

report

GENERAL MANAGER'S

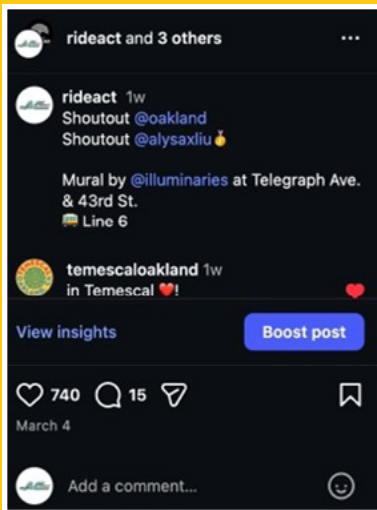


With a \$50 million annual deficit projected starting in FY 2027–28, AC Transit Staff are preparing alternate service plans in case new funding does not materialize.

One Perfectly Timed Photo

A single photo. One zero emission bus. And a mural of hometown hero Alysa Liu. Within hours, the moment sparked an overnight collaboration that had fans at Liu's Gold Medal homecoming waving rally cards in the air, and the East Bay lighting up social media feeds across the country.

Keep reading to see how a mural, a burst of creativity, and a little transit ingenuity produced the District's biggest social media moment of 2026.



The Staff Interview social media series gives our riders the backstory of the staff members who make AC Transit's service possible.

Preparing for the Possibility of Service Cuts as Budget Gaps Loom

AC Transit has been very transparent with our riders and communities we serve preparing for a challenging financial horizon. Our latest projections show annual operating deficits averaging about \$50 million starting in FY 2027–28, with similar gaps expected in the years that follow.

To help bridge the immediate shortfall in FY 2026–27 and keep service levels steady, the District will receive a temporary \$50 million operating loan from the State. After that, however, sustaining current service will depend on securing new revenue.

If new funding does not materialize, AC Transit has no choice but to reduce expenses to match available resources. To prepare for that possibility, staff are developing two Alternate Service Plan scenarios that outline what service adjustments could look like based on the roughly 85% pre-pandemic service levels the District operates today.

Scenario One: AC Transit estimates \$35 million in expenditure reductions, plus \$1.75 million in fare loss, for a total impact of \$36.75 million. That would translate to an estimated 11.4% reduction in service.

16% Service Reduction Possible.

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what's inside

- The District rally card that became a scroll-stopping sensation on media screens.
- How the District is making Hayward's 'Education City' reality.
- Why the District is not exempt from Oakland camera tickets.

Scenario Two: assumes deeper cuts. \$50 million in expenditure reductions plus \$3 million in lost fare revenue, totaling \$53 million, which would result in an estimated 16.4% service reduction.

Both scenarios also assume a 5–6% drop in farebox revenue as some riders are lost from lower-productivity routes. Today, AC Transit overall farebox recovery rate is about 8%. The final percentage could vary depending on the plan ultimately adopted by the Board of Directors.

While those numbers outline the potential scale of reductions, the framework is inherently designed to protect the core transit network. It is important to note that over the past several years, AC Transit spent significant time gathering feedback from riders, frontline employees, and the community, which led to the launch of a new equitable bus network in late 2025. As a result, rather than redesigning the Realign network again, the goal is to maintain as much of the current network as possible.

AC Transit will also work to avoid eliminating entire lines whenever possible, first looking at adjustments such as lowering frequency on routes that are not operating at capacity, shortening service spans during times of very low ridership, and trimming segments of routes that consistently underperform. High-cost services with low farebox recovery will also be reviewed to determine whether restructuring could improve efficiency.



Another key factor is how service is distributed across the AC Transit's two special service districts. Funding sources differ between the District's property taxes and local sales tax allocations are collected separately. Property owners in Special District 1 (SD1) pay an annual parcel tax that supports transit operations while those in Special District 2 (SD2) do not. Because SD1 accounts for about 90% of the District's platform hours, any reductions would generally be proportional to the amount of service provided in each district, with preliminary estimates suggesting about \$47.7 million in reductions in SD1 and about \$5.3 million in SD2.



Using this framework, staff grouped possible adjustments into tiers of service reductions, which can be combined to reach either scenario. These could include span and frequency reductions on local routes, elimination of the least productive local lines, adjustments to Transbay service during weekdays, possible elimination of certain Transbay lines, and reductions to limited weekend service.

