Alameda-Contra Costra
Transit District

Keeping the East Bay Moving

The State of AC Transit 2026

Contra Costa Transportation Authority (CCTA)

Harpreet Sandhu, AC Transit Board Director – Ward 1

Salvador Llamas, General Manager/CEO

September 16, 2026

AC Transit At a Glance

- **California's largest public bus-only system**
- 2023 Outstanding Public Transportation System Award

Serving the East Bay since 1960

$606.3M operating budget

Service area:

364 miles

Serving **3+ million** riders monthly

Connecting to **16 transit systems**

13 cities and **8** unincorporated communities in Alameda and Contra Costa counties

65% of riders: low-income

75% of riders: people of color

6 facilities in **4** cities:
- Oakland (3)
- Emeryville
- Hayward
- Richmond

2,266 Employees

Current Ridership

Providing 40 Million Annual Rides

(April 2026 data)

141,000 Weekday

162,559 Saturday & Sunday

9,538 Daily Weekday Transbay

30,000 Student Trips Every School Day

Driving the East Bay Economy

A Workforce-First Employer

Investments in service, maintenance, and capital projects support over

5,100 Jobs

$604 million

in local wages fuel the region's economy

An East Bay Economic Engine

$1 billion

Local Business Sales

Source: The American Public Transportation Association (APTA)

National Leader in Clean Transit

25 Years of Zero Emission Leadership

58 zero emission buses (ZEBs)
(28 battery electric + 30 hydrogen fuel cell)

The nation's first Zero Emission Bus University (ZEBU): the future of workforce development

Awarded $40M in federal grants to help make ZEBU – in Hayward – a reality

CHABOT COLLEGE

ATU

ZEBU Workforce Partnership
A first-of-its-kind transit-college collaboration with Chabot College & union (ATU Local 192)

Investing in communities that depend on transit

Investing In Our Communities

Programs that put riders first

EasyPass

- ***Unlimited rides, one pass***
- ***4.7M Annual Trips***

Deeply discounted annual passes for employers, colleges, and residential communities.

Clipper START

Half-price fares for riders who need it most

50% off every trip for income-eligible adults across Bay Area transit.

Safety Tech

Bus Only Lanes & Bus Stop Enforcement

Onboard camera technology encourages safer driving around buses.

Regional Network Management

Coordinating transit priority across the Bay Area

Working with regional partners to make buses faster and more reliable across major corridors.

Realign

Right-Sizing Our Bus System

Redesigned 104 lines to match today's ridership, improve connectivity, and boost efficiency.

AC Transit Riders Depend on Us More Than Ever

- Higher-income commuters are riding transit less often.
- **Lower-income riders still rely heavily on transit for daily needs.**
- **Over 60% of AC Transit riders earn under $50,000.**
- 70% of Bay Area transit riders earn under $100,000.
- 65% of Bay Area transit riders had no household vehicle available for their trip.

East Bay riders with the fewest transportation options would bear the brunt of possible service cuts.

Sources: S.F. Chronicle, June 29, 2026; MTC 2023–2024 Transit Passenger Snapshot Survey.

Accountability and Oversight

Making every taxpayer dollar count

Strengthening Fare Compliance

Every fare supports service

Following the first fare increase in six years, a second arrives July 1, 2026, paired with a campaign on the importance of paying the fare and reducing evasion through fare compliance.

2026 State Audit Report

Validated by California's State Auditor

AC Transit and five other East Bay transit agencies are already working together well across the region. The real problem is mounting fiscal deficits that threaten service.

SB 63 Financial Efficiency Review

Independent review confirms we're controlling costs

Independent review confirms average annual savings of $33 million since FY20.

Disciplined Financial Management. Strong Credit Rating.

S&P Global Ratings: AA+

One of the highest credit ratings, demonstrating a very strong ability to meet financial obligations.

Financial Outlook

Structural Deficit & Mitigations

What's Behind Our Budget Deficit?

