend action; therefore, no alternatives analysis is presented.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 25-015v - Director Syed Agenda Planning Request

SR 25-543 - Consider approving a six-month pilot of Clipper's Tap-and-Ride feature

SR 25-363 - Consider receiving a report on a plan for determining future fare increases

ATTACHMENTS:

None

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Approved/Reviewed by:

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