Importantly, this framework is a contingency plan. If AC Transit secures new revenue that allows current service levels to continue, the Alternate Service Plan will not move forward, and no reductions will be implemented.

If funding is not secured, the proposed changes would be considered as part of the June 2027 service change, following a required public hearing process. Since planning service changes takes time, AC Transit has begun developing the Alternate Service Plan now.

If the Board approves the planning framework, a draft plan is expected to be presented to the Board in June 2026.

Speed safety cameras at 18 Oakland locations are now issuing citations. The warning period has ended, and District drivers are not exempt.



Lights, Camera... Citation: Including District Vehicles

Heads up to the many drivers behind the wheel of District vehicles. Over the past several months, something new has taken position high above several Oakland corridor, and it's watching.

The City of Oakland's Department of Transportation has installed speed safety cameras at 18 locations across the city, including along Hegenberger, Foothill, MacArthur, San Pablo, and Broadway. These sites were selected because the city finds these are corridors with some of the highest rates of serious crashes.

On March 15, the program moved from warning mode to enforcement. Now, drivers who exceed the posted speed limit at camera locations will automatically receive citations based on how far above the limit they were traveling:

- 11–15 mph over the limit: \$50
- 16–25 mph over the limit: \$100
- 26+ mph over the limit: \$200
- Speeds approaching or exceeding 100 mph: up to \$500

For employees operating District vehicles, whether buses or non-revenue vehicles, the message is simple: slow down and stay within the limit.

Under the District's Vehicle Use Policy (Board Policy 438), any traffic or parking citation issued while operating a District vehicle is the financial responsibility of the employee. Citations received while conducting District business must also be reported to the employee's Department Head.

	Street Segment	Posted Speed Limit
1	MLK Way from 42nd to 43rd St	30 MPH
2	Claremont Ave from Hillegass to College Ave	30 MPH
3	Foothill Blvd from Irving St to 24th Ave	25 MPH
4	Foothill Blvd from 19th to 20th Ave	30 MPH
5	7th St from Adeline to Linden St	30 MPH
6	West Grand Ave from Chestnut to Linden St	30 MPH
7	Broadway from 26th to 27th St	25 MPH
8	San Pablo Ave from Athens Ave to Sycamore St	25 MPH
9	7th St from Broadway to Franklin St	20 MPH
10	MacArthur Blvd from Green Acre Rd to Enos Ave	30 MPH
11	Fruitvale Ave from Galindo to Logan St	25 MPH
12	International Blvd from 40th to 41st Ave	25 MPH
13	Hegenberger Rd from Spencer to Hawley St	40 MPH
14	73rd Ave from Fresno St to Krause Ave	30 MPH
15	Bancroft Ave from 86th to Auseon Ave	35 MPH
16	98th Ave from Blake Dr to Gould St	30 MPH
17	98th Ave from Cherry to Birch St	30 MPH
18	Bancroft Ave from 61st to 62nd Ave	30 MPH

How AC Transit is Helping Drive Hayward's Cradle to Career

At the Hayward Unified School District Performing Arts Center, community leaders, educators, residents, and District staff gathered this month as Mayor Mark Salinas delivered the City of Hayward's annual State of the City address.

The evening offered both a candid look at the fiscal challenges facing the city and an inspiring vision for the future built around opportunity, access, and education.

Mayor Salinas highlighted a wide range of community accomplishments, but one theme stood above the rest: what he called "Education City." In Hayward, he explained, education is not just a priority; it's part of the city's identity.

A growing partnership with Chabot College is helping prepare students to maintain and operate the next generation of transit technology while creating a direct workforce pipeline into the industry. The collaboration represents a powerful example of how AC Transit can support not only mobility, but also education, workforce development, and economic opportunity.

For the mayor, the connection is also deeply personal. Reflecting on his own upbringing in the East Bay, Salinas shared how transit shaped his teenage years. "As a kid of the East Bay, AC Transit was my primary mode of transportation for my entire teenage years, high school years," he said. "I don't know what I would have done without AC Transit. Thank you, AC Transit."