- Emergency relief funding that sustained service through the pandemic is now gone
- Operating costs — wages and benefits, fuel, parts, and bus production — are rising faster than revenues
- Flat regional sales tax revenues

+28%
Fuel

+14%
Bus parts

+35%
Cost of buses

Bus cost increase: 2023–2025

Financial Outlook

Structural Deficit & Mitigations

Smart Cost-Cutting

Every department is tightening spending

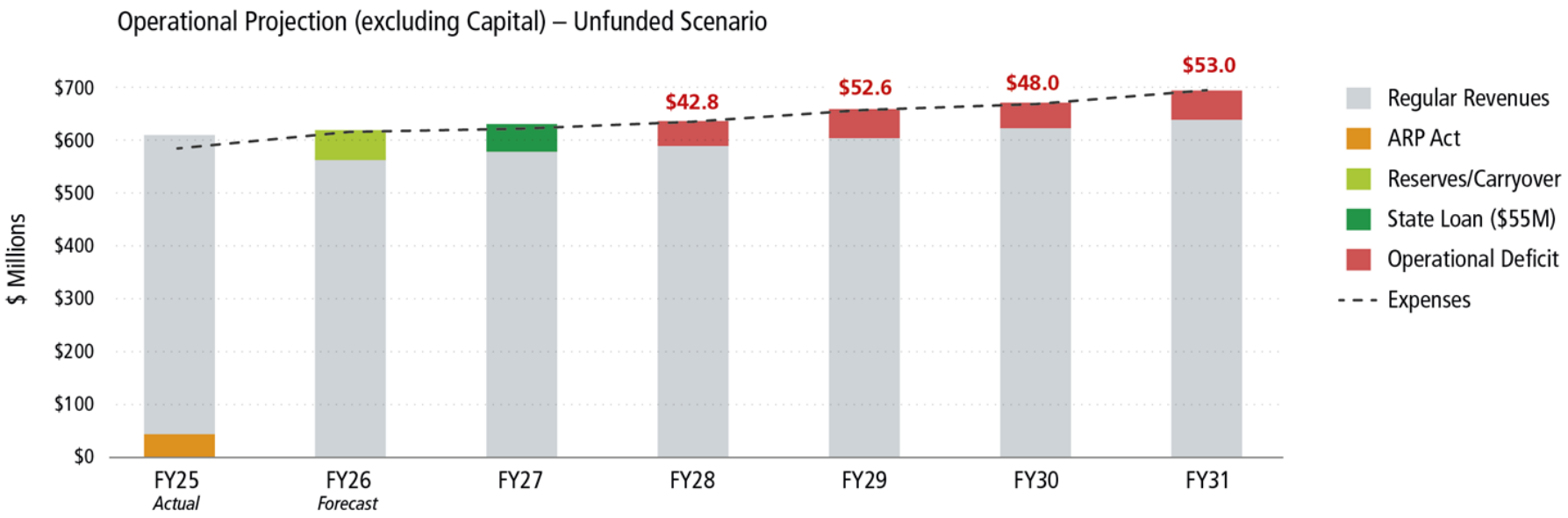
$9M+

In savings delivered in FY 26

- Hiring limited to critical roles that directly support service
- Temporary employees scaled back — saving up to $2M each year
- Brought outside professional services in house
- Partnered with other agencies to buy goods and services for less
- Temporary pension payment plan reduction approved for FY 2026–27

If New Funding Doesn't Materialize

$200M, Projected Four-Year Deficit



▼ 16%
Bus Service

Potential loss of 300 jobs and cuts to 1,500 paratransit trips.

Potential New Funding & Use of Bridge Loan

November 2026 Ballot Measure

- SB 63 authorizes a 5-county sales tax measure: 0.5% in Alameda, Contra Costa, San Mateo and Santa Clara and 1% in San Francisco
- If the measure is approved by voters, AC Transit receives $52M annually
- Would provide funding for other transit operators and local projects prioritized by each county
- Would preserve current bus service levels

Regional Transit Bridge Loan

- $590 million loan offers short-term relief
- **AC Transit will receive $55 million**
- The loan covers most of our $60 million deficit in FY26-27 allowing us to maintain current service levels into the coming fiscal year

Protect as Much as Possible

Plan for the worst, hope for the best

Why Plan for Service Reductions?

