

Pandemic Revenue/Cost Impacts

Currently the District is operating at a 75% pre-pandemic (emergency) service level and reduced vehicle capacities to comply with state and county constraints. The pandemic has significantly impacted the District’s ridership and the ability to collect fares. The emergency service has a \$0.53 fare revenue/mile ratio compared to the \$2.76 FY18-19 pre-pandemic level baseline. Although the District reduced its service level by 25%, Operator costs were reduced by 15% due to the gradual reduction in workforce through attrition levels.

Figure 1: Emergency Service Comparative

Service Level	Operator Cost	Annual Ridership	Revenue Miles	Farebox Revenues	Revenue Hour	Revenue/ Mile
Pre-Pandemic (FY18-19)	\$90.8M	53.0M	21.4M	\$59.1M	2.03M	\$2.76
Emergency Service (75%)	\$77.2M	21.1M	16.1M	\$10.2M	1.6M	\$0.53
Pandemic Impacts (Variance)	15%	60%	25%	83%	19%	81%

Operator Need Formula

The formula to calculate the operator need is based on the scheduled service requirements and planned and unplanned operator activities. The quantity of run assignments is multiplied by the extra board factor (31% pre-COVID, 38% in the new normal) to identify the number of needed extra board runs, which are then added to the scheduled operator requirement to get to the total operator need figure. The extra board factor is determined by the following:

Figure 2: Need Definition

Operator for Scheduled Service	Systematic scheduled run assignments quantified by standard runs, split runs, fragment runs, and group reliefs that includes school service.
Operators for Contract & Regulatory Needs	Regulatory compliance training, contractual planned vacation and working out of position (per CBA)
Operators for Unscheduled Needs	Operator absences, industrial injury, and administrative leave
Operators for Line Management	Operator assignments and buses to “shadow” blocks to pick up any riders who could not be carried due to overcrowding on the primary bus

Figure 3: Operator Need Formula

Operator Need	=	Scheduled Runs (N)	+	Regulatory Needs (14%)	+	Unscheduled Needs (22%)	+	Line Management (2%)
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Level of Service (LOS) Recovery Targets

The District will follow Board Policy 471 that prioritizes recovering the supplemental school service first when expanding from its 75% emergency level of service (LOS). The District targets operating at an 83% LOS that will contain the addition of school service in August 2021. After the August 2021 sign-up, the District hopes to restore service levels incrementally at the spring or fall sign-up periods. The following figures list the operator needs by service levels, New Bus Operator (NBO) program certifications under varying physical distancing requirements, and Operator availability based on various service recovery scenarios and certification schedules.

Figure 4: Level of Service Operator Need

SERVICE LEVEL	PLANNED		UNPLANNED		TOTAL OPERATOR NEED
	Scheduled Service	Contractual & Regulatory Needs	Unscheduled Needs	Line Management	
75%	800	112	175	45*	1,132
83%	866	121	191	17	1,195
85%	882	123	194	18	1,217
90%	926	130	204	19	1,279
95%	972	136	214	19	1,341
100%	1021	143	225	20	1,409

*Operator quantity increased up to 6% to accommodate COVID restrictions.

New Bus Operator Program

Current Center for Disease Control (CDC) guidelines require six feet for physical distancing in indoor settings including training classrooms. AC Transit continues to adhere to recommended CDC guidelines including the mandatory wearing of face masks. Physical distancing restrictions limit the ability for staff to increase the number of bus operator recruits to the numbers shown in the table below.

Figure 5: Operator Certification Schedule

Certification by Regulation		Aug 2021	Mar 2022	Max Capacity Total
6' Regulation	Recruitment	36	84	120
	Certification	24	56	80
3' Regulation	Recruitment	45	105	150
	Certification	30	77	107
No Restriction	Recruitment	54	126	180
	Certification	34	91	125

New bus operator (NBO) training class sizes are limited to twelve per class under the current six feet of social distancing requirement as stipulated by CDC guidelines. These limits account for maximizing available training staff to conduct multiple NBO classes as well as continue servicing the array of regulatory daily training required for veteran bus operators. Under current CDC guidelines, the training bus is considered an office or classroom, and the training staff and the trainees are subjected to physical distancing requirements.

The District thoroughly explored options to expand class size limits in an effort to produce more NBOs without having to increase staffing (which would not be feasible for such a short turnaround) or violating recommended CDC guidelines, but to no avail.