Salinas described Education City as being built on a simple but powerful foundation: access. That philosophy has already produced meaningful progress. Working alongside fellow elected officials, the mayor successfully advocated through the Alameda County Transportation Commission for the expansion of the student transit



Hayward Mayor Mark Salinas (center) with AC Transit General Manager Sal Llamas (left) and Board Director Curtis Silva (right) after the State of the City address, where Salinas called transit vital to his 'Education City' plan and thanked AC Transit for getting him to school as a youth, saying, "I don't know what I would have done without it."

"Hayward is a city of schools," Salinas told the audience, describing a commitment to creating a seamless pathway for young people from cradle to career. That pathway stretches from elementary classrooms to trade programs and higher education, building a pipeline of opportunity designed to prepare the next generation for meaningful careers.

Transit, it turns out, is an essential part of that journey. Salinas emphasized that AC Transit is playing an increasingly central role in making Education City a reality.

pass program. The result is a major milestone for families across the city: students in grades 7 through 12 now have access to free transit.

The program ensures that transportation is no longer a barrier for young people traveling to school, internships, after-school activities, and college campuses across the region. It also reinforces the idea that public transit is more than a way to get from point A to point B. It is a bridge to education, opportunity, and a stronger future for the entire community.

Oakland Proud



ILLUMINARIES

Working overnight, the District's in-house Print Shop produced 2,000 oversized 11x17 rally cards. By the start of the homecoming celebration, every card was already in the hands of excited fans.

AC Transit's Alysa Liu Rally Cards Light Up Media Screens

The East Bay knows how to celebrate a champion. And when Olympic gold medalist Alysa Liu returned home following her triumphant performance at the 2026 Winter Olympics, the welcome at Oakland City Hall was nothing short of spectacular.

Thousands gathered for the unforgettable homecoming celebration, with the energy spilling far beyond the steps of City Hall. Television cameras carried the moment across the Bay Area and around the country, capturing a community beaming with pride for one of its own. Amid the cheers and celebration, AC Transit played a pivotal role in shaping the look and feel of the day.

The spark for one of the event's most memorable elements came from an unexpected place: social media. After the Communications team shared a post on Instagram showing a ZEB passing the vibrant Temescal mural at 43rd Street and Telegraph Avenue, the artists behind the piece, known collectively as The Illuminaries, left a comment. That simple interaction set off a creative collaboration that would soon become the visual centerpiece of the celebration.



When 99.7 NOW's Mary Diaz shared the District's rally card post, with Oakland City Hall behind it, the moment took off, helping the Alysa Liu rally card claim four of the top five most-reacted-to District posts of 2026.

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Working together, the Marketing team and the Illuminaries transformed the now-iconic mural honoring Alysa Liu into a hand-held rally card. In a true reflection of the partnership between AC Transit and the communities it serves, the artists generously granted permission for the District to feature the mural, along with their logo, on the collector's edition design.

What followed was a sprint worthy of Olympic timing. The District's in-house Print Shop produced 2,000 oversized 11x17 rally cards in just 24 hours. Before the first speakers took the stage, every card had already found its way into the hands of fans, students, and families gathering outside City Hall.

Behind the scenes, Media Affairs coordinated closely with the City of Oakland to place rally cards inside the venue and distribute additional copies to city staff. Meanwhile, the Marketing team took to the streets, handing cards to attendees waiting in line and to students from the Oakland School for the Arts as they arrived for the celebration. By the time the event began, every single card had been distributed.

The rally card quickly became a scroll-stopping sensation on social media. Across AC Transit's digital channels, the Alysa Liu mural dominated engagement, accounting for four of the top five most-reacted-to social media posts of the year so far. Altogether, the content generated 159,111 impressions across platforms.

An Instagram Reel capturing the excitement of the event alone drew 58,792 views and 5,707 interactions: likes, comments, and shares, both the highest marks the District has recorded in 2026. A separate teaser post featuring the rally card alongside the transit map generated 26,637 views and 941 interactions, with an impressive 88% of engagement coming from people who were not already following RideACT.



KPIX-TV reporter Kevin Ko captures the excitement of the moment during a walk-and-talk live report just before the celebration started, as teens holding District rally cards filled the shot with movement and energy.