- Protect the investments we've made
- Continue to use tax dollars wisely
- Deliver the best service we can in the worst-case scenario
- Protect as much bus service as possible

Guiding Principles

- Maintain the Realign network
- Minimize complete service eliminations
- Focus on span and frequency reductions
- Restructure high-cost services
- Service impacts proportional across bus network

Proposed Contingency Service Plan

Primary Route Network

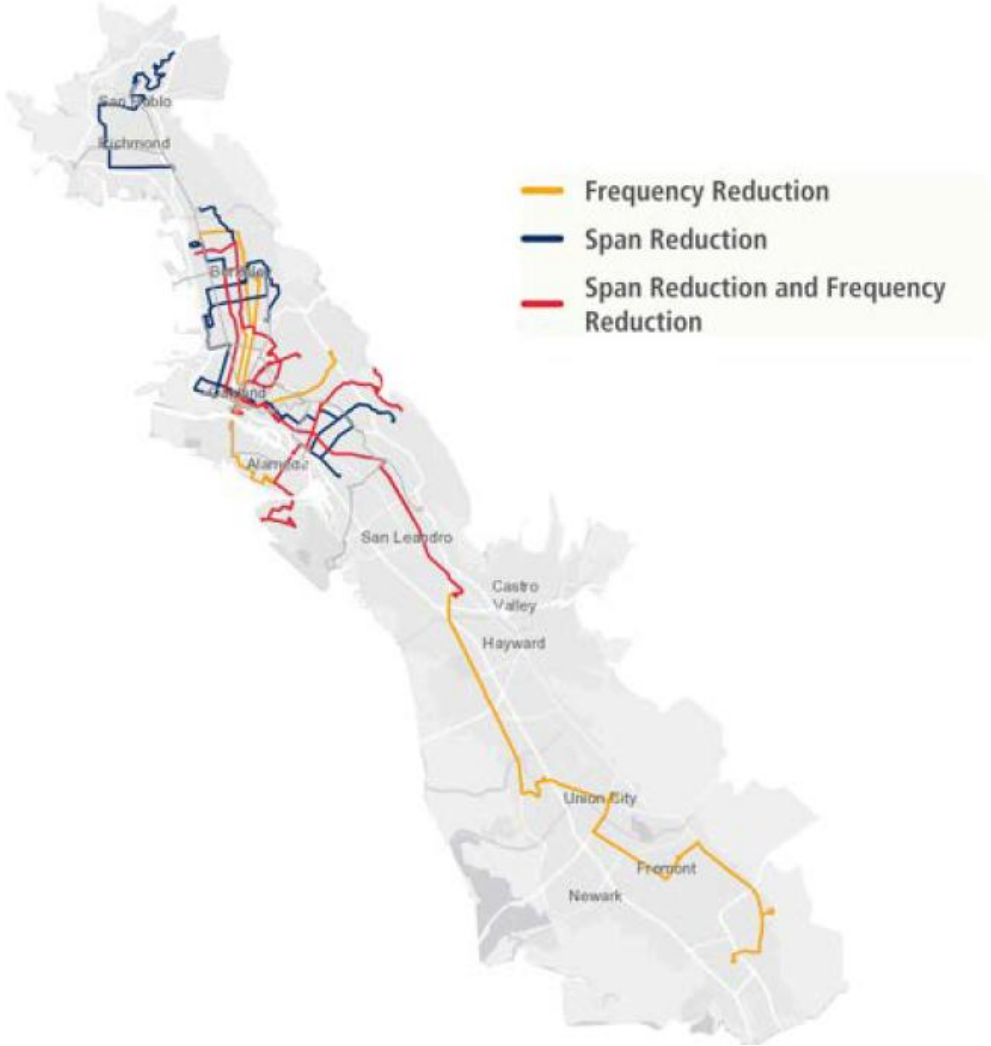
The “backbone” of the network is protected

Lines 1T, 6, 9, 18, 40, 51A, 51B, 52, 57, shared 72/72M/72L:

- Preserved at 15 minutes or better on weekdays

Most other “backbone” lines:

- Daily service with hours no less than 6:00 a.m.–10:00 p.m.
- Every 30 minutes in line with service standards
- 93% of bus lines remain unchanged