Resource Availability

The District has budgeted position count of 1,280 Operators and can project position vacancies using current average attrition rate of 8 per month. When forecasting within the confines of existing CDC restrictions, the District will have Operator availability with an 83% service level in August.

Figure 6: Service Scenarios & Operator Availability

Recovery Scenario	Operator Count (Attrition)	New Bus Operators (Certified)	Available Operators (Net)	Operator Need	Operator Availability (Net-Need)
83% August	1,170	24 (6' Res.)	1,194	1,195	-1
		30 (3' Res.)	1,200		5
		34 (No Res.)	1,204		9
85% August	1,170	24 (6' Res.)	1,194	1,217	-23
		30 (3' Res.)	1,200		-17
		34 (No Res.)	1,204		-13
90% March	1,146	56 (Pessimistic)	1,202	1,278	-41
	1,156	91 (Optimistic)	1,243		-76

Operator Shortfall Mitigations

Coordination efforts with the District’s bargaining unions are exploring options to mitigate the Operator availability shortfalls. Options include reinstating the Bus Operator recruitment open house/orientation days, recruitment focus on candidates looking for a second career, and creating a referral program on NBOs.

The District is also considering slowing Operator attrition by offering a retention bonus as an incentive for higher seniority operators to remain in service. In addition, the District is exploring efforts to have Operators return from long-term leave to help bridge the shortfall.

The Operator assignments for line management can be utilized on regular runs to bridge the gap, which would reduce the Operator shortfall of an 85% LOS in August. However, this will eliminate the standby blocks to pick up any riders who could not be carried due to overcrowding, as the 2% of standby resources would have assigned runs.

Revenue Fleet

An increase from the 75% emergency service will require additional vehicles and mileage on the revenue fleet. The fleet increase can range from 45 to 70 buses and add annual mileage dependent on the scheduled service. Using the District’s cost/mile, the additional fleet cost can range from \$2.2M to \$3.4M annually.

Figure 7: Bus Fleet Demand

Service Level	Total Revenue Fleet (Need)	Revenue Miles (Annual)	Maintenance Cost
85%	514	18.2M	\$2.2M
90%	537	19.0M	\$3.4M

Financial Outlook

The one-time funding received from the CARES Act and anticipated funding received as part of the subsequent CRRSA Act will likely (pending completion of FY21-22 budget process) allow the District to balance its budget and achieve 83-85% of pre-COVID service levels through FY21-22. However, staff cannot guarantee a full return to pre-pandemic funding levels in other revenue sources (sales tax, fares, etc.) by the end of FY21-22. The recently passed American Rescue Plan (ARP) Act will bring additional one-time funding for the District but it is critical the agency has the long-term sources of funding to restore and maintain desired service levels.

The following table summarizes the financial impact of COVID-19 on the District's farebox revenues. FY18-19 serves as the baseline year comparison of ridership and revenues. FY19-20 and FY20-21 farebox revenue shortfalls were supplemented by funds through the CARES/CRRSA acts to offset the difference from the \$59M baseline.

Figure 8: Farebox (Only) Impacts

Fiscal Year	Service Level	Annual Ridership	Baseline Change	Farebox	CARES/CRRSA Supplemental
18-19	100%	53.0M	Baseline	\$59.1M	N/A
19-20	100 to 75%	44.4M	-16%	\$44.6M	\$14.5M
20-21	75%	21.1M	-60%	\$10.2M	\$48.9M

Forecasted ridership recoveries are provided that can be used as assumptions to project farebox revenues. The District assumes that ridership will not reach the pre-pandemic level of 53M and may achieve an 85% level by 2024.

Figure 9: Ridership Recovery Scenario

Ridership Recovery	Annual Ridership Range
65 to 70%	34.5M to 37.1M
70 to 80%	37.1M to 42.4M
80 to 85%	42.4M to 45.1M

Conclusion

This analysis is done to assist the District with a more informed decision-making process to increase its service levels based on current resource and financial needs. The District can support an 83% service increase that is financially sustainable and can mitigate against potential Operator availability shortfalls. However, any additional service above 83% will increase the District's risk exposure to an unsustainable level by requiring increases to the annual budget with high level uncertainty on Operator resources, ridership and farebox recoveries.