Media Affairs also leaned into non-traditional outreach on the ground. Staff pitched the rally card for “walk-and-talk” reporting: used during live television coverage where the reporter delivers their report while walking through an event instead of standing still. Reporters from KGO-TV, KTVU, KPIX-TV, KNTV, Telemundo 48, and KTSF, were provided the compelling behind-the-scenes details: a collaboration with community muralists, rally cards printed overnight by the District's own Print Shop, and a celebration designed so all 2,300-plus AC Transit employees could feel part of the moment. The live buzz grew so strong that the story was ultimately picked up by the national ABC network.



Among the most memorable images broadcast across the country were jubilant fans holding high the AC Transit rally cards, bright symbols of a community celebrating an Olympic champion and the creative partnerships that helped bring the moment to life.

Budget Summary

Results for January, the seventh month of FY 2025–26, indicate that the District’s operating expenses remain broadly aligned with both the average monthly budget and the annual projection. While labor costs for the month came in slightly above budget, non-labor expenses tracked below planned levels, helping keep overall spending close to expectations.

Total labor expenses for January were modestly higher than the average monthly budget, with actuals reaching \$36.6 million compared with a budgeted \$34.6 million. Operator Regular Time remained within the monthly budget; however, year-to-date operator costs are currently exceeding the year-to-date budget. To address this trend, New Bus Operator (NBO) classes have been temporarily paused while staffing levels are recalibrated following recent over-hiring.

Operator Premium Time also finished slightly above budget in January, largely driven by higher-than-average use of paid time-off during the holiday period. Similarly, Miscellaneous Wages and Fringe costs exceeded the monthly average due to elevated paid-time-off usage, a trend that is contributing to a higher year-to-date projection and is being closely monitored by staff.

Health Plan expenses were slightly above the monthly average as well, primarily due to the timing of payments, though costs are expected to remain within the approved annual budget.

Non-labor expenses for January tracked below the average monthly budget, totaling \$14.1 million compared with a planned \$15.9 million. The variance reflects several accounts in this category, trending modestly under budget.

Budget Summary (Budget vs Actuals as of January End, 2026)

\$ in 000's	January		FY 2025-26 (58% of year completed)		
	Budget	Actuals	Budget	Actuals	% Used
Wages					
Operators Regular Time	6,170	5,968	74,035	45,404	61%
Operators Premium Time	1,806	1,993	21,676	12,434	57%
Maintenance Regular Time	2,469	2,196	29,632	16,909	57%
Maintenance Overtime	226	165	2,717	1,330	49%
Salaried Regular Time	4,137	3,636	49,644	29,385	59%
Salaried Overtime	100	71	1,201	571	48%
Misc Wages & Fringe	7,991	10,261	95,888	59,149	62%
Health Plans	6,255	6,665	75,057	42,944	57%
Pension	5,433	5,685	65,200	37,133	57%
Labor Total	34,587	36,639	415,049	245,260	59%
Key Services					
Professional and Tech Svcs	875	579	10,494	3,135	30%
Security Services	1,667	1,265	20,006	9,691	48%
Other Services	1,775	1,589	21,295	8,256	39%
Vehicle Parts	1,249	1,487	14,985	9,434	63%
Fuel & Lubricants	1,365	1,128	16,381	9,798	60%
Misc Supplies & Materials	390	406	4,684	2,170	46%
Utilities	593	567	7,120	3,566	50%
Liability	2,560	2,470	30,715	19,204	63%
Purchased Transportation	4,489	4,102	53,869	29,889	55%
Taxes & Misc	931	503	11,167	5,368	48%
Non-Labor Total	15,893	14,096	190,716	100,511	53%
Grand Total	50,480	50,735	605,765	345,771	57%

● areas over budget

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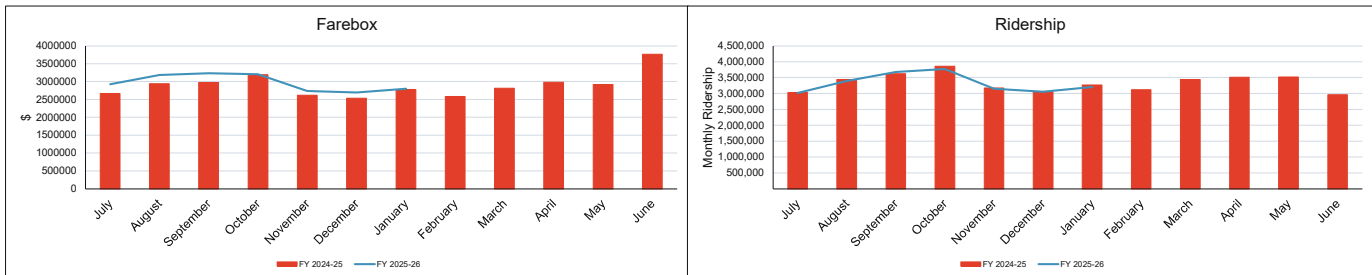
Professional and Technical Services expenditures are notably below the year-to-date budget as part of a targeted effort to reduce or defer certain costs.