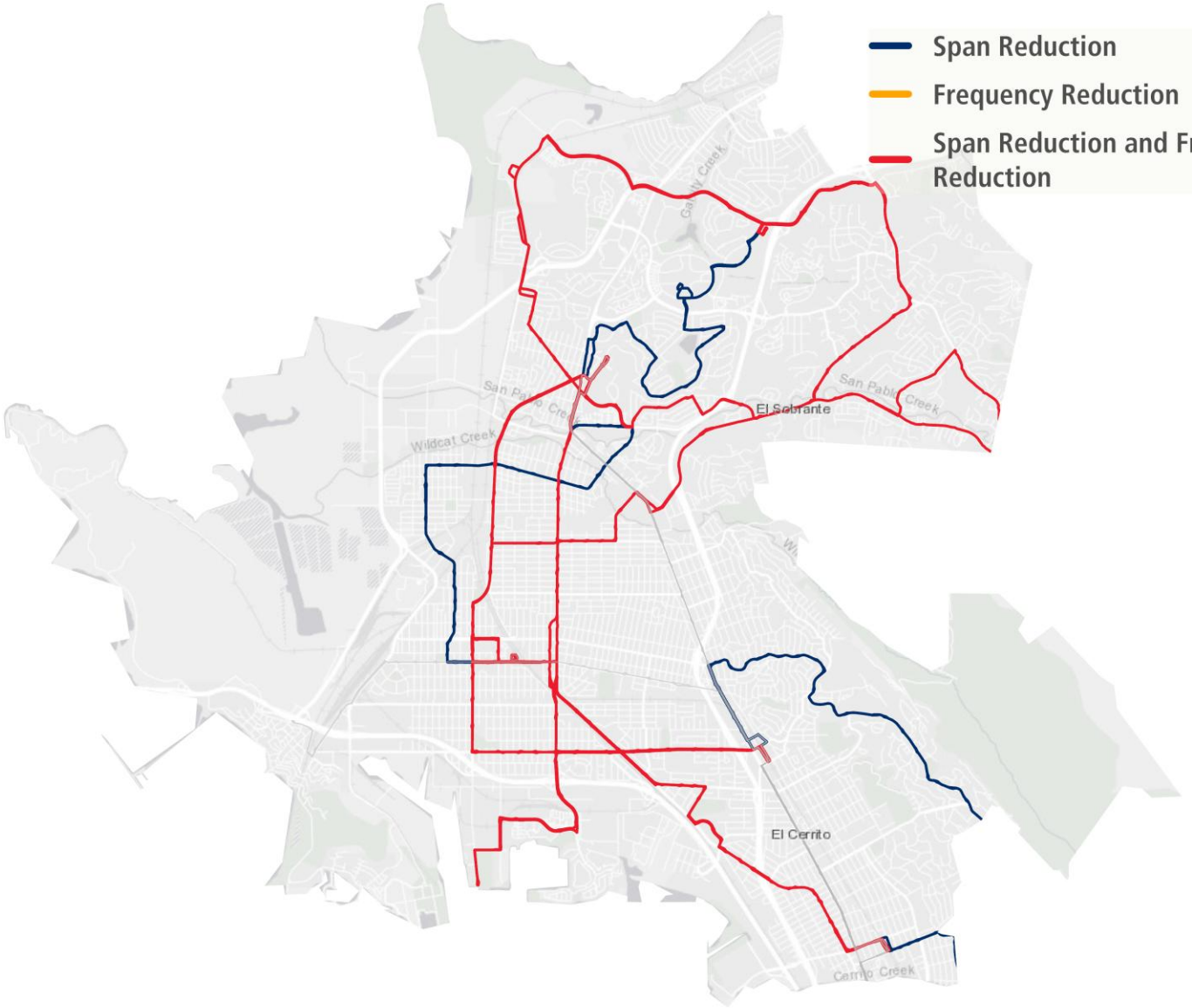


Western Contra Costa County

Line 70/76 on Cutting:
- every 15 minutes on weekdays
- Line 70 truncated at Richmond BART on weekends

Lines 71, 74:
- every 40 minutes on weekdays
- Line 74: Every 40 minutes on weekends
- limited operating hours (7:00a to 7:00p)

Line 76:
- every 40 minutes on weekends
- limited operating hours (6:00a to 10:00p), in line with service standard minimums

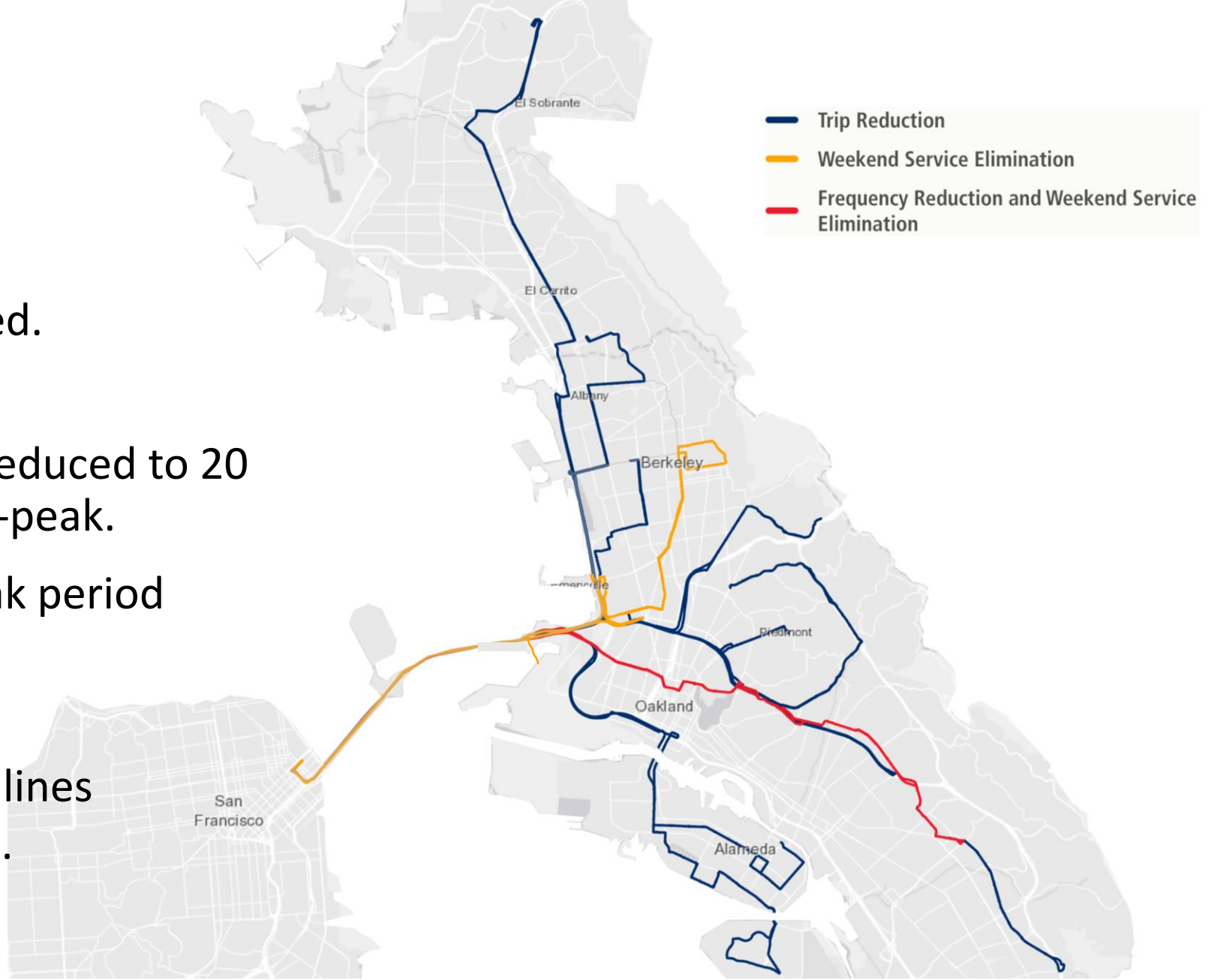


Transbay

All Day Transbay (F, NL, + O) :

- All weekend service eliminated.
- No change to weekday Line F.
- Weekday Line NL frequency reduced to 20 minutes peak, 30 minutes off-peak.
- Weekday Line O operates peak period only.

Peak Period Transbay:
Reduced number of trips on all lines but no outright line elimination.



The Road Ahead

Date	Service Reduction Step
Aug 12, 2026	AC Transit Board Sets Public Hearing
Oct 14, 2026	Public Hearing and Open House
Nov 3, 2026	General Election
Nov 18, 2026 (if needed)	AC Transit Regular Board Meeting
Dec 9, 2026 (if needed)	AC Transit Board Approval
Jun 13, 2027 (if needed)	Implement Service Reductions

Share Your Feedback!

Scan the QR Code to learn more about our Proposed Contingency Plan

***Email**: planning@actransit.org **Visit**: www.actransit.org/contingency-plan*

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