Two areas, however, are running above budget. Vehicle Parts costs exceeded both the January and year-to-date budgets due to an increase in accident-related repairs requiring additional part replacements.

Liability expenses also surpassed budgeted levels following the payout of several large claims.

Overall, despite modest fluctuations within individual categories, the District's operating expenses remain generally aligned with current financial projections as staff continue monitoring trends and implementing cost management measures where appropriate.

Farebox Revenue and Ridership
FY 2025-26 vs. FY 2024-25



Farebox Revenue	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	FY Projection
FY 2025-26	2,925,861	3,184,495	3,233,472	3,204,289	2,737,666	2,700,912	2,800,194						20,786,888	35,634,666
FY 2024-25	2,665,963	2,938,996	2,975,787	3,193,065	2,618,563	2,535,473	2,776,021	2,580,295	2,812,442	2,980,812	2,916,556	3,764,426	19,703,857	34,758,388
Y-Y %	9.7%	8.4%	8.7%	0.4%	4.5%	6.5%	0.9%						5.6%	2.5%
FY 2023-24	2,426,377	3,208,376	3,175,689	2,831,595	2,812,522	2,596,688	2,568,046	2,723,843	2,779,179	2,869,602	3,243,656	3,096,620	34,332,195	
FY 2022-23	2,125,902	2,423,509	2,545,561	2,701,189	2,413,388	2,148,142	2,241,310	2,337,789	2,620,407	2,468,050	2,838,746	2,828,051	29,692,045	

NTD Ridership	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD	FY Projection
FY 2025-26	3,016,031	3,391,206	3,673,311	3,771,241	3,152,863	3,057,475	3,205,245						23,267,372	39,886,923
FY 2024-25	3,032,088	3,437,049	3,620,210	3,856,971	3,176,095	3,065,235	3,265,629	3,118,703	3,441,068	3,511,375	3,517,013	2,963,279	23,453,277	40,004,715
Y-Y %	-0.5%	-1.3%	1.5%	-2.2%	-0.7%	-0.3%	-1.8%						-0.8%	-0.3%
FY 2023-24	2,805,547	3,397,560	3,464,582	3,637,773	3,223,045	2,994,966	3,190,593	3,248,973	3,425,931	3,430,494	3,431,644	3,015,555	39,266,683	
FY 2022-23	2,377,977	2,908,645	3,006,534	3,117,377	2,859,953	2,595,953	2,741,568	2,776,502	3,099,633	3,100,238	3,154,143	2,855,248	34,593,791	

Notes:
 1. Farebox revenue is for per-boarding payments only; does not include EasyPass agreements or contract services (BART, City of Oakland, etc.)
 2. Current FY total ridership and farebox revenue projections are based on the average monthly ridership and farebox revenue applied to the rest of the fiscal year.

Human Resources Personnel Report

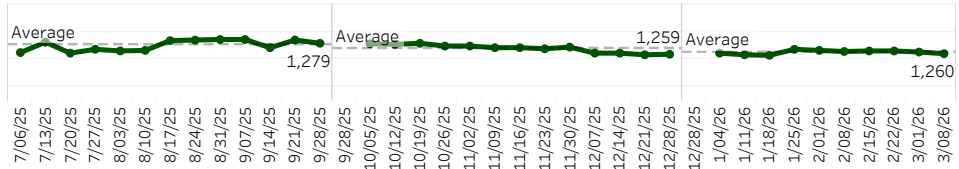
OPEN POSITIONS | Bus Operator: [Approved positions - Division workforce] as of March 8, 2026

Approved Positions	Division Workforce	Open Positions	Open Positions (%)
1,250	1,260	-10	-0.8%

Division Workforce

1,260

[as of: March 8, 2026]

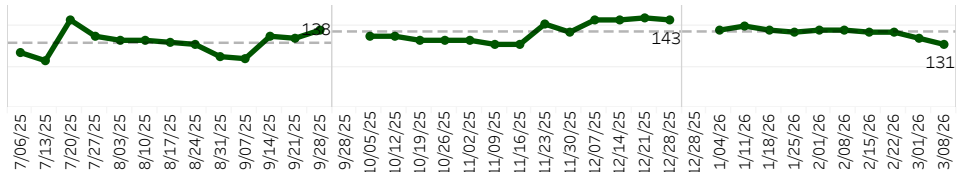


Long-term Leave

131

[as of: March 8, 2026]

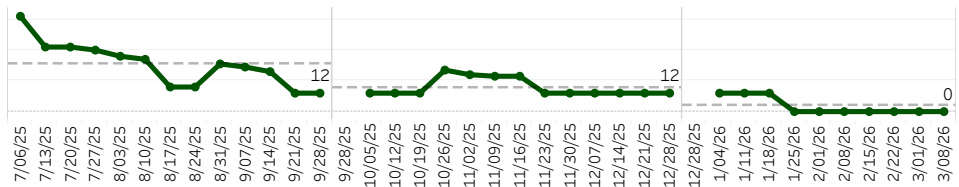
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Training

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[as of: March 8, 2026]



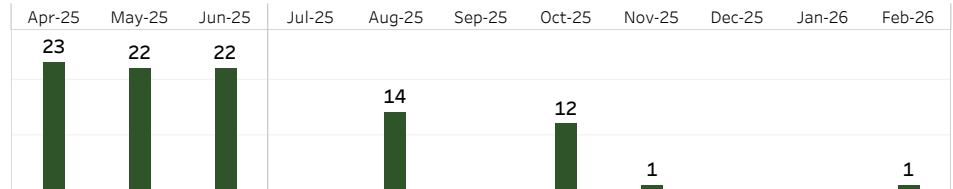
MONTHLY | Bus Operator: Hiring & Workforce Trends

WORKFORCE CHANGE

Hiring

1

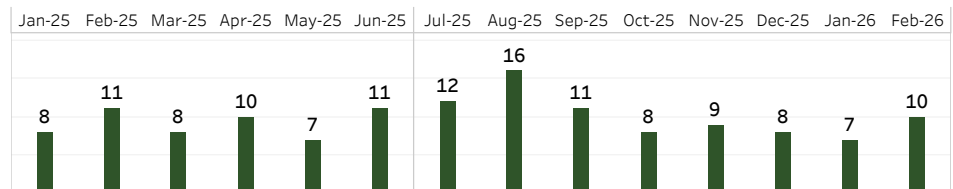
[YTD FY 2026 | February]



Separations

-10

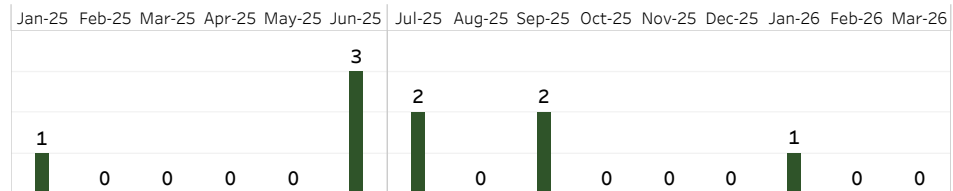
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Promotions

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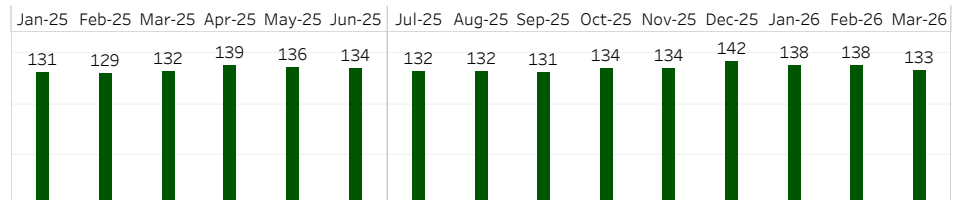
[YTD FY 2026 | February]



Long-Term Leave

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[YTD FY 2026 | February]



FEB 2025 NET GAIN: -9

